

November 13, 2025

11:00 A.M.

**The Board of Directors will meet at 505 E. Huntland Drive, Suite 220
Austin, Texas 78752 and via Zoom.**

Join the Meeting by using the Link provided below:

<https://us06web.zoom.us/j/89962622179?pwd=8uyj31JWaNPzPzziF1wXiYbg6uy255.1>

**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. ADMINISTRATIVE ITEM

- A. Creation of Ad Hoc Tenant Affairs Committee and appointment of committee members and chair(s)

IV. DIRECTOR'S REPORT

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

V. CONSENT AGENDA

- A. Approval of the Minutes from the October 9, 2025 Regular Meeting
- B. Resolution No. SHFC-2025-36: Revising the organization's Procurement and Purchasing Standards in order to increase the Executive Director's purchasing authority
- C. Resolution No. SHFC-2025-37: Revising the Corporation's Employee Benefits Policy and increase the employer match rate for employee 401K contributions

VI. ACTION ITEMS

- A. Resolution No. SHFC-2025-38: Approving the fiscal year 2026 budget of Strategic Housing Finance Corporation.
- B. Resolution No. SHFC-2025-39: Revising the Board Designated Funds Policy, creating a Portfolio Fund and adjusting target fund balances
- C. Resolution No. SHFC-2025-40: Directing the executive director to assess and implement certain tenant protection policies
- D. Resolution No. SHFC-2025-41: Authorizing the lease of real property and the execution and delivery of certain agreements in connection

with the financing of the project and participation by affiliates of the corporation in a multifamily residential development known as Residences at Rubi; and containing other provisions related thereto

- E. Resolution No. SHFC-2025-42: Revising the Bylaws of the Corporation

VII. DISCUSSION ITEM

- A. 2025 Board Self-Evaluation

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 Negotiation*

- A. Executive Director Evaluation

IX. ADJOURNMENT



VOTING ITEM SUMMARIES



Board Meeting Date: November 13, 2025

Resolution No. SHFC-2025-36: Revising the organization's Procurement and Purchasing Standards in order to increase the Executive Director's purchasing authority

Summary

The proposed resolution revises the existing Purchasing and Procurement Standards to increase the Executive Director's annual purchasing authority from \$76,000 to \$78,000 per contract.

Background Information

On June 27, 2024, the Strategic HFC Board of Directors passed Resolution No. SHFC-2024-35, granting signature authority on behalf of the Corporation to Dianna Grey, in her capacity as Executive Director.

On August 14, 2025, The Strategic HFC Board of Directors passed Resolution No. SHFC-2025-25, adopting Procurement and Purchasing Standards.

In an effort to establish and maintain effective internal controls for the organization, the Procurement and Purchasing Standards establishes a maximum for the Executive Director's purchasing authority, or the amount up to which the Executive Director can obligate the Corporation without additional board approval.

The dollar amount and description of Executive Director purchasing authority should, at a minimum, be reviewed each year concurrent with Strategic HFC's annual budget process. The increase from \$76,000 to \$78,000 is based on inflation.

This resolution also terminates Resolution No. SHFC-2024-56, which was adopted on November 21, 2024 to establish the Executive Director's delegated purchasing authority at \$76,000 per contract. Future updates to the purchasing authority threshold are expected to be addressed via revision to Strategic HFC's Purchasing and Procurement Standards only.

**Fiscal Impact**

Approval of this item does not result in any direct expenditure or immediate fiscal impact.

Attachments

- A. Resolution No. SHFC-2025-36
- B. Revised Procurement and Purchasing Policy



Board Meeting Date: November 13, 2025

Resolution No. SHFC-2025-37: Revising the Corporation's Employee Benefits Policy to increase the employer match rate for employee 401K contributions

Background Information

In Strategic HFC's 2026 operating budget, there is a budgeted increase to the employer match for 401k/retirement plans from 4% to 6%. To ensure the Employee benefits policy reflects the operating budget, an update of the retirement match section is required to indicate the new employer match contribution rate.

This change reflects new information from Strategic HFC's benefits consultant indicating that the statutory maximum allowable 'safe harbor' match (above which Strategic's 401K plan would be subject to onerous year-end testing) is 6% rather than the previously instituted 4%. The increase is reflective of Strategic HFC's desire to provide robust benefits for its employees.

Fiscal Impact

The fiscal impact is reflected in the 2026 operating budget. It represents a 2% increase to the employer match, a total cost of approximately \$28.6K, assuming full employee utilization.

Attachments

- A. Resolution No. SHFC-2025-37
- B. Employee Benefits Policy



Board Meeting Date: November 13, 2025

Resolution No. SHFC-2025-38: To approve the fiscal year 2026 budget of Strategic Housing Finance Corporation.

Background Information

Staff is presenting a proposed budget for fiscal year 2026, after incorporating feedback from two prior board meeting discussions and optional board Q&A sessions.

The projected general operating budget for 2026 is \$3,782,637, which represents a **4% increase over the 2025 approved budget, or \$138,123 in additional expenditure**. This does not include a projected \$225,000 in non-routine legal fees associated with ongoing litigation. Including those non-routine legal fees, the total year-over-year budget increase would be 10%.

Budget Category Overview

Salaries and Related Expenses: \$2,262,266 (*increase of 1%, or \$29,532*)

Salaries and related expenses are the organization's largest expenditure category. The overall increase in this category is 1% over the 2025 budget, reflecting the recent retirement of one employee at the end of 2025. The salary budget was reduced to reflect this decrease in total FTEs, allowing for rehire of this role later in 2026 if desired. A Cost-of-Living Adjustment (COLA) is proposed for all employees, at 2.5% of base salary, up to a maximum of \$3,300. Additionally, a separate pool equal to 2.5% of total salaries is proposed to accommodate any 2025 end-of-year merit-based salary increases. Finally, a pool for 2026 year-end bonuses has been proposed. The budget also contemplates an increase in retirement fund matching contributions from 4% to 6%, and a decrease in budgeted employee benefit costs.

Contract Services: \$848,732 (*increase of 3%, or \$21,232*)

This category includes accounting, routine legal costs, IT services, marketing consultants (to include website redesign), and other general contract and consulting. The most significant driver of increased total budget relates to the organization's annual audit and specialized accounting services. (Note that non-routine legal costs, estimated at \$225,000, currently sit outside of the general operating budget line item)

Non-Personnel Expenses: \$147,659 *(increase of 65%, or \$58,325)*

This category includes routine expenses related to Strategic HFC's day-to-day operations. The largest increases in this category relate to costs associated with access to specialized software and subscription services relevant to the organization's activities. These include \$27,000 annually for Lobby CRE (integrated portfolio data platform), \$12,000 for a TOMA-compliant board meeting & agenda management service, and \$10,000 budgeted for subscriptions to services providing market analytics and submarket-specific rent comparables.

Facility Expenses: \$119,812 *(increase of 43%, or \$36,222)*

Increased costs are associated with Strategic HFC's move to a new office space.

Travel & Conference Expenses: \$105,405 *(increase of 14%, or \$12,573)*

Travel and conference registration costs for both staff and board. Calculations for travel include an estimate of one out of town trip per year for up to 4 Board members, and one and a half out of town trips per year for up to 13 staff members.

Other Program Specific Expenses: \$31,000 *(increase of \$107%, or \$16,000)*

Funding in this category is intended to support events organized by Strategic HFC to support tenant and community engagement.

Other Expenses: \$136,432 *(decrease of 21%, or -\$36,111)*

Funding in this category supports staff development, third-party event sponsorship, and membership dues in industry organizations, as well as other miscellaneous expense. The largest decrease in this category is associated with substantial decrease in the formal operating contingency line.

Revenue Projections

Revenues are projected to continue to be modest in 2026 as the multifamily market recovers, deal flow improves, and occupancy increases. Annual 2026 revenues are projected at \$3,523,106, for a projected excess of expenditure over income of \$128,550. This does not include the anticipated non-routine legal expense of \$225,000, which would cause expenses to exceed revenue by an estimated total of \$353,550.

In response to market conditions, Strategic HFC board and staff began preparing for this scenario last year, creating a board-designated Reserve Fund available to respond to temporary disruptions of the organization's revenue streams. The Reserve Fund balance is equal to one year of operating costs.

Backup: 2026 Proposed Budget



Board Meeting Date: November 13, 2025

Resolution No. SHFC-2025-39: Revising the Board Designated Funds Policy, creating a Portfolio Fund and adjusting target fund balances

Summary

The resolution creates a Portfolio Fund with a target balance of \$4,100,000, and increases the target balance of the Reserve Fund from \$3,600,000 to \$3,700,000, consistent with the proposed 2026 Operating Budget.

Background Information

The purpose of the Board Designated Funds Policy is to ensure the stability of the mission, programs, and ongoing operations of the organization, as well as to ensure a source of internal funds for organizational priorities such as risk mitigation, capital acquisitions or improvements, or programmatic opportunity.

This existing policy (established through Board Resolution No. SHFC-2024-59, November 21, 2024) serves to establish Board Designated Funds and provide guidelines for their use. This resolution authorizes the creation of a new Portfolio Fund and serves as a vehicle for the required annual revision of Target Balances.

The Portfolio Fund is being added to the Policy to create reserves for various investments into existing Strategic HFC portfolio properties, including, but not limited to, purchases of partnership interests, loans to partnerships for capital improvements, and non-recurring legal obligations that may arise from the construction and/or operation of portfolio properties.

The policy establishes

- Target fund balances, with a process for periodic updates to same as part of the annual budget process or by board amendment to the policy
- The conditions under which staff is expected to make transfers into Board Designated Funds (as proposed, once a liquidity standard of 50% of the annual operating budget is met)

- The order and amount of transfers to be made into Board Designated Funds
- The expectation that any withdrawals or transfers out of Board Designated Funds requires Board approval

Proposed target balances included in the policy are:

- Reserve Fund: \$3,700,000 (previous target: \$3,600,000)
- Portfolio Fund: \$4,100,000 (new)
- Housing Production Fund: \$15,000,000 (no change)

Fiscal Impact

There is no direct fiscal impact of the resolution, though transfer of additional assets into the two board-designated funds does reduce liquid assets available for immediate use by staff for operations, since drawing on Board Designated funds will require board action.

Attachments

- A. Resolution No. SHFC-2025-39
- B. Board Designated Funds Policy (proposed)
- C. Board Designated Funds Policy (redline of changes)



Board Meeting Date: November 13, 2025

Agenda Item: VI. C.

Resolution No. SHFC-2025-40: Directing the Executive Director to assess and implement certain tenant protection policies

Background Information

Under current leadership, Strategic has prioritized continuous improvements to tenant experience and reputational repair following prior portfolio challenges. The proposed resolution builds on this commitment and responds to several key policy drivers:

1. **Board direction** from Resolution SHFC-2024-68 to develop a Tenant Bill of Rights (TBOR) and implementation plan.
2. **New statutory mandates** in Strategic HFC's enabling legislation (Texas Local Government Code Chapter 394) introduced by House Bill 21 and effective January 1, 2026, including notice standards, good cause eviction, and voucher protections.
3. **Findings and recommendations** from the recently released report *Strengthening Public Benefits in Tax-Exempt Private Partnership Properties* by the University of Texas at Austin Housing.
4. **Need for mutual adoption of policies** across Travis County public entities to promote consistent tenant protections and prevent creating a competitive disadvantage where Strategic HFC adopts extensive tenant protections and other entities do not.

The resolution directs staff to make a good faith effort to implement the following actions by March 31st, 2026.

1. Begin tracking and reporting voucher utilization rates portfolio wide.
2. Require new mixed-income developments partnering with Strategic HFC to disclose all mandatory fees at the time of application
3. Require new mixed income developments partnering with Strategic HFC to cap late fees below statutory maximum



4. Require new mixed income developments partnering with Strategic HFC to cap application fees and other up-front costs

Additionally, the resolution directs staff to work with the existing roundtable of peer entities in Travis County to identify possible shared baseline tenant protections. An update is requested by July 31, 2026, and final recommendations are to be made year-end 2026.

Additional details can be found in the attached memo.

Fiscal Impact

There is no immediate fiscal impact to the organization from this resolution.

Attachments

1. Resolution SHFC 2025-40
2. Tenant Protection Memo



Board Meeting Date: November 13th, 2025

Resolution No. SHFC-2025-41: Resolution (The “Resolution”) of the board of Directors of Strategic Housing Finance Corporation of Travis County (The “Corporation”) authorizing the lease of real property and the execution and delivery of certain agreements in connection with the financing of the project and participation by affiliates of the corporation in a multifamily residential development known as Residents at Rubi; and containing other provisions related thereto

Recommended Action

This resolution authorizes the lease of real property and the execution and delivery of certain agreements in connection with the financing and participation by affiliations of Strategic HFC in a multifamily residential development known as Residences at Rubi (formerly known as Frontier Valley) located at 1418 Frontier Valley, Austin, TX 78741.

Project Summary

Residences at Rubi is a 101-unit newly constructed five-story multifamily building located in Southeast Austin. The property will be committed to the following affordability mix:

- 6 units at 30% MFI
- 15 units at 50% MFI
- 30 units at 70% MFI
- 40 units at 120% MFI
- 10 units at Market

Process & Closing

In May of 2024, the Strategic HFC board approved moving forward with negotiating a partnership with the developer of the project, Notional Development (formerly known as Heartwood Real Estate Group). This will be Strategic HFC’s first partnership with Notional.

Based on the process that Strategic HFC utilized at the time, initial board approval of a deal based was based on presentation of basic deal terms and a public benefit analysis,



and the first approval authorized the Executive Director to negotiate a Memorandum of Understanding (MOU) with the developer partner.

Under this system, Strategic HFC staff negotiated an MOU for Residences at Rubi, which was executed in January 2025. The development is now returning for the final required board approval of partnership documents.¹ There has been no significant deviation from the initial deal terms approved by the board in May 2024. Notional Development plans to close the transaction in the days immediately following the board meeting.

The property is currently in lease-up with 22% of units leased. Since the property has not yet hit stabilized occupancy, closing on the new partnership would be done with an extension and modification of the current construction loan from Happy State Bank in place. Once the property stabilizes next year it will convert to permanent financing.

Because of legislative changes impacting the project, the transaction closing has been significantly delayed. However, if the deal does not close by November 15th, it will have to go back through review by the lender for approval of the extension on the current construction loan. Notional and the investor partner, PPR, have set a target closing date for this partnership of November 14th. Due to this timing constraint Staff does not recommend delaying voting on this item.

Public Benefit

The initial public benefit score in May 2024 was 95.41 which included the property opting into 5 bonus point categories (Architecture, Local Public Sector Workers, Decarbonization and Lease Addendum). As of the latest rent commitments, the public benefit score has increased to 103.94 when including bonus points (97.44 without bonus points).

This will be Strategic HFC's first partnership to close that has committed to participate in the local public sector workers program.

¹ Strategic HFC staff now bring a completed MOU as consideration for first board approval. For deals where the board has approved the substantially complete MOU, a return for approval of final documents is only needed if terms in those final documents differ significantly from the approved MOU.



Because the details of the public sector workers preference had not been defined at the time of original approval and MOU, the details of Notional's commitment were negotiated specific to this deal and entail the following:

- Developer agrees to affirmatively market 25% of total units to households with at least one member employed by a Travis County taxing entity.
- Qualifying households will be eligible for a one-time waived admin fee and one-time additional rental concession equal to 1 month's rent.
- Developer will target leasing 25% of units to qualifying households in the first year of the partnership. If after the first 12 months this target has not been achieved Developer will direct property management to hold vacant units for up to 30 days at a time for an eligible household until the 25% target has been met.

Compliance with new Chapter 394 Requirements

This is also Strategic HFC's first mixed-income or "workforce" deal after the passage of the Texas Legislature's House bill 21 (HB 21) which created significant new requirements for HFC deals, particularly workforce deals.

This deal meets all HB21 requirements and the current draft rules, including a "good faith" report which demonstrates that Strategic expects the project to meet the required 50% rent reduction test in years 3,4 and 5 of the partnership (see additional backup for the report). The test requires that the amount of estimated rent subsidy (difference of market rent to affordable rent) provided should equal at least 50% of the estimated property tax that the property would otherwise pay.

Since the current HB 21 rules are still in draft form and not expected to be passed by the Texas Department of Housing and Community Affairs (TDHCA) until December, the regulatory agreement does include language that the deal will conform with any future regulatory rules.



Fiscal Impact

Total fees from Strategic HFC's participation in the project are estimated at approximately \$2.5M over 15 years. Anticipated fees include:

- Annual Ground Lease Payments beginning at \$50,464, with a 3% annual escalator, totaling approximately \$860K over 15 years
- Annual management fees beginning at \$10,000 with a 3% annual escalator, totaling approximately \$170,000 over 15 years.

In addition to the earned fees noted above, Strategic HFC would receive 5% of net cash flow and 5% of net gross proceeds upon sale or refinance.

Attachments

1. Resolution No. SHFC-2025-41
2. HB 21 "Good Faith" Report

Links to other backup documents

3. [Hilltop Securities Memo](#)
4. [Executed MOU](#)
5. [Ground Lease](#)
6. [Limited Partnership Agreement](#)
7. [Regulatory Agreement](#)
8. [Amendment to Property Management Agreement](#)
9. [Loan Documents](#)



Board Meeting Date: November 13, 2025

Resolution No. SHFC-2025-42: Approving revisions to the Bylaws of the Corporation

Summary

The purpose of this revision to the Corporation's Bylaws is to add the officer position of Past President.

Background Information

The Past President role is being created to provide support to the Board of Directors drawing on their experience as a former Board President, and to be involved in the Executive Committee. Notable revisions include:

Section 3.1: Revisions add the Past President officer with a one year term. Additionally, language has been slightly modified to clarify that a Director may not serve in a single Executive Committee position for more than two years.

Section 3.10: This is a new section that defines the Past President officer.

Section 4.6.1: The Past President has been added to Executive Committee.

Fiscal Impact

There is no fiscal impact of the resolution.

Attachments

- A. Resolution No. SHFC-2025-42
- B. Proposed Revised Bylaws
- C. Blacklined changes to Bylaws



BACKUP DOCUMENTS



IV.A. DIRECTOR'S REPORT

Financial Statements

Finance Narrative



Financial Dashboard - September 2025

Strategic Housing Finance Corp.
September 2025

Published on 21 Oct 2025

Financial Statements

STATEMENT OF FINANCIAL POSITION	2025 (YTD)	2024 (YTD)	Variance (\$)
ASSETS			
Cash & Equivalents			
Cash			
IBC Checking x0896	\$231,512	\$171,154	\$60,358
Bill.com Money Out Clearing	\$0	\$52	(\$52)
Tex Pool Investment x0001	\$23,160,883	\$8,841,523	\$14,319,361
Total Cash & Equivalents	\$23,392,395	\$9,012,728	\$14,379,667
Accounts Receivable			
Accounts Receivable	\$497,500	\$472,500	\$25,000
Other Current Assets			
Other Current Assets			
Prepaid Expenses	\$380	\$413	(\$33)
Security Deposit	\$7,284	\$5,073	\$2,211
Total Other Current Assets	\$7,664	\$5,486	\$2,178
Total Current Assets	\$23,897,559	\$9,490,714	\$14,406,845
Fixed Assets			
Fixed Operating Assets			
Computers and IT	\$3,885	\$3,885	\$0
Furniture, Fixtures, & Equipment	\$0	\$2,055	(\$2,055)
Lease Office (ROU)	\$73,092	\$39,915	\$33,177
Total Fixed Operating Assets	\$76,977	\$45,855	\$31,122
Accum Depreciation - Fixed Operating Assets			
Accum Deprec - Computers and IT	(\$3,885)	(\$3,691)	(\$194)
Accum Deprec - Furn, Fix, Equip	\$0	(\$2,055)	\$2,055
Accum Deprec - Lease Office (ROU)	(\$68,651)	(\$12,282)	(\$56,370)
Total Accum Depreciation - Fixed Operating ...	(\$72,537)	(\$18,027)	(\$54,509)
Total Fixed Assets	\$4,440	\$27,828	(\$23,388)
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	\$649,440	\$672,828	(\$23,388)
Total Assets	\$24,546,999	\$10,163,542	\$14,383,457
LIABILITIES			
Short Term Debt			
FNBO Visa CC x5118	\$3,356	\$9,587	(\$6,231)
Divvy Payable	\$5,619	\$0	\$5,619
Total Short Term Debt	\$8,975	\$9,587	(\$612)
Accounts Payable			
Accounts Payable (A/P)	\$33,561	\$36,196	(\$2,634)
Other Current Liabilities			
Accrued Liabilities			
Lease Office Liability	\$5,186	\$32,610	(\$27,424)
Accrued Payroll			
Accrued Payroll - PTO	\$29,954	\$15,697	\$14,257
Grants Payable	\$608,400	\$0	\$608,400
Total Other Current Liabilities	\$643,540	\$48,307	\$595,233
Total Current Liabilities	\$686,076	\$94,090	\$591,986
Total Non-Current Liabilities	\$0	\$0	\$0

	2025 (YTD)	2024 (YTD)	Variance (\$)
Total Liabilities	\$686,076	\$94,090	\$591,986
NET ASSETS			
Retained Net Assets			
Net Assets without Donor Restrictions	\$7,636	\$8,791,252	(\$8,783,616)
Current Net Assets			
Net Revenue	\$6,443,917	\$1,278,200	\$5,165,717
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	\$23,860,923	\$10,069,452	\$13,791,470
Total Liabilities & Net Assets	\$24,546,999	\$10,163,542	\$14,383,457

STATEMENT OF ACTIVITIES	Sep 2025	Budget (Sep 2025)	This month vs budget (%)	This month vs budget (\$)
Income				
Program Sales & Fees				
Asset/Partnership Management Fee	\$77,442	\$20,321	281.10%	\$57,121
Construction Admin Fees	\$0	\$5,635	-100.00%	(\$5,635)
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	\$11,641	\$11,333	2.71%	\$308
Total Program Sales & Fees	\$89,083	\$189,240	-52.93%	(\$100,157)
Misc. Revenue	\$0	\$141,439	-100.00%	(\$141,439)
Interest	\$82,901	\$31,250	165.28%	\$51,651
Total Income	\$171,984	\$361,929	-52.48%	(\$189,945)
Expenses				
Salaries & Related Expenses				
Salaries & Wages	\$100,139	\$120,255	-16.73%	(\$20,116)
Retirement Fund Contributions	\$4,349	\$4,810	-9.59%	(\$461)
Employee Benefits	\$17,201	\$39,669	-56.64%	(\$22,468)
Payroll Taxes	\$8,257	\$10,402	-20.62%	(\$2,145)
Payroll Service Fees	\$610	\$674	-9.54%	(\$64)
Paid Time Off	\$8,383	\$2,909	188.22%	\$5,474
Employee Incentive Pay	\$0	\$7,096	-100.00%	(\$7,096)
Workers Comp	\$302	\$247	22.01%	\$54
Total Salaries & Related Expenses	\$139,239	\$186,061	-25.16%	(\$46,822)
Contract Service Expenses				
Contract & Consulting	\$23,343	\$45,042	-48.18%	(\$21,699)
Accounting	\$25,459	\$4,417	476.43%	\$21,042
Attorney & Legal	\$37,380	\$6,667	460.71%	\$30,714
IT Consultant	\$3,480	\$4,167	-16.48%	(\$687)
Marketing Consultant	\$1,500	\$8,667	-82.69%	(\$7,167)
Total Contract Service Expenses	\$91,162	\$68,958	32.20%	\$22,204
Nonpersonnel Expenses				
Supplies	\$83	\$600	-86.15%	(\$517)
Food & Refreshments	\$1,316	\$1,000	31.63%	\$316
Telephone & Internet	\$1,396	\$1,654	-15.58%	(\$258)
Postage & Shipping	\$0	\$100	-100.00%	(\$100)
Equipment Rental	\$340	\$400	-15.04%	(\$60)
Software & Hardware < \$5,000	\$19,437	\$2,649	633.71%	\$16,787
Printing & Copying	\$0	\$208	-100.00%	(\$208)
Subscriptions	\$417	\$300	38.95%	\$117
Furnishings & Fixtures < \$5,000	\$140	\$533	-73.75%	(\$393)
Total Nonpersonnel Expenses	\$23,129	\$7,444	210.68%	\$15,684
Facility Expenses				
Office & Storage Rent	\$4,462	\$4,529	-1.47%	(\$67)
Utilities	\$2,094	\$1,812	15.57%	\$282
Repairs & Maintenance	\$0	\$625	-100.00%	(\$625)
Total Facility Expenses	\$6,556	\$6,966	-5.88%	(\$410)
Travel & Conference Expenses				
Transportation	\$302	\$500	-39.50%	(\$198)
Airfare	\$0	\$1,200	-100.00%	(\$1,200)
Meals	\$556	\$736	-24.41%	(\$180)
Hotels & Lodging	\$3,135	\$1,950	60.77%	\$1,185

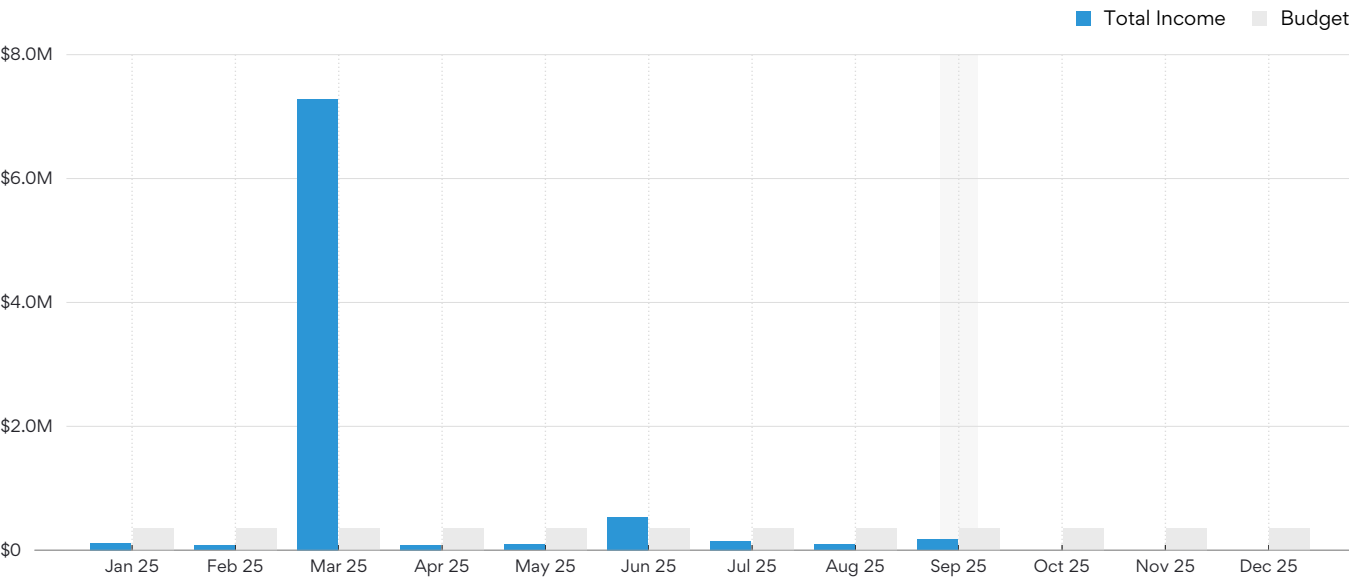
	Sep 2025	Budget (Sep 2025)	This month vs budget (%)	This month vs budget (\$)
Conference Registration Fees	\$680	\$2,200	-69.09%	(\$1,520)
Vehicles	\$0	\$1,150	-100.00%	(\$1,150)
Total Travel & Conference Expenses	\$4,674	\$7,736	-39.58%	(\$3,062)
Other Program Specific Expenses				
Community Events	\$50	\$1,250	-96.00%	(\$1,200)
Other Expenses				
Insurance - Non-employee Related	\$0	\$4,167	-100.00%	(\$4,167)
Membership Dues - Organization	\$82	\$625	-86.84%	(\$543)
Staff Development	\$7,097	\$1,663	326.91%	\$5,435
Advertising Expenses	\$350	\$100	250.00%	\$250
Sponsorships	\$0	\$2,083	-100.00%	(\$2,083)
Other Expenses	\$92	\$5,741	-98.41%	(\$5,650)
Total Other Expenses	\$7,621	\$14,379	-47.00%	(\$6,757)
Total Expenses	\$272,431	\$292,794	-6.95%	(\$20,364)
Operating Surplus/Deficit	(\$100,447)	\$69,135	-245.29%	(\$169,582)
Change in Net Assets	(\$100,447)	\$69,135	-245.29%	(\$169,582)

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	\$114,842	\$182,886	-37.21%	(\$68,044)
Construction Admin Fees	\$298,148	\$50,717	487.87%	\$247,431
Bond Issuer/Admin Fee	\$49,950	\$194,402	-74.31%	(\$144,452)
Developer/Origination Fee	\$94,602	\$1,049,195	-90.98%	(\$954,593)
Application Fee	\$20,000	\$0	-	\$20,000
Land Lease	\$0	\$123,961	-100.00%	(\$123,961)
Partnership Cash Flow Distribution	\$127,312	\$101,999	24.82%	\$25,313
Sales/Refinance Distribution	\$7,185,674	\$0	-	\$7,185,674
Total Program Sales & Fees	\$7,890,528	\$1,703,159	363.29%	\$6,187,369
Misc. Revenue	\$2,205	\$1,272,951	-99.83%	(\$1,270,746)
Interest	\$705,591	\$281,250	150.88%	\$424,341
Total Income	\$8,598,324	\$3,257,360	163.97%	\$5,340,964
Expenses				
Salaries & Related Expenses				
Salaries & Wages	\$820,366	\$1,082,292	-24.20%	(\$261,926)
Retirement Fund Contributions	\$37,508	\$43,292	-13.36%	(\$5,784)
Employee Benefits	\$156,177	\$357,019	-56.26%	(\$200,841)
Payroll Taxes	\$72,302	\$93,618	-22.77%	(\$21,316)
Payroll Service Fees	\$5,296	\$6,064	-12.67%	(\$768)
Paid Time Off	\$122,887	\$26,177	369.46%	\$96,711
Employee Incentive Pay	\$3,065	\$63,865	-95.20%	(\$60,799)
Workers Comp	\$2,124	\$2,225	-4.51%	(\$100)
Total Salaries & Related Expenses	\$1,219,726	\$1,674,551	-27.16%	(\$454,825)
Contract Service Expenses				
Contract & Consulting	\$203,663	\$405,375	-49.76%	(\$201,712)
Accounting	\$61,169	\$39,750	53.88%	\$21,419
Attorney & Legal	\$349,681	\$60,000	482.80%	\$289,681
IT Consultant	\$25,434	\$37,500	-32.18%	(\$12,066)
Marketing Consultant	\$31,826	\$78,000	-59.20%	(\$46,174)
Total Contract Service Expenses	\$671,773	\$620,625	8.24%	\$51,148
Nonpersonnel Expenses				
Supplies	\$2,524	\$5,400	-53.25%	(\$2,876)
Food & Refreshments	\$6,699	\$9,000	-25.56%	(\$2,301)
Telephone & Internet	\$11,038	\$14,884	-25.84%	(\$3,845)
Postage & Shipping	\$195	\$900	-78.29%	(\$705)
Equipment Rental	\$2,925	\$3,600	-18.74%	(\$675)
Software & Hardware < \$5,000	\$57,676	\$23,842	141.91%	\$33,834
Printing & Copying	\$1,255	\$1,875	-33.04%	(\$619)
Subscriptions	\$811	\$2,700	-69.98%	(\$1,889)
Furnishings & Fixtures < \$5,000	\$8,161	\$4,800	70.03%	\$3,361
Total Nonpersonnel Expenses	\$91,286	\$67,000	36.25%	\$24,286
Facility Expenses				
Office & Storage Rent	\$44,989	\$40,763	10.37%	\$4,227
Utilities	\$16,555	\$16,305	1.53%	\$250
Repairs & Maintenance	\$1,988	\$5,625	-64.66%	(\$3,637)
Total Facility Expenses	\$63,532	\$62,693	1.34%	\$840
Travel & Conference Expenses				
Transportation	\$1,875	\$4,500	-58.34%	(\$2,625)
Airfare	\$7,225	\$10,800	-33.10%	(\$3,575)

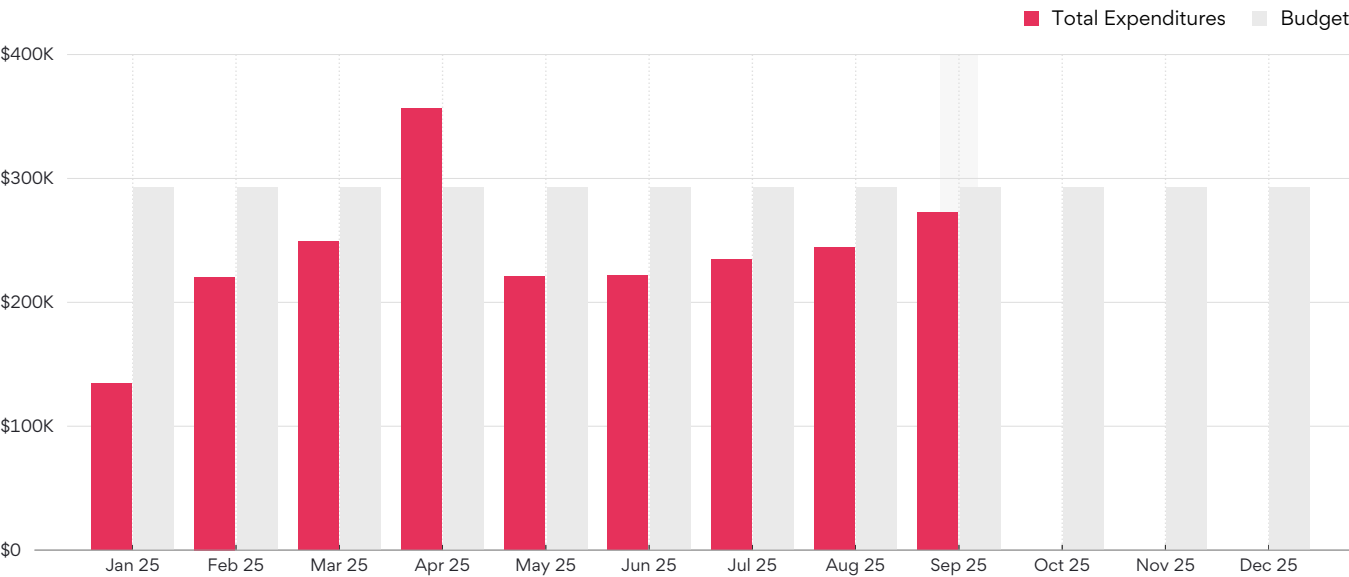
	2025 (YTD)	Budget (YTD)	This year vs budget (% YTD)	This year vs budget (\$ YTD)
Meals	\$5,065	\$6,624	-23.54%	(\$1,559)
Hotels & Lodging	\$14,363	\$17,550	-18.16%	(\$3,187)
Conference Registration Fees	\$19,774	\$19,800	-0.13%	(\$26)
Vehicles	\$262	\$10,350	-97.47%	(\$10,088)
Total Travel & Conference Expenses	\$48,564	\$69,624	-30.25%	(\$21,060)
Other Program Specific Expenses				
Community Events	\$50	\$11,250	-99.56%	(\$11,200)
Other Expenses				
Insurance - Non-employee Related	\$0	\$37,500	-100.00%	(\$37,500)
Membership Dues - Organization	\$3,763	\$5,625	-33.10%	(\$1,862)
Staff Development	\$29,015	\$14,963	93.92%	\$14,052
Bank Fees	\$220	\$0	-	\$220
Advertising Expenses	\$1,277	\$900	41.89%	\$377
Sponsorships	\$20,750	\$18,750	10.67%	\$2,000
Business Taxes & Licensing Fees	\$4,197	\$0	-	\$4,197
Other Expenses	\$254	\$51,670	-99.51%	(\$51,416)
Total Other Expenses	\$59,476	\$129,407	-54.04%	(\$69,931)
Total Expenses	\$2,154,407	\$2,635,150	-18.24%	(\$480,743)
Operating Surplus/Deficit	\$6,443,917	\$622,211	935.65%	\$5,821,706
Change in Net Assets	\$6,443,917	\$622,211	935.65%	\$5,821,706

Budget vs. Actuals Overview

Monthly Revenue vs Budget



Monthly Expenses vs Budget



KPIs (This year vs target)	Sep 2025	Budget (This Month)	YTD	Budget (YTD)	Budget (Current Year)
Total Income	\$171,984	\$361,929	\$8,598,324	\$3,257,360	\$4,343,147
Total Expenditures	\$272,431	\$292,794	\$2,154,407	\$2,635,150	\$3,513,533



September 2025 Finance Narrative

Summary

At the close of September, Strategic HFC's net assets totaled \$24.55M.

Performance against budget is strong and favorable, with YTD revenues of \$8.59M exceeding YTD budgeted revenue (\$3.26M) and total YTD expenditures of \$2.15M under budgeted projections (\$2.64M).

Strategic HFC's net income for this YTD reporting period is \$6.44M - a notable increase over budgeted projections (\$622.2K). 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: September 30, 2025	
Cash in bank (IBC)	\$ 231,512.00
Housing Production Fund (held in TexPool)	\$ 15,000,000.00
Reserve Fund (held in TexPool)	\$ 3,600,000.00
Unallocated cash in Texpool investments	\$ 4,560,883.00
Total Cash	\$ 23,392,395.00
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	16.37
Total months of operating cash available	28.66



- 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 nearly 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 84% of all revenue received YTD in 2025.

Budget Performance

Year to Date Budget Performance

At the end of September, 75% of the 2025 fiscal year had passed. So far, the organization has earned 198% of total anticipated revenue and spent 61% 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	\$ 8,598,324	\$ 4,343,147	198%	75%
Expenses	\$ 2,154,407	\$ 3,513,533	61%	75%
Net	\$ 6,443,917	\$ 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 diminished the number of new deals, postponed closings, and negatively impacted cash flow in the operating portfolio. Without Silver Springs revenue, Strategic HFC has earned 33% of annual budgeted revenue. However, an anticipated receipt of an anticipated \$800K+ developer fee by year-end would move the organization significantly closer to annual projected revenue levels even when excluding Silver Springs sale revenue.

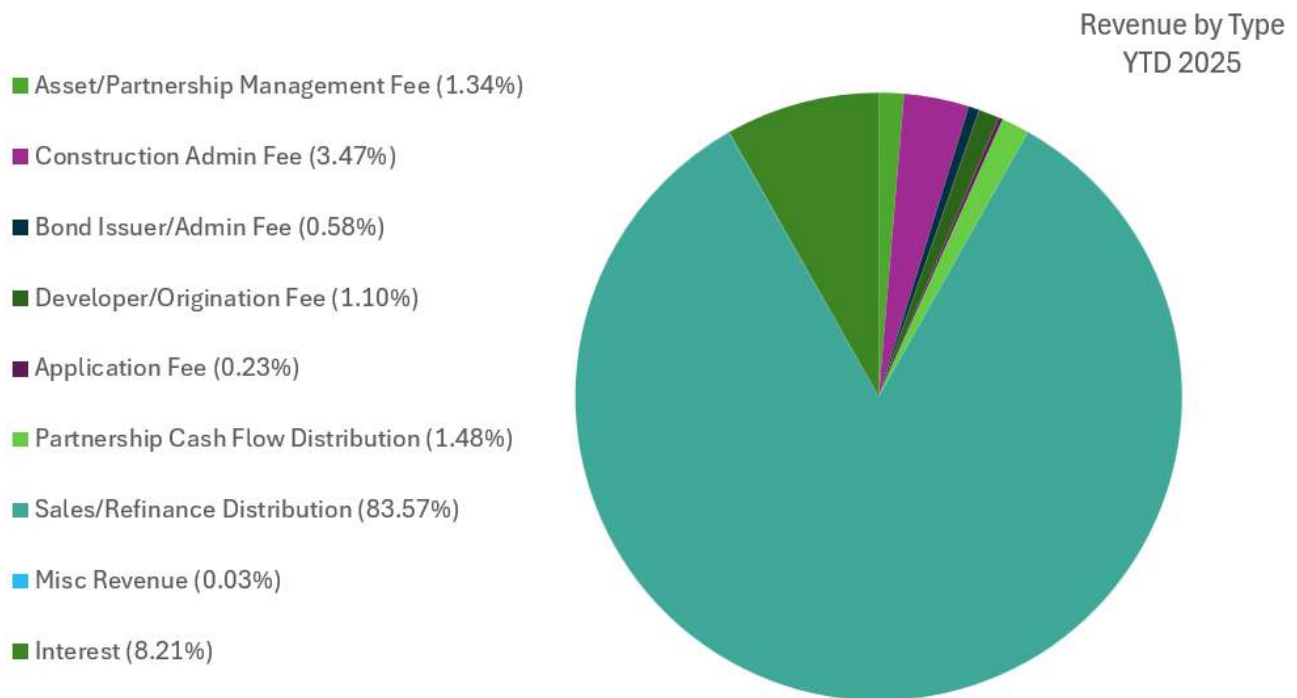
EXCLUDING SILVER SPRINGS SALE REVENUE				
	2025 Actuals (YTD)	2025 Budget (Full Year)	Progress Through Annual Budget	Progress Through Year
Revenue	\$ 1,412,650	\$ 4,343,147	33%	75%
Expenses	\$ 2,154,407	\$ 3,513,533	61%	75%
Net	\$ (741,757)	\$ 829,614		



Budget Performance Detail: Revenue & Expense

Revenue

Specific revenue receipts in September included a total of \$89.1K in fee distributions from one property, as well as \$82.9K in interest income. As discussed above, most of the revenue recorded in 2025 is associated with the sale of Silver Springs, though Q3 has seen an increase in programmatic revenue received.





Notable Expense Budget-to-Actual Variances

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 September 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 be counterbalanced by savings in the salary line item by year end. 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 \$33.83K YTD as new tools have been purchased for the organization. The largest expenditures in this line are the following:

- 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 ~\$12.9K 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 \$180K YTD.
- 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.

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 September 30, the non-routine legal costs have exceeded this estimate and currently total \$334.76K (95%) of the \$349.7K 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 this additional expenditure with approval from the Board of Directors if necessary.

Furnishings & Fixtures >\$5000: Costs of \$8,161 YTD are associated with the office expansion and related furniture and fixture needs and exceed the YTD budget by \$3,361. Spending in this category was higher than budgeted as staff optimized office space in Q1 2025 and is expected to continue to rise throughout year end as the new office space at Centennial Towers is occupied in Q4 of 2025.

Staff Development: Expenditures YTD total \$29.1K, representing \$14K 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 for this line item will surpass budgeted amounts by year end.

Business Taxes & Licensing Fees: No funds were assigned here in Strategic HFC'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.



V.A. CONSENT AGENDA

Approval of the Minutes from the October 9, 2025 Regular Meeting

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

**1033 La Posada Drive, Suite 180
Austin, Texas 78752
October 9, 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/october-9th-2025>

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

A quorum was established, and President Jan Wenig called the meeting to order at 11:03a.m.

Directors in attendance: President Jan Wenig; First Vice-President Kecia Prince; Second Vice-President Ashley Huddleston; Director Julio Gonzalez Altamirano; Director Kerri Dorman (joining via Zoom); Director Beatriz (Bea) Arce (joining via Zoom).

Executive Coordinator Debbie Honeycutt certified the quorum.

Guest: Stephen Toyra with Fairfield Residential

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 II Jackson Mabray; Affordable Housing Assistant Anna Martinez; Development Analyst II Gloria Nguyen and consultants Kevin Bryniak and Vella Karman.

II. PUBLIC FORUM / CITIZEN COMMUNICAION

There were no speakers.

III. ADMINISTRATIVE ITEM

A. Creation Ad Hoc Committee: Tenant & Community Engagement

Item III.A. will be discussed at the November 13, 2025 Board meeting.

IV. DIRECTOR'S REPORT

A. Update from the Executive Director

- Executive Director Dianna Grey announced to the Board that Keith Hoffpauir will be retiring.
- August 2025 Financials provided by Dianna Grey, Executive Director.
- Executive Director Dianna Grey presented the calendar overview.
- Additional items discussed Portfolio KPIs: Occupancy steady YTD at 83%, Property tours, Travis County Commissioners' Court Briefing Update, Habitat for Humanity Carter Work Project, Daffan Flats Ribbon Cutting Ceremony, New office space.

V. CONSENT AGENDA

A. Approval of the Minutes from the September 11, 2025 Regular Meeting.

B. Resolution No. SHFC-2025-31: Consideration and possible action to approve a Family and Medical Leave Act Policy

C. Resolution No. SHFC-2025-32: Consideration and possible action to approve a revised Employee Benefits Policy

D. Resolution No. SHFC-2025-33: Authorizing the cancellation of Resolution No. SHFC-2020-11 and the removal of restrictions on funds set aside via Resolution No SHFC-2020-11

President Jan Wenig called for a unanimous consent to **Approve** Item V.A., V.B., V.C. and A.D. The Item was **Approved** by unanimous consent.

VI. ACTION ITEMS

A. Resolution No. SHFC-2025-34: Consideration and possible action to approve Housing Market Report & Strategic AIM Goals

Second Vice-President Ashley Huddleston made a **motion** to approve Item VI.A. Resolution No. SHFC-2025-34. First Vice-President Kecia Prince seconded the motion, which **passed** unanimously.

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

Second Vice-President Ashley Huddleston made a **motion** to adjourn to Executive Session under Texas Government Code Annotated 551.072, Real Property to discuss Item VI.B. First Vice-President Kecia Prince seconded the motion, which **passed** unanimously.

The Board adjourned to Executive Session at 12:02p.m.
The Board reconvened at 12:59p.m.

VI.B. ACTION ITEMS

- B. Resolution No. SHFC-2025-35: 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 Dessa Road, Pflugerville, Texas 78660 (the “Development”); and containing other provisions related thereto

First Vice-President Kecia Prince made a **motion** to approve Item VI.B. Resolution No. SHFC-2025-35. Director Julio Gonzalez Altamirano seconded the motion, which **passed** with 5 Yea’s and 1 Abstention.

President Jan Wenig – Yea
First Vice-President Kecia Prince – Yea
Second Vice-President Ashley Huddleston – Abstained
Director Julio Gonzalez Altamirano – Yea
Director Kerri Dorman – Yea
Director Beatriz (Bea) Arce – Yea

VIII. DISCUSSION ITEM

A. 2026 Operating Budget and Associated Financial Policies

- Dianna Grey and Katie Adams presented on the draft 2026 Operating Budget and Associated Financial Policies.
- A budget will be brought to the November 13, 2025 Board meeting for a vote.
- Board members can contact staff prior to the November Board meeting with any questions regarding the budget.

IX. ADJOURNMENT

There being no further business, the meeting adjourned at 1:45 p.m.

Respectfully submitted,

Dianna Grey, Executive Director and Secretary



V.B. CONSENT AGENDA

Resolution No. SHFC-2025-36: Revising the organization's Procurement and Purchasing Standards in order to increase the Executive Director's purchasing authority



November 13, 2025

Resolution No. SHFC-2025-36: Revising the organization’s Procurement and Purchasing Standards in order to increase the Executive Director’s purchasing authority

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, Dianna Grey is the Executive Director of the Corporation (the “Executive Director”).

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

Section 1: The Executive Director is authorized and empowered to execute and deliver, or cause to be executed and delivered, contracts with a total annual aggregate expenditure amount of up to \$78,000, for and on behalf of the Corporation as she may deem necessary or desirable, provided, however, that Dianna Grey, as Executive Director, will act in accordance with the direction and guidance of the Board of Directors (the “Board”) of the Corporation, the Corporation’s Bylaws, and the terms of her employment by the Corporation.

Section 2: All persons dealing with the Corporation or any limited liability companies of which the Corporation is the sole member may rely upon this resolution as evidence of the Executive’s authority to sign contracts with an annual aggregate value up to \$78,000, on behalf of the Corporation or such limited liability companies.

Section 3: Resolution No. SHFC-2024-56 is hereby cancelled, and future updates to the Executive Director's delegated purchasing authority threshold will be ratified via the revision of Procurement and Purchasing Standards.

Section 4: This Resolution has been approved and shall be in full force and effect from and upon its adoption.

PASSED AND APPROVED this 13th day of November, 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 13th day of November, 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 13th day of November, 2025.

By: _____
Dianna Grey, Executive Director and Secretary



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. The Board of Directors delegates authority to the Executive Director to obligate the organization for amounts of up to \$78,000 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.

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 \$78,000, 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 \$78,000.01 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 \$78,000	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.
\$78,000.01 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.
- 9.2 These standards contain purchasing thresholds that will be updated annually in alignment with annual changes to the Executive Director's purchasing authority.



V.C. CONSENT AGENDA

Resolution No. SHFC-2025-37: Revising the Corporation's Employee Benefits Policy to increase the employer match rate for employee 401K contributions



November 13, 2025

Resolution No. SHFC-2025-37: Revising the Corporation's Employee Benefits Policy to increase the employer match rate for employee 401K contributions

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 Benefits 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 of Directors of the Corporation (the "Board") previously approved the "Employee Benefits Policy" via Board Resolution SHFC-2025-32 on October, 9 2025; and

WHEREAS, the Board of Directors of the Corporation (the "Board") desires to implement the proposed revisions to "Employee Benefits Policy" for the Corporation, reflecting a budgeted increase from 4% to 6% in employer matching contributions to 401(k) plans.

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 2: The Policy supersedes and terminates the "Employee Benefits Policy" previously adopted via Board Resolution SHFC-2025-32 on October 9, 2025.

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

PASSED AND APPROVED this 13th day of November, 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 13th day of November, 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 13th day of November, 2025.

By: _____

Dianna Grey

Executive Director and Secretary

EXHIBIT A

Employee Benefits Policy



Employee Benefits Policy

The Strategic Housing Finance Corporation of Travis County (Strategic HFC) aims to provide competitive compensation to employees, including wages and a benefits package. Strategic HFC's commitment to supporting the health and wellbeing of its employees is demonstrated by benefit options that address the diverse needs of employees and their families. Any deviation from or exception to these policies must be documented and approved by the Executive Director.

Eligibility

Eligibility to participate or enroll in the full suite of Strategic HFC sponsored benefits is limited to employees in regular positions who are scheduled to work 30 hours or more each week, considered full-time employees. Regular employees who work fewer than 30 hours per week and temporary employees may have access to some of the benefits identified in this policy. Eligibility for specific benefits may be dependent upon an employee's classification and length of service.

Strategic HFC Paid Benefits

Health Insurance

Strategic HFC pays 100% of an employee's own medical insurance premiums. If elected by an employee, Strategic HFC will cover a reduced percentage of premiums for an employee's spouse and/or children. Health insurance coverage takes effect on the first of the month following an employee's date of hire.

Dental & Vision Insurance

Strategic HFC pays 100% of an employee's own dental and vision insurance premiums and will contribute a reduced percentage of the dental and vision premium for dependents. Dental and vision insurance coverage takes effect on the first of the month following an employee's date of hire.

Basic Life and Accidental Death & Dismemberment (AD&D)

Strategic HFC pays 100% of the cost of basic life and AD&D coverage. Basic life insurance protects families and other beneficiaries from a loss of income in the event of death. AD&D insurance provides additional protection in the event of an accidental death or loss of limb or eyesight.

Strategic HFC also offers optional increased life insurance coverage (beyond basic life insurance) at the expense of the employee. Depending on the elected amount of life insurance coverage, employees may be subject to certain health screenings and surveys to allow life insurance vendors to determine pricing.

Disability Insurance

Strategic HFC pays 100% of the cost to cover employees with both short-term and long-term disability insurance. This insurance provides a portion of your income if you become unable to work due to a qualifying illness or injury. Disability insurance coverage takes effect on the first of the month following an employee's date of hire, though to utilize the benefit employees must have been active with the plan for the full length of the designated waiting period. This waiting period is generally between 14-90 days.

Defined Contribution 401(k) Retirement Plan

All regular full-time employees are automatically enrolled in the voluntary Strategic HFC adopted Pooled Employer 401(k) Plan. Employees may opt out or adjust their deferral amounts. Each pay period (26 bi-weekly pay periods annually), the selected amount (6% is the automatic enrollment level) of an employee's wages are withheld and contributed on the employee's behalf to the Plan, as a pre-tax elective deferral contribution. Strategic HFC provides a 100% match contribution to the Plan on behalf of each employee, up to 6% of salary. Participating employees have full and immediate vesting. Eligibility for this plan takes effect immediately, with enrollments performed on the first of the month following an employee's first paycheck.

Flexible Spending Accounts

Strategic HFC offers optional participation in the organization's Flexible Spending Accounts. These accounts allow employees to set aside money on a pre-tax basis to pay for qualified expenses. These accounts are funded entirely by employees via payroll deduction. Strategic HFC offers both a Standard Health Care FSA as well as a Dependent Care FSA that employees can utilize with eligible expenses.

Paid Time Off

All regular employees will benefit from paid time off during their employment with Strategic HFC. Paid time off, or paid leave, falls into the following categories:

- Holidays
- Floating Holidays
- Vacation
- Sick / Medical
- Situational Leave, such as the following:
 - Bereavement Leave
 - Jury Duty
 - Extreme Weather / Unscheduled Closure
 - Military Leave
 - Disability Leave
 - Administrative Leave

Strategic HFC uses a bi-weekly payroll schedule, with 26 pay periods per calendar year. Paid leave that is earned over time (Vacation and Sick) accrues during each pay period of employment. Accrued hours appear in an employee's Leave Bank the pay period *after* the hours are earned and they are available for use anytime thereafter. Strategic HFC does not have a probationary or waiting period before hours in an employee's Leave Bank can be used.

Holidays

Observed holidays are automatically paid at 8 hours per holiday for full-time employees. Part-time employees are paid at the number of regular hours normally scheduled on the holiday.

Regular (full-time and part-time) employees of Strategic HFC receive pay for 12.5 days of observed holidays throughout the calendar year. When a holiday falls on Saturday during a particular year, the paid holiday is observed on Friday. When a holiday falls on a Sunday, it is observed on Monday.

An additional half-day holiday will be determined by the Executive Director each year.

Observed Holidays
New Year's Day
Martin Luther King, Jr. Day
Presidents Day
Memorial Day
Juneteenth
Independence Day
Labor Day
Veterans Day
Thanksgiving Day
Thanksgiving Friday
Christmas Eve Observed
Christmas Day Observed

Floating Holidays

Each regular employee receives 3 Floating Holidays per calendar year. This benefit will appear as 24 hours of paid leave, applied to an employee's Leave Bank at time of hire and again during the first pay period of each calendar year. Part-time employees will receive

pro-rated hours based on their number of regularly scheduled work hours. This paid time off can be used for any reason an employee chooses to take paid time off work.

Floating Holiday leave should be requested in advance and must be approved by the designated supervisor. Floating Holidays do not roll over into the next calendar year, and they are not eligible to be paid out upon employee separation from Strategic HFC.

Vacation

Paid vacation time or vacation leave is accrued each pay period (26 pay periods each calendar year), per the following schedule of continuous employment for full-time employees:

Tier 1:	0 – 5 years employment	5 hours per pay period (130 hours/yr)
Tier 2:	5+ years employment	6 hours per pay period (156 hours/yr)

Vacation leave can be used for any purpose. Vacation leave should be requested in advance and must be approved by the designated supervisor. Hours begin to accrue at the Tier 1 rate immediately upon start of employment. Vacation hours accrued during the first pay period will be available for use starting the following pay period.

Vacation leave for individuals qualifying as part-time employees is accrued on a pro-rated basis, directly proportional to hours reported per pay period (including paid holidays and/or eligible paid leave). For example, if an employee is hired to work 20 hours per week (40 hours per 2-week pay period), they would initially accrue Vacation leave at 2.5 hours per pay period.

In order to qualify for Tier 2, and begin accruing Vacation leave at a higher rate, an employee must have completed the equivalent of 5 years of full-time work, or 10,400 hours reported on timesheets. Starting with the pay period containing hour 10,401 worked, a part-time employee will accrue Vacation leave at a prorated Tier 2 amount.

Vacation leave earned during one year may be rolled over to the following year. The maximum amount of Vacation leave in an employee's leave bank is 320 hours. When an employee separates from Strategic HFC, the maximum payout of unused Vacation leave is 240 hours.

Sick / Medical Leave

Employees accrue 4 hours of Sick/Medical leave per pay period. Sick/Medical leave can be used for unplanned illness or injury, scheduled medical appointments or procedures,

recovery time and/or other medical reasons for the employee or an immediate family member or household member of the employee.

If an employee has been approved to use vacation or personal holiday leave for paid time off, and then becomes ill or injured during that time, they have the option to change the type of leave used to Sick/Medical paid time off for the applicable number of hours.

Sick/Medical leave should be requested in advance when possible, and must be approved by designated supervisor

Sick/Medical leave earned during one year may be rolled over to the following year and remain in an employee's Leave Bank up to a maximum of 520 hours. When an employee separates from Strategic HFC, there is no payout of unused Sick/Medical leave.

Situational Leave

Background and Overview

Strategic HFC provides employees with several types of situational leave, as outlined below. These types of leave are only provided as needed, and in some cases documentation of the need may be required.

Bereavement Leave

All regular employees may be granted paid bereavement leave for a period not to exceed three consecutive workdays in case of a death in their immediate family. Immediate family is defined as an employee's spouse, parents, stepparents, children, stepchildren, adopted children, grandchildren, sister, brother, grandparents, mother-in-law, father-in-law, sister-in-law, brother-in-law, daughter-in-law, son-in-law, or persons within the same household with whom the employee shares a significant relationship of mutual caring.

This leave will not be charged against sick, vacation or floating holiday accrued leave. Bereavement leave is for the purpose of attending funerals, making arrangements, or otherwise attending to the affairs of the deceased. An employee may be required to provide information which will document the necessity of absence.

Jury Duty / Court Leave

All regular employees will be granted paid leave for the purpose of serving as a juror, appearing as a witness, or participating in other official court proceedings of a legally recognized court or other body having power of subpoena, when the employee is not a party to the proceedings. Employees must notify their immediate supervisor upon receiving notices of court appearance and shall return to work during those periods when not required to remain at court. This leave will not be charged against sick, floating holiday or vacation leave.

Extreme Weather / Unscheduled Closure

During extreme weather or other significant events, it may be necessary to close Strategic HFC offices during normal business hours of operation. The Executive Director (or their designee) will notify all employees of Strategic HFC temporary business closures. A closure may occur for a partial day (e.g., a delayed start or early dismissal), full day or multiple continuous days, depending on length and severity of circumstances. All regular Strategic HFC employees will be granted paid leave for normally scheduled work hours during the duration of each event.

When Strategic HFC offices are closed due to extreme weather and/or emergency events, the Executive Director may use discretion in assigning employees to perform work duties through teleworking in remote work locations. In such instances, regular pay for regular work hours will be assessed.

Military Leave

All regular employees are eligible for paid leave for the purpose of responding to orders of military service as a member of the active service, reserve unit, National Guard or other official special unit engaging in authorized training, duty ordered or duty authorized by proper authority. A maximum of 15 days paid military leave per calendar year is available, subject to the following conditions:

- a. All requests for leave must be accompanied by a copy of the orders, directive, notice or other document requiring absence from scheduled work.
- b. Travel time included in the orders and paid for or reimbursed by the service may be counted as military leave.
- c. Military leave is not granted for diagnosis or treatment of any service-connected sickness or disability, for obtaining or sustaining any disability rating or treatment in any government facility. However, administrative leave may be granted by the Executive Director for these purposes.
- d. Time required for physical examinations for selection or admission to the military service to determine or maintain a selective service rating or to maintain reserve status is counted as military leave. Pay is limited to the regularly scheduled hours lost.
- e. Time required over and above the maximum allowed must be taken as vacation leave, floating holiday leave or unpaid leave of absence.
- f. Leave pay is not granted for hours before or after the regularly scheduled working hours or for overtime hours scheduled.

Paid Administrative Leave

The Executive Director may grant an employee paid administrative leave up to a maximum of 10 days annually, when it is in the best interest of Strategic HFC to:

- Relieve the employee of their duties pending the results of an investigation, when an employee could be suspended, demoted or terminated
- Protect the health and safety of employees
- Award an employee for outstanding performance
- Support blood bank donations
- Allow time off to vote in national, state, or local elections
- Account for work hours lost on the day of an on-the-job injury

The examples above do not constitute an exhaustive list, and approval of paid administrative leave is at the sole discretion of the Strategic HFC Executive Director. Time charged to administrative leave must be documented and it will function as regular time worked.

Parental Leave

Employees in regularly budgeted positions who have worked for Strategic HFC for at least four months may receive up to six weeks of paid leave and up to six weeks of additional unpaid leave (prorated based on regularly scheduled working hours) upon the birth or adoption of a child. Documentation of birth or adoption must be provided to the designated Strategic HFC supervisor before an employee can code their time as parental leave. Temporary employees are not eligible.

Budgeted/Scheduled Work Week	Paid Parental Leave Hours
40	240
30 - 39	180
20 - 29	120
Less than 20	60

Employees in regularly budgeted positions who provide foster care of a child or multiple children are eligible to receive paid parental leave for up to two weeks at the time of each foster care placement. Documentation of foster care placement must be provided to the

designated Strategic HFC supervisor before an employee can code their time as paid foster leave. Temporary employees are not eligible. See chart below for pro-rated hours available.

Budgeted/Scheduled Work Week	Paid Foster Care Placement Leave Hours
40	80
30 - 39	60
20 - 29	40
Less than 20	20

Other Unpaid Leave

At the Executive Director's discretion, an employee may be granted an unpaid leave of absence due to extenuating circumstances. Such leave will only be granted once all other available paid leave has been exhausted. The specific duration and conditions of this leave will be at the discretion of the Executive Director.



VI.A. ACTION ITEMS

Resolution No. SHFC-2025-38: Approving the fiscal year 2026 budget of Strategic Housing Finance Corporation of Travis County



ANNUAL BUDGET

2026

www.strategichfc.org



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Budget Transmittal Letter

November 7, 2025

Members of the Board of Directors,

It is my pleasure to present the proposed 2026 operating budget for Strategic Housing Finance Corporation of Travis County. In the past year, Strategic HFC has built a strong foundation, assembling a talented team and developing key organizational infrastructure to bring critical affordable housing to our neighbors.

This document, developed in close collaboration with the Board of Directors, anticipates a general operating budget for 2026 of \$3,782,637, which represents a 4% increase over the 2025 approved budget. Revenues are projected to continue to be somewhat constrained in 2026 as the multifamily market recovers, deal flow improves, and occupancy increases in our portfolio of developments. Annual 2026 revenues are projected at \$3,523,106, for a projected excess of expenditure over income of \$259,531.

An additional \$225,000 in non-routine legal fees is anticipated to be drawn from board designated funds. Including those non-routine legal fees, the total year-over-year budget increase would be 10%, and expenses exceed revenue by an estimated total of \$484,531.

Despite the modest deficit, Strategic HFC remains in a strong financial position. Last year the board and staff created a Reserve Fund of \$3.6M available to respond to temporary disruptions of the organization's revenue streams such as those we are currently experiencing. In conjunction with this year's budgeting process, staff is also recommending the creation of a new Portfolio Fund. Together, these resources help ensure that our organization can continue to deliver impact for our Travis County neighbors.

Thank you,



Dianna Grey
Executive Director



Income

5100 Program Sales & Fees

5110 Pipeline Projections	\$	632,512	-63%
5120 Asset/Partnership Management Fee	\$	39,678	-84%
5130 Construction Admin Fees	\$	578,810	756%
5140 Bond Issuer/Admin Fee	\$	261,983	1%
5150 Developer/Origination Fee	\$	1,092,432	-22%
5160 Application Fee	\$	50,000	
5170 Land Lease	\$	203,771	23%
5180 Partnership Cash Flow Distribution	\$	159,920	18%
5190 Sales/Refinance Distribution	\$	-	

Total 5100 Program Sales & Fees	\$	3,019,106	-24%
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5900 Investment Activity

5910 Interest	\$	504,000	34%
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Total 5900 Investment Activity	\$	504,000	34%
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5999 Misc. Revenue	\$	-	
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Total Income	\$	3,523,106	-19%
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Expenses

7200 Salaries & Related Expenses

7210 Salaries & Wages	\$	1,430,391	-1%
7220 Retirement Fund Contributions	\$	83,678	45%
7230 Employee Benefits	\$	368,960	-22%
7240 Payroll Taxes	\$	145,042	16%
7250 Payroll Service Fees	\$	7,634	-6%
7260 Paid Time Off	\$	116,735	234%
7270 Employee Incentive Pay	\$	104,597	23%
7290 Workers Comp	\$	5,230	76%

Total 7200 Salaries & Related Expenses	\$	2,262,266	1%
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7500 Contract Service Expenses

7510 Contract & Consulting	\$	483,949	-10%
7520 Accounting	\$	163,783	209%
7530 Attorney & Legal	\$	75,000	-6%
7540 IT Consultant	\$	55,000	10%
7550 Marketing Consultant	\$	71,000	-32%

Total 7500 Contract Service Expenses	\$	848,732	3%
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8100 Non-personnel Expenses

8110 Supplies	\$	7,200	0%
8115 Food & Refreshments	\$	12,000	0%
8120 Telephone & Internet	\$	16,845	-15%
8130 Postage & Shipping	\$	900	-25%
8140 Equipment Rental	\$	4,980	4%
8150 Software & Hardware < \$5,000	\$	80,554	153%
8160 Printing & Copying	\$	4,500	80%
8170 Subscriptions	\$	12,780	255%
8180 Furnishings & Fixtures < \$5,000	\$	7,900	23%
Total 8100 Non-personnel Expenses	\$	147,659	65%
8200 Facility Expenses			
8210 Office & Storage Rent	\$	78,125	44%
8220 Utilities	\$	37,688	73%
8230 Repairs & Maintenance	\$	4,000	-47%
8290 Depreciation & Amortization	\$	-	
Total 8200 Facility Expenses	\$	119,812	43%
8300 Travel & Conference Expenses			
8310 Transportation	\$	8,880	48%
8320 Airfare	\$	14,100	-2%
8330 Meals	\$	11,040	25%
8340 Hotels & Lodging	\$	32,175	38%
8350 Conference Registration Fees	\$	26,250	-1%
8360 Vehicles	\$	12,960	-6%
Total 8300 Travel & Conference Expenses	\$	105,405	14%
8400 Other Program Specific Expenses			
8410 Venue Rental	\$	1,000	
8420 Community Events	\$	30,000	100%
8430 Housing Program Activities	\$	-	
Total 8400 Other Program Specific Expenses	\$	31,000	107%
8500 Other Expenses			
8510 Interest Expense	\$	-	
8520 Insurance - Non-employee Related	\$	50,000	0%
8530 Membership Dues - Organization	\$	12,382	65%
8540 Staff Development	\$	31,200	56%
8550 Bank Fees	\$	500	
8560 Merchant Fees	\$	-	
8570 Advertising Expenses	\$	4,200	250%
8575 Sponsorships	\$	33,500	34%
8580 Business Taxes & Licensing Fees	\$	-	
8590 Other Expenses	\$	5,000	-93%
Total 8500 Other Expenses	\$	136,782	-21%
Total Expenses	\$	3,651,656	3.93%
Net Operating Income	\$	(128,550)	

ADD EXPENSE: Non Routine Legal
ADD: Draw from Board Designated Funds
Final Net Income

\$	(225,000)	
\$	353,550	
\$	-	

Strategic Goals and Strategies

Background

In 2024, Strategic HFC transitioned from being managed through an interlocal agreement with the Housing Authority of Travis County to independent operations. This transition resulted in a need for Strategic HFC to hire staff and re-evaluate its identity, strategic goals, priorities, and activities. As a first step in this effort, the organization created a “strategic outlook” for FY2025 and FY2026.

A strategic outlook is a short-term guide intended to support decisions that need to be made at both operational and policy levels, and identifies the key operating environment and trends impacting the organization and high-level strategic actions to support its mission. The strategic actions, taken from the FY2025-26 Strategic Outlook, are detailed below.

Strategic Actions

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

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

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

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

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

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

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

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

Strategic Action 5: Build Human Capital and Organizational Infrastructure

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

Strategic Goals

Strategic HFC measures production through its signature tool, the Strategic Affordability Impact Metric, or 'Strategic AIM.' For FY2026, the board of directors have adopted a Strategic AIM target of 1,125. This goal was set after reviewing a Housing Market Data Report drafted by staff, which consisted of historical market trends and a production forecast score. Strategic AIM is a tool that helps the organization measure production beyond unit counts, and accounts for bedroom counts, depth of affordability, length of restrictive covenants, location, construction quality, and design.

Budget Process

The finalization of the annual budget is the culmination of a six-month budget process, which begins in June and ends in November.

Basis of Budgeting

Strategic HFC uses the accrual basis of accounting for all financial activities, including the annual budget and all audited financial statements.

Revenue Budget

Revenue forecasts are generated in June. Projections are based on individual estimates of project timelines as well as market condition assessments to determine likely fee milestones.

Assessment of Budget Priorities

A budget kickoff meeting with Management team occurs in July, ensuring all needs, priorities, and considerations are discussed and recorded for incorporation into the organization's budget.

Each department director is given a due date to submit these priorities in July. These priorities outline any new expense obligations or revenue expectations associated with department specific priorities.

Review Process

Once all proposals are compiled, every budget line item in every cost center is reviewed against historical actuals and current year spend. Material increases and decreases are substantiated and/or verified. Adjustments are proposed in the areas that do not have appropriate justifications for requested funding. These recommendations then sent to the department leads for response.

Preliminary Budget

Management team is presented with the consolidated budget recommendations in August. Additional adjustments are made to reflect any requested changes in the budget. Any expected operating shortfalls will be funded with funds received from prior years (drawing from the balance sheet).

Budget Briefing

The preliminary budget is presented to Board members through a budget briefing and discussion in September. Strategic HFC staff then prepares the final proposed budget, incorporating Board member feedback. The Budget includes an all-funds revenue summary, expenditures by line item, and a comparison to the prior fiscal year's budget.

Budget Approval

The final proposed budget document is presented to the Board of Directors for approval in October or November, depending on annual needs. After any changes or amendments that may be requested by the Board, the document is approved and adopted by the Board.

Budget Associated Policy Updates

Upon Board approval and adoption of the final proposed budget, organizational policy updates are triggered. These may include the following:

- Board Designated Fund Policy
- Employee Benefits Policy
- Procurement and Purchasing Standards/Executive Director Purchasing Authority

Budget Amendments After Adoption

Budget Amendments are triggered when a variance of 5% of the total expense budget is identified and anticipated. A budget amendment required Board of Directors approval and formal adoption.

Budget Calendar

June

- Budget template finalized
- Expense/revenue discussions begin
- Preliminary expense/revenue planning completed

July

- Management Team review of budgeted expenses/revenue
- Adjustments as necessary, preliminary budget completed

August

- Management Team review of consolidated budget
- Revenue Projections presented to the Board of Directors
- Preliminary draft budget posted publicly for Board review/comment

September

- Committee review of preliminary draft budget
- Incorporation of feedback from public posting
- Board briefing and discussion on preliminary draft budget

October/November

- Feedback from September/October briefing incorporated
- Board presentation on final proposed budget
- Board approval/adoption
- Policy updates as needed

Revenues

Revenues are projected to continue to be modest in 2026 as the multifamily market recovers, deal flow improves, and occupancy increases. Annual 2026 revenues are projected at \$3,523,106.

Revenue Sources

Strategic HFC's sources of revenue are described below. These revenues represent 100% of all revenues Strategic HFC can receive.

5100 Program Sales & Fees

Program Sales & Fees are the primary way that Strategic HFC earns revenue. The fees are earned entirely from activities related to the development and ownership of multifamily rental housing. The fees are paid by the ownership entity, usually a limited partnership, of a multifamily property.

5110 Pipeline Projections is a budgetary estimate of revenue from multifamily real estate property developments and acquisitions that have not yet entered Strategic HFC's portfolio through a real estate transaction closing. These projections include many of the types of proceeding revenues described. When a pipeline project closes, those revenues are coded to the corresponding revenue source.

5120 Asset/Partnership Management Fee is generally a fixed amount paid by the limited partnership for Strategic HFC's role as general partner for an operating property.

5130 Construction Administration Fee is paid to Strategic HFC for its role as general contractor of a property under construction, in which Strategic HFC conveys a sales tax exemption on the purchase of construction materials and provides oversight over contractor pay applications. The fee is generally based upon a percentage of the projected savings from the sales tax exemption.

5140 Bond Issuer/Administration Fee is earned from Strategic HFC's role as an issuer of tax-exempt private activity bonds, financing the acquisition and construction of a multifamily property. The fee is typically calculated as a percentage of the remaining principal balance of the private activity bonds.

5150 Developer/Origination Fee is earned from participating in the development of multifamily property. Developer fee is a regulated fee that is based upon certain eligible costs within a development budget. The fee is paid by the limited partnership that owns the development and is generally split between a real estate development company and Strategic HFC. If developer fee is unable to be paid in full during the construction of the

property, it is deferred and paid over time from the cash flow of the property in operations. This revenue could also include origination fees, however Strategic HFC has not received origination fees in FY2025 and does not anticipate receiving origination fees in FY2026.

5160 Application Fee is revenue earned by Strategic HFC for the processing of real estate development partnership and private activity bond issuance applications. This fee is paid by the applicant.

5170 Land Lease is revenue paid by a multifamily property's ownership to a Strategic HFC affiliated entity that serves as the ground lessor of the property. The structure consists of a limited partnership entering a long-term ground lease with the Strategic HFC affiliate for the purpose of receiving a Texas Local Government Code Chapter 394 ad valorem tax exemption.

5180 Partnership Cash Flow Distribution is revenue earned from the ongoing operations of a multifamily rental property, paid out of positive cash flow after other operating expenses, debt service, operating reserves, and fees are paid. Strategic HFC receives a percentage of the cash flow distribution based upon partnership agreements.

5190 Sales/Refinance Distribution is revenue received from the sales or refinance proceeds of a multifamily property or partnership interest transaction.

5900 Investment Activity

Interest is interest income received from Strategic HFC cash accounts.

5999 Miscellaneous Revenue

Miscellaneous revenue is utilized when income is received from an activity not previously described. Strategic HFC avoids classifying income as miscellaneous whenever possible, and does not project receipt of miscellaneous revenue in FY2026.

Revenue Estimation Methodology

Strategic HFC estimates its revenue through two processes: 1) an estimate of revenue from multifamily properties within its portfolio at the start of the fiscal year, and 2) a projection of revenues from planned projects not yet within Strategic HFC's portfolio.

For the FY2026 budget, Strategic HFC staff took the following steps to estimate revenue.

For properties within the portfolio:

1. Analyzed market data and trends to hypothesize how the Travis County multifamily real estate market will fare in 2026 and its effect on portfolio properties
2. Reviewed net operating income (NOI) year-to-date of each operating property, and then annualized it
3. Deducted debt service from each operating property's NOI to estimate cash flow available for distribution
4. Referencing partnership agreements and audits, created cash flow distribution waterfalls and isolated payments that would be due to Strategic HFC
5. Aggregated revenue across properties into the sources of revenue
6. Made risk adjustments to each source of revenue based upon market analysis and other considerations, including the regulatory environment
7. Reviewed developments within the construction phase and estimated when milestone progress fees, such as developer fee and construction administration fee, would be earned by Strategic HFC

For developments in the pipeline:

1. Estimated when developments may close, revenue due to Strategic HFC at closing, and when milestone payments may be disbursed to Strategic HFC
2. Each development was discounted at staff discretion based upon an assessment of likelihood of a development successfully closing

Additionally, projections were cross referenced with a proprietary production forecast score to confirm projections were in line with prior years' production forecast scores and actual revenues received.

Departmental Descriptions

Strategic Housing Finance Corporation of Travis County is organized into four units:

- Executive Team
- Real Estate Team
- Planning & External Affairs Team
- Finance & Administration Team

The **Executive Team** is responsible for overall organizational strategy, management, and oversight, including the activities of the other three units. Executive Team staff also provide primary support for governance functions through the Board of Directors. It is led by the Executive Director, and includes the Deputy Director and Executive Coordinator, for a total of 3 FTEs.

The **Real Estate Team** leads all affordable housing transactions and provides oversight of the organization's portfolio of over 4,000 operating units. The unit is led by the Director of Real Estate, supported by two Development Analysts, a Portfolio Manager, and a Portfolio Analyst, for a total of 5 FTEs.

The **Planning and External Affairs Team** conducts internal analysis and policy development, and leads intergovernmental relations, community engagement, and communications functions. The unit is led by a Director of Planning and External Affairs and supported by a Policy & Communications Specialist, for a total of two FTEs.

The **Finance & Administration Team** is charged with supporting the organization's mission by providing excellent financial, operational, and administrative infrastructure. Finance functions include but are not limited to budget, bookkeeping, payroll, financial reporting, and audit. Other responsibilities include human resources, technology infrastructure, facilities, purchasing, and contract management. The unit consists of the Director of Finance & Administration and an Operations Assistant, for a total of two FTEs.

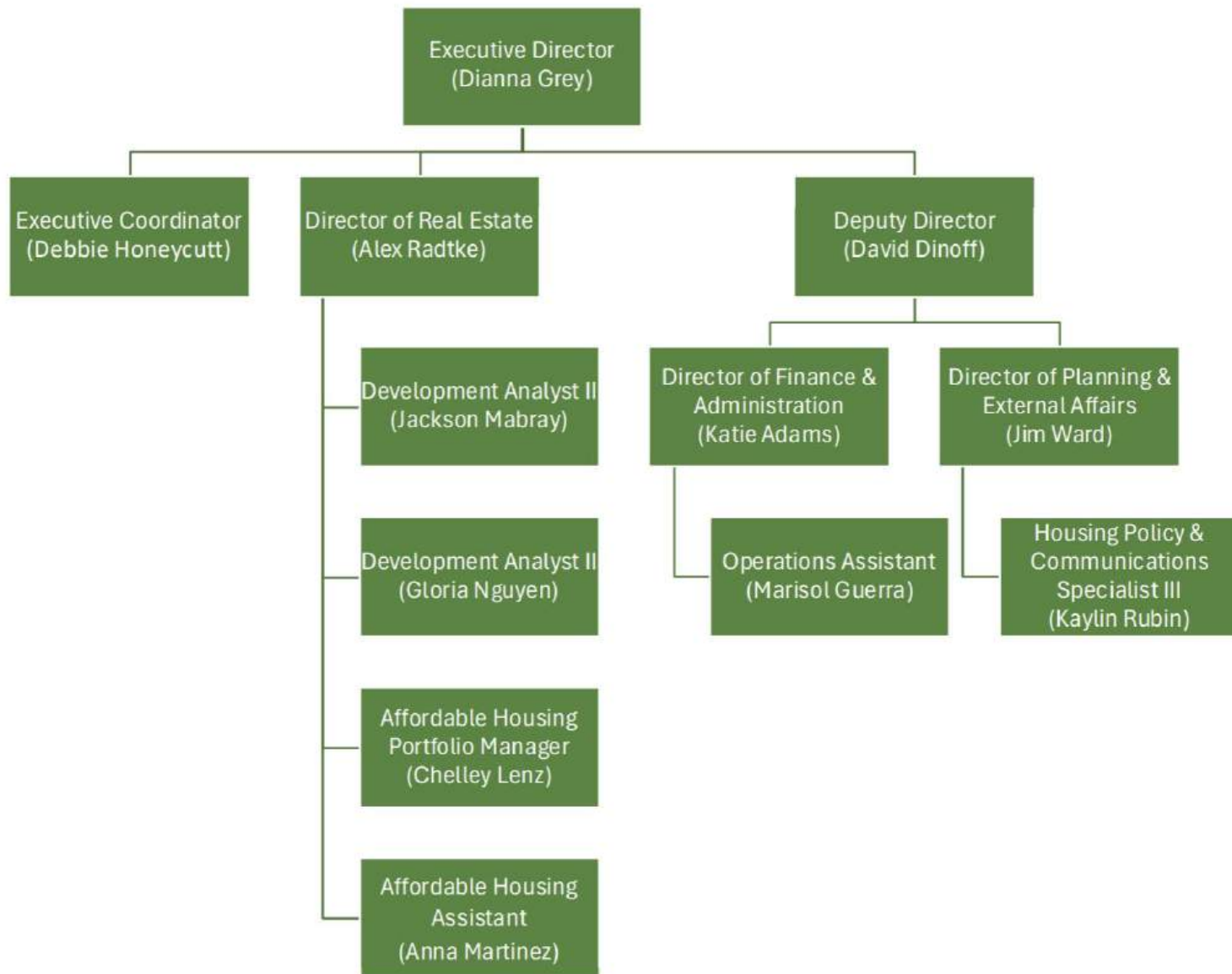
Position Summary Schedule

Strategic HFC was established as an independent operation as of April 1, 2024 after the dissolution of an interlocal agreement with a former parent organization.

In 2024, Strategic hired several, but not all, of the intended positions of the fully staffed organization. In 2025, Strategic reached full staffing levels at 13 staff members. One staff member from this group of 13 retired at the end of 2025. In the 2026 budget, 12 full-time staff positions are reflected.

Department	2024 Position Count	2025 Position Count	2026 Position Count
Executive	3	3	3
Real Estate	2	6	5
Planning & External Affairs	1	2	2
Finance & Administration	1	2	2
Total	7	13	12

Organization Chart





mailing: 505 E Huntland Dr, Suite 470 Austin, TX 78752



November 13, 2025

Resolution No. SHFC-2025-38: To approve the fiscal year 2026 budget of Strategic Housing Finance Corporation.

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”) have reached a consensus regarding on the fiscal year 2026 budget presented as presented at the meeting of the Board on the date hereof; and

WHEREAS, the Board desires to approve the budget for fiscal year 2026.

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

Section 1: The Amendment is hereby approved and adopted.

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

PASSED AND APPROVED this 13th day of November, 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 13th day of November, 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 13th day of November, 2025.

By: _____

Dianna Grey

Executive Director and Secretary



VI.B. ACTION ITEM

Resolution No. SHFC-2025-39: Revising the Board Designated Funds Policy, creating a Portfolio Fund and adjusting target fund balances



November 13, 2025

Resolution No. SHFC-2025-39: Revising the Board Designated Funds Policy, creating a Portfolio Fund and adjusting target fund balances

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”) previously adopted Resolution No. SHFC-2024-59, passed November 21, 2024 which established two Board Designated Funds, a Reserve Fund and a Housing Production Fund, and

WHEREAS, the Board of Directors of the Corporation (the “Board”) previously adopted Resolution No. SHFC-2025-04, passed February 13, 2025 which set policy regarding target fund balances and transfer conditions, and

WHEREAS, the Board of Directors of the Corporation (the “Board”) desires to establish the Portfolio Fund as detailed in the Policy; and

WHEREAS, the Board of Directors of the Corporation (the “Board”) desires to complete the required annual revision of target balances to all Board Designated Funds as detailed in the Policy; and

WHEREAS, the Board of Directors of the Corporation (the “Board”) has reviewed proposed revisions to the Board Designated Funds Policy, a copy of which policy is to be attached to this Resolution by the Executive Director of the Corporation (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 2: This Resolution shall be in full force and effect from and upon its adoption.

PASSED AND APPROVED this 13th day of November, 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 13th day of November, 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 13th day of November, 2025.

By: _____

Dianna Grey

Executive Director and Secretary



Board Designated Funds Policy

I. Purpose

The purpose of the Board Designated Funds Policy is to ensure the stability of the mission, programs, and ongoing operations of the organization, as well as to ensure a source of internal funds for risk mitigation, capital acquisitions or improvements, or programmatic opportunity.

This policy

- Outlines Board Designated funds currently maintained by the organization
- Specifies the purpose and target balance for each fund
- Establishes policies and priorities for transferring resources to Board Designated funds as related to the organization's operating account balance.
- Describes policies related to drawing resources from Board Designated accounts.

II. Process

The specific target balances of board designated funds will be set at least annually by the Board of Directors in conjunction with the organizational budgeting process, as informed by staff recommendation. The Board of Directors may revise the target balances through a vote to amend this policy at any time.

III. Reserve Fund

Fund Purpose

The Reserve Fund is intended to provide an internal source of resources for situations in which current revenues are insufficient to cover anticipated expenses. Examples of such situations include, but are not limited to, a temporary decrease in projected revenue due to real estate market conditions, the need to satisfy unbudgeted, non-recurring obligations such as capital outlays associated with the organization's office headquarters. The Reserve

Fund is not intended to replace a permanent loss of funds or eliminate an ongoing budget gap.

Reserve Fund Target Balance

The current target balance represents 12 months of projected operating costs, rounded to the nearest \$100,000.

Target Balance \$3,700,000

IV. Portfolio Fund

Fund Purpose

The Portfolio Fund is intended to create a source of funds available for investment in the organization's portfolio. Examples of likely uses include purchases of an investor's interest in a portfolio property, loans to partnerships to improve conditions in a portfolio property, or non-recurring legal obligations that may arise from the organization's portfolio properties.

Portfolio Fund Target Balance

The current target is \$1,000 per stabilized operating unit at the time of budget adoption, rounded to the nearest \$100,000.

Target Balance \$4,100,000

V. Housing Production Fund

Fund Purpose

The Housing Production Fund is intended for investment in financing, acquisition and development efforts which increase the supply of affordable housing and/or expand the organization's portfolio of housing investments. Examples of likely uses include, but are not limited to, loans to developer partners, equity investments in affordable housing projects, or land acquisition for future development.

Housing Production Fund Target Balance

Target Balance \$15,000,000

VI. Operating Account Balance

The organization maintains liquid resources for ongoing operations through undesignated funds held as cash or cash equivalents in its operating account(s). Transfers into Board Designated Funds will be made only after the threshold requirement for undesignated operating cash on hand is met.

The organization will maintain up to 50% of the organization's Board-approved annual operating budget in undesignated cash or cash equivalents. Any funds in excess of this amount will be transferred to an appropriate Board Designated Fund on a monthly basis.

VII. Deposits and Withdrawals

Once the threshold for undesignated cash and cash equivalents has been met, staff will make deposits into Board Designated Funds as follows:

- Funding of Reserve Fund up to the Target Balance, then
- Funding of Portfolio Fund up to the Target Balance, then
- Funding of Housing Production Fund up to the Target Balance

Deposits made that are consistent with this policy do not require further Board authorization.

Any withdrawal or transfer out of the Board Designated accounts requires Board action authorizing said expenditure or transfer.



Board Designated Funds Policy

I. Purpose

The purpose of the Board Designated Funds Policy is to ensure the stability of the mission, programs, and ongoing operations of the organization, as well as to ensure a source of internal funds for risk mitigation, capital acquisitions or improvements, or programmatic opportunity.

This policy

- Outlines Board Designated funds currently maintained by the organization
- Specifies the purpose and target balance for each fund
- Establishes policies and priorities for funding of Board Designated accounts as related to the organization's operating account balance.
- Describes policies related to drawing resources from Board Designated accounts.

II. **Process** The specific target balances of board designated funds will be set at least annually by the Board of Directors in conjunction with the organizational budgeting process, as informed by staff recommendation. The Board of Directors may revise the target balances through a vote to amend this policy at any time.

III. Reserve Fund

Fund Purpose

The Reserve Fund is intended to provide an internal source of resources for situations in which current revenues are insufficient to cover anticipated expenses. Examples of such situations include, but are not limited to, a temporary decrease in projected revenue due to real estate market conditions, the need to satisfy unbudgeted, non-recurring obligations such as legal expenses or capital outlays associated with the organization's office headquarters. The Reserve Fund is not intended to replace a permanent loss of funds or eliminate an ongoing budget gap.

Reserve Fund Target Balance



In general, the Reserve Fund is expected to maintain between 6 and 18 months of operating reserves on hand. The current target balance represents 12 months of projected operating costs, rounded to the nearest \$100,000.

Target Balance \$3,700,000

~~The specific target balance of the fund will be set at least annually by the Board of Directors in conjunction with the organizational budgeting process, as informed by staff recommendation. The Board of Directors may revise the target balance through a vote to amend this policy at any time.~~

Reserve Fund Target Balance

~~\$3,600,000~~

IV. Portfolio Fund

Fund Purpose

The Portfolio Fund is intended to create a source of funds available for investment in the organization's portfolio. Examples of likely uses include purchases of an investor's interest in a portfolio property, loans to partnerships to improve conditions in a portfolio property, or non-recurring legal obligations that may arise from the organization's portfolio properties.

Portfolio Fund Target Balance

The current target is \$1,000 per stabilized operating unit at the time of budget adoption, rounded to the nearest \$100,000.

Target Balance \$4,100,000

III.V. Housing Production Fund

Fund Purpose

The Housing Production Fund is intended for investment in financing, acquisition and development efforts which increase the supply of affordable housing and/or expand the organization's portfolio of housing investments. Examples of likely uses include, but are not



limited to, loans to developer partners, equity investments in affordable housing projects, or land acquisition for future development.

Target Balance

~~The specific target balance of the fund will be set at least annually by the Board of Directors in conjunction with the organizational budgeting process, as informed by staff recommendation. When reaching this balance, the fund will be considered fully funded unless and until the Board of Directors increases the Target Balance. The Board of Directors may revise the target balance through a vote to amend this policy at any time.~~

Housing Production Fund Target Balance

Target Balance \$15,000,000

IV.VI. Operating Account Balance

The organization maintains liquid resources for ongoing operations through undesignated funds held as cash or cash equivalents in its operating account(s). Transfers into Board Designated Funds will be made only after the threshold requirement for undesignated operating cash on hand is met.

The organization will maintain up to 50% of the organization's Board-approved annual operating budget in undesignated cash or cash equivalents. Any funds in excess of this amount will be transferred to an appropriate Board Designated Fund on a monthly basis.

V.VII. Deposits and Withdrawals

Once the threshold for undesignated cash and cash equivalents has been met, staff will make deposits into Board Designated Funds as follows:

- Funding of Reserve Fund up to the Target Balance, then
- Funding of Portfolio Fund up to the Target Balance, then
- Funding of Housing Production Fund up to the Target Balance



Deposits made that are consistent with this policy do not require further Board authorization.

Any withdrawal or transfer out of the Board Designated accounts requires Board action authorizing said expenditure or transfer.



VI.C. ACTION ITEM

Resolution No. SHFC-2025-40: Directing the Executive Director to assess and implement certain tenant protection policies

Resolution No. SHFC 2025-40

A RESOLUTION DIRECTING STAFF TO ASSESS AND IMPLEMENT CERTAIN TENANT PROTECTIONS

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, on October 5th, 2021, the Travis County Commissioners Court (the “Commissioners Court”) instructed Strategic Housing Finance Corporation of Travis County to adopt a Tenants Bill of Rights incorporating certain tenant protection policies, and

WHEREAS, on December 12, 2024, the Board of Directors of the Corporation (the “Board”) adopted Resolution No. SHFC-2024-68, which directed staff to analyze Corporation tenant protection policies and to return to the Board to recommend a Tenants Bill of Rights implementation plan no later than December 2025, and

WHEREAS, in recent years, the Corporation has undertaken actions to improve tenant experience, including, among others, requiring and/or incentivizing certain additional tenant protections in new developments, and

WHEREAS, in response to Resolution SHFC-2024-68, staff compared Corporation tenant protection policies to national, state, and local models, and presented its preliminary analysis to the Board on May 8, 2025, and

WHEREAS, staff identified the National Low Income Housing Coalition Tenant Bill of Rights as a useful guiding framework for considering specific, actionable tenant protections, but recommends that adopting specific tenant protection policies will be more impactful than adopting a broad Tenants Bill of Rights, and

WHEREAS, effective January 1, 2026, legislative changes made to Chapter 394 of the Texas Local Government Code require Texas Housing Finance Corporations to adopt certain tenant protections for developments in order to grant an ad-valorem tax exemption, and

WHEREAS, on November 5th, the University of Texas at Austin Housing Policy Clinic released a report entitled *Strengthening Public Benefits in Tax-Exempt Private Partnership Properties* (the “Report”), which offers recommendations intended to improve affordability, access, transparency, and tenant stability across subject developments in Travis County, and outlines a number of specific priority tenant protections, and

WHEREAS, many of the findings and recommendations of the Report are aligned with staff research and analysis on tenant protections, and

WHEREAS, the Corporation finds that it is already implementing 9 of the 24 tenant protection policies outlined in the Report or required by Chapter 394 (“Protections”), and

WHEREAS, since February 2025, the Corporation has participated in a Peer Roundtable comprised of the Housing Finance Corporations and Public Housing Authorities in Travis County (the “Public Entities”) named in the Report; and

WHEREAS, Protections such as those recommended by the Report are most effective when adopted uniformly by the Public Entities, to prevent competitive disadvantage for public entities adopt more additional Protections; and

WHEREAS, the Public Entities have expressed interest in exploring standardization of certain threshold Protections across jurisdictions.

WHEREAS, staff have presented an exhibit recommending near-term implementation of certain recommendations and the development of a collaborative process with Public Entities to further assess and develop other policies for potential shared adoption; and

NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF DIRECTORS OF THE CORPORATION THAT:

Section 1. Near-Term Policy and Practice Updates: As early as practicable, but no later than March 31st, 2026, the Executive Director is directed to report to the Board on the implementation of or modification to the following Protections and practices (outlined as “Category 1” in the attached exhibit), including but not limited to proposing revisions to the Corporation’s development term sheets.

- a. Require full, up-front disclosure of all mandatory tenant fees
- b. Cap late fees below the statutory maximum
- c. Cap application fees and other up-front costs
- d. Track and report voucher utilization rates across the Corporation’s portfolio.

Section 2. Cross-Jurisdiction Policy Alignment Process

- a. The Executive Director is directed to invite the Public Entities to participate in a policy alignment process as a function of the Peer Roundtable. The goal of the policy alignment process will be to develop shared threshold Protections through a collaborative process that recognizes each entity’s governance, statutory authority, and operational constraints.
- b. The Executive Director shall make a progress report to the Board no later than July 31st, 2026.

- c. The Executive Director shall endeavor to present proposed Category 2 and Category 3 tenant protections to the Board for consideration no later than December 31, 2026. This presentation may include status of the remaining recommendations, or alternative actions and implementation timelines that the Corporation may consider.

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

PASSED AND APPROVED this 13th day of November, 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 13th day of November, 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 13th day of November, 2025.

By: _____

Dianna Grey
Executive Director and Secretary



To: Board of Directors, Strategic Housing Finance Corporation of Travis County
From: Dianna Grey, Executive Director
Jim Ward, Director of Planning and External Affairs
Date: November 6, 2025
Re: Update on SHFC-2024-68 - Tenant Protections

Introduction

This memo serves as a final report related to SHFC-2024-68, related to tenant protection policies for Strategic HFC partnerships. The memo summarizes

- 1) The key policy drivers of staff recommendations regarding Tenant Protection Policies
- 2) Staff rationale and implementation framework, and
- 3) A plan for implementation

Context and Key Policy Drivers

Under current leadership, Strategic has prioritized continuous improvements to tenant experience and reputational repair following prior portfolio challenges. The proposed resolution builds on this commitment and responds to several key policy drivers:

1. **Board direction** from Resolution SHFC-2024-68 to develop a Tenant Bill of Rights (TBOR) and implementation plan.
2. **New statutory mandates** in Strategic HFC's enabling legislation (Texas Local Government Code Chapter 394) introduced by House Bill 21 and effective January 1, 2026, including notice standards, good cause eviction, and voucher protections.
3. **Findings and recommendations** from the recently released report *Strengthening Public Benefits in Tax-Exempt Private Partnership Properties* by the University of Texas at Austin Housing.
4. **Need for mutual adoption of policies** across Travis County public entities to promote consistent tenant protections and prevent creating a competitive
5. disadvantage where Strategic HFC adopts extensive tenant protections and other entities do not.

Staff Rationale & Implementation Framework

Staff recommend an approach grounded in the National Low Income Housing Coalition's Tenant Bill of Rights, which provides a nationally recognized, comprehensive framework for tenant protections. The seven core rights - fair application, fair lease, freedom from harassment, a habitable home, reasonable rent and costs, the right to organize, and safeguards against eviction - serve as organizing principles for specific policies which may be adopted.

Staff mapped specific actionable tenant protection policies (those recommended in the UT Austin report and those required by recent reforms to Chapter 394) using the NLIHC's conceptual categories. This produced a consolidated list of 24 required or recommended actions (see attached). Of these, Strategic HFC has already adopted nine (approximately 30%) through recent Workforce deal term policy revisions. These are outlined below.

Require the use of utility allowances when setting rent limits

Require a 30-day notice of lease termination

Show good cause required for lease nonrenewal

Cap income requirements for HCV @ 250% of the tenant portion

Cap total housing costs 30% of AMI (base rent + utilities & mandatory fees)

Adjust rent limits for household size (1 or 1.5 per bedroom)

Protect tenant organizing free from retaliation

Global voucher (HCV) acceptance policy

Affirmatively market vacancies to HCV holders

To begin identifying priorities for implementation of any additional tenant protection policies, staff organized remaining actions into three categories based on cost, complexity, and feasibility.

Category 1: Policies that are characterized by a clear rationale, relatively low cost, straightforward execution, and modest ongoing administrative burden to Strategic HFC and developer partners.

Examples: *Full up-front disclosure of all mandatory fees; cap late fees below statutory maximum; cap application fees and other up-front costs.*

Category 2: This category includes policies which are potentially feasible, with moderate cost and complexity. These policies may require additional

resources, imply more significant administrative burden, or require mutual adoption to avoid creating a significant competitive disadvantage for Strategic HFC.

Examples: *Accepting partial rent payments without punitive fees; implementing flexible payment plans.*

Category 3: This category consists of policies which are associated with higher costs, where execution is more complex, and/or where significant time would likely be needed to plan for program development or operational changes. These policies are also likely to require mutual adoption by public partners.

Examples: *Portfolio-wide eviction mitigation plans; proactive engagement protocols before filing evictions.*

Next Steps

A phased implementation approach based on the categories above would allow Strategic HFC to achieve early improvements while assessing feasibility and completing planning for more complex reforms.

Category 1

To maintain forward progress, staff propose an immediate focus on Category 1 activities by proposing revisions to term sheets for new workforce partnership developments to include the following:

1. Full up-front disclosure of all mandatory fees
2. Cap late fees below statutory maximum
3. Cap application fees and other up-front costs

An additional action proposed by UT Law School Housing Policy Clinic but not requiring term-sheet revision or Board approval is that staff begin tracking and reporting voucher utilization rates portfolio wide.

These actions should be completed as soon as practicable, but no later than March 31, 2026.

Categories 2 and 3

In February 2025, Strategic HFC organized and facilitated a group of the Housing Finance and Public Facilities Corporations in Travis County (the Roundtable). This active but informal group of public partners have previously discussed using the collective will of the

entities to create shared community thresholds in exchange for participation in affordable multifamily real estate transactions and have expressed a general openness to an environment of complementary policy development.

Since February 2025, the Corporation has participated in a Peer Roundtable comprised of the Housing Finance Corporations and Public Housing Authorities in Travis County. Staff propose working through the Peer Roundtable to facilitate a policy alignment process with the goal of developing shared threshold tenant protection policies with other Public Entities. Mutual adoption is critical because tenant protections can impose costs on developers, and if Strategic adopts significantly more protections than peer entities, development interest may shift toward jurisdictions with fewer requirements. Coordinated implementation ensures fairness, reduces friction, and maximizes public benefit.

This collaborative process may include drafting Memoranda of Understanding (MOUs) to formalize commitments, assuring mutual adoption, where necessary and appropriate. Staff will return to the Board no later than July 31, 2026, with interim findings and will present draft shared policies for Board consideration by year-end 2026. Implementation for these categories of tenant protections is anticipated to begin in 2027.

Conclusion

Staff recommend the adoption of the attached draft resolution directing the Executive Director to implement the actions outlined in this memo.

Attachments

- Inventory of Potential Tenant Protections
- Proposed Resolution
- [*Strengthening Public Benefits in Tax-Exempt Private Partnership Properties.*](#)
Housing Policy Clinic, University of Texas School of Law

Potential Strategic HFC Tenant Protection Policies

	Fair Application	Fair Lease	Reasonable Costs	Right to Organize	Safeguards Against Evictions	Other	Strategic Category
Cap application fees	X						1
Require full, up front, free disclosure at application		X					1
Cap late fees less at 5% of gross rent (or tenant portion)			X				1
Track and publish voucher utilization rates for the Portfolio					X		1
Follow state law on security deposit alternatives	X						2
Ban excessive or nonrefundable “risk” fees			X				2
Train property management in eviction prevention				X			2
Accept partial rent payments & Accept charitable rental assistance				X			2
10-day right to cure lease violations				X			3
Bar on evictions for unpaid fees and fines				X			3
Implement the additional reforms in 2024 Report on junk fees		X					3
Ban evictions for nonpayment of fees unrelated to rent				X			3
Adopt eviction mitigation plans for each TEPP Property				X			3
Require proactive engagement with tenants before filing evictions				X			3
Offer Flexible and Fair Payment Plans w/o extractive fees				X			3
Require the use of utility allowances when setting rent limits		X					Done
Require a 30-day notice of lease termination		X					Done
Show good cause required for lease nonrenewal		X					Done
Cap income requirements for HCV @ 250% of the tenant portion			X				Done
Cap total housing costs 30% of AMI (base rent + utli & fees)			X				Done
Adjust rent limits for household size (1 or 1.5 per bedroom)			X				Done
Protect tenant organizing free from retaliation				X			Done
Global voucher (HCV) acceptance policy					X		Done
Affirmatively market vacancies to HCV holders					X		Done



VI.D. ACTION ITEM

Resolution No. SHFC-2025-41: Resolution (The “Resolution”) of the board of Directors of Strategic Housing Finance Corporation of Travis County (The “Corporation”) authorizing the lease of real property and the execution and delivery of certain agreements in connection with the financing of the project and participation by affiliates of the corporation in a multifamily residential development known as Residents at Rubi; and containing other provisions related thereto

RESOLUTION N0. SHFC-2025-41

RESOLUTION (THE “*RESOLUTION*”) OF THE BOARD OF DIRECTORS OF STRATEGIC HOUSING FINANCE CORPORATION OF TRAVIS COUNTY (THE “*CORPORATION*”) AUTHORIZING THE LEASE OF REAL PROPERTY AND THE EXECUTION AND DELIVERY OF CERTAIN AGREEMENTS IN CONNECTION WITH THE FINANCING OF THE PROJECT AND PARTICIPATION BY AFFILIATES OF THE CORPORATION IN A MULTIFAMILY RESIDENTIAL DEVELOPMENT KNOWN AS RESIDENCES AT RUBI; AND CONTAINING OTHER PROVISIONS RELATED THERETO

A. LEASE OF REAL PROPERTY

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 Frontier Valley GP LLC, a Texas limited liability company (the “*General Partner*”) to be admitted as the sole general partner of 1418 Frontier Valley Partners LP, a Texas partnership company (the “*Partnership*”); and

WHEREAS, the Corporation is the sole member of SHFC Frontier Valley Land LLC, a Texas limited liability company (the “*Ground Lessor*”) that will acquire fee title to the real property (the “*Real Property*”) on which a multifamily residential development known as “Residences at Rubi” is located (the “*Project*”); and

WHEREAS, the Ground Lessor will enter into a long-term ground lease with the Partnership as tenant (the “*Ground Lease*”); and

WHEREAS, in connection with the lease of the Real Property from the Ground Lessor, the Partnership, the General Partner and/or the Corporation will be required to enter into various documents to evidence such leasehold interest, including but not limited to, the Ground Lease and Memorandum of Ground Lease (collectively, the “*Ground Lease 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 Corporation, acting on its own behalf or on behalf of the Ground Lessor, is hereby authorized to execute and deliver the Ground Lease Documents and such other documents and

instruments that may be necessary and desirable to facilitate the lease of the Real Property to the Partnership, with such changes to the Ground Lease Documents as the President (or any officer of the Corporation) believes to be necessary and desirable.

Section 2: The Corporation, acting on its own behalf or on behalf of the General Partner, acting on its own behalf or on behalf of the Partnership is hereby authorized to lease the Real Property and execute and deliver the Ground Lease Documents and such other documents and instruments that may be necessary and desirable to facilitate the lease of the Real Property and the operation of the Project thereon, with such changes to the Ground Lease Documents as the President (or any officer of the Corporation) believes to be necessary and desirable.

Section 3: The prior actions of the President or the Executive Director (of any other officer of the Corporation) acting on behalf of the Corporation, acting on behalf of the Ground Lessor or on behalf of the General Partner, acting on its own behalf or on behalf of the Partnership, with respect to the lease of the Real Property, including but not limited to the execution of the Ground Lease Documents, are hereby ratified and approved.

B. REGULATORY AGREEMENTS

WHEREAS, the General Partner and the Partnership will enter into a regulatory agreement (the “*HFC Regulatory Agreement*”) with the Corporation, which HFC Regulatory Agreement shall set forth the requirements necessary for the Project and the Partnership to comply with Chapter 394 of the Texas Local Government Code and certain other restrictions required by the Corporation, such restrictions being within the control of the Partnership; and

WHEREAS, the Ground Lessor and the Partnership will enter into a Second Amended and Restated Affordability Unlocked Land Use and Restrictions Agreement (Rental) (the “*AU Agreement*”) with the City of Austin (the “*City*”), which AU Agreement shall set forth the requirements necessary for the Project and the Partnership to receive one or more land use incentives from the City’s Affordability Unlocked Bonus Program (together with the HFC Regulatory Agreement the “*Regulatory Agreements*”).

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

Section 1: The Corporation, acting on its own behalf or on behalf of the Ground Lessor acting on its own behalf, or on behalf of the General Partner, acting on its own behalf or on behalf of the Partnership, is hereby authorized to execute and deliver the Regulatory Agreements and do all things necessary and desirable in connection therewith, with such changes as the President (or any officer of the Corporation) believes to be necessary and desirable.

C. PARTNERSHIP DOCUMENTATION

WHEREAS, in connection with the admission to the Partnership, the General Partner will enter into a Second Amended and Restated Agreement of Limited Partnership (the “*Partnership Agreement*”) with 1418 Frontier Valley Tenant, LLC, a Delaware limited liability company, as special limited partner and Frontier Valley LS GP LLC, a Texas limited liability company and

1418 Frontier Valley Owner LLC, a Delaware limited liability company as withdrawing partners; and

WHEREAS, the Partnership Agreement calls for the Partnership and/or the General Partner to enter into certain documents associated with the admission to the Partnership, including but not limited to the Partnership Agreement (collectively, with the Partnership Agreement, the “*Partnership Documents*”).

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

Section 1: The Corporation, acting on behalf of the General Partner, acting on its own behalf or on behalf of the Partnership, is hereby authorized to execute and deliver the Partnership Documents and do all things necessary and desirable in connection therewith, with such changes as the President (or any officer of the Corporation) believes to be necessary and desirable.

D. LOAN FINANCING AMENDMENT

WHEREAS, the Project is encumbered by a mortgage loan issued in the original amount of \$9,270,000 by Centennial Bank, an Arkansas state bank (the “*Lender*”) pursuant to that certain Construction Letter Loan Agreement dated as of September 29, 2023 (the “*Loan Agreement*”), as evidenced by that certain Promissory Note of even date therewith (the “*Note*”), and secured by that certain Deed of Trust, Security Agreement, Financing Statement and Assignment of Rents of even date therewith (the “*Deed of Trust*”); and

WHEREAS, in connection with the transfer of interests in the Project and the Partnership as described herein, Lender will require the execution and delivery of a Leasehold Deed of Trust, Security Agreement, Financing Statement and Assignment of Rents (the “*Leasehold Deed of Trust*”), a Joinder to Deed of Trust, a Consent to Leasehold Deed of Trust and a First Modification Agreement (collectively, with the Loan Agreement, Note and such other documents, instruments or certificates as the Lender may require in connection with such transfer, the “*Loan Amendment Documents*”).

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

Section 1: The Corporation, acting on its own behalf or on behalf of the Ground Lessor acting on its own behalf, or on behalf of the General Partner, acting on its own behalf or on behalf of the Partnership, is hereby authorized to execute and deliver the Loan Amendment Documents with such changes as the President (or any officer of the Corporation) believes to be necessary and desirable.

E. FINDINGS UNDER SECTION 394.905 OF THE ACT

WHEREAS, in connection with the ownership of the Real Property by the Ground Lessor and the interest of the General Partner in the Partnership, the Project is intended to qualify for an exemption from ad valorem taxes pursuant to the Act (the “*Exemption*”); and

WHEREAS, the Project is located in Travis County, Texas, an area in which the Corporation is authorized to own real property and engage in residential development; and

WHEREAS, prior to the date hereof, the Corporation obtained from a professional entity that has experience underwriting affordable residential developments and does not have a financial interest in the Corporation or the Project, the developer or investors, an underwriting assessment of the proposed Project that is dated not earlier than 180 before the date hereof (the “*Underwriting Assessment*”).

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

Section 1: Ownership and participation in the Project by the Ground Lessor and the General Partner, on behalf of the Corporation, are intended to qualify the Project for the Exemption.

Section 2: The Project is located in Travis County, Texas, an area in which the Corporation is authorized to own real property and engage in residential development.

Section 3: Based on the Underwriting Assessment, the Corporation has made a good faith determination that the total amount of annual rent reduction applicable to the Project, as defined in the Act, will be not less than fifty percent of the amount of estimated ad valorem taxes that would be imposed on the Project in the same tax year if the Project did not receive the Exemption in each of the third, fourth and fifth tax years after the tax year that the Ground Lessor acquires the Real Property and the Partnership acquires the Project.

Section 4: The Corporation has caused the Underwriting Assessment to be published on the Corporation’s website.

F. AUTHORIZATION AND RATIFICATION

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

Section 1: Any authorized signatory or officer of the Corporation, including but not limited to the President, the individual then appointed and acting as Secretary of the Board (the “*Secretary*”) and the Executive Director (each of the foregoing an “*Authorized Signatory*”), each acting on behalf of the Corporation, acting on its own behalf or on behalf of the Ground Lessor, or on behalf of the General Partner, acting on its own behalf or on behalf of the Partnership is hereby individually authorized to (i) negotiate the terms of the Corporation’s participation in the transactions described herein, with such terms and provisions as in such person’s discretion are deemed necessary or desirable, and negotiate such documents and instruments in connection therewith as may be necessary or desirable; and (ii) do all things necessary or desirable to facilitate the participation of the Corporation, the Ground Lessor, the General Partner and the Partnership in the transactions described herein.

Section 2: Any Authorized Signatory may act on behalf of the Corporation, acting on its own behalf or on behalf of the Ground Lessor, or on behalf of the General Partner, acting on its own behalf or on behalf of the Partnership, in connection with the participation of the Corporation, the Ground Lessor, the General Partner and the Partnership in the Project.

Section 3: This Resolution shall be effective upon the execution of this Resolution on the date set forth below, and thereupon any and all action taken by an Authorized Signatory, each acting on behalf of the Corporation, acting on its own behalf or on behalf of the Ground Lessor or on behalf of the General Partner, acting on its own behalf or on behalf of the Partnership, prior to such date, in effecting the purposes of the foregoing resolutions, is hereby approved, ratified and adopted in all respects.

Section 4: The General Partner (including its successor or assign) is hereby authorized to execute and deliver a resolution of the Partnership (the "*Partnership Resolution*") in substantially similar form to this Resolution in order to authorize the Partnership's participation in the transactions described herein and in the Partnership 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.

[Signature page and certification to follow]

PASSED AND APPROVED this 13th day of November, 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 13th day of November, 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 13th day of November, 2025.

By: _____
Dianna Grey
Executive Director and Secretary

EXHIBIT A
FORM OF PARTNERSHIP RESOLUTION

RESOLUTION (THE “*RESOLUTION*”) OF SHFC FRONTIER VALLEY GP LLC (THE “*GENERAL PARTNER*”) AUTHORIZING THE LEASE OF REAL PROPERTY AND THE EXECUTION AND DELIVERY OF CERTAIN AGREEMENTS IN CONNECTION WITH THE FINANCING OF THE PROJECT AND PARTICIPATION BY THE GENERAL PARTNER AND ITS AFFILIATES IN A MULTIFAMILY RESIDENTIAL DEVELOPMENT KNOWN AS RESIDENCES AT RUBI; AND CONTAINING OTHER PROVISIONS RELATED THERETO

SHFC FRONTIER VALLEY GP LLC, a Texas limited liability company (the “*General Partner*”), the general partner of 1418 FRONTIER VALLEY PARTNERS LP, a Texas limited partnership (the “*Partnership*”), hereby adopts the following resolutions:

A. LEASE OF REAL PROPERTY

WHEREAS, the General Partner is the sole general partner of the Partnership; and

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 is the sole member of the General Partner; 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 Frontier Valley Land LLC, a Texas limited liability company (the “*Ground Lessor*”) that will acquire fee title to the real property (the “*Real Property*”) on which a multifamily residential development known as “Residences at Rubi” is located (the “*Project*”); and

WHEREAS, the Ground Lessor will enter into a long-term ground lease with the Partnership as tenant (the “*Ground Lease*”); and

WHEREAS, in connection with the lease of the Real Property from the Ground Lessor, the Partnership, the General Partner and/or the Corporation will be required to enter into various documents to evidence such leasehold interest, including but not limited to, the Ground Lease and Memorandum of Ground Lease (collectively, the “*Ground Lease 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 Corporation, acting on its own behalf or on behalf of the General Partner, acting on its own behalf or on behalf of the Partnership is hereby authorized to lease the Real Property

and execute and deliver the Ground Lease Documents and such other documents and instruments that may be necessary and desirable to facilitate the lease of the Real Property and the operation of the Project thereon, with such changes to the Ground Lease Documents as the President (or any officer of the Corporation) believes to be necessary and desirable.

Section 2: The prior actions of the President or the Executive Director (of any other officer of the Corporation) acting on behalf of the Corporation, acting on behalf of the Ground Lessor or on behalf of the General Partner, acting on its own behalf or on behalf of the Partnership, with respect to the lease of the Real Property, including but not limited to the execution of the Ground Lease Documents, are hereby ratified and approved.

B. REGULATORY AGREEMENTS

WHEREAS, the General Partner and the Partnership will enter into a regulatory agreement (the “*HFC Regulatory Agreement*”) with the Corporation, which HFC Regulatory Agreement shall set forth the requirements necessary for the Project and the Partnership to comply with Chapter 394 of the Texas Local Government Code and certain other restrictions required by the Corporation, such restrictions being within the control of the Partnership; and

WHEREAS, the Ground Lessor and the Partnership will enter into a Second Amended and Restated Affordability Unlocked Land Use and Restrictions Agreement (Rental) (the “*AU Agreement*”) with the City of Austin (the “*City*”), which AU Agreement shall set forth the requirements necessary for the Project and the Partnership to receive one or more land use incentives from the City’s Affordability Unlocked Bonus Program (together with the HFC Regulatory Agreement the “*Regulatory Agreements*”).

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

Section 1: The Corporation, acting on its own behalf or on behalf of the General Partner, acting on its own behalf or on behalf of the Partnership, is hereby authorized to execute and deliver the Regulatory Agreements and do all things necessary and desirable in connection therewith, with such changes as the President (or any officer of the Corporation) believes to be necessary and desirable.

C. PARTNERSHIP DOCUMENTATION

WHEREAS, in connection with the admission to the Partnership, the General Partner will enter into a Second Amended and Restated Agreement of Limited Partnership (the “*Partnership Agreement*”) with 1418 Frontier Valley Tenant, LLC, a Delaware limited liability company, as special limited partner and Frontier Valley LS GP LLC, a Texas limited liability company and 1418 Frontier Valley Owner LLC, a Delaware limited liability company as withdrawing partners; and

WHEREAS, the Partnership Agreement calls for the Partnership and/or the General Partner to enter into certain documents associated with the admission to the Partnership, including but not limited to the Partnership Agreement (collectively, with the Partnership Agreement, the “*Partnership Documents*”).

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

Section 1: The Corporation, acting on behalf of the General Partner, acting on its own behalf or on behalf of the Partnership, is hereby authorized to execute and deliver the Partnership Documents and do all things necessary and desirable in connection therewith, with such changes as the President (or any officer of the Corporation) believes to be necessary and desirable.

D. LOAN FINANCING AMENDMENT

WHEREAS, the Project is encumbered by a mortgage loan issued in the original amount of \$9,270,000 by Centennial Bank, an Arkansas state bank (the “*Lender*”) pursuant to that certain Construction Letter Loan Agreement dated as of September 29, 2023 (the “*Loan Agreement*”), as evidenced by that certain Promissory Note of even date therewith (the “*Note*”), and secured by that certain Deed of Trust, Security Agreement, Financing Statement and Assignment of Rents of even date therewith (the “*Deed of Trust*”); and

WHEREAS, in connection with the transfer of interests in the Project and the Partnership as described herein, Lender will require the execution and delivery of a Leasehold Deed of Trust, Security Agreement, Financing Statement and Assignment of Rents (the “*Deed of Trust*”), a Joinder to Deed of Trust, a Consent to Leasehold Deed of Trust and a First Modification Agreement (collectively, with the Loan Agreement, Note and such other documents, instruments or certificates as the Lender may require in connection with such transfer, the “*Loan Amendment Documents*”).

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

Section 1: The Corporation, acting on its own behalf or on behalf of the General Partner, acting on its own behalf or on behalf of the Partnership, is hereby authorized to execute and deliver the Loan Amendment Documents with such changes as the President (or any officer of the Corporation) believes to be necessary and desirable.

E. AUTHORIZATION AND RATIFICATION

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

Section 1: Any authorized signatory or officer of the Corporation, including but not limited to the President, the individual then appointed and acting as Secretary of the Board of Directors of the Corporation (the “*Secretary*”) and the Executive Director (each of the foregoing an “*Authorized Signatory*”), each acting on behalf of the Corporation, acting on behalf of the General Partner, acting on its own behalf or on behalf of the Partnership is hereby individually authorized to (i) negotiate the terms of the General Partner’s participation in the transactions described herein, with such terms and provisions as in such person’s discretion are deemed necessary or desirable, and negotiate such documents and instruments in connection therewith as may be necessary or desirable; and (ii) do all things necessary or desirable to facilitate the participation of the General Partner and the Partnership in the transactions described herein.

Section 2: Any Authorized Signatory may act on behalf of the Corporation, acting on behalf of the General Partner, acting on its own behalf or on behalf of the Partnership, in connection with the participation of the General Partner and the Partnership in the Project.

Section 3: This Resolution shall be effective upon the execution of this Resolution on the date set forth below, and thereupon any and all action taken by an Authorized Signatory, each acting on behalf of the Corporation, acting on behalf of the General Partner, acting on its own behalf or on behalf of the Partnership, prior to such date, in effecting the purposes of the foregoing resolutions, is hereby approved, ratified and adopted in all respects.

Section 4: That each Authorized Signatory is individually authorized to certify and attest to the adoption and approval of the foregoing resolutions.

[Signature page and certification to follow]

PASSED AND APPROVED this _____ day of _____, 2025.

SHFC Frontier Valley GP LLC, a Texas
limited liability company

By: Strategic Housing Finance Corporation of
Travis County, a Texas housing finance
corporation, its sole member

Jan Wenig
President, Board of Directors

CERTIFICATION

The above resolution, adopted by SHFC Frontier Valley GP LLC on the ____ day of _____, 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 ____ day of _____, 2025.

SHFC Frontier Valley GP LLC, a Texas
limited liability company

By: Strategic Housing Finance Corporation of
Travis County, a Texas housing finance
corporation, its sole member

By: _____
Dianna Grey
Executive Director and Secretary

Residences at Rubi

1418 Frontier Valley Drive
Austin, Travis County, TX 78741

Newmark Job No.: 25-0234995-1

Appraisal Report Prepared For:

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

Prepared By:

Newmark Valuation & Advisory
2530 Walsh Tarlton Lane, Suite 200
Austin, TX 78701



NEWMARK VALUATION & ADVISORY

November 3, 2025

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

RE: Appraisal Of A Multifamily Property Known As Residences at Rubi Located At 1418 Frontier Valley Drive, Austin, Travis County, TX 78741, Prepared By Newmark Valuation & Advisory, LLC (herein "Firm" or "Newmark")

Newmark Job No.: 25-0234995-1

Dear Ms. Grey:

The "Subject Property" is a 101 unit mid-rise apartment community known as Residences at Rubi. The subject is located along Frontier Valley Drive in Austin, Texas and is situated on an 1.521-acre (66,255 square feet) site which is unaffected by a flood plain. The improvements were completed in Q3 2025 and consist of a 5-story wrapped building, which includes all amenity areas and residential units. The community amenities include the following: Fitness Center, leasing office, swimming pool, business center, and an outdoor courtyard. The unit interior amenities include the following: Full kitchens, stainless steel appliances, modern cabinetry/fixtures, tiled backsplashes, vinyl faux wood flooring throughout, and washer/dryer machines.

An affiliate of the Strategic Housing Finance Corporation of Travis County will own the land on which the Subject Property is located, and lease it via a long-term ground lease to 1418 Frontier Valley Partners LP. The regulatory agreement reviewed states the lessee would maintain 6 units as income restricted units at 30% AMI, 15 units restricted at 50% AMI, 30 units restricted at 70% AMI, and 40 units restricted at 120% AMI. All bedroom calculations are to be equal to 1.5 persons per bedroom. The subject would also be subject to two additional fees, a Ground Lease Fee of \$50,464, increased annually by 3% and a Partnership Management Fee of \$10,000, grown 3% annually. In exchange for maintaining the affordable units and the fees, the lessee would qualify for a tax exemption under Chapter 394 of the Texas Local Government Code (the "HFC Statute").

The analysis herein will provide assistance in SHFC's determination that the rent reductions provided by the subject property will satisfy House Bill 21 after acquisition. Under Texas State Law, any property that is acquired by an HFC after the enactment of House Bill 21 in May 2025

NEWMARK

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2530 Walsh Tarlton Lane, Suite 200
Austin, TX 78701
www.nmrk.com/valuation

qualifies for a tax abatement as long as the following affordability requirements are met in addition to other requirements set forth in the HFC statute. The affordability requirements are as follows:

- Participation at lower AMI tranches
 - o 10% of the units must be reserved for occupancy as “lower income” (60% AMI) housing units and 40% reserved for occupancy as “moderate” income (80% AMI) housing units.

OR

- o 10% of the units must be reserved for occupancy as “very low income” (50% AMI) housing units and 40% reserved for occupancy as “middle income” (100% AMI) housing units.
- Rent reduction / Tax savings
 - o In addition, the total amount of rent reduction each year must be at least 50% of the annual tax savings received through the exemption.

The AMI tranches specified in the regulatory agreement do satisfy the two tranche requirements in terms of total units in each tranche. However, Clause C(4) requires the affordable units be distributed pro rata across the unit mix. The current unit mix does not satisfy this clause, which is a requirement in the regulatory agreement. We have adjusted the subject’s unit mix so that the affordable units are distributed on a pro rata basis and, therefore, satisfies the affordability requirements described in Code Section 394.9026(c)(1) and required to be met in the regulatory agreement. As the subject property is still completing lease up and is approximately 22% occupied, we assume the ownership will be able to convert the unit mix to satisfy both the state requirements and the regulatory agreement which will encumber the property.

Extraordinary Assumptions and Hypothetical Conditions

An extraordinary assumption is defined in USPAP as an assignment-specific assumption as of the effective date regarding uncertain information used in an analysis which, if found to be false, could alter the appraiser's opinions or conclusions. The value conclusions are subject to the following extraordinary assumptions that may affect the assignment results.

1. The subject's unit mix is satisfying the LURA, however, does not satisfy the 1st clause of HB21. The developer, Notional, provided a unit mix and rents which satisfy the clause of HB21. As the subject property is still completing lease up and is approximately 22% occupied, we assume the ownership will be able to convert the unit mix to satisfy both the state requirements and the LURA agreement which encumbers the property.
2. Our date of conclusion is as of September 15, 2025. We assume that the subject property were in similar condition as of the date of inspection, May 22, 2025. We also assume no material change to the property between these two dates.

The use of these extraordinary assumptions might have affected assignment results.

A hypothetical condition is defined in USPAP as a condition, directly related to a specific assignment, which is contrary to what is known by the appraiser to exist on the effective date of the assignment results, but is used for the purpose of analysis. The value conclusions are based on the following hypothetical conditions that may affect the assignment results.

1. None

Compiled by Newmark

The appraisal was developed based on, and this report has been prepared in conformance with the Client's appraisal requirements, the guidelines and recommendations set forth in the Uniform Standards of Professional Appraisal Practice (USPAP), the requirements of the Code of Professional Ethics and Standards of Professional Appraisal Practice of the Appraisal Institute and the Interagency Appraisal and Evaluation Guidelines (December 2, 2010).

Certification

We certify that, to the best of our knowledge and belief:

1. The statements of fact contained in this report are true and correct.
2. The reported analyses, opinions, and conclusions are limited only by the reported assumptions and limiting conditions and are our personal, impartial and unbiased professional analyses, opinions, and conclusions.
3. We have no present or prospective interest in the property that is the subject of this report and no personal interest with respect to the parties involved.
4. We have no bias with respect to the property that is the subject of this report or to the parties involved with this assignment.
5. Our engagement in this assignment was not contingent upon developing or reporting predetermined results.
6. Our compensation for completing this assignment is not contingent upon the development or reporting of a predetermined value or direction in value that favors the cause of the client, the amount of the value opinion, the attainment of a stipulated result, or the occurrence of a subsequent event directly related to the intended use of this appraisal.
7. This appraisal assignment was not based upon a requested minimum valuation, a specific valuation, or the approval of a loan.
8. Our analyses, opinions, and conclusions were developed, and this report has been prepared, in conformity with the Uniform Standards of Professional Appraisal Practice, as well as the requirements of the State of Texas.
9. The reported analyses, opinions, and conclusions were developed, and this report has been prepared, in conformity with the Code of Professional Ethics and Standards of Professional Practice of the Appraisal Institute.
10. The use of this report is subject to the requirements of the Appraisal Institute relating to review by its duly authorized representatives.
11. As of the date of this report, David Thibodeaux, MAI has completed the continuing education program for Designated Members of the Appraisal Institute.
12. Bailee Faykus made a personal inspection of the property that is the subject of this report. David Thibodeaux, MAI and Victor Thomas have not personally inspected the subject.
13. No one provided significant real property appraisal assistance to the person(s) signing this certification.
14. The Firm operates as an independent economic entity. Although employees of other service lines or affiliates of the Firm may be contacted as a part of our routine market research investigations, absolute client confidentiality and privacy were maintained at all times with regard to this assignment without conflict of interest.
15. Within this report, "Newmark", "Newmark Valuation & Advisory", "Newmark, Inc.", and similar forms of reference refer only to the appraiser(s) who have signed this certification and any persons noted above as having provided significant real property appraisal assistance to the persons signing this report.

16. David Thibodeaux, MAI has prepared three appraisals of the subject property for the current client within the three-year period immediately preceding the agreement to perform this assignment. David Thibodeaux, MAI has performed no other services, as an appraiser or in any other capacity, regarding the subject property during this time period. Victor Thomas has previously appraised the property that is the subject of this report for another client (mortgage broker) within the three-year period immediately preceding the agreement to perform this assignment. Victor Thomas has performed no other services, as an appraiser or in any other capacity, regarding the subject property during this time period. Bailee Faykus has previously appraised the property that is the subject of this report for another client (mortgage broker) within the three-year period immediately preceding the agreement to perform this assignment. Bailee Faykus has performed no other services, as an appraiser or in any other capacity, regarding the subject property during this time period.



Victor Thomas
Executive Vice President
 Certified General Real Estate Appraiser
 Texas # 1335034-G
 Telephone: 214-232-4434
 Email: Victor.Thomas@nmrk.com



Bailee Faykus
Senior Appraiser
 Certified General Real Estate Appraiser
 Texas # 1381231-G
 Telephone: 832-233-7164
 Email: Bailee.Faykus@nmrk.com



David Thibodeaux, MAI
Senior Managing Director
 Certified General Real Estate Appraiser
 Texas # 1328395-G
 Telephone: 512-676-5538
 Email: David.Thibodeaux@nmrk.com

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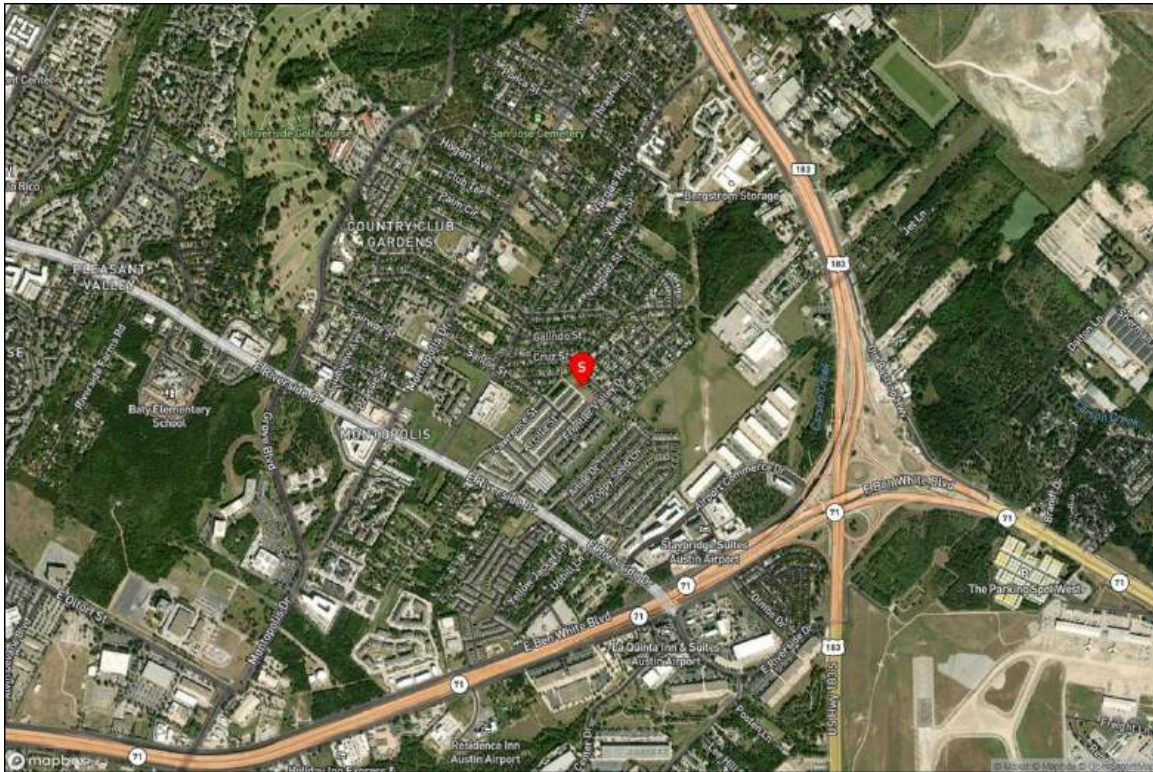
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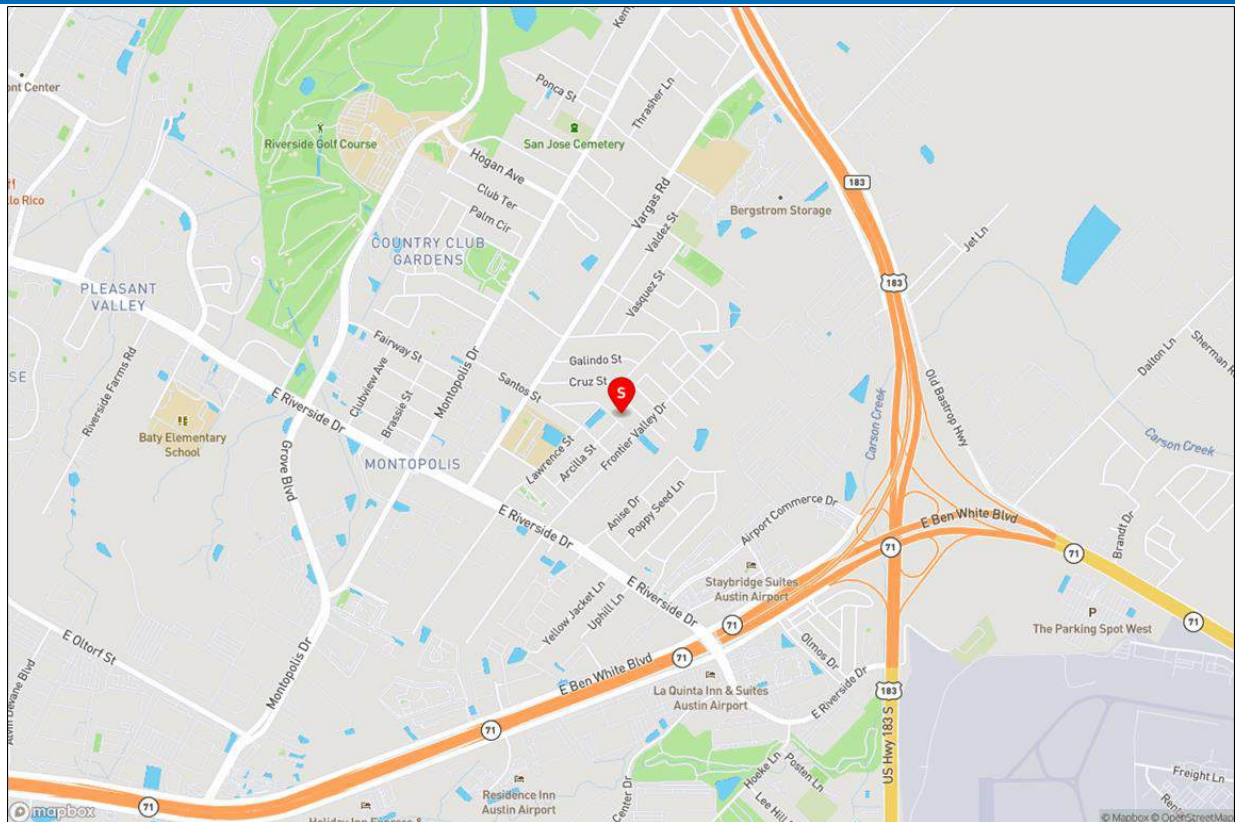
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Addenda

- A. Glossary of Terms
- B. Engagement Letter
- C. Financials and Property Information
- D. Comparable Data



Aerial Photo



Location Map

Executive Summary

Residences at Rubi

Property Type:	Multifamily-Mid/High Rise
Street Address:	1418 Frontier Valley Drive
City, State & Zip:	Austin, Travis County, TX 78741
Gross Building Area (SF):	57,913
Net Rentable Area (SF):	55,327
Number of Units:	101
Year Built:	2025
Current Occupancy:	21.8%
Land Area:	1.521 acres; 66,255 SF
Zoning:	MH-NP
Highest and Best Use - As Vacant:	A Multifamily Use
Highest and Best Use - As Improved:	Multifamily Use

Analysis Details

Valuation Date:	September 15, 2025
Satisfaction of House Bill 21	November 3, 2025
Report Date:	November 3, 2025
Report Type:	Appraisal Report
Client:	1418 Frontier Valley Partners LP
Intended Use:	Internal business decisions and no other use is permitted.
Intended User:	1418 Frontier Valley Partners LP, Strategic Housing Finance Corporation of Travis County and no other user is permitted by any other party for any other purpose.
Appraisal Premise:	Satisfaction of House Bill 21
Intended Use and User:	The intended use and user of our report are specifically identified in our report as agreed upon in our contract for services and/or reliance language found in the report. No other use or user of the report is permitted by any other party for any other purpose. Dissemination of this report by any party to non-client, non-intended users does not extend reliance to any other party and Newmark will not be responsible for unauthorized use of the report, its conclusions or contents used partially or in its entirety.
Interest Appraised:	Leased Fee
Exposure Time (Marketing Period) Estimate:	6 Months (6 Months)

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Leasing Summary

Rental Unit Subtotals	0 BR	1 BR	2 BR	Overall
Average Unit Size	442 SF	553 SF	771 SF	548 SF
Average Unit Asking Rent	\$1,128	\$1,526	\$1,812	\$1,419
Average Unit Contract Rent	\$946	\$0	\$1,955	\$991
Unit Occupancy	52.5%	0.0%	5.6%	21.8%
Unit Market Rent	\$1,450	\$1,550	\$1,955	\$1,583

Summary

Income Capitalization Approach - Direct Capitalization Method					\$/Unit	\$ Total
Capitalization Rate Indicators and Conclusion					Indication	
Comparable Multifamily Sales Range					4.56% - 5.19%	
Investor Surveys					4.00% - 6.25%	
Market Participants					4.75% - 5.25%	
Band of Investment					6.75%	
Concluded Going-In Capitalization Rate					6.93%	
Stabilized Income Estimate						
Potential Gross Income					\$19,490	\$1,968,492
Stabilized % Vacancy & Collection Loss					-8.00%	(\$157,479)
Effective Gross Income					\$19,761	\$1,995,843
Operating Expenses					\$5,208	\$525,990
Operating Expense Ratio						26.4%
Net Operating Income					\$14,553	\$1,469,853
Capitalization Rate						6.93%
Income Capitalization Approach - Discounted Cash Flow Method					\$ Total	
Unrestricted Analysis	1	2	3	4	5	
Potential Gross Revenue	\$2,153,322	\$2,217,922	\$2,286,372	\$2,354,963	\$2,425,612	
Vacancy & Collection Loss	(\$157,479)	(\$162,204)	(\$125,302)	(\$129,061)	(\$132,933)	
Effective Gross Income	\$1,995,843	\$2,055,718	\$2,161,070	\$2,225,902	\$2,292,679	
Operating Expenses	\$525,990	\$541,770	\$559,333	\$576,114	\$593,397	
Operating Expense Ratio	26.4%	26.4%	25.9%	25.9%	25.9%	
Net Operating Income	\$1,469,853	\$1,513,948	\$1,601,736	\$1,649,788	\$1,699,282	
Net Cash Flow	\$1,469,853	\$1,513,948	\$1,601,736	\$1,649,788	\$1,699,282	
Year over Year Growth		3.00%	5.80%	3.00%	3.00%	

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Introduction

OWNERSHIP HISTORY

The current owner is 1418 Frontier Valley Partners LP. The following summarizes a three-year history of ownership, the current listing status, and pending transactions for the subject property (as applicable).

Ownership History

To the best of our knowledge, no sale or transfer of ownership has taken place within the three-year period prior to the effective date of the appraisal.

Listing Status:	Not Listed For Sale		
Current or Pending Contract:	None Reported		
Previous Sales			
Date of Sale:	September 29, 2023		
Most Recent Reported Sale:	September 29, 2023		
Buyer:	1418 Frontier Valley Partners LP		
Seller:	Delphi Affordable		
Purchase Price:	\$3,750,000	\$37,129	Per Unit
Deed Information:	2023113890		
Comments:	Non-arm's length		

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The subject site was sold from one of the partner’s entity to another joint venture for \$3,750,000, or \$37,129 per unit. Per the borrower, this was not a marketed transaction and was not arm’s length. Due to the oversupply of multifamily units in the market, multifamily land values have decreased significantly over the previous two years. Brokers are noting a large decrease in transactions and lack of certainty in getting to a closing once under contract. To the best of our knowledge, no other sale or transfer of ownership has taken place within a three-year period prior to the effective date of the appraisal.

HFC Regulatory Agreement Abstract

As discussed, the subject is an income restricted property by a Housing Finance Corporation via ground lease. The regulatory agreement reviewed states the lessee would maintain 6 units as income restricted units at 30% AMI, 15 units restricted at 50% AMI, 30 units restricted at 70% AMI, and 40 units restricted at 120% AMI. All bedroom calculations are to be equal to 1.5 persons per bedroom. The subject would also be subject to two additional fees, a Ground Lease Fee of \$50,464, increased annually by 3% and a Partnership Management Fee of \$10,000, grown 3% annually. In exchange for maintaining the affordable units and the fees, the lessee would receive a property tax abatement.

INTENDED USE AND USER

The intended use and user of our report are specifically identified in our report as agreed upon in our contract for services and/or reliance language found in the report. No other use or user of the report is permitted by any other party for any other purpose. Dissemination of this report by any party to non-client, non-intended users does not extend reliance to any other party and Newmark will not be responsible for unauthorized use of the report, its conclusions or contents used partially or in its entirety.

- The intended use of the appraisal is for internal business decisions and no other use is permitted. Consultant expressly agrees that the client may post the appraisal on its website in accordance with the HFC statute.
- The client is Strategic Housing Finance Corporation of Travis County.
- The intended user is 1418 Frontier Valley Partners LP, Strategic Housing Finance Corporation of Travis County and no other user is permitted by any other party for any other purpose.

DEFINITION OF VALUE

Market value is defined as:

“The most probable rent that a property should bring in a competitive and open market reflecting all conditions and restrictions of the lease agreement, including permitted uses, use restrictions, expense obligations, concessions, renewal and purchase options, and tenant improvements (TIs).”

(Source: The Appraisal of Real Estate, 14 Editions, page 447)

APPRAISAL REPORT

This appraisal is presented in the form of an appraisal report, which is intended to comply with the reporting requirements set forth under Standards Rule 2-2(a) of USPAP. This report incorporates sufficient information regarding the data, reasoning and analysis that were used to develop the opinion of calculation of potential assessment in accordance with the intended use and user.

PURPOSE OF THE APPRAISAL & INTEREST APPRAISED

The primary purpose of the appraisal is to develop an opinion of the subject's status in satisfying House Bill 21 under Texas State Law.

SCOPE OF WORK

Extent to Which the Property is Identified

- Physical characteristics
- Legal characteristics
- Economic characteristics

Extent to Which the Property is Inspected

Newmark inspected the subject property on May 22, 2025 as part of a previous appraisal report. Bailee Faykus made a personal inspection of the property that is the subject of this report. David Thibodeaux, MAI and Victor Thomas have not personally inspected the subject.

We assume the subject property is in similar condition as of the effective date.

Type and Extent of the Data Researched

- | | |
|---|--|
| – Market trends relative to the subject property type; | – Real estate tax data; |
| – Physical characteristics of the site and applicable improvements; | – Relevant applicable comparable data; and |
| | – Investment rates |

Type and Extent of Analysis Applied

We analyzed the property and market data gathered through the use of appropriate, relevant, and accepted market-derived methods and procedures. Further, we employed the appropriate and relevant approaches to value, and correlated and reconciled the results into an estimate of market value, as demonstrated within the appraisal report. The applied scope of work is appropriate and sufficient to produce credible assignment results for the intended use of this report.

Real Estate Taxes

Taxes and Assessments								
Tax Year 2025		Assessor's Market Value			Tax Rates		Taxes and Assessments	
Tax ID	Land	Improvements	Total	Assessment Ratio	Land & Improvements	Ad Valorem Taxes	Direct Assessments	Total
289601	\$321,594	\$0	\$321,594	100.0%	2.0282%	\$6,523	\$0	\$6,523
	\$321,594	\$0	\$321,594	100.0%	2.0282%	\$6,523	\$0	\$6,523

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The local assessor's methodology for valuation is cost, sales, income. The property is assessed on a fee simple basis.

Under The Texas Property Tax Code, assessed value is intended to represent 100% of market value via the use of all three approaches to value. However, equal and uniform regulations make this difficult. Additionally, Texas is a non-disclosure state and the sales price is not on any public document and does not have to be divulged. Finally, the owners of the subject property have the ability to protest the subject's valuation in any given tax year regardless of whether or not there is an increase.

Notifications of assessed value as of January 1st are mailed in March and April and the Appraisal District has to be notified of a value protest by May 15th. Tax rates, set by the individual taxing authorities, are not determined until November of that year. In this market, properties are reassessed each year.

REASSESSMENT COMPARABLES

Assessment to Sales Price Ratio Analysis			
No.	1	2	3
Property Name	The Shoal	3Waller	The Grand at Manor
Apt. Units	143	259	271
Sale Date	7/1/2024	2/1/2024	12/31/2024
Sale Price	\$32,500,000	\$59,500,000	\$48,000,000
Price/Unit	\$227,273	\$229,730	\$177,122
Total Assessed Value	\$32,500,000	\$59,500,000	\$45,000,000
Assessed Value as % of Sale Price	100%	100%	94%

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While two of the three transactions were assessed at 100% of the purchase price, we have placed primary weight on the lower end of the range as a large amount of multifamily owners are protesting Travis County's aggressive reassessment ratios.

SUBJECT TAX CONCLUSION - UNRESTRICTED

Ad Valorem Tax Analysis		
	Subject History	Conclusion
	2025	
Total Assessed Value	\$321,594	\$20,140,000
Total Assessed Value/Unit	\$3,184	\$199,406
Tax Rate	2.02821%	2.0282%
Ad Valorem Taxes	\$6,523	\$408,482
Direct Assessments	\$0	\$0
Actual / Pro Forma Taxes	\$6,523	\$408,482
Reported Tax Delinquencies	None	None
Tax Exemptions or Abatements	None	None

Compiled by Newmark

As the subject was not complete as of the beginning of 2025 when Travis County was completing assessments, the current assessed value does not reflect a complete, stabilized property. Therefore, an appropriate method of deriving a potential assessment, is excluding the real estate tax expense in the income approach and adding a ratio of the tax rate to the base capitalization rate. The value produced is an opinion of potential assessment. We have added 95% of the tax rate, based on the reassessment to sales price ratios above (1.9268033%) to the concluded base cap rate (5.0%) of the unrestricted analysis.

AS RESTRICTED

We note, in exchange for maintaining the income restrictions, the property will be fully exempt from property taxes. Therefore, the yearly tax expense is \$0 for the restricted analysis.

STATE MARGIN TAX

The Margin Tax is calculated by multiplying a taxable entity's taxable margin by the tax rate of 1%, or 0.5% for retailers and wholesalers. No tax is owed if the tax due is less than \$1,000 or if the taxable entity's total revenue from its entire business does not exceed \$2,470,000 subject to adjustment based on changes in the consumer price index. For businesses with less than \$20 million of total revenue, a simplified computational formula call the E-Z computation can be used, whereby the tax is imposed at a rate of 0.331% of apportioned total revenue. Taxpayers that qualify must elect into the simplified treatment and waive the ability to take any credit, deduction or other adjustment. Based on the subject's pro forma EGI, the margin tax would not apply.

Income Capitalization Approach

HYPOTHETICAL AS IF UNRESTRICTED

The income capitalization approach reflects the subject's income-producing capabilities. This approach is based on the assumption that value is created by the expectation of benefits to be derived in the future. Specifically estimated is the amount an investor would be willing to pay to receive an income stream plus reversion value from a property over a period of time. The two common valuation techniques associated with the income capitalization approach are direct capitalization and the discounted cash flow (DCF) analysis.

The direct capitalization method is normally more appropriate for properties with relatively stable operating histories and expectations. The DCF analysis is more appropriate for investment properties with multiple or long-term leases, particularly leases with cancellation clauses or renewal options, and especially in volatile markets.

In this analysis, we utilized both methods to better forecast the subject's future income.

Additionally, this first analysis is as if the subject property was not encumbered with income/rent restrictions and reflects a hypothetical value. The analysis of the subject as restricted inclusive of the HB21 rent analysis follows on page 33.

UNIT MIX

A summary unit mix for the property is shown below, based on our review of the rent roll. Market rent will be developed below.

Unit Mix									
No.	Unit Description	Unit Size (SF)	Rentable Area (SF)	Occupied Units	Unit Occupancy	Avg. Contract Rent	Asking Rent	Market Rent	Market Rent PSF
6	0 BR/1 BA S1-30% - 439 SF	439	2,634	6	100.0%	\$662	\$662	\$1,450	\$3.30
15	0 BR/1 BA S1-50% - 439 SF	439	6,585	11	73.3%	\$925	\$925	\$1,450	\$3.30
3	0 BR/1 BA S1-70% - 439 SF	439	1,317	1	33.3%	\$1,360	\$1,360	\$1,450	\$3.30
3	0 BR/1 BA S2 - 439 SF	439	1,317	3	100.0%	\$1,450	\$1,450	\$1,450	\$3.30
13	0 BR/1 BA S2 - 120% - 447 SF	447	5,811	0	0.0%		\$1,450	\$1,450	\$3.24
40	0 BR Total	442	17,664	21	52.5%		\$1,128	\$1,450	\$3.28
1	1 BR/1 BA A1 - 552 SF	552	552	0	0.0%		\$1,550	\$1,550	\$2.81
14	1 BR/1 BA A1 - 70% - 552 SF	552	7,728	0	0.0%		\$1,475	\$1,550	\$2.81
12	1 BR/1 BA A1 - 120% - 552 SF	552	6,624	0	0.0%		\$1,550	\$1,550	\$2.81
14	1 BR/1 BA A2 - 120% - 552 SF	552	7,728	0	0.0%		\$1,550	\$1,550	\$2.81
2	1 BR/1 BA A2 - 564 SF	564	1,128	0	0.0%		\$1,550	\$1,550	\$2.75
43	1 BR Total	553	23,760	0	0.0%		\$1,526	\$1,550	\$2.81
2	2 BR/2 BA B1 - 771 SF	771	1,542	1	50.0%	\$1,955	\$1,855	\$1,955	\$2.54
7	2 BR/2 BA B1-70% - 771 SF	771	5,397	0	0.0%		\$1,759	\$1,955	\$2.54
2	2 BR/2 BA B2 - 771 SF	771	1,542	0	0.0%		\$1,855	\$1,955	\$2.54
1	2 BR/2 BA B2 - 771 SF	771	771	0	0.0%		\$1,759	\$1,955	\$2.54
6	2 BR/2 BA B2 - 120% - 771 SF	771	4,626	0	0.0%		\$1,855	\$1,955	\$2.54
18	2 BR Total	771	13,878	1	5.6%		\$1,812	\$1,955	\$2.54
101	Totals		55,302	22					
	Averages	548			21.8%	\$991	\$1,419	\$1,583	\$2.89

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The table above is what is at the subject property as of the date of the report. As noted, this does not satisfy Clause (c)(4), which requires a pro rata distribution of affordable units which is a requirement of the regulatory agreement. The table below details a unit mix, which satisfies Clause (c)(4). This unit mix was utilized for the market rent conclusion in this analysis.

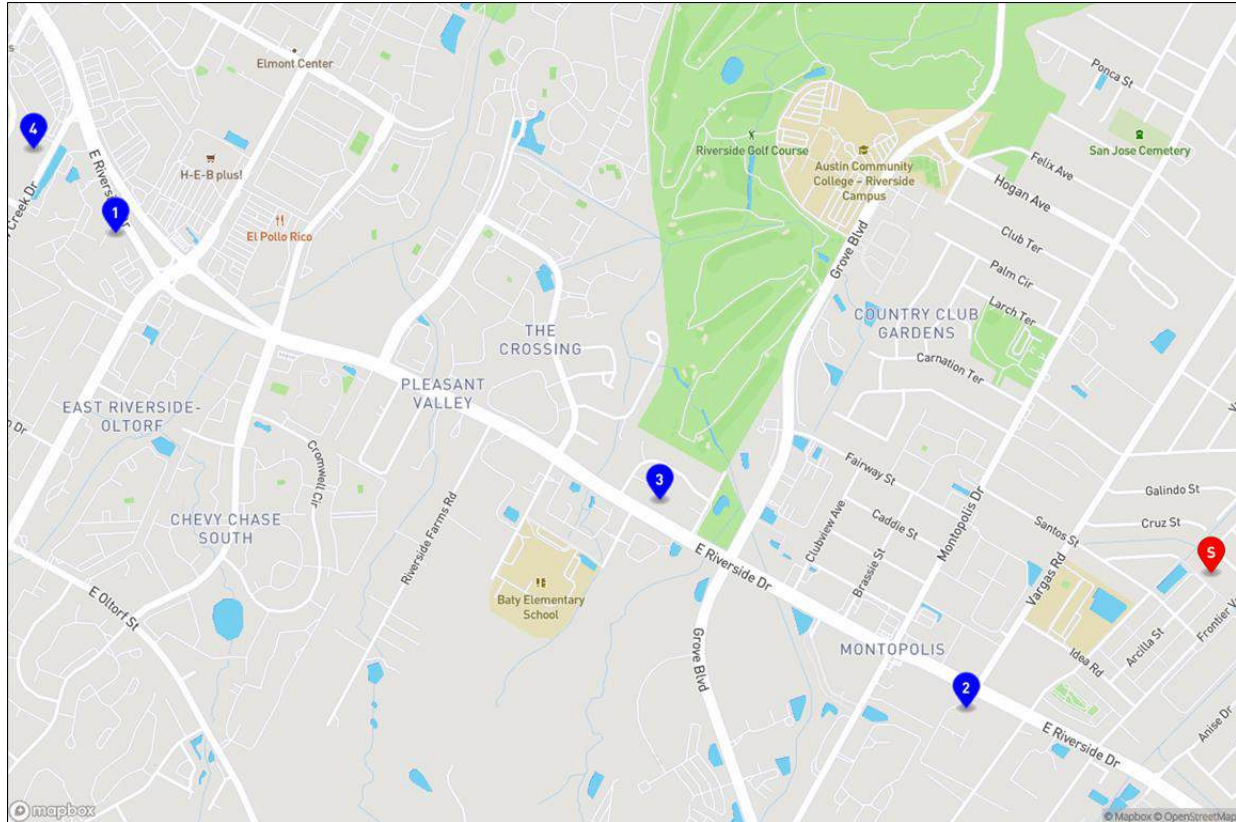
Unit Mix							
No. Units	Unit Description	Unit Size (SF)	Rentable Area (SF)	Market Rent	Market Rent PSF	Mandatory Fees	Total Market Rent
2	Eff 30% AMI - 439 SF	439	878	\$1,450	\$3.30	\$58	\$1,508
6	Eff 50% AMI - 439 SF	439	2,634	\$1,450	\$3.30	\$58	\$1,508
12	Eff 70% AMI - 439 SF	439	5,268	\$1,450	\$3.30	\$58	\$1,508
20	Eff 120% AMI - 447 SF	447	8,940	\$1,450	\$3.24	\$58	\$1,508
40		443	17,720				
3	1BR 30% AMI - 552 SF	552	1,656	\$1,550	\$2.81	\$58	\$1,608
6	1BR 50% AMI - 552 SF	552	3,312	\$1,550	\$2.81	\$58	\$1,608
8	1BR 70% AMI - 552 SF	552	4,416	\$1,550	\$2.81	\$58	\$1,608
10	1BR 120% AMI - 552 SF	552	5,520	\$1,550	\$2.81	\$58	\$1,608
16	1BR 120% AMI - 564 SF	564	9,024	\$1,550	\$2.75	\$58	\$1,608
43		556	23,928				
1	2BR 30% AMI - 771 SF	771	771	\$1,955	\$2.54	\$58	\$2,013
3	2BR 50% AMI - 771 SF	771	2,313	\$1,955	\$2.54	\$58	\$2,013
10	2BR 70% AMI - 771 SF	771	7,710	\$1,955	\$2.54	\$58	\$2,013
4	2BR - 771 SF	771	3,084	\$1,955	\$2.54	\$58	\$2,013
18		771	13,878				

Compiled by Newmark

MARKET RENT ANALYSIS

In estimating market rent for the subject property, we considered data and opinions from the following:

- Leasing activity with competing properties;
- Market area leasing trends; and
- opinions of market rent derived from our interviews of leasing agents active in the local market.



Comparable Map

No.	Name	Address
Subject	Residences at Rubi	1418 Frontier Valley Drive, Austin, TX 78741
1	Brixton South Shore	2435 East Riverside Drive, Austin, TX
2	Crosstown	6507 East Riverside Drive, Austin, TX
3	Zoey	5700 East Riverside Drive, Austin, TX
4	The Sondery	1700 Willow Creek Drive, Austin, TX

Compiled by Newmark



Comparable One



Comparable Two



Comparable Three



Comparable Four

Analysis of Comparable Properties

Comparable Mid/High Rise Rentals Summary									
No.	Property Name	No. Units Avg. Unit SF	Year Built Occupancy	Unit Type	Unit Description	Size (SF)	Rent	\$/SF	Group for Comparison
1	Brixton South Shore	102	2020	1 BR/1 BA	1BR/1BA	551	\$1,192	\$2.16	1 BR
		693	86%	1 BR/1 BA	1BR/1BA	562	\$1,171	\$2.08	1 BR
				1 BR/1 BA	1BR/1BA	572	\$1,116	\$1.95	1 BR
				1 BR/1 BA	1BR/1BA	591	\$1,128	\$1.91	1 BR
				1 BR/1 BA	1BR/1BA	671	\$1,580	\$2.35	1 BR
				1 BR/1 BA	1BR/1BA	692	\$1,244	\$1.80	1 BR
				1 BR/1 BA	1BR/1BA	712	\$1,280	\$1.80	1 BR
				0 BR/1 BA	0BR/1BA	818	\$1,710	\$2.09	0 BR
				1 BR/1 BA	1BR/1BA	853	\$1,720	\$2.02	1 BR
				0 BR/1 BA	0BR/1BA	907	\$1,352	\$1.49	0 BR
				0 BR/1 BA	0BR/1BA	919	\$1,844	\$2.01	0 BR
				2 BR/2 BA	2BR/2BA	949	\$2,274	\$2.40	2 BR
				1 BR/1 BA	1BR/1BA	1,012	\$1,588	\$1.57	1 BR
				2 BR/2 BA	2BR/2BA	1,252	\$2,475	\$1.98	2 BR
				2 BR/2 BA	2BR/2BA	1,327	\$1,909	\$1.44	2 BR
2	Crosstown	263	2023	0 BR/1 BA	0BR1BA	418	\$1,095	\$2.62	0 BR
		711	92%	0 BR/1 BA	0BR/1BA	418	\$1,250	\$2.99	0 BR
				0 BR/1 BA	0BR/1BA	418	\$1,250	\$2.99	0 BR
				1 BR/1 BA	1BR/1BA	555	\$1,345	\$2.42	1 BR
				1 BR/1 BA	1BR/1BA	555	\$1,325	\$2.39	1 BR
				1 BR/1 BA	1BR/1BA	555	\$1,295	\$2.33	1 BR
				1 BR/1 BA	1BR/1BA	555	\$1,375	\$2.48	1 BR
				1 BR/1 BA	1BR/1BA	648	\$1,240	\$1.91	1 BR
				1 BR/1 BA	1BR/1BA	648	\$1,295	\$2.00	1 BR
				1 BR/1 BA	1BR/1BA	648	\$1,445	\$2.23	1 BR
				1 BR/1 BA	1BR/1BA	648	\$1,445	\$2.23	1 BR
				1 BR/1 BA	1BR/1BA	665	\$1,500	\$2.26	1 BR
				1 BR/1 BA	1BR/1BA	665	\$1,150	\$1.73	1 BR
				2 BR/2 BA	2BR/2BA	768	\$1,595	\$2.08	2 BR
				2 BR/2 BA	2BR/2BA	768	\$1,705	\$2.22	2 BR
				2 BR/2 BA	2BR/2BA	768	\$1,750	\$2.28	2 BR
3	Zoey	306	2021	0 BR/1 BA	0BR/1BA	513	\$1,159	\$2.26	0 BR
		835	95%	0 BR/1 BA	0BR/1BA	515	\$1,431	\$2.78	0 BR
				0 BR/1 BA	0BR/1BA	532	\$1,415	\$2.66	0 BR
				0 BR/1 BA	0BR/1BA	532	\$1,025	\$1.93	0 BR
				0 BR/1 BA	0BR/1BA	563	\$1,025	\$1.82	0 BR
				0 BR/1 BA	0BR/1BA	563	\$977	\$1.74	0 BR
				1 BR/1 BA	1BR/1BA	638	\$1,331	\$2.09	1 BR
				1 BR/1 BA	1BR/1BA	641	\$1,770	\$2.76	1 BR
				1 BR/1 BA	1BR/1BA	675	\$1,795	\$2.66	1 BR
				1 BR/1 BA	1BR/1BA	684	\$1,808	\$2.64	1 BR
				1 BR/1 BA	1BR/1BA	684	\$1,808	\$2.64	1 BR
				1 BR/1 BA	1BR/1BA	710	\$1,838	\$2.59	1 BR
				1 BR/1 BA	1BR/1BA	715	\$1,421	\$1.99	1 BR
				1 BR/1 BA	1BR/1BA	720	\$1,832	\$2.54	1 BR
				1 BR/1 BA	1BR/1BA	720	\$1,853	\$2.57	1 BR
				1 BR/1 BA	1BR/1BA	730	\$1,407	\$1.93	1 BR
				1 BR/1 BA	1BR/1BA	731	\$1,623	\$2.22	1 BR
				1 BR/1 BA	1BR/1BA	790	\$1,672	\$2.12	1 BR
				1 BR/1 BA	1BR/1BA	797	\$1,607	\$2.02	1 BR
				2 BR/2 BA	2BR/2BA	813	\$1,411	\$1.74	2 BR
				2 BR/2 BA	2BR/2BA	838	\$1,380	\$1.65	2 BR
				2 BR/2 BA	2BR/2BA	849	\$1,270	\$1.50	2 BR
				1 BR/1 BA	1BR/1BA	856	\$1,877	\$2.19	1 BR
				1 BR/1 BA	1BR/1BA	877	\$1,913	\$2.18	1 BR
				1 BR/1 BA	1BR/1BA	890	\$1,483	\$1.67	1 BR
				1 BR/1 BA	1BR/1BA	943	\$1,598	\$1.69	1 BR
				1 BR/1 BA	1BR/1BA	1,047	\$1,733	\$1.66	1 BR
				2 BR/2 BA	2BR/2BA	1,080	\$1,949	\$1.80	2 BR
				2 BR/2 BA	2BR/2BA	1,157	\$2,158	\$1.87	2 BR
				2 BR/2 BA	2BR/2BA	1,166	\$1,975	\$1.69	2 BR
				2 BR/2 BA	2BR/2BA	1,172	\$1,601	\$1.37	2 BR
				2 BR/2 BA	2BR/2BA	1,201	\$1,961	\$1.63	2 BR
				2 BR/2 BA	2BR/2BA	1,277	\$2,419	\$1.89	2 BR
				2 BR/2 BA	2BR/2BA	1,399	\$1,851	\$1.32	2 BR
				2 BR/2 BA	2BR/2BA	1,672	\$2,589	\$1.55	2 BR

4	The Sondery	323	2024	0 BR/1 BA	0BR/1BA	517	\$1,070	\$2.07	0 BR
		708	92%	1 BR/1 BA	1BR/1BA	740	\$1,323	\$1.79	1 BR
				1 BR/1 BA	1BR/1BA	636	\$1,291	\$2.03	1 BR
				2 BR/2 BA	2BR/2BA	1,034	\$1,784	\$1.73	2 BR
				3 BR/2 BA	3BR/2BA	1,226	\$1,968	\$1.61	3 BR
Subject Residences at Rubi		101	2025	0 BR/1 BA	S1-30%	439	\$662	\$1.51	0 BR
		548	22%	0 BR/1 BA	S1-50%	439	\$925	\$2.11	0 BR
				0 BR/1 BA	S1-70%	439	\$1,360	\$3.10	0 BR
				0 BR/1 BA	S2	439	\$1,450	\$3.30	0 BR
				0 BR/1 BA	S2 - 120%	447	\$1,450	\$3.24	0 BR
				1 BR/1 BA	A1	552	\$1,550	\$2.81	1 BR
				1 BR/1 BA	A1 - 70%	552	\$1,475	\$2.67	1 BR
				1 BR/1 BA	A1 - 120%	552	\$1,550	\$2.81	1 BR
				1 BR/1 BA	A2	564	\$1,550	\$2.75	1 BR
				0 BR/1 BA	A2 - 120%	552	\$1,550	\$2.81	0 BR
				2 BR/2 BA	B1	771	\$1,855	\$2.41	2 BR
				2 BR/2 BA	B1-70%	771	\$1,759	\$2.28	2 BR
				2 BR/2 BA	B2	771	\$1,855	\$2.41	2 BR
				2 BR/2 BA	B2 - 70%	771	\$1,759	\$2.28	2 BR
				2 BR/2 BA	B2 - 120%	771	\$1,855	\$2.41	2 BR

Competitive Set Totals By Unit Type	Unit Size Range	Average	Unit Rent Range	Average	Rent /SF Range
0 BR			\$977 - \$1,844	\$1,277	\$1.49 - \$2.99/SF
1 BR			\$1,116 - \$1,913	\$1,502	\$1.57 - \$2.76/SF
2 BR			\$1,270 - \$2,589	\$1,879	\$1.32 - \$2.40/SF

Compiled by Newmark

As this analysis is as if the subject property was unrestricted, the concluded market rents emphasize the asking rent of the market rate units which are supported by both the range of the comparables and the contract rent of the leased units. We note, the 2BR units were actively achieving a rent of \$1,955. This rent was emphasized for the 2BR units.

Market Rent Conclusions

The following is a summary of the subject's unit mix and our market rent conclusions based on our analysis of the subject rent roll and comparable market data detailed in the preceding.

Per HB21 Sec 394.9026, "Rent" is defined as any recurring fee or charge a tenant is required to pay as a condition of occupancy, including a fee or charge for the use of a common area or facility reasonably associated with residential rental property. The term does not include fees and charges for services or amenities that are optional for a tenant, such as pet fees and fees for storage or covered parking. The subject includes mandatory fees as follows:

Mandatory Fees	
Description	Fee
Valet Trash	\$30.00
Building Protection	\$19.00
Pest Control	\$5.00
Utility Admin	\$3.50
Total Mandatory Fees	\$57.50

Compiled by Newmark

The unit mix below emphasizes the current asking rents plus the mandatory fees. We have rounded to \$58 in this and the restricted analysis.

Unit Mix							
No. Units	Unit Description	Unit Size (SF)	Rentable Area (SF)	Market Rent	Market Rent PSF	Mandatory Fees	Total Market Rent
2	Eff 30% AMI - 439 SF	439	878	\$1,450	\$3.30	\$58	\$1,508
6	Eff 50% AMI - 439 SF	439	2,634	\$1,450	\$3.30	\$58	\$1,508
12	Eff 70% AMI - 439 SF	439	5,268	\$1,450	\$3.30	\$58	\$1,508
20	Eff 120% AMI - 447 SF	447	8,940	\$1,450	\$3.24	\$58	\$1,508
40		443	17,720				
3	1BR 30% AMI - 552 SF	552	1,656	\$1,550	\$2.81	\$58	\$1,608
6	1BR 50% AMI - 552 SF	552	3,312	\$1,550	\$2.81	\$58	\$1,608
8	1BR 70% AMI - 552 SF	552	4,416	\$1,550	\$2.81	\$58	\$1,608
10	1BR 120% AMI - 552 SF	552	5,520	\$1,550	\$2.81	\$58	\$1,608
16	1BR 120% AMI - 564 SF	564	9,024	\$1,550	\$2.75	\$58	\$1,608
43		556	23,928				
1	2BR 30% AMI - 771 SF	771	771	\$1,955	\$2.54	\$58	\$2,013
3	2BR 50% AMI - 771 SF	771	2,313	\$1,955	\$2.54	\$58	\$2,013
10	2BR 70% AMI - 771 SF	771	7,710	\$1,955	\$2.54	\$58	\$2,013
4	2BR - 771 SF	771	3,084	\$1,955	\$2.54	\$58	\$2,013
18		771	13,878				

Compiled by Newmark

GROSS INCOME ESTIMATE

Potential Gross Rent

For the direct capitalization analysis, potential gross rent is based on market rent. Total market rent is \$1,918,080.

Rental Income		
Subject	\$/Unit	Total
Stabilized Budget	\$17,861	\$1,803,931
Newmark Projection	\$19,687	\$1,988,376

Compiled by Newmark



Loss to Lease

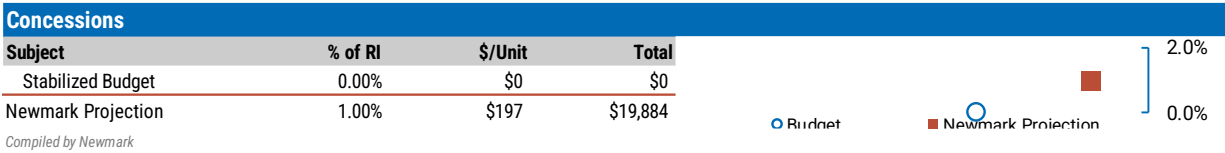
Loss to Lease			
Subject	% of RI	\$/Unit	Total
Stabilized Budget	0.00%	\$0	\$0
Newmark Projection	0.00%	\$0	\$0

Compiled by Newmark



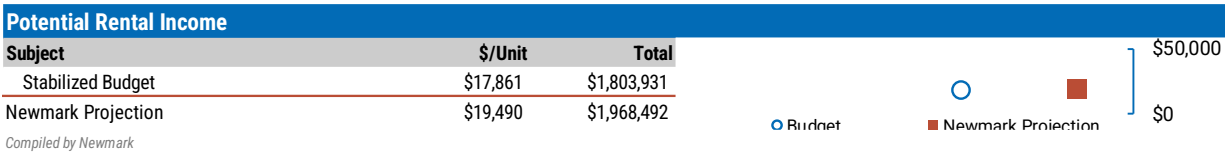
- The occupied units are currently achieving the asking rent at the subject property. We have not included a loss to lease factor.

Concessions



- Most multifamily properties in this market offer occasional concessions in times of slow leasing activity.
- The typical range is 0.50% - 1.00% over the course of the year.
- The concluded concessions factor for the subject is 1.00%.

Potential Rental Income



Developer's Stabilized Budget

Below details the developer's stabilized budget.

Operating History and Projections				
Period Length	Budget		Newmark	
Period Ending	Stabilized		Projection	
Occupancy	89.7%		93.0%	
Apt. Units	101		101	
Multifamily Income	Total \$	\$/Unit	Total \$	\$/Unit
Rental Income	\$1,803,931	\$17,861	\$1,988,376	\$19,687
Loss to Lease	\$0	\$0	\$0	\$0
Concessions	\$0	\$0	(\$19,884)	(\$197)
Potential Rental Income	\$1,803,931	\$17,861	\$1,968,492	\$19,490
Vacancy	(\$186,568)	(\$1,847)	(\$137,794)	(\$1,364)
Collection Loss	\$0	\$0	(\$19,685)	(\$195)
Effective Rental Income	\$1,617,363	\$16,013	\$1,811,013	\$17,931
Net Expense Reimbursements	\$0	\$0	\$83,830	\$830
Net Other Income	\$449,009	\$4,446	\$101,000	\$1,000
Effective Gross Income	\$2,066,372	\$20,459	\$1,995,843	\$19,761
Operating Expenses	Total \$	\$/Unit	Total \$	\$/Unit
Real Estate Taxes	\$0	\$0	\$0	\$0
State Margin Tax	\$0	\$0	\$0	\$0
Insurance	\$59,033	\$584	\$59,085	\$585
Utilities	\$138,875	\$1,375	\$88,375	\$875
Repairs and Maintenance	\$40,400	\$400	\$70,700	\$700
Payroll and Benefits	\$174,720	\$1,730	\$174,730	\$1,730
General and Administrative	\$27,775	\$275	\$27,775	\$275
Advertising and Marketing	\$25,250	\$250	\$25,250	\$250
Management	\$74,751	\$740	\$59,875	\$593
Other Expenses	\$51,978	\$515	\$0	\$0
Replacement Reserves	\$20,200	\$200	\$20,200	\$200
Total Operating Expenses	\$612,982	\$6,069	\$525,990	\$5,208
Operating Expense Ratio	29.7%		26.4%	
Net Operating Income	\$1,453,390	\$14,390	\$1,469,853	\$14,553

Compiled by Newmark

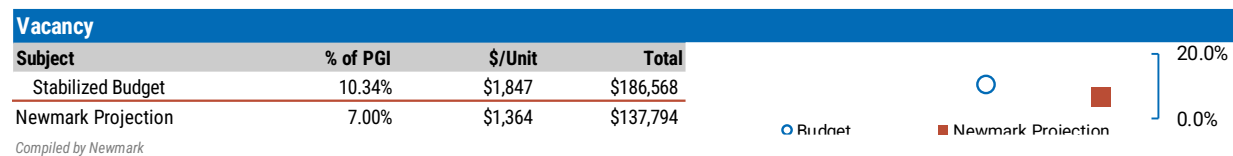
- This analysis is as if the subject is not encumbered by an HFC. Therefore, we have not included real estate taxes and we have not forecasted any fees associated with the HFC – categorized as Other Expenses.
- Given the small property size, there will not be a maintained model unit or employees living onsite. Therefore, we have not included a non-revenue units expense.

Vacancy & Collection Loss Allowance

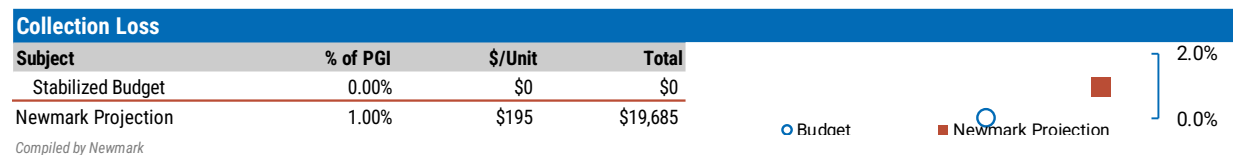
Vacancy Allowance



- The vacancy estimate for the subject was based on the competitive set which ranged 86% - 95%, with three of comparables averaging 93%. Therefore, the concluded vacancy is 7.00%.

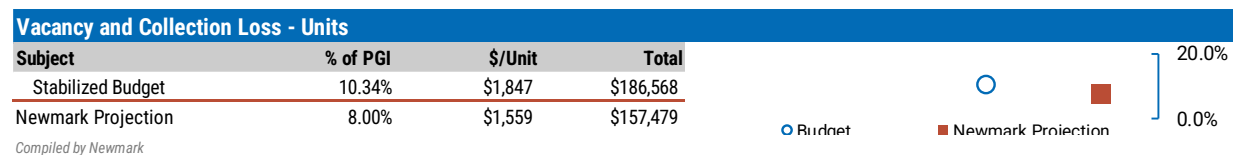


Collection Loss



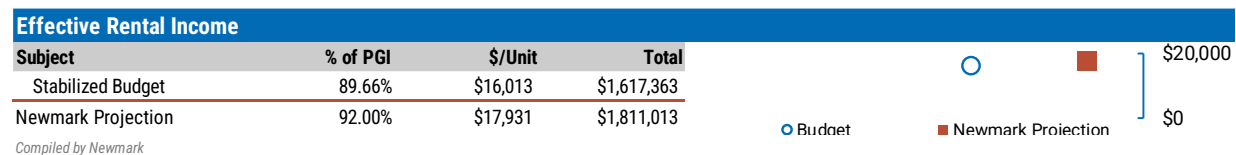
- Based on available data and analysis, the concluded collection loss allowance is 1.00%.

Combined Vacancy and Collection Loss Conclusion

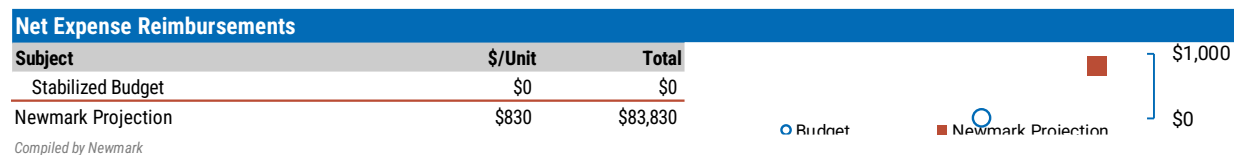


- Based on this analysis, the total stabilized vacancy and collection loss allowance for the subject is 8.00%.

Effective Rental Income

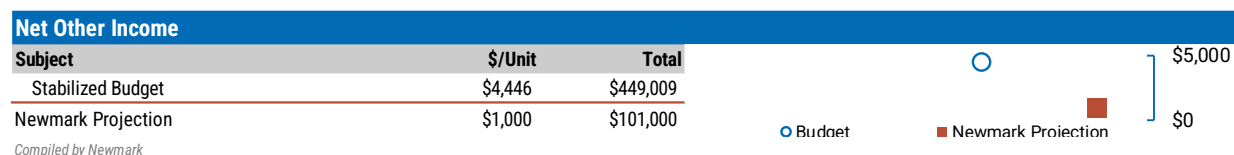


Net Expense Recoveries (RUBS)



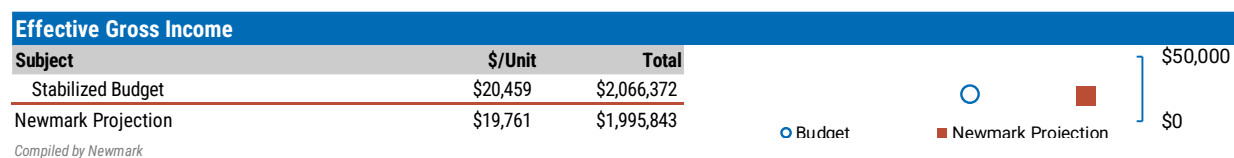
- The subject includes a RUBS program (Ratio Utility Billing System), whereby a portion of the utility expense is shared by tenants and reimbursed to the landlord on a pro rata basis.
- Typical Class A multifamily properties collect between 95%-100% of the total utilities expense as RUBS income. The developer's budget did not separate RUBS income from the Other Income estimate.
- The Newmark estimate concludes to 95% of the concluded utilities expense.

Net Other Income



- This includes the categories forfeited deposits, vending machines, administrative fees, and late charges.
- The developer's Other Income estimate is inclusive of the RUBS income.
- Typical Class-A properties collect 3.0% - 6.0% of ERI as Other Income. The budgeted data represents an Other Income of 25% of the budgeted ERI and is significantly above what is typical of the market. The mandatory fees are typically included in Other Income estimates, however, as we have included these within the Rent per HB21 guidelines, we have removed these from our estimate.
- The Newmark estimate concludes to 6% of the concluded ERI, less the mandatory fees.

Effective Gross Income



Our pro forma estimate is below the projected figure primarily due to our lower conclusion of rents and Other Income.

OPERATING EXPENSE ANALYSIS

Expense data for the subject and comparable properties are summarized in the following table.

Expense Analysis Per Unit						
	Comp 1	Comp 2	Comp 3	Comp 4	Subject Projections	
Year Built	2024	2022	2019	2022	2025	
Apt. Units	158	339	270	360	101	101
Operating Data Type	T-12	T-12	T-12	Actual	Budget	Newmark
Year	May-25	May-24	Mar-25	2024	Stabilized	Projection
Effective Gross Multifamily Income Per Unit	\$22,010	\$21,162	\$17,033	\$17,796	\$20,459	\$19,761
Operating Expenses Per Unit						
Real Estate Taxes	\$0	\$0	\$0	\$0		
State Margin Tax	\$73	\$115	\$58	\$111		
Insurance	\$684	\$615	\$793	\$406	\$584	\$585
Utilities	\$800	\$762	\$648	\$874	\$1,375	\$875
Repairs and Maintenance	\$695	\$833	\$927	\$909	\$400	\$700
Payroll and Benefits	\$1,492	\$1,883	\$1,733	\$1,373	\$1,730	\$1,730
General and Administrative	\$250	\$305	\$546	\$412	\$275	\$275
Advertising and Marketing	\$300	\$286	\$529	\$140	\$250	\$250
Management	\$550	\$478	\$488	\$530	\$740	\$593
Other Expenses					\$515	
Replacement Reserves	\$200	\$200	\$200	\$200	\$200	\$200
Total Operating Expenses Per Unit	\$5,044	\$5,477	\$5,922	\$4,955	\$6,069	\$5,208
Net Operating Income Per Unit	\$16,966	\$15,685	\$11,111	\$12,841	\$14,390	\$14,553
Operating Expense KPIs (% of EGI)						
State Margin Tax	0.33%	0.54%	0.34%	0.62%		
Management	2.50%	2.26%	2.87%	2.98%	3.62%	3.00%
Operating Expense Ratio (% of EGI)	22.92%	25.88%	34.77%	27.84%	29.66%	26.35%
Net Operating Income (% of EGI)	77.08%	74.12%	65.23%	72.16%	70.34%	73.65%

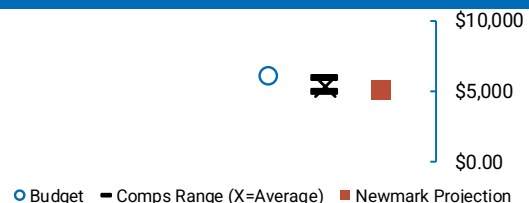
Compiled by Newmark

- We have omitted the real estate taxes from the comparables in order to provide a like and kind analysis.
- The pro forma utilities and management expenses are above the range of comparables. These expenses were brought in line with the comparables.
- The repairs and maintenance expense is below the range of comparables and was increased to be in line with the lower portion of the range.

Total Operating Expenses

Total Operating Expenses			
Source	% of EGI	\$/Unit	Total
Comparables Low	22.9%	\$4,955	
Comparables High	34.8%	\$5,922	
Comparables Average	27.9%	\$5,350	
Subject			
Stabilized (Budget Operations)	29.7%	\$6,069	\$612,982
Newmark Projection	26.4%	\$5,208	\$525,990

Compiled by Newmark



- The Newmark estimate is below the projected figure due to our market based concluded utilities and management.
- The Newmark operating expense estimate is within the range of the comparables on a % of EGI basis.

NET OPERATING INCOME

Net Operating Income			
Source	% of EGI	\$/Unit	Total
Comparables Low	65.2%	\$11,111	
Comparables High	77.1%	\$16,966	
Comparables Average	72.1%	\$14,151	
Subject			
Stabilized (Budget Operations)	70.3%	\$14,390	\$1,453,390
Newmark Projection	73.6%	\$14,553	\$1,469,853

Budget Comps Range (X=Average) Newmark Projection

Compiled by Newmark

DIRECT CAPITALIZATION

In an effort to tame a rapidly escalating rate of inflation this year, the U.S. Fed has implemented its most aggressive actions since 2005 with plans to continue to increase rates. The impacts to both the residential and commercial real estate markets have been material as borrowing costs have increased significantly. It is expected that “rescue equity” will be needed to replace the capital shortfalls as values decline and cost of debt rises. Further, negative leverage is occurring as mortgage rates trend above capitalization rates which is unsustainable. Transactions have slowed, deals have stalled and there has been a lack of current data points which has reduced clarity with respect to price discovery and valuations. The majority of investors surveyed by PwC expect capitalization rates to increase over the next six months.

Comparable Sales

Comparable Multifamily Sales Summary							
No.	Property Name	Yr. Built	Sale Date	Number of Apt. Units	Occ. %	Price per Unit	OAR
1	Cortland Arboretum	2014	Aug-2025	330	94%	\$221,212	4.75%
2	Revl on Lamar	2021	Jun-2025	279	85%	\$223,828	4.56%
3	Thornton Flats	2017	Aug-2024	104	83%	\$250,962	4.87%
4	Veranda	2023	Jul-2025	362	78%	\$198,445	5.10%
5	The Grand at Manor	2022	Dec-2024	271	92%	\$177,122	5.00%
6	The Shoal	2023	Jul-2024	143	97%	\$227,273	4.87%
7	Bridge At Midtown Commons	2010	Feb-2025	562	92%	\$205,221	5.08%
8	District at Soco	2012	Feb-2024	215	94%	\$212,791	5.19%
Average (Mean) Cap Rate:							4.93%

Compiled by Newmark

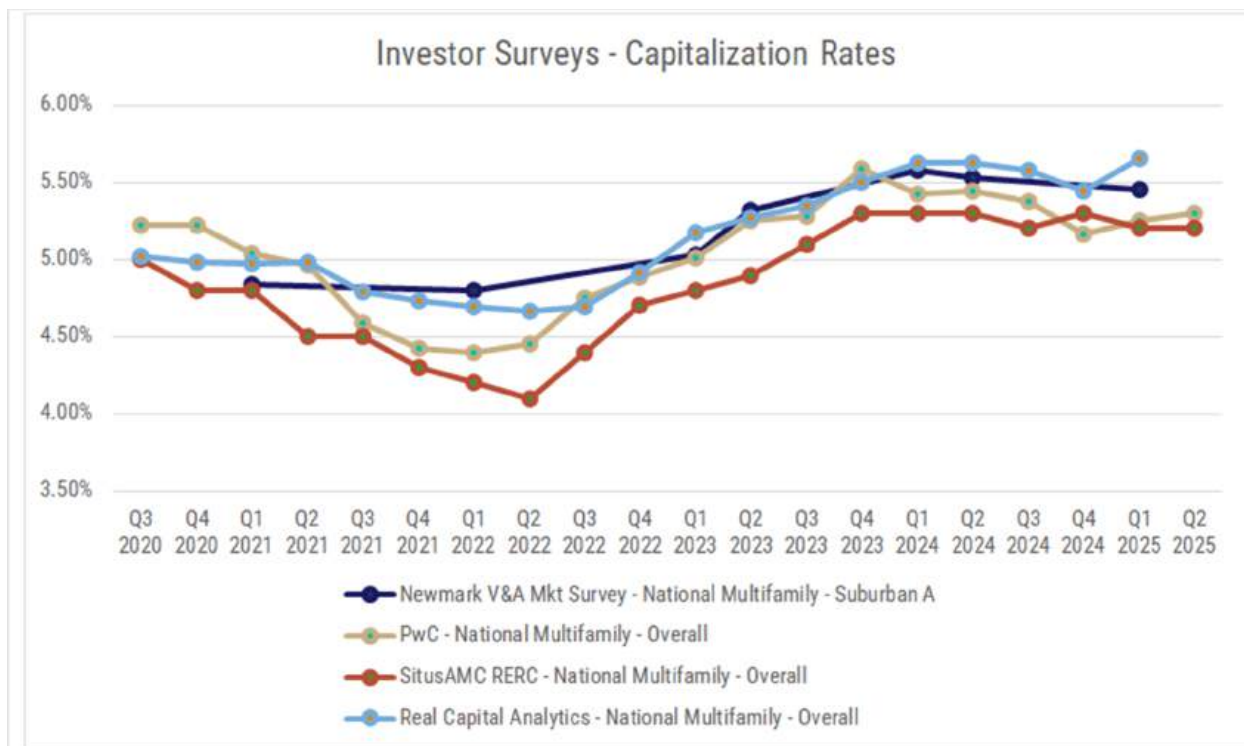
- In order to calculate a potential assessment, we have utilized recent transactions to arrive to a concluded base capitalization rate.

- Based on this information, a capitalization rate within a range of 4.56% to 5.19% could be expected for the subject.

Investor Surveys

Source	Period	Low	High	Average
Newmark V&A Mkt Survey - National Multifamily - Suburban A	Q1 2025	N/A	N/A	5.45%
PwC - National Multifamily - Overall	Q2 2025	4.00%	6.25%	5.30%
SitusAMC RERC - National Multifamily - Overall	Q2 2025	4.30%	6.50%	5.20%
Real Capital Analytics - National Multifamily - Overall	Q1 2025	N/A	N/A	5.65%

Compiled by Newmark



- The most current national survey data indicates that going-in capitalization rates range from 4.00% to 6.25% and average 5.30%

Market Participants

Market Participant Survey - Capitalization Rates		
Respondent	Cap Rate	Comments
Confidential - Broker - Newmark	4.75% - 5.25%	Class-A properties are seeing elevated cap rates due to the large amount of new product recently delivered and still needing to be absorbed. Concessions are still high due to the oversupply, however absorption has remained strong.
Confidential - Broker - Walker and Dunlop	4.75% - 5.25%	There is a substantial market appetite for multifamily product in Austin. Absorption is remaining strong due to the large growth in the population
Confidential - Broker - JLL	4.75% - 5.25%	Occupancies have seen a recent increase and rents are projected to begin increasing next year. Absorption in the suburban markets is still strong.
Subject Indication	4.75% - 5.25%	

Compiled by Newmark

- Based on these responses, a capitalization rate within a range of 4.75% to 5.25% is indicated for the subject.

Band of Investment

Band of Investment						
Mortgage/Equity Assumptions						
Loan to Value Ratio	70%					
Interest Rate	5.50%					
Amortization (Years)	30					
Mortgage Constant	0.0681					
Equity Ratio	30%					
Equity Dividend Rate	7.00%					
Weighted Average Of Mortgage/Equity Requirements						
Mortgage Requirement	70%	x	6.81%	=		4.77%
Equity Requirement	30%	x	7.00%	=		2.10%
Indicated Capitalization Rate (Rounded)						6.75%

Compiled by Newmark

Capitalization Rate Conclusion

Investors expect, and the data is showing, that capitalization rates are increasing. We have also heard of specific transaction examples including repricing of deals and simply offers at lower levels owing to the increased cost of capital – not to mention other economic factors such as recession, supply chain, COVID-19, and global crises, etc.

It is important to acknowledge that there is a dearth of transactions in the marketplace making it more difficult to determine the impact on cap rates. Brokers and capital markets professionals are reporting significant disconnects between buyers and sellers – as much as 30% - and this is reducing the transaction activity. In addition, various investor surveys and aggregate reporting data may not necessarily reflect investor attitudes today since data could be 2-3 months old or more. We have given significant reliance to our interviews with market participants. We have also taken the following into consideration in the selection of our concluded capitalization rate.

- Investors have become selective, cautious, and tentative as cost of capital has increased.
- Volatility in the market has led to the disconnect between buyers and sellers thus reducing transaction volume – both in number of sales and overall price volume.
- Although the number of transactions has dropped precipitously, market participants are saying that price discovery is demonstrating that values are trending lower.
- Negative leverage is present in the market and this cannot be sustained which is putting downward pressure on values.
- Brokers report re-trades are occurring at lower pricing and higher indicated capitalization rates.

Key Value Considerations

Strengths

1. Situated in an area with good proximity to major employers and ease of access to central Austin.
2. After several quarters of no forecasted rent growth within the Austin MSA due to the oversupply of units, the submarket is expected to see a marginal rent growth of during the subject's stabilization period.

Risk Factors

1. Significant number of units were delivered between 2021 - 2024 and are still being absorbed by the market. This has decreased rents as the market absorbs the new units.
2. Due to the decreasing rents, increasing vacancies, and uncertainty of the interest rates, transaction volume has slowed and the cost of borrowing money has increased. Cap rates have levelled out, however, property assessed values have continued to rise despite the decreasing property values.

National Trends and Uncertainties

- 1. Newmark Capital Markets assesses that there was a momentum shift in the 4th quarter, leading to both transaction volume and lending volume increasing year-over-year. However, they also note that the notable increase in interest rates since early December complicates matters.
- 2. Real Capital Analytics reported in their end of 2024 Capital Trends publication that “the commercial property markets turned a corner in 2024.” Deal volume climbed in 2024 and price declines are coming to an end overall.
- 3. The uncertainty surrounding the new U.S. administration’s economic policies will be an overhang and the Federal Reserve is expected to pause any additional rate reductions until the effects of these policies are better understood.

Capitalization Rate Conclusion	
Source	Indication
Comparable Multifamily Sales Range	4.56% - 5.19%
Investor Surveys	4.00% - 6.25%
Market Participants	4.75% - 5.25%
Band of Investment	6.75%
Concluded Going-In Capitalization Rate	6.93%

Compiled by Newmark

Direct Capitalization Summary

Net operating income is divided by the capitalization rate to derive the stabilized value of the subject. Valuation of the subject by direct capitalization is shown in the table immediately following.

Please note, that in order to arrive to a potential assessment, we have added 95% of the ad valorem tax rate of 1.9268033% to the concluded base cap rate of 5.0% of the unrestricted analysis.

Income Capitalization Approach			
Summary of Stabilized Net Operating Income			
Item Description	% of Income	\$/Unit	Total \$
Multifamily Income		101 Units	
Rental Income		\$19,687	\$1,988,376
Loss to Lease	0.00%	\$0	\$0
Concessions	-1.00%	(\$197)	(\$19,884)
Potential Rental Income		\$19,490	\$1,968,492
Vacancy	-7.00%	(\$1,364)	(\$137,794)
Collection Loss	-1.00%	(\$195)	(\$19,685)
Effective Rental Income		\$17,931	\$1,811,013
Net Expense Reimbursements		\$830	\$83,830
Net Other Income		\$1,000	\$101,000
Effective Gross Income		\$19,761	\$1,995,843
Operating Expenses		101 Units	
Real Estate Taxes		\$0	\$0
State Margin Tax	0.00%	\$0	\$0
Insurance		\$585	\$59,085
Utilities		\$875	\$88,375
Repairs and Maintenance		\$700	\$70,700
Payroll and Benefits		\$1,730	\$174,730
General and Administrative		\$275	\$27,775
Advertising and Marketing		\$250	\$25,250
Management	3.00%	\$593	\$59,875
Replacement Reserves		\$200	\$20,200
Total Operating Expenses	26.35%	\$5,208	\$525,990
Net Operating Income		\$14,553	\$1,469,853
Direct Capitalization Method			
Value Indication		\$/Unit	Total \$
Stabilized Net Operating Income		\$14,553	\$1,469,853
Overall Capitalization Rate			6.93%
As Stabilized Value	Effective Date: 9/15/2025		\$21,219,782
Rounded		\$209,901	\$21,200,000

Valuation Matrix	
OAR	Value
6.43%	\$22,870,664
6.68%	\$22,014,316
6.93%	\$21,219,782
7.18%	\$20,480,603
7.43%	\$19,791,188

INCOME CAPITALIZATION APPROACH – AS RESTRICTED

As discussed, the subject is an income restricted property by a Housing Finance Corporation via ground lease. The regulatory agreement reviewed states the lessee would maintain 6 units as income restricted units at 30% AMI, 15 units restricted at 50% AMI, 30 units restricted at 70% AMI, and 40 units restricted at 120% AMI. All bedroom calculations are to be equal to 1.5 persons per bedroom. The subject would also be subject to two additional fees, a Ground Lease Fee of \$50,464, increased annually by 3% and a Partnership Management Fee of \$10,000, grown 3% annually. In exchange for maintaining the affordable units and the fees, the lessee would receive a property tax abatement.

Restricted Rent Analysis

Section 394.9026 includes two clauses (c)(1) and (c)(2) detailing rent restriction requirements and a prospective buyer must satisfy both to qualify for the tax exemption

Clause (c)(1)

Clause (c)(1) requires that either:

- 10% of the units must be reserved for occupancy as “lower income” (60% AMI) housing units and an additional 40% reserved for occupancy as “moderate” income (80% AMI) housing units.

OR

- 10% of the units must be reserved for occupancy as “very low income” (50% AMI) housing units and an additional 40% reserved for occupancy as “middle income” (100% AMI) housing units.

The subject’s current unit mix satisfies this clause. The subject’s asking rent for all units are below the maximum allowable rent at 70% AMI.

Delineation of Current Affordable Units

Description	No. Units	% of Units
Asking rent at/below 30% AMI	6	5.94%
Asking rent at/below 50% AMI	15	14.85%
Asking rent at/below 70% AMI	119	117.82%

Compiled by Newmark

Rent Limits for 2025 (Based on 2025 AMI Income)		60%	30%	50%	70%	120%	FMR
Bedrooms (People)	Charts						
Efficiency (1)		\$1,405	\$702	\$1,171	\$1,639	\$2,811	\$1,549
1 Bedroom (1.5)		\$1,505	\$752	\$1,254	\$1,756	\$3,010	\$1,650
2 Bedrooms (3)		\$1,806	\$903	\$1,505	\$2,107	\$3,612	\$1,949

The subject's unit mix is not satisfying Clause(c)(4) which requires the affordable units be distributed pro rata across the unit mix. Below details an adjusted unit mix whereby the affordable units are evenly distributed across the unit types.

Adjusted Unit Mix - Inclusive of Mandatory Fees								
No. Units	Type	Tranche	Size	Concluded		At Market	Annual Rent	
				Market Rent	Max Rent		Restricted	Rent Loss
2	Eff	30%	439	\$1,508	\$702	\$36,192	\$16,848	\$19,344
0	Eff	50%	439	\$1,508	\$1,171	-	-	-
12	Eff	70%	439	\$1,508	\$1,639	\$217,152	\$217,152	\$0
10	Eff	120%	439	\$1,508	\$2,811	\$180,960	\$180,960	\$0
0	Eff	Market	439	\$1,508		-	-	-
24								
0	Eff	30%	447	\$1,508	\$702	-	-	-
6	Eff	50%	447	\$1,508	\$1,171	\$108,576	\$84,312	\$24,264
0	Eff	70%	447	\$1,508	\$1,639	-	-	-
10	Eff	120%	447	\$1,508	\$2,811	\$180,960	\$180,960	\$0
0	Eff	Market	447	\$1,508		-	-	-
16								
3	1BR	30%	552	\$1,608	\$752	\$57,888	\$27,072	\$30,816
6	1BR	50%	552	\$1,608	\$1,254	\$115,776	\$90,288	\$25,488
8	1BR	70%	552	\$1,608	\$1,756	\$154,368	\$154,368	\$0
10	1BR	120%	552	\$1,608	\$3,010	\$192,960	\$192,960	\$0
0	1BR	Market	552	\$1,608		-	-	-
27								
0	1BR	30%	564	\$1,608	\$752	-	-	-
0	1BR	50%	564	\$1,608	\$1,254	-	-	-
0	1BR	70%	564	\$1,608	\$1,756	-	-	-
16	1BR	120%	564	\$1,608	\$3,010	\$308,736	\$308,736	\$0
0	1BR	Market	564	\$1,608		-	-	-
16								
1	2BR	30%	771	\$2,013	\$903	\$24,156	\$10,836	\$13,320
3	2BR	50%	771	\$2,013	\$1,505	\$72,468	\$54,180	\$18,288
10	2BR	70%	771	\$2,013	\$2,107	\$241,560	\$241,560	\$0
4	2BR	120%	771	\$2,013	\$3,612	\$96,624	\$96,624	\$0
0	2BR	Market	771	\$2,013		-	-	-
18								
101				Total		\$1,988,376	\$1,856,856	\$131,520

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Clause (c)(2)

Clause (c)(2) requires that the rent reduction equal at least 50% of the tax savings.

As the provided rent roll, dated May 2025, did not spread the restricted units on a pro rata basis, utilizing the current asking rents does not provide accurate analysis. We have relied on the maximum allowable restricted rents stated on Page 35 for this analysis.

Based on the above pro rata unit mix, the annual restricted PRI is \$1,856,856 when utilizing the maximum allowable restricted rents. The difference in the market PRI and the restricted PRI at maximum allowable rents is \$131,520. In order to satisfy Clause(c)(2), an additional rent reduction of \$72,721 from the maximum allowable rents (\$204,241 minimum required reduction - \$131,520 rent loss at maximum allowable rents) would be needed in order to achieve at least 50% of the tax savings (\$204,241).

Rent Reduction Requirement						
Description	2025	2026	2027	2028	2029	2030
Real Estate Tax	\$408,482	\$420,737	\$433,359	\$446,360	\$459,750	\$473,543
50% Ratio Required	\$204,241	\$210,368	\$216,679	\$223,180	\$229,875	\$236,771
Minimum Required Rent Reduction Clause	\$204,241	\$210,368	\$216,679	\$223,180	\$229,875	\$236,771

Potential Gross Rent – As Restricted

We have adjusted the concluded rental rates which would satisfy Clause(c)(2). In order to satisfy the clause, a rent reduction would be required. We have included the mandatory fees in the analysis below.

Potential Gross Rent at Restricted Rents					
Unit Description	No. Units	Restricted Rent / Unit	Mandatory Fees	Total Rent / Unit	Potential Gross Rent - Restricted
Eff 30% AMI - 439 SF	2	\$644	\$58	\$702	\$16,848
Eff 50% AMI - 447SF	6	\$925	\$58	\$983	\$70,776
Eff 70% AMI - 439 SF	12	\$1,300	\$58	\$1,358	\$195,552
Eff 120% AMI - 439 SF	10	\$1,450	\$58	\$1,508	\$180,960
Eff 120% AMI - 447 SF	10	\$1,450	\$58	\$1,508	\$180,960
1BR 30% AMI - 552 SF	3	\$695	\$58	\$753	\$27,108
1BR 50% AMI - 552 SF	6	\$1,175	\$58	\$1,233	\$88,776
1BR 70% AMI - 552 SF	8	\$1,400	\$58	\$1,458	\$139,968
1BR 120% AMI - 552 SF	10	\$1,550	\$58	\$1,608	\$192,960
1BR 120% AMI - 564 SF	16	\$1,550	\$58	\$1,608	\$308,736
2BR 30% AMI - 771 SF	1	\$845	\$58	\$903	\$10,836
2BR 50% AMI - 771 SF	3	\$1,400	\$58	\$1,458	\$52,488
2BR 70% AMI - 771 SF	10	\$1,750	\$58	\$1,808	\$216,960
2BR - 771 SF	4	\$1,955	\$58	\$2,013	\$96,624
Grand Total - Restricted Rents	101				\$1,779,552

Compiled by Newmark

Operating Expenses – As Restricted

We note, there is typically no change in remaining income/expense line items between restricted and market rate properties. In this case, the only operating expenses which would be affected from the previous Unrestricted analysis would be the Real Estate Taxes which would be equal to \$0. Additionally, we have included the ground lease fee equal to \$50,464 and the partnership fee of \$10,000 within Other Expense.

Direct Capitalization Summary – As Restricted

Income Capitalization Approach			
Restricted			
Item Description	% of Income	\$ / Unit	Total \$
Multifamily Revenue		101 Units	
Rental Income		\$17,619	\$1,779,552
Loss to Lease	0.00%	\$0	\$0
Concessions	-1.00%	(\$176)	(\$17,796)
Potential Rental Income		\$17,443	\$1,761,756
Vacancy	-7.00%	(\$1,221)	(\$123,323)
Collection Loss	-1.00%	(\$174)	(\$17,618)
Effective Rental Income		\$16,048	\$1,620,816
Net Expense Reimbursements		\$830	\$83,830
Net Other Income		\$1,000	\$101,000
Effective Gross Income		\$17,878	\$1,805,646
Operating Expenses		101 Units	
Real Estate Taxes		\$0	\$0
State Margin Tax	0.00%	\$0	\$0
Insurance		\$585	\$59,085
Utilities		\$875	\$88,375
Repairs and Maintenance		\$700	\$70,700
Payroll and Benefits		\$1,730	\$174,730
General and Administrative		\$275	\$27,775
Advertising and Marketing		\$250	\$25,250
Management	3.00%	\$536	\$54,169
Other Expenses		\$599	\$60,464
Replacement Reserves		\$200	\$20,200
Total Operating Expenses	32.16%	\$5,750	\$580,748
Net Operating Income		\$12,128	\$1,224,898

Compiled by Newmark

DISCOUNTED CASH FLOW ANALYSIS

Introduction

- At the request of the client, we have developed a projection of periodic cash flows from the property over an anticipated investment holding period based on leases in place and anticipated changes in market rent and operating expenses.

Discounted Cash Flow Assumptions						
General Assumptions						
Year 1	9/15/2025					
Holding Period (Yrs) - Reversion Year	10	11				
Stabilized Operating Summary	% of Income	\$ / Unit / Mo.	\$ / SF / Mo.	Total \$		
Potential Gross Multifamily Income		\$1,624	\$2.96	\$1,968,492		
Effective Rental Income	92.00%	\$1,494	\$2.73	\$1,811,013		
Net Other Income		\$83	\$0.15	\$101,000		
Effective Gross Income		\$1,647	\$3.01	\$1,995,843		
Total Operating Expenses	26.35%	\$434	\$0.79	\$525,990		
Net Operating Income	73.65%	\$1,213	\$2.21	\$1,469,853		
Growth Rate Assumptions	Year 2	Year 3	Year 4	Year 5	Thereafter	
General Inflation	3.0%	3.0%	3.0%	3.0%	3.0%	
Market Rent	3.0%	3.0%	3.0%	3.0%	3.0%	
Operating Expenses	3.0%	3.0%	3.0%	3.0%	3.0%	
Real Estate Tax	3.0%	3.0%	3.0%	3.0%	3.0%	
Financial Rate Assumptions	Year 1	Year 2	Year 3	Year 4	Year 5	Thereafter
Unit Leasing Occupancy	93.0%	93.0%	95.0%	95.0%	95.0%	95.0%
* Net of Vacancy and Collection Loss						
Capital Expenditures	Year 1	Year 2	Year 3	Year 4	Year 5	Thereafter
Total Capital Expenditures	\$0	\$0	\$0	\$0	\$0	\$0
Reserves/Unit	\$200					
Reserves Deducted Below NOI?	No					

Compiled by Newmark

Growth Rate Analysis

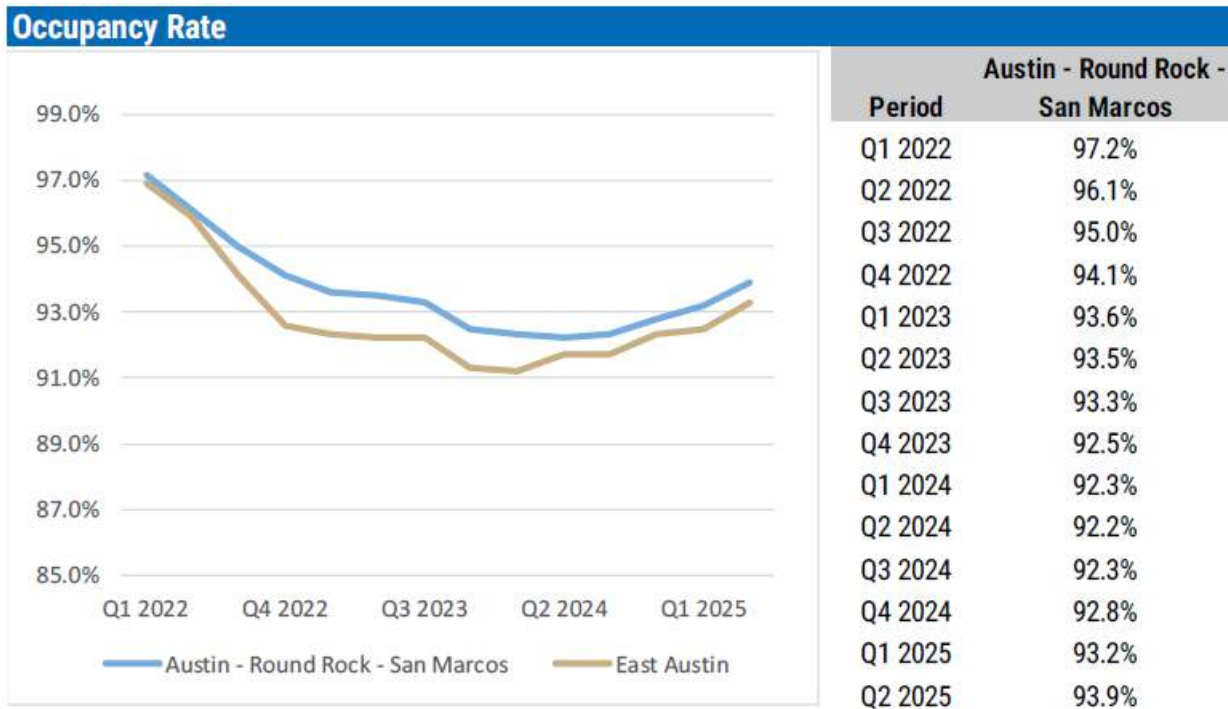
This analysis is based on data provided by CoStar, a commercial real estate database, and details the forecasted rent growth for conventional multifamily properties in the overall Austin market. The subject is situated in the Riverside submarket as defined by CoStar.

Rent Growth		
Period	Riverside	Austin
2030 Q3	\$1,614	\$1,789
2029 Q3	\$1,572	\$1,744
2028 Q3	\$1,524	\$1,691
2027 Q3	\$1,467	\$1,629
2026 Q3	\$1,420	\$1,579
2025 Q3	\$1,389	\$1,547
Average Growth Rate	3.05%	2.95%

Vacancy Analysis

From 2020 – 2024 the Austin market saw an unprecedented number of multifamily completions totaling over 46,000 units delivered. This caused a significant oversupply of units, a lag in

absorption, and steep decreases in occupancy rates across the MSA. Recently, construction starts have stopped and occupancy rates have trended positive the past four quarters. We anticipate this trend to remain as the market continues absorbing the new units. We have concluded market vacancy rates to decrease starting in year two, moving from a 7% vacancy rate to 5%.



Financial Assumptions

Discounted Cash Flow - Unrestricted

The cash flow schedule and present value calculations are shown on the following pages.

Income Capitalization Approach													
Discounted Cash Flow Summary													
Year		1	2	3	4	5	6	7	8	9	10	11	CAGR
Multifamily Income													
		2025	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035	
Rental Income		\$1,988,376	\$2,048,027	\$2,109,468	\$2,172,752	\$2,237,935	\$2,305,073	\$2,374,225	\$2,445,452	\$2,518,815	\$2,594,380	\$2,672,211	3.0%
Loss to Lease	0.00%	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	
Concessions	-1.00%	(\$19,884)	(\$20,480)	(\$21,095)	(\$21,728)	(\$22,379)	(\$23,051)	(\$23,742)	(\$24,455)	(\$25,188)	(\$25,944)	(\$26,722)	3.0%
Potential Rental Income		\$1,968,492	\$2,027,547	\$2,088,373	\$2,151,025	\$2,215,555	\$2,282,022	\$2,350,483	\$2,420,997	\$2,493,627	\$2,568,436	\$2,645,489	3.0%
Vacancy		(\$137,794)	(\$141,928)	(\$104,419)	(\$107,551)	(\$110,778)	(\$114,101)	(\$117,524)	(\$121,050)	(\$124,681)	(\$128,422)	(\$185,184)	3.0%
Collection Loss	-1.00%	(\$19,685)	(\$20,275)	(\$20,884)	(\$21,510)	(\$22,156)	(\$22,820)	(\$23,505)	(\$24,210)	(\$24,936)	(\$25,684)	(\$26,455)	3.0%
Effective Rental Income		\$1,811,013	\$1,865,343	\$1,963,071	\$2,021,963	\$2,082,622	\$2,145,101	\$2,209,454	\$2,275,737	\$2,344,009	\$2,414,330	\$2,433,850	3.0%
Net Expense Reimbursements		\$83,830	\$86,345	\$90,848	\$93,573	\$96,380	\$99,272	\$102,250	\$105,318	\$108,477	\$111,731	\$112,661	3.0%
Net Other Income		\$101,000	\$104,030	\$107,151	\$110,365	\$113,676	\$117,087	\$120,599	\$124,217	\$127,944	\$131,782	\$135,736	3.0%
Effective Gross Income		\$1,995,843	\$2,055,718	\$2,161,070	\$2,225,902	\$2,292,679	\$2,361,459	\$2,432,303	\$2,505,272	\$2,580,430	\$2,657,843	\$2,682,246	3.0%
Operating Expenses													
Real Estate Taxes		\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	
State Margin Tax	0.00%	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	
Insurance		\$59,085	\$60,858	\$62,683	\$64,564	\$66,501	\$68,496	\$70,551	\$72,667	\$74,847	\$77,093	\$79,405	3.0%
Utilities		\$88,375	\$91,026	\$93,757	\$96,570	\$99,467	\$102,451	\$105,524	\$108,690	\$111,951	\$115,309	\$118,769	3.0%
Repairs and Maintenance		\$70,700	\$72,821	\$75,006	\$77,256	\$79,573	\$81,961	\$84,419	\$86,952	\$89,561	\$92,247	\$95,015	3.0%
Payroll and Benefits		\$174,730	\$179,972	\$185,371	\$190,932	\$196,660	\$202,560	\$208,637	\$214,896	\$221,343	\$227,983	\$234,823	3.0%
General and Administrative		\$27,775	\$28,608	\$29,466	\$30,350	\$31,261	\$32,199	\$33,165	\$34,160	\$35,185	\$36,240	\$37,327	3.0%
Advertising and Marketing		\$25,250	\$26,008	\$26,788	\$27,591	\$28,419	\$29,272	\$30,150	\$31,054	\$31,986	\$32,946	\$33,934	3.0%
Management	3.00%	\$59,875	\$61,672	\$64,832	\$66,777	\$68,780	\$70,844	\$72,969	\$75,158	\$77,413	\$79,735	\$80,467	3.0%
Replacement Reserves		\$20,200	\$20,806	\$21,430	\$22,073	\$22,735	\$23,417	\$24,120	\$24,843	\$25,589	\$26,356	\$27,147	3.0%
Total Operating Expenses		\$525,990	\$541,770	\$559,333	\$576,114	\$593,397	\$611,199	\$629,535	\$648,421	\$667,873	\$687,910	\$706,887	3.0%
Net Operating Income		\$1,469,853	\$1,513,948	\$1,601,736	\$1,649,788	\$1,699,282	\$1,750,260	\$1,802,768	\$1,856,851	\$1,912,557	\$1,969,934	\$1,975,359	3.0%
Capital Expenditures													
Total Capital Expenditures		\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	
Cash Flow		\$1,469,853	\$1,513,948	\$1,601,736	\$1,649,788	\$1,699,282	\$1,750,260	\$1,802,768	\$1,856,851	\$1,912,557	\$1,969,934	\$1,975,359	3.0%
KPIs													
Unit Leasing Occupancy		93.0%	93.0%	95.0%	95.0%	95.0%	95.0%	95.0%	95.0%	95.0%	95.0%	93.0%	
Commercial Space Occupancy		93.0%	93.0%	93.0%	93.0%	93.0%	93.0%	93.0%	93.0%	93.0%	93.0%	93.0%	
Cash on Cash Return		4.9%	5.1%	5.4%	5.5%	5.7%	5.9%	6.0%	6.2%	6.4%	6.6%	6.6%	
Year over Year Growth (NOI)			3.0%	5.8%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%	0.3%	

Compiled by Newmark

Discounted Cash Flow - Restricted

Income Capitalization Approach												
Discounted Cash Flow Summary												
Year	1	2	3	4	5	6	7	8	9	10	11	CAGR
Multifamily Income	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035	
Rental Income	\$1,689,948	\$1,740,646	\$1,792,866	\$1,846,652	\$1,902,051	\$1,959,113	\$2,017,886	\$2,078,423	\$2,140,776	\$2,204,999	\$2,271,149	3.0%
Loss to Lease	0.00%	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	
Concessions	-1.00%	(\$16,899)	(\$17,406)	(\$17,929)	(\$18,467)	(\$19,021)	(\$19,591)	(\$20,179)	(\$20,784)	(\$21,408)	(\$22,050)	3.0%
Potential Rental Income	\$1,673,049	\$1,723,240	\$1,774,937	\$1,828,185	\$1,883,031	\$1,939,522	\$1,997,707	\$2,057,639	\$2,119,368	\$2,182,949	\$2,248,437	3.0%
Vacancy	(\$117,113)	(\$120,627)	(\$88,747)	(\$91,409)	(\$94,152)	(\$96,976)	(\$99,885)	(\$102,882)	(\$105,968)	(\$109,147)	(\$157,391)	3.0%
Collection Loss	-1.00%	(\$16,730)	(\$17,232)	(\$17,749)	(\$18,282)	(\$18,830)	(\$19,395)	(\$19,977)	(\$20,576)	(\$21,194)	(\$21,829)	3.0%
Effective Rental Income	\$1,539,205	\$1,585,381	\$1,668,441	\$1,718,494	\$1,770,049	\$1,823,150	\$1,877,845	\$1,934,180	\$1,992,206	\$2,051,972	\$2,068,562	3.0%
Net Expense Reimbursements	\$83,830	\$86,345	\$90,848	\$93,573	\$96,380	\$99,272	\$102,250	\$105,318	\$108,477	\$111,731	\$112,661	3.0%
Net Other Income	\$101,000	\$104,030	\$107,151	\$110,365	\$113,676	\$117,087	\$120,599	\$124,217	\$127,944	\$131,782	\$135,736	3.0%
Effective Gross Income	\$1,724,035	\$1,775,756	\$1,866,440	\$1,922,433	\$1,980,106	\$2,039,509	\$2,100,694	\$2,163,715	\$2,228,627	\$2,295,485	\$2,316,958	3.0%
Operating Expenses												
Real Estate Taxes	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	
State Margin Tax	0.00%	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	
Insurance	\$59,085	\$60,858	\$62,683	\$64,564	\$66,501	\$68,496	\$70,551	\$72,667	\$74,847	\$77,093	\$79,405	3.0%
Utilities	\$88,375	\$91,026	\$93,757	\$96,570	\$99,467	\$102,451	\$105,524	\$108,690	\$111,951	\$115,309	\$118,769	3.0%
Repairs and Maintenance	\$70,700	\$72,821	\$75,006	\$77,256	\$79,573	\$81,961	\$84,419	\$86,952	\$89,561	\$92,247	\$95,015	3.0%
Payroll and Benefits	\$174,730	\$179,972	\$185,371	\$190,932	\$196,660	\$202,560	\$208,637	\$214,896	\$221,343	\$227,983	\$234,823	3.0%
General and Administrative	\$27,775	\$28,608	\$29,466	\$30,350	\$31,261	\$32,199	\$33,165	\$34,160	\$35,185	\$36,240	\$37,327	3.0%
Advertising and Marketing	\$25,250	\$26,008	\$26,788	\$27,591	\$28,419	\$29,272	\$30,150	\$31,054	\$31,986	\$32,946	\$33,934	3.0%
Management	3.00%	\$51,721	\$53,273	\$55,993	\$57,673	\$59,403	\$61,185	\$63,021	\$64,911	\$66,859	\$68,865	3.0%
Other Expenses	\$60,464	\$62,278	\$64,146	\$66,071	\$68,053	\$70,094	\$72,197	\$74,363	\$76,594	\$78,892	\$81,259	3.0%
Replacement Reserves	\$20,200	\$20,806	\$21,430	\$22,073	\$22,735	\$23,417	\$24,120	\$24,843	\$25,589	\$26,356	\$27,147	3.0%
Total Operating Expenses	\$578,300	\$595,649	\$614,641	\$633,080	\$652,072	\$671,635	\$691,784	\$712,537	\$733,913	\$755,931	\$777,187	3.0%
Net Operating Income	\$1,145,735	\$1,180,107	\$1,251,799	\$1,289,353	\$1,328,033	\$1,367,874	\$1,408,911	\$1,451,178	\$1,494,713	\$1,539,555	\$1,539,771	3.0%
Capital Expenditures												
Total Capital Expenditures	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	
Cash Flow	\$1,145,735	\$1,180,107	\$1,251,799	\$1,289,353	\$1,328,033	\$1,367,874	\$1,408,911	\$1,451,178	\$1,494,713	\$1,539,555	\$1,539,771	3.0%
KPIs												
Unit Leasing Occupancy	93.0%	93.0%	95.0%	95.0%	95.0%	95.0%	95.0%	95.0%	95.0%	95.0%	93.0%	
Commercial Space Occupancy	93.0%	93.0%	93.0%	93.0%	93.0%	93.0%	93.0%	93.0%	93.0%	93.0%	93.0%	
Cash on Cash Return	4.9%	5.1%	5.4%	5.5%	5.7%	5.9%	6.0%	6.2%	6.4%	6.6%	6.6%	
Year over Year Growth (NOI)		3.0%	6.1%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%	0.0%	

Compiled by Newmark

Reconciliation Summary

Newmark concludes that under the adjusted unit mix, the subject property would satisfy both clauses of HB21 for years 3, 4, and 5 proceeding acquisition. We note, any deviation from the utilized unit mix or concluded rents could affect the qualification of the subject under HB21.

Rent Reduction Requirement						
Description	2025	2026	2027	2028	2029	2030
Real Estate Tax	\$408,482	\$420,737	\$433,359	\$446,360	\$459,750	\$473,543
50% Ratio Required	\$204,241	\$210,368	\$216,679	\$223,180	\$229,875	\$236,771
Minimum Required Rent Reduction Clause	\$204,241	\$210,368	\$216,679	\$223,180	\$229,875	\$236,771
Annual PGI - Unrestricted	\$1,988,376	\$2,048,027	\$2,109,468	\$2,172,752	\$2,237,935	\$2,305,073
Annual PGI - Restricted	\$1,779,552	\$1,832,939	\$1,887,927	\$1,944,565	\$2,002,901	\$2,062,988
Rent Reduction	\$208,824	\$215,089	\$221,541	\$228,188	\$235,033	\$242,084

Compiled by Newmark

Assumptions and Limiting Conditions

The Appraisal contained in this Report (herein “Report”) is subject to the following assumptions and limiting conditions:

1. Unless otherwise stated in this report, title to the property which is the subject of this report (herein “Property”) is assumed to be good and marketable and free and clear of all liens and encumbrances and that there are no recorded or unrecorded matters or exceptions to title that would adversely affect marketability or value. No responsibility is assumed for the legal description, zoning, condition of title or any matters which are legal in nature or otherwise require expertise other than that of a professional real estate appraiser. This report shall not constitute a survey of the Property.
2. Unless otherwise stated in this report, it is assumed: that the improvements on the Property are structurally sound, seismically safe and code conforming; that all building systems (mechanical/electrical, HVAC, elevator, plumbing, etc.) are in good working order with no major deferred maintenance or repair required; that the roof and exterior are in good condition and free from intrusion by the elements; that the Property and improvements conform to all applicable local, state, and federal laws, codes, ordinances and regulations including environmental laws and regulations. No responsibility is assumed for soil or subsoil conditions or engineering or structural matters. The Property is appraised assuming that all required licenses, certificates of occupancy, consents, or other legislative or administrative authority from any local, state, or national government or private entity or organization have been or can be obtained or renewed for any use on which the value estimates contained in this report is based, unless otherwise stated. The physical condition of the Property reflected in this report is solely based on a visual inspection as typically conducted by a professional appraiser not someone with engineering expertise. Responsible ownership and competent property management are assumed.
3. Unless otherwise stated in this report, this report did not take into consideration the existence of asbestos, PCB transformers or other toxic, hazardous, or contaminated substances or underground storage tanks, or the cost of encapsulation, removal or remediation thereof. Real estate appraisers are not qualified to detect such substances. The presence of substances such as asbestos, urea formaldehyde foam insulation, contaminated groundwater or other potentially hazardous materials and substances may adversely affect the value of the Property. Unless otherwise stated in this report, the opinion of value is predicated on the assumption that there is no such material or substances at, on or in the Property.

4. All statements of fact contained in this report as a basis of the analyses, opinions, and conclusions herein are true and correct to the best of the appraiser's actual knowledge and belief. The appraiser is entitled to and relies upon the accuracy of information and material furnished by the owner of the Property or owner's representatives and on information and data provided by sources upon which members of the appraisal profession typically rely and that are deemed to be reliable by such members. Such information and data obtained from third party sources are assumed to be reliable and have not been independently verified. No warranty is made as to the accuracy of any of such information and data. Any material error in any of the said information or data could have a substantial impact on the conclusions of this Report. The appraiser reserves the right to amend conclusions reported if made aware of any such error.
5. The opinion of value stated in this report is only as of the date of value stated in this report. An appraisal is inherently subjective and the conclusions stated apply only as of said date of value, and no representation is made as to the effect of subsequent events. This report speaks only as of the date hereof.
6. Any projected cash flows included in the analysis are forecasts of estimated future operating characteristics and are predicated on the information and assumptions contained within this report. Any projections of income, expenses and economic conditions utilized in this report are not predictions of the future. Rather, they are estimates of market expectations of future income and expenses. The achievement of any financial projections will be affected by fluctuating economic conditions and is dependent upon other future occurrences that cannot be assured. Actual results may vary from the projections considered herein. There is no warranty or assurances that these forecasts will occur. Projections may be affected by circumstances beyond anyone's knowledge or control. Any income and expense estimates contained in this report are used only for the purpose of estimating value and do not constitute predictions of future operating results.
7. The analyses contained in this report may necessarily incorporate numerous estimates and assumptions regarding Property performance, general and local business and economic conditions, the absence of material changes in the competitive environment and other matters. Some estimates or assumptions, however, inevitably will not materialize, and unanticipated events and circumstances may occur; therefore, actual results achieved during the period covered by the analysis will vary from estimates, and the variations may be material.
8. All prospective value opinions presented in this report are estimates and forecasts which are prospective in nature and are subject to considerable risk and uncertainty. In addition to the contingencies noted in the preceding paragraphs, several events may occur that could substantially alter the outcome of the estimates such as, but not limited to changes

in the economy, interest rates, capitalization rates, behavior of consumers, investors and lenders, fire and other physical destruction, changes in title or conveyances of easements and deed restrictions, etc. In making prospective estimates and forecasts, it is assumed that conditions reasonably foreseeable at the present time are consistent or similar with the future.

9. The allocations of value for land and improvements must not be used in conjunction with any other appraisal and are invalid if so used. This report shall be considered only in its entirety. No part of this report shall be utilized separately or out of context.
10. Neither all nor any part of the contents of this report (especially any conclusions as to value, the identity of the appraiser, or any reference to the Appraisal Institute) shall be disseminated through advertising media, public relations media, news media or any other means of communication (including without limitation prospectuses, private offering memoranda and other offering material provided to prospective investors) without the prior written consent of the Firm. Possession of this report, or a copy hereof, does not carry with it the right of publication.
11. Client and any other Intended User identified herein should consider this report and the opinion of value contained herein as only one factor together with its own independent considerations and underwriting guidelines in making any decision or investment or taking any action regarding the Property. Client agrees that Firm shall not be responsible in any way for any decision of Client or any Intended User related to the Property or for the advice or services provided by any other advisors or contractors. The use of this report and the appraisal contained herein by anyone other than an Intended User identified herein, or for a use other than the Intended Use identified herein, is strictly prohibited. No party other than an Intended User identified herein may rely on this report and the appraisal contained herein.
12. Unless otherwise stated in the agreement to prepare this report, the appraiser shall not be required to participate in or prepare for or attend any judicial, arbitration, or administrative proceedings.
13. The Americans with Disabilities Act (ADA) became effective January 26, 1992. No survey or analysis of the Property has been made in connection with this report to determine whether the physical aspects of the improvements meet the ADA accessibility guidelines. No expertise in ADA issues is claimed, and the report renders no opinion regarding the Property's compliance with ADA regulations. Inasmuch as compliance matches each owner's financial ability with the cost to cure the non-conforming physical characteristics of a property, a specific study of both the owner's financial ability and the cost to cure any deficiencies would be needed for the Department of Justice to determine compliance.

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14. Acceptance and/or use of this report constitutes full acceptance of these Assumptions and Limiting Conditions and any others contained in this report, including any Extraordinary Assumptions and Hypothetical Conditions, and is subject to the terms and conditions contained in the agreement to prepare this report and full acceptance of any limitation of liability or claims contained therein.

Addendum A

Glossary of Terms

ADDENDA

The following definitions are derived from The Dictionary of Real Estate Appraisal, 7th ed. (Chicago: Appraisal Institute, 2022).

- ◆ **Absorption Period:** The actual or expected period required from the time a property, group of properties, or commodity is initially offered for lease, purchase, or use by its eventual users until all portions have been sold or stabilized occupancy has been achieved.
- ◆ **Absorption Rate:** 1) Broadly, the rate at which vacant space in a property or group of properties for sale or lease has been or is expected to be successfully sold or leased over a specified period of time. 2) In subdivision analysis, the rate of sales of lots or units in a subdivision.
- ◆ **Ad Valorem Tax:** A tax levied in proportion to the value of the thing(s) being taxed. Exclusive of exemptions, use-value assessment provisions, and the like, the property tax is an ad valorem tax. (IAAO)
- ◆ **As Is Market Value:** The estimate of the market value of real property in its current physical condition, use, and zoning as of the appraisal date. (Interagency Appraisal and Evaluation Guidelines) Note that the use of the “as is” phrase is specific to appraisal regulations pursuant to FIRREA applying to appraisals prepared for regulated lenders in the United States. The concept of an “as is” value is not included in the Standards of Valuation Practice of the Appraisal Institute, Uniform Standards of Professional Appraisal Practice, or International Valuation Standards.
- ◆ **Assessed Value:** The value of a property according to the tax rolls in ad valorem taxation; may be higher or lower than market value, or based on an assessment ratio that is a percentage of market value.
- ◆ **Cash Equivalency Analysis:** An analytical process in which the sale price of a transaction with atypical financing or financing with unusual conditions or incentives is converted into a price equivalent or consistent with what a cash buyer would pay with all other factors the same.
- ◆ **Cash-Equivalent Price:** The sale price of a property that is equivalent to what a cash buyer would pay.
- ◆ **Contract Rent:** The actual rental income specified in a lease.
- ◆ **Disposition Value:** The most probable price that a specified interest in property should bring under the following conditions: 1) Consummation of a sale within a specified time, which is shorter than the typical exposure time for such a property in that market. 2) The property is subjected to market conditions prevailing as of the date of valuation. 3) Both the buyer and seller are acting prudently and knowledgeably. 4) The seller is under compulsion to sell. 5) The buyer is typically motivated. 6) Both parties are acting in what they consider to be their best interests. 7) An adequate marketing effort will be made during the exposure time. 8) Payment will be made in cash in US dollars (or the local currency) or in terms of financial arrangements comparable thereto. 9) The price represents the normal consideration for the property sold, unaffected by special or creative financing or sales concessions granted by anyone associated with the sale. This definition can also be modified to provide for valuation with specified financing terms.
- ◆ **Economic Life:** The period over which improvements to real estate contribute to property value.
- ◆ **Effective Gross Income (EGI):** The anticipated income from all operations of the real estate after an allowance is made for vacancy and collection losses and an addition is made for any other income.
- ◆ **Effective Rent:** Total base rent, or minimum rent stipulated in a lease, over the specified lease term minus rent concessions; the rent that is effectively paid by a tenant net of financial concessions provided by a landlord.
- ◆ **Excess Land:** Land that is not needed to serve or support the existing use. The highest and best use of the excess land may or may not be the same as the highest and best use of the improved parcel. Excess land has the potential to be sold separately and is valued separately. See also *surplus land*.
- ◆ **Excess Rent:** The amount by which contract rent exceeds market rent at the time of the appraisal; created by a lease favorable to the landlord (lessor) and may reflect unusual management, unknowledgeable or unusually motivated parties, a lease execution in an earlier, stronger rental market, or an agreement of the parties.

- ◆ **Exposure Time:** 1) The time a property remains on the market. 2) An opinion, based on supporting market data, of the length of time that the property interest being appraised would have been offered on the market prior to the hypothetical consummation of a sale at market value on the effective date of the appraisal. (USPAP, 2020-2021 ed.)
- ◆ **Extraordinary Assumption:** An assignment-specific assumption as of the effective date regarding uncertain information used in an analysis which, if found to be false, could alter the appraiser's opinions or conclusions. Comment: Uncertain information might include physical, legal, or economic characteristics of the subject property, or conditions external to the property, such as market conditions or trends, or about the integrity of data used in an analysis. (USPAP, 2020-2021 ed.)
- ◆ **Fee Simple Estate:** Absolute ownership unencumbered by any other interest or estate, subject only to the limitations imposed by the governmental powers of taxation, eminent domain, police power, and escheat.
- ◆ **Floor Area Ratio (FAR):** The relationship between the above-ground floor area of a building, as described by the zoning or building code, and the area of the plot on which it stands; in planning and zoning, often expressed as a decimal, e.g., a ratio of 2.0 indicates that the permissible floor area of a building is twice the total land area.
- ◆ **Frictional Vacancy:** The amount of vacant space needed in a market for its orderly operation. Frictional vacancy allows for move-ins and move-outs.
- ◆ **Full Service (Gross) Lease:** See *gross lease*.
- ◆ **General Vacancy:** A method of calculating any remaining vacancy and collection loss considerations when using discounted cash flow (DCF) analysis, where turnover vacancy has been used as part of the income estimate. The combined effects of turnover vacancy and general vacancy relate to total vacancy and collection loss.
- ◆ **Going-Concern Premise:** One of the premises under which the total assets of a business can be valued; the assumption that a company is expected to continue operating well into the future (usually indefinitely).
- ◆ **Going-Concern Value:** An outdated label for the market value of all the tangible and intangible assets of an established and operating business with an indefinite life, as if sold in aggregate; more accurately termed the market value of the going concern or market value of the total assets of the business. See also *Market Value of the Going Concern* and *Market Value of the Total Assets of the Business (MVTAB)*.
- ◆ **Going-In Capitalization Rate (R_o):** The overall capitalization rate obtained by dividing a property's net operating income for the first year after purchase by the present value of the property.
- ◆ **Gross Building Area (GBA):** 1) Total floor area of a building, excluding unenclosed areas, measured from the exterior of the walls of the above grade area. This includes mezzanines and basements if and when typically included in the market area of the type of property involved. 2) Gross leasable area plus all common areas. 3) For residential space, the total area of all floor levels measured from the exterior of the walls and including the superstructure and substructure basement; typically does not include garage space.
- ◆ **Gross Lease:** A lease in which the landlord receives stipulated rent and is obligated to pay all of the property's operating and fixed expenses; also called full-service lease.
- ◆ **Hypothetical Condition:** 1) A condition that is presumed to be true when it is known to be false. (Appraisal Institute: The Standards of Valuation Practice [SVP]) 2) A condition, directly related to a specific assignment, which is contrary to what is known by the appraiser to exist on the effective date of the assignment results, but is used for the purpose of analysis. Comment: Hypothetical conditions are contrary to known facts about physical, legal, or economic characteristics of the subject property; or about conditions external to the property, such as market conditions or trends; or about the integrity of data used in an analysis. (USPAP, 2020-2021 ed.)
- ◆ **Intended Use:** 1) The valuer's intent as to how the report will be used. (SVP) 2) The use(s) of an appraiser's reported appraisal or appraisal review assignment results, as identified by the appraiser based on communication with the client at the time of the assignment. (USPAP, 2020-2021 ed.)

- ◆ **Intended Users:** 1) The party or parties the valuer intends will use the report. (SVP) 2) The client and any other party as identified, by name or type, as users of the appraisal or appraisal review report by the appraiser, based on communication with the client at the time of the assignment. (USPAP, 2020-2021 ed.)
- ◆ **Investment Value:** 1) The value of a property to a particular investor or class of investors based on the investor's specific requirements. Investment value may be different from market value because it depends on a set of investment criteria that are not necessarily typical of the market. 2) The value of an asset to the owner or a prospective owner given individual investment or operational objectives (may also be known as worth). (International Valuation Standards [IVS])
- ◆ **Land-to-Building Ratio:** The proportion of land area to gross building area; one of the factors determining comparability of properties. See also *floor area ratio*.
- ◆ **Lease:** A contract in which the rights to use and occupy land, space, or structures are transferred by the owner to another for a specified period of time in return for a specified rent.
- ◆ **Leased Fee Interest:** The ownership interest held by the lessor, which includes the right to receive the contract rent specified in the lease plus the reversionary right when the lease expires.
- ◆ **Leasehold Estate:** The right held by the lessee to use and occupy real estate for a stated term and under the conditions specified in the lease.
- ◆ **Lessee:** One who has the right to occupancy and use of the property of another for a period of time according to a lease agreement.
- ◆ **Lessor:** One who conveys the rights of occupancy and use to others under a lease agreement.
- ◆ **Liquidation Value:** The most probable price that a specified interest in property should bring under the following conditions: 1) Consummation of a sale within a short time period. 2) The property is subjected to market conditions prevailing as of the date of valuation. 3) Both the buyer and seller are acting prudently and knowledgeably. 4) The seller is under extreme compulsion to sell. 5) The buyer is typically motivated. 6) Both parties are acting in what they consider to be their best interests. 7) A normal marketing effort is not possible due to the brief exposure time. 8) Payment will be made in cash in US dollars (or the local currency) or in terms of financial arrangements comparable thereto. 9) The price represents the normal consideration for the property sold, unaffected by special or creative financing or sales concessions granted by anyone associated with the sale. This definition can also be modified to provide for valuation with specified financing terms.
- ◆ **Market Rent:** The most probable rent that a property should bring in a competitive and open market under all conditions requisite to a fair lease transaction, the lessee and lessor each acting prudently and knowledgeably, and assuming the rent is not affected by undue stimulus. Implicit in this definition is the execution of a lease as of a specified date under conditions whereby • Lessee and lessor are typically motivated; • Both parties are well informed or well advised, and acting in what they consider their best interests; • Payment is made in terms of cash or in terms of financial arrangements comparable thereto; and • The rent reflects specified terms and conditions typically found in that market, such as permitted uses, use restrictions, expense obligations, duration, concessions, rental adjustments and revaluations, renewal and purchase options, frequency of payments (annual, monthly, etc.), and tenant improvements (TIs).
- ◆ **Market Value:** A type of value that is the major focus of most real property appraisal assignments. Both economic and legal definitions of market value have been developed and refined.¹
- ◆ **Market Value of the Going Concern:** The market value of an established and operating business including the real property, personal property, financial assets, and the intangible assets of the business.
- ◆ **Market Value of the Total Assets of the Business (MVTAB):** The market value of all of the tangible and intangible assets of a business as if sold in aggregate as a going concern.
- ◆ **Modified Gross Lease:** A lease in which the landlord receives stipulated rent and is obligated to pay some, but not all, of the property's operating and fixed expenses. Since assignment of expenses varies among modified

¹ The actual definition of value used for this appraisal is contained within the body of the report.

gross leases, expense responsibility must always be specified. In some markets, a modified gross lease may be called a double net lease, net net lease, partial net lease, or semi-gross lease. See also *net lease*.

- ◆ **Net Lease:** A lease in which the landlord passes on all expenses to the tenant. See also *gross lease*; *modified gross lease*.
- ◆ **Net Net Net Lease:** An alternative term for a type of net lease. In some markets, a net net net lease is defined as a lease in which the tenant assumes all expenses (fixed and variable) of operating a property except that the landlord is responsible for structural maintenance, building reserves, and management; also called *NNN lease*, *triple net lease*, or *fully net lease*.
- ◆ **Net Operating Income (NOI or I_o):** The actual or anticipated net income that remains after all operating expenses are deducted from effective gross income but before mortgage debt service and book depreciation are deducted. Note: This definition mirrors the convention used in corporate finance and business valuation for EBITDA (earnings before interest, taxes, depreciation, and amortization).
- ◆ **Occupancy Rate:** 1) The relationship or ratio between the potential income from the currently rented units in a property and the income that would be received if all the units were occupied. 2) The ratio of occupied space to total rentable space in a building.
- ◆ **Operating Expenses:** The periodic expenditures necessary to maintain the real estate and continue production of the effective gross income, assuming prudent and competition management.
- ◆ **Overage Rent:** The percentage rent paid over and above the guaranteed minimum rent or base rent; calculated as a percentage of sales in excess of a specified breakpoint sales volume.
- ◆ **Percentage Rent:** Rental income received in accordance with the terms of a percentage lease; typically derived from retail store and restaurant tenants and based on a certain percentage of their gross sales.
- ◆ **Prospective Opinion of Value:** A value opinion effective as of a specified future date. The term does not define a type of value. Instead, it identifies a value opinion as being effective at some specific future date. An opinion of value as of a prospective date is frequently sought in connection with projects that are proposed, under construction, or under conversion to a new use, or those that have not yet achieved sellout or a stabilized level of long-term occupancy.
- ◆ **Rentable Area:** For office or retail buildings, the tenant's pro rata portion of the entire office floor, excluding elements of the building that penetrate through the floor to the areas below. The rentable area of a floor is computed by measuring to the inside finished surface of the dominant portion of the permanent building walls, excluding any major vertical penetrations of the floor. Alternatively, the amount of space on which the rent is based; calculated according to local practice.
- ◆ **Retrospective Value Opinion:** A value opinion effective as of a specified historical date. The term retrospective does not define a type of value. Instead, it identifies a value opinion as being effective at some specific prior date. Value as of a historical date is frequently sought in connection with property tax appeals, damage models, lease renegotiation, deficiency judgments, estate tax, and condemnation. Inclusion of the type of value with this term is appropriate, e.g., "retrospective market value opinion."
- ◆ **Shell Rent:** The typical rent paid for retail, office, or industrial tenant space based on minimal "shell" interior finishes (called vanilla finish or white wall finish in some areas). Usually the landlord delivers the main building shell space or some minimum level of interior build-out, and the tenant completes the interior finish, which can include wall, ceiling, and floor finishes, mechanical systems, interior electricity, and plumbing. Typically these are long-term leases with tenants paying all or most property expenses.
- ◆ **Surplus Land:** Land that is not currently needed to support the existing use but cannot be separated from the property and sold off for another use. Surplus land does not have an independent highest and best use and may or may not contribute value to the improved parcel. See also *excess land*.
- ◆ **Turnover Vacancy:** A method of calculating vacancy allowance that is estimated or considered as part of the potential income estimate when using discounted cash flow (DCF) analysis. As units or suites turn over and are available for re-leasing, the periodic vacancy time frame (vacancy window) to release the space is considered.

- ◆ **Usable Area:** 1) For office buildings, the actual occupiable area of a floor or an office space; computed by measuring from the finished surface of the office side of corridor and other permanent walls, to the center of partitions that separate the office from adjoining usable areas, and to the inside finished surface of the dominant portion of the permanent outer building walls. Sometimes called net building area or net floor area. See also floor area. 2) The area that is actually used by the tenants measured from the inside of the exterior walls to the inside of walls separating the space from hallways and common areas.
- ◆ **Usable Site Area:** The area of a site that can legally and physically accommodate buildings or significant site improvements. The usable site area equals the total site area less certain obstructions, such as flood hazard areas, required natural buffers, cemeteries, archeologically restricted areas, ecologically restricted areas, areas within certain restrictive easements, and other obstructions. The net site area or usable site area should be more precisely defined in each appraisal because the significance of improvements or the obstruction depends on the specific assignment.
- ◆ **Use Value:** The value of a property based on a specific use, which may or may not be the property's highest and best use. If the specified use is the property's highest and best use, use value will be equivalent to market value. If the specified use is not the property's highest and best use, use value will be equivalent to the property's market value based on the hypothetical condition that the only possible use is the specified use.
- ◆ **Value In Use:** 1. The amount determined by discounting the future cash flows (including the ultimate proceeds of disposal) expected to be derived from the use of an asset at an appropriate rate that allows for the risk of the activities concerned. (FASB Accounting Standards Codification, Master Glossary) 2. Formerly used in valuation practice as a synonym for contributory value or use value. See also *use value*.

Addendum B

Engagement Letter

NEWMARK VALUATION & ADVISORY

September 10, 2025

Dianna Grey
Executive Director
STRATEGIC HOUSING FINANCE CORPORATION OF TRAVIS COUNTY
1033 La Posada Drive
Suite 180
Austin, TX 78752
Phone: 512.562.9204
Mobile: 512.228.8785

Re: Appraisal of the property described as:
1418 Frontier Valley Drive, Austin, TX 78741 (**"Property"**)

Dear Ms. Gray:

Newmark Valuation & Advisory, LLC (**"Firm"**) agrees to provide Strategic Housing Finance Corporation of Travis County (**"Client"**) an underwriting assessment to determine a rent level for compliance with the Chapter 394 of the Texas Local Government Code (the "HFC Statute") of the above-referenced Property in accordance with, and subject to, the terms and conditions set forth below and in the attached Schedules (collectively, **"Agreement"**).

APPRAISAL FEE:	\$8,000.00 (inclusive of expenses) which fee shall be paid by 1418 Frontier Valley Partners LP, on behalf of the Client
ADDITIONAL HOURLY FEES:	None
RETAINER:	\$8,000.00 with the return of this letter signed by the Client, which fee shall be paid by 1418 Frontier Valley Partners LP, on behalf of the Client.
REPORT DELIVERABLES:	The appraisal, draft and/or final, shall be delivered in electronic format (typically, pdf). One original hard copy of the final appraisal will be provided to Client upon request.
COMMENCEMENT AND DELIVERY DATE:	Delivery is as follows: Final appraisal report: ten (10) business days

The appraisal process will commence upon receipt by the Firm of (i) this Agreement, signed by Client, (ii) the retainer, and (iii) information and materials identified in Schedule "B." The appraisal process will conclude upon delivery of the final appraisal report, unless terminated sooner by the Firm or Client or as provided herein.

REPORT TYPE: Appraisal Report

VALUATION PREMISE: Market Value

INTEREST IN THE
PROPERTY APPRAISED: Leasehold Interest

INTENDED USER(S): Intended users of the appraisal include only 1418 Frontier Valley Partners LP, Strategic Housing Finance Corporation of Travis County, including its staff, Board of Directors and professional advisors and parties identified in the Reliance language below ("**Intended User(s)**"), and no other party is permitted to use or rely on the appraisal. The identification of Intended User(s) of the appraisal is to determine the type and extent of research, analysis and reporting appropriate for the assignment. Designation of a party other than Client as an Intended User is not intended to confer upon such party any rights under this Agreement. Consultant expressly agrees that Client may post the appraisal on its website in accordance with the HFC Statute.

INTENDED USE: The intended use of the appraisal is solely for internal business decisions ("**Intended Use**") and no other use.

RELIANCE LANGUAGE: Consultant represents and warrants that: (a) Consultant is a professional entity with experience underwriting affordable residential developments; (b) Consultant does not have any financial interest in Client: Strategic Housing Finance Corporation of Travis County ("SHFC") or its affiliates (including SHFC Frontier Valley GP LLC and SHFC Frontier Valley Land LLC), 1418 Frontier Valley Partners LP, Notional Development Partners LLC, the 1418 Frontier Valley Apartments development, or any investors in such development; and (c) the underwriting assessment will be performed in compliance with Texas House Bill 21 (2025) and will constitute an independent analysis suitable for SHFC's tax exemption determinations.

GUIDELINES: The analyses, opinions and conclusions are to be developed based on, and the appraisal will be prepared in conformance with the Uniform Standards of Professional Appraisal Practice (USPAP) as published by the Appraisal Foundation.

SCOPE OF WORK:	This is for an underwriting assessment to determine a rent level for compliance with the HFC Statute. No values will be provided. To provide an independent analysis that will provide assistance in SHFC's determination that the rent reductions provided by the affordable housing development will equal at least 50% of what the property taxes would have been (if not exempted) during years 3, 4, and 5 after acquisition. In determining estimated maximum market rents without rent restrictions, the analysis shall incorporate existing lease data from the subject property, as well as data from comparable properties to the extent necessary to supplement incomplete subject property data.
APPRAISAL REPORT SIGNATORY:	Victor Thomas, and David Thibodeaux, MAI
ASSUMPTIONS/ LIMITING CONDITIONS:	The appraisal will be subject to Firm's standard Assumptions and Limiting Conditions, which will be incorporated into the appraisal report. In addition, the appraisal may be subject to, and the appraisal report may contain, Extraordinary Assumptions and Hypothetical Conditions.
ACCEPTANCE:	This shall constitute a binding agreement only if countersigned by the Client, or by an officer, director or other representative of Client who, by signing and accepting this Agreement, represents and warrants that he/she is authorized by Client to do so.
PAYMENT:	1418 Frontier Valley Partners LP will pay retainer fee (\$8,000.00) in full, on behalf of the client, prior to commencing the appraisal process. Appraisal fee (and any expenses) will be earned in full upon initial delivery of the appraisal report (draft or final). Payment of the fee is not contingent upon any predetermined value or on an action or event resulting from the analysis, opinions, conclusions or use of the appraisal.
CHANGES TO THE AGREEMENT:	Any significant changes to the assignment as outlined in this Agreement, such as the identity of the Client, Intended User, or Intended Use, will require the preparation and execution of a new agreement.
CANCELLATION OF ASSIGNMENT:	Client may cancel this Agreement at any time prior to the Firm's delivery of the appraisal upon written notification to the Firm. Client shall pay Firm for all work completed on the assignment prior to Firm's receipt of such written cancellation notice, unless otherwise agreed upon by Firm and Client in

writing. The Firm may withdraw without penalty or liability from the assignment(s) contemplated by the Agreement before completion or reporting if the Firm determines, in the Firm's sole discretion, that incomplete information was provided to the Firm prior to the engagement, that Client or other parties have not or cannot provide documentation or information necessary to the Firm's analysis or reporting, that conditions of the Property render the original scope of work inappropriate, that a conflict of interest has arisen, or that Client has not complied with its payment obligations under this Agreement. The Firm shall notify Client of such withdrawal in writing.

**NO THIRD-PARTY
BENEFICIARIES:**

Nothing in the Agreement shall create a contractual relationship or any legal duty between Firm or Client and any third party, nor any cause of action, right, or claim in favor of any third party and against Firm or Client. In addition, this Agreement is not intended to, and shall not be construed to, render any person or entity a third-party beneficiary of this Agreement. Client acknowledges and agrees that the appraisal report shall reflect the foregoing. In addition, the appraisal report shall state that no party other than an Intended User identified in the Agreement is entitled to rely upon the appraisal.

This Agreement may be rescinded by the Firm unless signed and returned to the undersigned within 10 days from the date hereof.

If this Agreement correctly sets forth the Client's understanding of the services to be rendered, and if the terms are satisfactory, please execute and return the Agreement together with any required retainer.

Respectfully,



Victor Thomas
Executive Vice President
Certified General Appraiser
License No. TX 1335034 G
Victor.Thomas@nmrk.com
214.232.4434 Cell

Agreed:
STRATEGIC HOUSING FINANCE CORPORATION OF TRAVIS COUNTY

SIGNATURE:

PRINT NAME:

TITLE:

DATE:

Schedule "A"

TERMS AND CONDITIONS

ATTACHED TO AND A PART OF THE AGREEMENT DATED SEPTEMBER 10, 2025 TO PROVIDE APPRAISAL SERVICES FOR STRATEGIC HOUSING FINANCE CORPORATION OF TRAVIS COUNTY

1. These Terms and Conditions are attached to and incorporated into the above referenced Agreement as though fully set forth in full therein. Capitalized terms if not defined herein shall have the same meaning as defined in the Agreement.
2. With respect to any appraisal report, use of or reliance on the appraisal by any party, regardless of whether the use or reliance is authorized or known by the Firm, constitutes acceptance of these Terms and Conditions as well as acceptance of all other appraisal statements, limiting conditions and assumptions stated in the Agreement and appraisal report.
3. It is assumed that there are no matters affecting the Property that would require the expertise of other professionals, such as engineers or an environmental consultant, for Firm to provide the appraisal. If such additional expertise is required, it shall be provided by other parties retained by Client at Client's sole cost and expense.
4. Client acknowledges that the Firm is being retained as an independent contractor to provide the services described herein and nothing in this Agreement shall be deemed to create any other relationship between Firm and Client, including but not limited to an agency relationship. The parties neither intend nor have any expectation that any such relationship will arise as a matter of law or as a result of this Agreement. This assignment shall be deemed concluded and the services hereunder completed upon delivery of the appraisal described herein to Client.
5. All statements of fact contained in the appraisal report as a basis of the appraiser's analyses, opinions, and conclusions will be true and correct to the best of the appraiser's actual knowledge and belief. The appraiser is entitled to, and shall rely upon the accuracy of information and material furnished to the Firm by Client. Appraiser is also entitled to, and shall, rely on information provided by sources upon which members of the appraisal profession typically rely and that are deemed to be reliable by members of that profession without independent verification.
6. The Firm and the appraiser shall have no responsibility for legal matters, or questions or issues involving survey or title, soil or subsoil conditions, engineering, zoning, buildability, environmental contamination, structural matters, construction defects, material or methodology, or other similar technical matters with regarding the Property. Furthermore, the appraisal will not constitute a survey of the Property.
7. The appraisal and the data and information gathered in its preparation (other than the confidential data and information provided by Client) is and will remain, the property of the Firm. The Firm shall not violate the confidential nature of the appraiser-client relationship by improperly disclosing any confidential information furnished by Client to the Firm. Notwithstanding the foregoing, the Firm and the appraiser are authorized by Client to disclose all or any portion of the appraisal and appraisal report and the related data and information, including confidential data and information provided by Client, to appropriate representatives of the Appraisal Institute if such disclosure is required to comply with the Standards, Bylaws and Regulations of the Appraisal Institute, as well as, such disclosure as required by law and regulations, including compliance with a subpoena and licensing authority regulatory inquiries. The Firm is also authorized to include both confidential and non-confidential data assembled in the course of preparing the appraisal and which may be incorporated into the appraisal report in a database controlled by the Firm for the aggregation of such data and information to produce analytics and other metrics or products.

8. Unless specifically noted in the appraisal report, the appraisal will not take into consideration the possibility or probability of the existence of asbestos, PCB transformers, other toxic, hazardous, or contaminated substances and/or underground storage tanks (hazardous material) at on or in the Property, or the cost of encapsulation, removal or remediation thereof.
9. 1418 Frontier Valley Partners LP shall indemnify, defend (by counsel to be selected by Firm), protect, and hold Firm and Firm's appraisers, agents, employees, affiliates, representatives, successors and assigns (each, a "**Firm Party**"), free and harmless from any and all claims, liabilities, losses, penalties, fines, forfeitures, amounts paid in settlement, judgments, and all reasonable attorneys' fees and related litigation costs, fees and expenses incurred by the any of such indemnitees, which result from (i) any failure by 1418 Frontier Valley Partners LP or 1418 Frontier Valley Partners LP's agents or representatives to provide Firm with complete and accurate information regarding the Property; (ii) any material breach by 1418 Frontier Valley Partners LP of the provisions of the Agreement; (iii) if delivery of the appraisal to a third party is permitted by the Firm, 1418 Frontier Valley Partners LP providing an incomplete copy of the appraisal to such third party; or (iv) arising from 1418 Frontier Valley Partners LP or 1418 Frontier Valley Partners LP's agents or representatives providing a copy of the appraisal to a party not authorized by the Firm to receive such copy. Note that the statute requires this report to be posted online.
10. In preparing the appraisal, it is possible that the appraiser will discover conflicting information. In that event, appraiser will utilize information and data considered to be the most authoritative and for critical information will document the source. Information and data referred to may include, but is not limited to, legal descriptions; physical street addresses; assessor parcel numbers; property history; dimensions and areas of the site/land; dimensions and areas of the building improvements; physical unit counts; rent rolls; leases; lease abstracts; income and expense data; and any other related data. Any material discrepancy and/or error in any of the above data could have a substantial impact on the conclusions reported, and the Firm therefore reserves the right to amend conclusions reported if the Firm is made aware of any such discrepancy and/or error.
11. The appraisal may not be used, included or referenced, in whole or in part, in any offering or other materials without the prior written consent of the Firm, which consent may be conditioned upon the receipt by the Firm of an indemnity agreement, in form and content, satisfactory to Firm and provided by an indemnitor satisfactory to Firm. Client agrees to pay the fees of the Firm's legal counsel for review of any materials which is the subject of the requested consent. Except as agreed by the Firm expressly in writing, the Firm disclaims liability to any party other than Client.
12. The Firm shall not provide a copy of the appraisal to, or disclose the results of the appraisal to, any party other than Client, unless Client authorizes same, except as provided in the Confidentiality Section of the ETHICS RULE of the Uniform Standards of Professional Appraisal Practice (USPAP) or as otherwise required by law or regulations.
13. Client and any other identified Intended User should consider the appraisal as only one factor together with its own independent considerations and underwriting guidelines in making any decision or investment or taking any action regarding the Property. Client agrees that Firm shall not be responsible in any way for any decision of Client or any Intended User related to the Property or for the advice or services provided by any other advisors or contractors.
14. Unless otherwise stated in this Agreement, Client agrees that the services pursuant to this Agreement shall not include participation in or preparation for, or attendance at, any legal, judicial, administrative, or arbitration proceeding relating to this assignment. In the event the Firm or any Firm Party is required, whether through the service of a subpoena or otherwise, to produce documents or participate in or prepare for any discovery, testimony or attendance, relating to the appraisal or this assignment, where the Firm or Firm Party is not a party to the action or proceedings involved, Client agrees to reimburse expenses incurred by the Firm or Firm Party, including attorney's fees, in responding to such subpoena or other legal process and compensate the Firm therefor based upon the appraiser's prevailing hourly or daily rate for providing services as an expert consultant or witness.

15. **LIMITATION ON LIABILITY** NEITHER PARTY'S AGGREGATE LIABILITY RELATED TO THIS AGREEMENT (WHETHER UNDER CONTRACT, TORT OR OTHERWISE) WILL EXCEED THE AMOUNT OF FEES PAID FOR THE APPRAISAL ASSIGNMENT, AND NEITHER PARTY WILL BE LIABLE FOR ANY CONSEQUENTIAL, SPECIAL, INCIDENTAL, INDIRECT, PUNITIVE OR EXEMPLARY DAMAGES RELATED TO THIS AGREEMENT (WHETHER UNDER CONTRACT, TORT OR OTHERWISE).
16. **WAIVER OF CONSEQUENTIAL DAMAGES** IN NO EVENT SHALL EITHER PARTY BE LIABLE TO THE OTHER FOR ANY INDIRECT, INCIDENTAL, SPECIAL, CONSEQUENTIAL OR PUNITIVE DAMAGES WHATSOEVER (INCLUDING, WITHOUT LIMITATION, LOST PROFITS, LOSS OF REVENUE, LOSS OF USE OR INTERRUPTION OF BUSINESS) ARISING OUT OF OR RELATED TO THIS AGREEMENT, EVEN IF ADVISED OF THE POSSIBILITY OF SUCH DAMAGES.
17. Except as expressly provided herein, Firm makes no representations or warranties to Client or to any other person or entity with respect to the appraisal and the services to be provided by Firm under this Agreement. To the maximum extent permitted under applicable law, in no event will the Firm or any Firm Party be liable to Client or any third party (regardless of whether such party's claimed use or reliance on the appraisal was authorized by the Firm or a Firm Party) for any claimed damages exceeding the damages in Paragraph 15. Legal claims or causes of action relating to the appraisal are not assignable, except: (i) as the result of a merger, consolidation, sale or purchase of a legal entity, (ii) with regard to the collection of a bona fide existing debt for services but then only to the extent of the total compensation for the appraisal plus reasonable interest, or (iii) in the case of an appraisal performed in connection with the origination of a mortgage loan, as part of the transfer or sale of the mortgage before an event of default on the mortgage or note or its legal equivalent.
18. Federal banking regulations require banks and other lending institutions to engage appraisers where FIRREA compliant appraisals must be used in connection with mortgage loans or other transactions involving federally regulated lending institutions. In view of that requirement, the appraisal may not be accepted by a federally regulated financial institution.
19. In the event Client fails to make payments of any fees or sums when due and payable under this Agreement; then from the date due and payable until paid, the amount due and payable shall bear interest at the maximum rate permitted under the laws of the state in which the Property is located. If the Firm is required to undertake collection efforts including institution of legal action against Client relating to the Agreement, the Firm shall be entitled to recover attorney's fees, litigation expenses, and costs from Client.
20. To the extent permitted under applicable law, any legal action or lawsuit or other proceeding by Client or any Intended User of the appraisal against Firm or a Firm Party whether based in contract, tort, warranty, indemnity or otherwise, relating to the appraisal shall be commenced within two (2) years from the date of delivery of the appraisal to the claimant in such action or proceeding, unless the applicable law provides for a shorter period, and any such claimant waives the right to a jury in any such legal action or lawsuit or other proceeding. Notwithstanding the state of domicile or residency of either party to this Agreement, this Agreement shall be governed and construed under the laws of the state in which the Property is located, and venue for any action or proceeding arising out of this Agreement shall be deemed proper only in the court of competent jurisdiction located in the state in which the Property is located.
21. Throughout the performance of services under this Agreement, the Firm shall maintain at its sole cost and expense the following insurance:
 - (a) Workers' Compensation, so as to provide statutory benefits as required by the laws of each state within the United States in which the Firm's services are being provided, and Employer's Liability insurance with limits of liability of \$1,000,000 each accident, \$1,000,000 disease each employee and \$1,000,000 disease policy limit covering all employees of the Firm engaged in the performance of such services.

- (b) Fidelity insurance or bond with a limit of \$1,000,000 to insure the Firm against loss of its or Client's assets caused from the dishonest acts of the Firm's employees.
- (c) Professional Liability insurance with a limit of liability of \$1,000,000 each claim and \$1,000,000 aggregate, which limits may be provided by a combination of primary and excess policies.
- (d) Commercial General Liability insurance providing coverage against damages due to bodily injury (including death), property damage and personal and advertising injury arising in connection with the Firm's services provided under this Agreement, which insurance coverage shall: (i) be occurrence-based; (ii) provide limits of liability in an amount of \$2,000,000 each occurrence and \$5,000,000 aggregate (including excess and/or umbrella limits), (iii) include at least those coverages generally included in the most current ISO Commercial General Liability insurance policy form (or its equivalent); and (iv) include Client, and such other persons or entities as Client has identified in writing, as additional insureds solely with regard to claims arising out of this Agreement.
- (e) Commercial automobile liability for owned, hired and non-owned motor vehicles, with a \$1,000,000 combined single limit.

Schedule "B"

PROPERTY INFORMATION LIST

ATTACHED TO AND A PART OF THE AGREEMENT DATED SEPTEMBER 10, 2025 TO PROVIDE APPRAISAL SERVICES FOR STRATEGIC HOUSING FINANCE CORPORATION OF TRAVIS COUNTY

The following information is requested to be delivered to the Firm so we can provide the proposed services and prepare the Appraisal within the agreed upon time frame. Please forward the physical data such as the site plan, previous engineering reports and/or property reports describing the physical attributes of the Property and all financial information such as rent roll and income and expense statements first as these items are the most time sensitive and should be received immediately to meet the time requirements of this assignment. If, at this time, you are certain you will not be providing any specific items noted below, please cross out the item and mark "NA" next to the item so that we will be notified that the information is not available and will not be forthcoming.

1. **Please indicate whether Newmark is sales broker, leasing broker, mortgage broker or property manager for the subject property.**
2. Site plan, if available. (Preferably, an AS BUILT PLAN showing an outline of building/s drawn to scale. Please do not send reductions so original scale may be used for measurement purposes.
3. Building plans, if available.
4. Prior engineering report or physical descriptions from prior appraisals or asset management report, if available.
5. Leasing brochures and/or other marketing materials, if available.
6. If the Property has been offered for sale within the last two years, a copy of the offering memorandum or investment book.
7. Past feasibility or market studies and economic impact studies as well as any relevant information collected from third party sources.
8. Agreements of Sale/Options to Buy (current or during last three years), if any.
9. Income and expense statements for the past three years plus year-to-date income and expense statements.
10. Operating budget for current and next year, if available.
11. Current property insurance binder or last property insurance billing statement.
12. Management contracts.
13. Copy of most recent real estate tax bill. Please advise if there has been a notice or inquiry by either the County Assessment Board or the School Board regarding the property assessment. Is there any pending litigation or negotiations with these parties that could result in an assessment increase or decrease?
14. Title report, Legal Description, or copy of deed. Provide a written statement of five-year history of legal property owner. Please advise, if there any deed restrictions or encumbrances, easements or cross easements.
15. Personal property inventory, if available.
16. Occupancy rates for the last three years, if not revealed in the financial statements.

17. Ground leases, if any.
18. Approximate actual construction costs, if built during the past three years.
19. Environmental audits and studies disclosing any wetlands, hazardous wastes or other environmental conditions such as asbestos or radon.
20. List of any known major repairs and improvements needed.
21. Three-year history of capital improvements.
22. Name of contact person for the on-site physical inspection.

FOR APARTMENT PROPERTY

23. Unit mix showing rentable area and asking rent by unit type
24. Scaled apartment unit plans showing layouts and measurements so that rentable area can be confirmed, if available.
25. Rent roll showing tenant name, apartment number, dates of leases and the type of apartment, asking/market rents for each apartment, and contractual rent for each apartment unit. (It would be greatly appreciated if you can provide the rent roll in Excel.)
26. Terms of leases and/rent roll for leased commercial space or roof top rentals. Copies of commercial leases are desirable. If any commercial leases provide for pass through of operating expenses over a base year stop, please provide the dollar amount of the base year stop.

FOR INDUSTRIAL, OFFICE, RETAIL PROPERTY

27. Rent Roll (please sign and date) and copies of leases, including addenda and all amendments. Please indicate which leases may have early termination provisions, expansion and/or purchase options. Please identify any tenants who have initiated discussions to renew, terminate or renegotiate/modify their lease(s), or who have given notice to terminate. Proposed terms for such re-negotiations should be revealed.
28. Provide letters of intent to lease or other any outstanding lease proposals that have a reasonable likelihood of being finalized into executed leases.
29. Prior Argus files, if any.
30. List of outstanding leasing commissions brokers and terms of future payments.
31. Financial information such as Annual Statements or credit report/ratings on any major tenant in the building.
32. CAM and real estate tax reimbursement worksheets or listing of base year operating expenses, if applicable.
33. Three-year history of tenant retail sales, if available.

FOR LODGING PROPERTY

34. Terms of leases if any and/rent roll for leased commercial space or roof top rentals.
35. ADR and Occupancy rates for the last three years, if not revealed in the financial statements.
36. Business Plan and Marketing Strategy, if any for the upcoming fiscal year.
37. Terms of franchise agreement and management agreement, if any.

FOR RESIDENTIAL SUBDIVISION PROPERTY

38. Building plans for the proposed single family, townhouse, age-restricted, and condominium residences. Please do not send reductions so original scale may be used for measurement purposes.
39. Market Surveys and Feasibility Analyses, if any, for the proposed development program.
40. Marketing materials for the proposed single family, townhouse, age-restricted, and condominium residences.

Addendum C

Financials and Property Information

Unit	Floor Plan	Beds / Baths	Sq. Ft.	Status	Resident	Other Household Members
105	A1-70%	1/1	552	Vacant / Not Ready		
106	A1-120%	1/1	552	Vacant / Not Ready		
107	A1-70%	1/1	552	Vacant / Not Ready		
108	S1-50%	0/1	439	Occupied / No Notice	Martinez, Monique	Chavez, Irma
109	S1-30%	0/1	439	Occupied / No Notice	Alberazdar, Heba	
110	S1-50%	0/1	439	Occupied / No Notice	Hoffman, Nicole	
111	S1-30%	0/1	439	Occupied / No Notice	Marshall, Ryan	Gonzales, Brielle
112	A1-120%	1/1	552	Vacant / Not Ready		
113	A1-70%	1/1	552	Vacant / Not Ready		
114	A1-120%	1/1	552	Vacant / Not Ready		
115	A1-70%	1/1	552	Vacant / Not Ready		
116	S1-30%	0/1	439	Occupied / No Notice	Showers, Nevaeh	
117	S1-30%	0/1	439	Occupied / No Notice	Armendariz, Daniel	
118	S1-30%	0/1	439	Occupied / No Notice	McDowell, Gabrielle	
119	S1-30%	0/1	439	Occupied / No Notice	Morales carrillo, Abigail	
120	B1-70%	2/1	771	Vacant / Not Ready		
121	B2-70%	2/1	771	Vacant / Not Ready		
201	B2-70%	2/1	771	Vacant / Not Ready		
202	B1-70%	2/1	771	Vacant / Not Ready		
203	A1-70%	1/1	552	Vacant / Not Ready		
204	A2-120%	1/1	552	Vacant / Not Ready		
205	A1-70%	1/1	552	Vacant / Not Ready		
206	A2-120%	1/1	552	Vacant / Not Ready		
207	A1-70%	1/1	552	Vacant / Not Ready		
208	S2	0/1	439	Occupied / No Notice	Conley, Tyez	
209	S1-50%	0/1	439	Occupied / No Notice	Lautner, Alayna	
210	S2-120%	0/1	447	Vacant / Not Ready		
211	S1-50%	0/1	439	Occupied / No Notice	Montes, Ryan	
212	A2-120%	1/1	552	Vacant / Not Ready		
213	A1-70%	1/1	552	Vacant / Not Ready		
214	A2-120%	1/1	552	Vacant / Not Ready		
215	A1-70%	1/1	552	Vacant / Not Ready		
216	S2-120%	0/1	447	Vacant / Not Ready		
217	S1-50%	0/1	439	Occupied / No Notice	Griffith, Madeline	
218	S2-120%	0/1	447	Vacant / Not Ready		
219	S1-50%	0/1	439	Occupied / No Notice	Adams, Kimiko	
220	B1-70%	2/1	771	Vacant / Not Ready		
221	B2-70%	2/1	771	Vacant / Not Ready		
301	B2-70%	2/1	771	Vacant / Not Ready		
302	B1-70%	2/1	771	Vacant / Not Ready		
303	A1-70%	1/1	552	Vacant / Not Ready		
304	A2-120%	1/1	552	Vacant / Not Ready		
305	A1-70%	1/1	552	Vacant / Not Ready		
306	A2-120%	1/1	552	Vacant / Not Ready		
307	A1-70%	1/1	552	Vacant / Not Ready		
308	S2-120%	0/1	447	Vacant / Not Ready		
309	S1-50%	0/1	439	Occupied / No Notice	Rini, Allison	
310	S2-120%	0/1	447	Vacant / Not Ready		
311	S1-50%	0/1	439	Occupied / No Notice	Cervantes-Herrera, Teresita	
312	A2-120%	1/1	552	Vacant / Not Ready		
313	A1-70%	1/1	552	Vacant / Not Ready		
314	A2-120%	1/1	552	Vacant / Not Ready		
315	A1-70%	1/1	552	Vacant / Not Ready		
316	S2-120%	0/1	447	Vacant / Not Ready		
317	S1-50%	0/1	439	Vacant / Not Ready		
318	S2-120%	0/1	447	Vacant / Not Ready		
319	S1-50%	0/1	439	Vacant / Not Ready		
320	B1-70%	2/1	771	Vacant / Not Ready		
321	B2-70%	2/1	771	Vacant / Not Ready		
401	B2-70%	2/1	771	Vacant / Not Ready		
402	B1-70%	2/1	771	Vacant / Not Ready		
403	A1-120%	1/1	552	Vacant / Not Ready		
404	A2-120%	1/1	552	Vacant / Not Ready		
405	A1-120%	1/1	552	Vacant / Not Ready		
406	A2-120%	1/1	552	Vacant / Not Ready		
407	A1-120%	1/1	552	Vacant / Not Ready		
408	S2-120%	0/1	447	Vacant / Not Ready		
409	S1-50%	0/1	439	Occupied / No Notice	Garcia, Christian	
410	S2-120%	0/1	447	Vacant / Not Ready		
411	S1-50%	0/1	439	Occupied / No Notice	Pena, Selma	
412	A2-120%	1/1	552	Vacant / Not Ready		
413	A1-120%	1/1	552	Vacant / Not Ready		
414	A2-120%	1/1	552	Vacant / Not Ready		
415	A1-120%	1/1	552	Vacant / Not Ready		
416	S2-120%	0/1	447	Vacant / Not Ready		
417	S1-50%	0/1	439	Vacant / Not Ready		
418	S2-120%	0/1	447	Vacant / Not Ready		
419	S1-50%	0/1	439	Vacant / Not Ready		
420	B1	2/1	771	Vacant / Not Ready		
421	B2-120%	2/1	771	Vacant / Not Ready		
501	B2	2/1	771	Vacant / Not Ready		
502	B1-70%	2/1	771	Vacant / Not Ready		
503	A1-120%	1/1	552	Vacant / Not Ready		
504	A2-120%	1/1	552	Vacant / Not Ready		
505	A1-120%	1/1	552	Vacant / Not Ready		
506	A2-120%	1/1	552	Vacant / Not Ready		
507	A1-120%	1/1	552	Vacant / Not Ready		
508	S2-120%	0/1	447	Vacant / Not Ready		
509	S1-50%	0/1	439	Occupied / No Notice	Noel, Niko	
510	S2-120%	0/1	447	Vacant / Not Ready		
511	S1-70%	0/1	439	Occupied / No Notice	Zepeda, John	
512	A2	1/1	564	Vacant / Not Ready		
513	A1	1/1	552	Vacant / Not Ready		
514	A2	1/1	564	Vacant / Not Ready		
515	A1-120%	1/1	552	Vacant / Not Ready		
516	S2	0/1	439	Occupied / No Notice	OConnor, Alexander	
517	S1-70%	0/1	439	Vacant / Not Ready		
518	S2	0/1	439	Occupied / No Notice	Corlis, Nicholas	
519	S1-70%	0/1	439	Vacant / Not Ready		
520	B1	2/1	771	Occupied / No Notice	Masseti, Nicole	
521	B2	2/1	771	Vacant / Not Ready		
Grand Total				0		
Floor Plan Summary						
Floor Plan	Units	Market Rent	Quoting Rent	Leased Rent Average	Market Rent/SqFt	Leased Rent/SqFt
A1-70%	14	\$1,598	\$1,476	\$0	\$2.89	\$0
A1-120%	12	\$3,012	\$1,550	\$0	\$5.46	\$0
S1-50%	15	\$1,102	\$925	\$925	\$2.51	\$2.11
S1-30%	6	\$666	\$662	\$662	\$1.52	\$1.51
B1-70%	7	\$1,986	\$1,759	\$0	\$2.58	\$0
B2-70%	6	\$1,960	\$1,759	\$0	\$2.54	\$0
A2-120%	14	\$3,012	\$1,550	\$0	\$5.46	\$0
S2	3	\$1,307	\$1,450	\$1,450	\$2.98	\$3.30
S2-120%	13	\$2,810	\$1,450	\$0	\$6.29	\$0
B1	2	\$2,000	\$1,855	\$1,955	\$2.59	\$2.54
B2-120%	1	\$3,614	\$1,855	\$0	\$4.69	\$0
B2	2	\$2,155	\$1,855	\$0	\$2.80	\$0
S1-70%	3	\$1,470	\$1,360	\$1,360	\$3.35	\$3.10
A2	2	\$1,650	\$1,550	\$0	\$2.93	\$0
A1	1	\$1,650	\$1,550	\$0	\$2.99	\$0
Grand Total	101	\$2,065.42	\$1,414.54	\$985.92	\$3.77	\$2.18

Year No.	0	1	2
Year Ending	Dec-24	Dec-25	Dec-26
Gross Potential Rent	\$ 1,734,549	\$ 1,803,931	
Vacancy & Other Losses	\$ (468,371)	\$ (186,568)	
Other Income	\$ 347,223	\$ 449,009	
Total Revenue	\$ 1,613,401	\$ 2,066,372	
Marketing	\$ (65,650)	\$ (25,250)	
Admin	\$ (27,775)	\$ (27,775)	
Contract Services	\$ (15,150)	\$ (17,675)	
Maintenance	\$ (22,725)	\$ (22,725)	
Total Utilities	\$ (138,875)	\$ (138,875)	
Payroll	\$ (223,860)	\$ (174,720)	
Management Fee	\$ (56,469)	\$ (74,751)	
Property Taxes	\$ -	\$ -	
Insurance	\$ (59,033)	\$ (59,033)	
Turnover Reserve	\$ (25,250)	\$ -	
HFC Fees	\$ (50,464)	\$ (51,978)	
Total Expenses	\$ (685,251)	\$ (592,782)	
Net Operating Income	\$ 928,150	\$ 1,473,590	
Capital Reserves	\$ (25,250)	\$ (26,008)	
Net Cash Flow Before Debt Service	\$ 902,900	\$ 1,447,582	
Debt Service	\$ (826,900)	\$ (997,500)	
Net Cash Flow After Debt Service	\$ 76,000	\$ 450,082	1.48
Acquisition / Disposition	\$ 26,792,542		
Debt Proceeds / Payoff	\$ 21,000,000		
Equity	\$ 5,792,542		
Cash Flow for IRR	\$ (5,792,542)	\$ 76,000	\$ 450,082

Addendum D

Comparable Data

Improved Sales

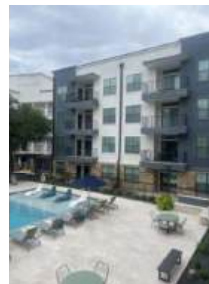
ADDENDA

Multifamily Sale Comparable 1

Cortland Arboretum

Location Information

Location	10011 Stonelake Boulevard Austin, TX
Market	Valuation Properties
Submarket	Valuation Apartment / Multi Housing
County	Travis
APN	773804



Physical Property Summary

Property Type	Multifamily (Mid/High Rise)
Gross Building Area	266,815 SF
Rentable Area	263,927 SF
Land Acres	6.96 Acres
Land SF	303,333 SF
Number of Units	330
Density (Units per Acre)	47.4
Average Unit Size	800 SF
No. of Stories	4
Year Built (Renovated)	2014 (2022)
Construction	Wood frame
Condition	Good
Parking	Structured Parking Garage, inclusive of 11
Investment Class	Class A
Elevators	3

Financial Data

Occupancy	94.0%
Property Operations Status	Stabilized Operations

Financial Indicators

NOI	N/A
Derived Cap Rate	N/A
Reported Cap Rate	4.75%

Sale Data

Transaction Type	In-Contract
Interest Conveyed	N/A
Date	August 28, 2025
Marketing Time	N/A
Grantor	Washington MN Partners LLC
Grantee	MN Mill Distrist Apartments LLC
Document No.	N/A - Under Contract
Price	\$73,000,000

Financing Terms

Price Adjustments For:	
Financing	\$0
Conditions of Sale	\$0
Other	\$0
Adjusted Price	\$73,000,000
Price Per Unit	\$221,212

Pro Forma Stabilized Operations

Effective Gross Income	\$6,886,792
EGIM	10.60
Operating Expense Ratio	49.6%
NOI	\$3,468,967
Derived Cap Rate	4.75%
Verification	Confirmed-Confidential

Comments

This comparable represents Cortland Arboretum, a mid-rise apartment property located along Stonelake Boulevard in Austin, Texas. The improvements were built in 2014 and exhibit 4-story construction. Amenities include a clubhouse/leasing office, fitness center, swimming pool, business center, dog park, game room, and an outdoor courtyard with BBQ grills. Unit interiors exhibit modern finishes with stainless steel appliances. The average unit size is 800 SF. This property is under contract for \$73,000,000, or \$221,212 per unit with a pro forma cap rate of 4.75%. Pro forma income and expenses are market-based with property taxes grossed up to 100% of the purchase price (2025 AV is above the purchase price) and replacement reserves of \$200 per unit included.

ADDENDA

Multifamily Sale Comparable 2

Revl on Lamar

Location Information

Location	5629 North Lamar Boulevard
	Austin, TX
Market	TX - Austin
Submarket	Austin Metro Area
County	Travis
APN	228900



Physical Property Summary

Property Type	Multifamily (Mid/High Rise)
Gross Building Area	231,065 SF
Rentable Area	220,865 SF
Land Acres	3.34 Acres
Land SF	145,451 SF
Number of Units	279
Density (Units per Acre)	83.6
Average Unit Size	792 SF
No. of Stories	5
Year Built (Renovated)	2021
Construction	Wood frame
Condition	Average
Parking	Structured garage
Investment Class	Class A
Elevators	

Financial Data

Occupancy	85.0%
Property Operations Status	Sub-stabilized Operations

Financial Indicators

NOI	N/A
Derived Cap Rate	N/A
Reported Cap Rate	N/A

Sale Data

Transaction Type	Closed
Interest Conveyed	Leased Fee
Date	June 4, 2025
Marketing Time	N/A
Grantor	BG 20 North Lamar Property
Grantee	Atlas North Lamar LP
Document No.	2025062246
Price	\$62,400,000
Financing Terms	Cash to Seller - Buyer Obtained Financing
Price Adjustments For:	
Financing	\$0
Conditions of Sale	\$0
Other	\$48,000
Adjusted Price	\$62,448,000
Price Per Unit	\$223,828

Pro Forma Stabilized Operations

Effective Gross Income	\$5,555,872
EGIM	11.24
Operating Expense Ratio	48.7%
NOI	\$2,850,708
Derived Cap Rate	4.56%
Verification	Confirmed-Other

Comments

This comparable represents REVL on Lamar, a mid-rise apartment property located along Lamar Boulevard in Austin, Texas. The improvements were built in 2021 and exhibit 5-story construction. Amenities include a clubhouse/leasing office, fitness center, swimming pool, business center, dog park, rooftop lounge, and an outdoor courtyard with BBQ grills. The average unit size is 792 SF. Pro forma income and expenses are market-based with property taxes grossed up to 100% of the purchase price (2025 AV is above the purchase price) and replacement reserves of \$200 per unit included. The subject was not stabilized; therefore, we have included a stabilization discount of \$48,000 to the purchase price. This property sold in June 2025 for \$62,400,000, or \$223,828 per unit with a cap rate of 4.56%.

ADDENDA

Multifamily Sale Comparable 3

Thornton Flats

Location Information

Location	2501 Thornton Road Austin, TX
Market	Valuation Properties
Submarket	Valuation Apartment / Multi Housing
County	Travis
APN	997544

Physical Property Summary

Property Type	Multifamily (Mid/High Rise)
Gross Building Area	91,283 SF
Rentable Area	91,283 SF
Land Acres	3.96 Acres
Land SF	172,715 SF
Number of Units	104
Density (Units per Acre)	26.2
Average Unit Size	878 SF
No. of Stories	3
Year Built (Renovated)	2017
Construction	Wood frame
Condition	Average
Parking	
Investment Class	Class A
Elevators	

Financial Data

Occupancy	83.0%
Property Operations Status	Sub-stabilized Operations

Financial Indicators

NOI	N/A
Derived Cap Rate	N/A
Reported Cap Rate	4.25%



Sale Data

Transaction Type	Closed
Interest Conveyed	Fee Simple
Date	August 30, 2024
Marketing Time	N/A
Grantor	Thornton Apartments LLC
Grantee	Mirador Condominiums LLC
Document No.	2024098190
Price	\$26,000,000
Financing Terms	Cash to Seller - Buyer Obtained Financing
Price Adjustments For:	
Financing	\$0
Conditions of Sale	\$0
Other	\$100,000
Adjusted Price	\$26,100,000
Price Per Unit	\$250,962

Pro Forma Stabilized Operations

Effective Gross Income	\$2,228,864
EGIM	11.71
Operating Expense Ratio	42.9%
NOI	\$1,271,584
Derived Cap Rate	4.87%
Verification	Confirmed-Other

Comments

This comparable represents Thornton Flats, a mid-rise apartment property located along Thornton Road in Austin, Texas. The improvements were built in 2017 and exhibit 3-story construction. Amenities include a clubhouse/leasing office, fitness center, swimming pool, co-working lounge, game room, and an outdoor courtyard with BBQ grills. The average unit size is 878 SF. Pro forma income and expenses are market-based with property taxes grossed up to 95% of the purchase price and replacement reserves of \$200 per unit included. At the time of transaction, the property was operating below stabilization. Therefore, we have included a \$100,000 stabilization discount to the reported purchase price. This property sold in September 2024 for an adjusted price of \$26,100,000, or \$250,962 per unit with a cap rate of 4.87%.

ADDENDA

Multifamily Sale Comparable 4

Veranda

Location Information

Location	7205 East Ben White Boulevard Austin, TX
Market	Valuation Properties
Submarket	Valuation Apartment / Multi Housing
County	Travis
APN	979495



Physical Property Summary

Property Type	Multifamily (Garden/Low-Rise)
Gross Building Area	290,346 SF
Rentable Area	290,346 SF
Land Acres	11.70 Acres
Land SF	509,652 SF
Number of Units	362
Density (Units per Acre)	30.9
Average Unit Size	802 SF
No. of Stories	4
Year Built (Renovated)	2023
Construction	Wood frame
Condition	Average
Parking	
Investment Class	Class A
Elevators	

Financial Data

Occupancy	78.0%
Property Operations Status	Sub-stabilized Operations

Financial Indicators

NOI	N/A
Derived Cap Rate	N/A
Reported Cap Rate	5.00%

Sale Data

Transaction Type	In-Contract
Interest Conveyed	Leased Fee
Date	July 3, 2025
Marketing Time	N/A
Grantor	Veranda Apartments LP
Grantee	WM JV GP, LLC
Document No.	N/A - Under Contract
Price	\$71,800,000
Financing Terms	Cash to Seller - Buyer Obtained Financing
Price Adjustments For:	
Financing	\$0
Conditions of Sale	\$0
Other	\$37,000
Adjusted Price	\$71,837,000
Price Per Unit	\$198,445

Pro Forma Stabilized Operations

Effective Gross Income	\$7,162,213
EGIM	10.03
Operating Expense Ratio	48.9%
NOI	\$3,662,484
Derived Cap Rate	5.10%
Verification	Confirmed-Other

Comments

This comparable represents Veranda, a garden-style apartment property located along Ben White Boulevard in Austin, Texas. The improvements were built in 2023 and exhibit 4-story construction. Amenities include a clubhouse/leasing office, swimming pool, fitness center, business center, dog park with wash station, and outdoor lounge area with BBQ grills. The average unit size is 802 SF. Pro forma income and expenses are market-based with property taxes grossed up to 95% of the purchase price and replacement reserves of \$200 per unit included. This property is currently listed for \$76,020,000, or \$210,000 per unit with a cap rate of 5.10%.

ADDENDA

Multifamily Sale Comparable 5
The Grand at Manor

Location Information	
Location	10700 Genome Dr Manor, TX
Market	TX - Austin
Submarket	Austin Metro Area
County	Travis
APN	938136



Physical Property Summary	
Property Type	Multifamily (Garden/Low-Rise)
Gross Building Area	330,297 SF
Rentable Area	220,706 SF
Land Acres	12.47 Acres
Land SF	543,193 SF
Number of Units	271
Density (Units per Acre)	21.7
Average Unit Size	814 SF
No. of Stories	3
Year Built (Renovated)	2022
Construction	Masonry
Condition	Good
Parking	Open and covered
Investment Class	Class A
Elevators	

Financial Data	
Occupancy	92.0%
Property Operations Status	Stabilized Operations
Financial Indicators	
Effective Gross Income	\$5,274,725
EGIM	9.10
Operating Expense Ratio	53.4%
NOI	\$2,459,348
Derived Cap Rate	5.12%
Reported Cap Rate	N/A

Sale Data	
Transaction Type	Closed
Interest Conveyed	Leased Fee
Date	December 31, 2024
Marketing Time	N/A
Grantor	Manor Grand, LLC
Grantee	PG Investco, LLC
Document No.	Not yet public
Price	\$48,000,000
Financing Terms	Cash to Seller - Buyer Obtained Financing
Price Adjustments For:	
Financing	\$0
Conditions of Sale	\$0
Other	\$0
Adjusted Price	\$48,000,000
Price Per Unit	\$177,122

Pro Forma Stabilized Operations	
Effective Gross Income	\$5,315,615
EGIM	9.03
Operating Expense Ratio	54.9%
NOI	\$2,399,013
Derived Cap Rate	5.00%
Verification	Confirmed-Other

Comments

This comparable represents The Grand at Manor, a garden-style apartment property located along Genome Drive in Manor, Texas. The improvements were built in 2022 and exhibit 3-story construction. Amenities include a clubhouse/leasing office, fitness center, swimming pool, business center, dog park with pet spa, sports court, and an outdoor lounge area with BBQ grills. The average unit size is 814 SF. Pro forma income and expenses are market-based with property taxes grossed up to 100% of the purchase price and replacement reserves of \$200 per unit included. We note, the buyer intends to convert the property to a mix of affordable and market rate units via a HFC upon closing. However, this property received several offers and was actively marketed for sale. This property sold in December 2024 for \$48,000,000, or \$177,122 per unit with a cap rate of 5.00%.

Rental Surveys

ADDENDA

Multifamily Rental Survey Comparable 1

Brixton South Shore

Location Information

Location	2435 East Riverside Drive Austin, TX
Market	Valuation Properties
Submarket	Valuation Apartment / Multi
County	Travis
APN	859036



Physical Property Summary

Property Type	Multifamily (Mid/High Rise)
Gross Building Area	70,679 SF
Rentable Area	70,679 SF
Number of Units	102
Average Unit Size	693 SF
No. of Stories	5
Max Ceiling Height (Feet)	N/A
Year Built (Renovated)	2020
Construction	Masonry
Condition	Average
Parking	0
Investment Class	Class B
Elevators	0

Lease Availability Details

Survey Date	Sep-2025
Overall Occupancy at Survey	86.3%
Leasing Agent	0

Residential Unit Mix

Units	Occ Units	Unit Description	Unit Size	Base Rent	\$/SF	Comments
3	3	0BR/1BA - Studio	551	\$1,086	\$1.97	
3	3	1BR/1BA - 1BR/1BA	562	\$1,084	\$1.93	
47	47	0BR/1BA - Studio	572	\$1,108	\$1.94	
6	6	1BR/1BA - 1BR/1BA	591	\$1,128	\$1.91	
8	8	1BR/1BA - 1BR/1BA	671	\$1,580	\$2.35	
6	6	1BR/1BA - 1BR/1BA	692	\$1,222	\$1.77	
8	8	1BR/1BA - 1BR/1BA	712	\$1,230	\$1.73	
1	1	0BR/1BA - Studio	818	\$1,710	\$2.09	
1	1	1BR/1BA - 1BR/1BA	853	\$1,720	\$2.02	
5	5	0BR/1BA - Studio	907	\$1,272	\$1.40	
1	1	0BR/1BA - Studio	919	\$1,844	\$2.01	
4	4	2BR/2BA - 2BR/2BA	949	\$2,274	\$2.40	
3	3	1BR/1BA - 1BR/1BA	1,012	\$1,588	\$1.57	
3	3	2BR/2BA - 2BR/2BA	1,252	\$1,968	\$1.57	
3	3	2BR/2BA - 2BR/2BA	1,327	\$1,929	\$1.45	
102			693	\$1,298	\$1.87	

Comments

This comparable represents Brixton South Shore, a mid-rise apartment property located along East Riverside Drive in Austin, Texas. The improvements were built in 2020 and exhibit 5-story construction. Amenities include a clubhouse/leasing office, fitness center, business center, and dog park. Unit interiors exhibit modern finishes with stainless steel appliances, stone countertops, in-unit washer/dryer, and walk-in closets. The average unit size is 693 SF. Quoted rents are indicative of average effective rents including any concessions and premiums. Tenants pay all utilities, with assigned parking available under carports for \$50 per month, or in community garage for \$125 per month.

ADDENDA

Multifamily Rental Survey Comparable 2

Crosstown

Location Information

Location	6507 East Riverside Drive
	Austin, TX
Market	Valuation Properties
Submarket	Valuation Apartment / Multi
County	Travis
APN	290493



Physical Property Summary

Property Type	Multifamily (Mid/High Rise)
Gross Building Area	186,978 SF
Rentable Area	186,978 SF
Number of Units	263
Average Unit Size	711 SF
No. of Stories	4
Max Ceiling Height (Feet)	9
Year Built (Renovated)	2023
Construction	Masonry
Condition	Average
Parking	0
Investment Class	Class A
Elevators	0

Lease Availability Details

Survey Date	Sep-2025
Overall Occupancy at Survey	92.40%
Leasing Agent	0

Residential Unit Mix

Units	Occ Units	Unit Description	Unit Size	Base Rent	\$/SF	Comments
1	1	0BR/1BA - 0BR/1BA	418	\$1,095	\$2.62	
2	2	0BR/1BA - 0BR/1BA	418	\$1,250	\$2.99	
3	3	0BR/1BA - 0BR/1BA	418	\$1,250	\$2.99	
15	15	1BR/1BA - 1BR/1BA	555	\$1,345	\$2.42	
5	5	1BR/1BA - 1BR/1BA	555	\$1,325	\$2.39	
10	10	1BR/1BA - 1BR/1BA	555	\$1,295	\$2.33	
5	5	1BR/1BA - 1BR/1BA	555	\$1,375	\$2.48	
5	5	1BR/1BA - 1BR/1BA	648	\$1,240	\$1.91	
10	10	1BR/1BA - 1BR/1BA	648	\$1,295	\$2.00	
5	5	1BR/1BA - 1BR/1BA	648	\$1,445	\$2.23	
15	15	1BR/1BA - 1BR/1BA	648	\$1,445	\$2.23	
20	20	1BR/1BA - 1BR/1BA	665	\$1,500	\$2.26	
53	53	1BR/1BA - 1BR/1BA	665	\$1,150	\$1.73	
15	15	2BR/2BA - 2BR/2BA	768	\$1,595	\$2.08	
2	2	2BR/2BA - 2BR/2BA	768	\$1,705	\$2.22	
20	20	2BR/2BA - 2BR/2BA	768	\$1,750	\$2.28	
25	25	2BR/2BA - 2BR/2BA	768	\$1,715	\$2.23	
25	25	1BR/1BA - 1BR/1BA	793	\$1,675	\$2.11	
27	27	2BR/2BA - 2BR/2BA	977	\$1,815	\$1.86	
263			711	\$1,479	\$2.08	

Comments

This comparable represents Crosstown, a mid-rise apartment property located along 6507 East Riverside Drive, Austin, TX. The improvements were built in 2023 and exhibit 4-story construction. Amenities include a pool(s), fitness room/gym, 24 hour fitness room, dog park, clubroom and grills. The average unit size is 711 SF.

ADDENDA

Multifamily Rental Survey Comparable 3

Zoey

Location Information

Location	5700 East Riverside Drive Austin, TX
Market	Valuation Properties
Submarket	Valuation Apartment / Multi
County	Travis



Physical Property Summary

Property Type	Multifamily (Mid/High Rise)
Gross Building Area	255,563 SF
Rentable Area	255,563 SF
Number of Units	306
Average Unit Size	835 SF
No. of Stories	6
Max Ceiling Height (Feet)	9
Year Built (Renovated)	2021 (2024)
Construction	Masonry
Condition	Average
Parking	Covered
Investment Class	Class A
Elevators	0

Lease Availability Details

Survey Date	Sep-2025
Overall Occupancy at Survey	95.40%
Leasing Agent	0

Residential Unit Mix

Units	Occ Units	Unit Description	Unit Size	Base Rent	\$/SF	Comments
2	2	0BR/1BA - 0BR/1BA	513	\$1,159	\$2.26	
4	4	0BR/1BA - 0BR/1BA	515	\$1,431	\$2.78	
6	6	0BR/1BA - 0BR/1BA	532	\$1,415	\$2.66	
5	5	0BR/1BA - 0BR/1BA	532	\$1,025	\$1.93	
5	5	0BR/1BA - 0BR/1BA	563	\$1,025	\$1.82	
5	5	0BR/1BA - 0BR/1BA	563	\$977	\$1.74	
9	9	1BR/1BA - 1BR/1BA	638	\$1,331	\$2.09	
23	23	1BR/1BA - 1BR/1BA	641	\$1,770	\$2.76	
4	4	1BR/1BA - 1BR/1BA	675	\$1,795	\$2.66	
8	8	1BR/1BA - 1BR/1BA	684	\$1,808	\$2.64	
4	4	1BR/1BA - 1BR/1BA	684	\$1,808	\$2.64	
306			835	\$1,649	\$1.97	

Comments

This comparable represents Zoey, a mid-rise apartment property located along 5700 East Riverside Drive, Austin, TX. The improvements were built in 2021 and exhibit 6-story construction. Amenities include pool(s), fitness room/gym, 24 hour fitness room, clubroom and grills. The average unit size is 835 SF.

ADDENDA

Multifamily Rental Survey Comparable 4

The Sondery

Location Information

Location	1700 Willow Creek Drive Austin, TX
Market	Valuation Properties
Submarket	Valuation Apartment / Multi
County	Travis
APN	285493



Physical Property Summary

Property Type	Multifamily (Mid/High Rise)
Gross Building Area	228,615 SF
Rentable Area	228,615 SF
Number of Units	323
Average Unit Size	708 SF
No. of Stories	4
Max Ceiling Height (Feet)	N/A
Year Built (Renovated)	2024
Construction	Wood frame
Condition	Average
Parking	0
Investment Class	Class A
Elevators	0

Lease Availability Details

Survey Date	Sep-2025
Overall Occupancy at Survey	91.90%
Leasing Agent	0

Residential Unit Mix

Units	Occ Units	Unit Description	Unit Size	Base Rent	\$/SF	Comments
109	109	0BR/1BA - 0BR/1BA	517	\$1,070	\$2.07	
3	3	1BR/1BA - 1BR/1BA	740	\$1,323	\$1.79	
100	100	1BR/1BA - 1BR/1BA	636	\$1,291	\$2.03	
100	100	2BR/2BA - 2BR/2BA	1,034	\$1,784	\$1.73	
11	11	3BR/2BA - 3BR/2BA	1,226	\$1,968	\$1.61	
323			740	\$1,392	\$1.88	

Comments

ADDENDA

#N/A
#N/A

Location Information

Location	#N/A
	#N/A
Market	#N/A
Submarket	#N/A
County	#N/A
APN	#N/A

Physical Property Summary

Property Type	#N/A
Gross Building Area	#N/A
Rentable Area	#N/A
Number of Units	#N/A
Average Unit Size	#N/A
No. of Stories	#N/A
Max Ceiling Height (Feet)	#N/A
Year Built (Renovated)	#N/A
Construction	#N/A
Condition	#N/A
Parking	#N/A
Investment Class	#N/A
#N/A	#N/A

Lease Availability Details

Survey Date	#N/A
Overall Occupancy at Survey	#N/A
Leasing Agent	#N/A

Residential Unit Mix					
	Unit Description	Unit Size	Base Rent	\$/SF	Comments

Comments

#N/A

Addendum E

Appraiser Qualifications and Licenses



David O. Thibodeaux

MAI

*Senior Managing Director
Co-Market Leader – TX, LA*

t 512-676-5538
m 512-619-0341
david.thibodeaux@nrmk.com

YEARS OF EXPERIENCE

25+

AREAS OF SPECIALTY

Industrial
Office
Retail
Condominium Sellout
Complex Mixed-Use Assets
Property Tax Appeals
Expert Witness Testimony
Appraisal Review Services

David Thibodeaux MAI, is an accomplished commercial real estate professional and manager with over 25 years of experience. Thibodeaux joined Newmark Valuation & Advisory in 2017 as Senior Managing Director of Valuation & Advisory Services for the South Central Region. The region includes Texas and Louisiana.

Thibodeaux has performed consulting, review and appraisal services on most significant commercial real estate transactions and development projects in the Texas. Additionally, he has provided expert witness testimony in US Bankruptcy Court, US District Court, various County District Courts and in various County Property Tax Appraisal disputes. His experience ranges across property lines and has acted to establish his reputation as a prominent player in the South Central Region.

From 1997 to 2017 Thibodeaux worked at CBRE, Inc. During his time at CBRE Thibodeaux served as Director of the Financial Consulting Group (FCG), Managing Director of Valuation and Advisory Services (VAS) and First Vice President in charge of The Investment Properties Team.

Prior to his career at CBRE, Thibodeaux spent three years with National Facilities Corporation as an Acquisition Analyst and served in positions as a commercial real estate analyst with Lee Burns and Company and The Harris County Appraisal District.

Licenses and Designations

- MAI designation, Appraisal Institute
- Certified general real estate appraiser, states of Texas and Louisiana
- Licensed Real Estate Agent, state of Texas

Education

Thibodeaux earned a Bachelor of Business Administration degree with a concentration in Finance and Accounting from Lamar University.

DAVID ODEUS THIBODEAUX
2708 SOUTH 5TH STREET
UNIT A
AUSTIN, TX 78704



Certified General Real Estate Appraiser

Appraiser: David Odeus Thibodeaux

License #: TX 1328395 G

License Expires: 01/31/2027

Having provided satisfactory evidence of the qualifications required by the Texas Appraiser Licensing and Certification Act, Occupations Code, Chapter 1103, authorization is granted to use this title:
Certified General Real Estate Appraiser

For additional information or to file a complaint please contact TALCB at www.talcb.texas.gov.

A handwritten signature in blue ink, appearing to read 'Chelsea B.', is located to the left of the printed name and title of the Executive Director.

**Chelsea Buchholtz
Executive Director**



Victor Thomas

Executive Vice-President
m 214-232-4434
Victor.Thomas@nmrk.com

YEARS OF EXPERIENCE

27+

AREAS OF SPECIALTY

Multifamily Valuation

Victor Thomas joined Newmark Valuation & Advisory in 2024 and currently serves as an Executive Vice President for Texas, Oklahoma and Louisiana. With over two decades of specializing in multifamily valuations in Texas and Oklahoma, Victor brings a deep knowledge of the local markets with over 4,000 valuations and more than 3,000 personal property tours. With local experience of the entire range of multifamily product, Victor's expertise has been utilized by lenders and investors on numerous high-profile transactions including several individual multifamily assets valued above \$100 million. With extensive agency, national bank, bridge, CMBS and Life Company experience; Victor has been a trusted advisor to a large range of market participants and is known by many in the industry as a Texas apartment expert.

Victor came to Newmark after serving as a President for 14 years at Multifamily Appraisal Specialists (MAS), where he built a group that competed directly with national firms and was known for a high-quality appraisal product with exceptional customer service. Prior to his time at MAS, Victor was managing partner at Deverick & Associates in Dallas, Texas for 13 years where he completed over 1,200 Texas multifamily appraisals; in addition to reviewing over 1,000 office, retail, industrial and mixed-use commercial appraisals.

Licenses and Designations

- Certified general real estate appraiser in the state of Texas

Education

Victor earned a Bachelor of Science degree in Mechanical Engineering Technology from Oklahoma State University. Completed over 36 hours of graduate work in Environmental Engineering Science & Public Health at the University of Oklahoma.

VICTOR KIRK THOMAS
118 INDUSTRIAL ST
DENTON, TX 76201



Certified General Real Estate Appraiser

Appraiser: Victor Kirk Thomas

License #: TX 1335034 G

License Expires: 06/30/2027

Having provided satisfactory evidence of the qualifications required by the Texas Appraiser Licensing and Certification Act, Occupations Code, Chapter 1103, authorization is granted to use this title:
Certified General Real Estate Appraiser

For additional information or to file a complaint please contact TALCB at www.talcb.texas.gov.

A handwritten signature in blue ink, reading 'Chelsea Buchholtz', is located in the bottom right corner of the certificate.

**Chelsea Buchholtz
Executive Director**



Bailee M. Faykus

Senior Appraiser

t 512-676-5528
m 832-233-7164
bailee.faykus@nrmk.com

YEARS OF EXPERIENCE

5+

AREAS OF SPECIALTY

Multifamily
Student Housing
Equal and Uniform Analysis
Mixed-Use Assets
Affordable Housing
Land

Bailee Faykus joined Newmark Valuation & Advisory in 2019 and currently serves as a senior appraiser for the Austin and San Antonio market. Bailee specializes in valuation of a variety of property types, including multifamily, mixed-use, and land.

Bailee joined Newmark after a brief time in coordinating income producing single-family home transactions where she assisted residential leasing companies acquire new assets across the nation. Prior to this, Bailee earned a Bachelor of Science in Economics with a minor in Business from Texas A&M University in 2018.

Licenses and Designations

- Certified General Real Estate Appraiser, Texas #1381231-G
- Real Estate Sales License, Texas #710514

Education

Bailee earned a Bachelor of Science degree in Economics with a minor in Business from Texas A&M University.

BAILEE MADISON FAYKUS
401 FM 619
TAYLOR, TX 76574



Certified General Real Estate Appraiser

Appraiser: **Bailee Madison Faykus**

License #: **TX 1381231 G**

License Expires: **09/30/2026**

Having provided satisfactory evidence of the qualifications required by the Texas Appraiser Licensing and Certification Act, Occupations Code, Chapter 1103, authorization is granted to use this title:
Certified General Real Estate Appraiser

For additional information or to file a complaint please contact TALCB at www.talcb.texas.gov.

A handwritten signature in blue ink, reading 'Chelsea Buchholtz', is located in the bottom right corner of the certificate.

Chelsea Buchholtz
Executive Director



VI.E. ACTION ITEM

Resolution No. SHFC-2025-42: Revising the Bylaws of the Corporation

November 13, 2025
Resolution No. SHFC-2025-42

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 August 14, 2025; 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, add Past President as an officer of the Corporation, 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 13th day of November, 2025.

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 13th day of November, 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 13th day of November, 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 ~~August 14~~ November 13, 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 officers may also include a Past President for a term of one (1) year. 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 a single Executive Committee position (i.e., President, Vice President, Past 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.

Section 3.10 Past President. The Past President, if any, shall assist in advancing the goals and objectives of the Corporation through the application of knowledge gained through past Board experiences. The Past President shall be responsible for specific tasks delegated by the Executive Committee.

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 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, 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.

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. Committee meetings may be held 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 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 Standing Advisory Committee 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), ~~and Past President, if any~~, 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 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 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.

Secretary