Strategic Housing Finance Corporation
of TRAVIS COUNTY

Board of Directors – Regular Meeting

November 11th, 2025

I. Call to Order

Strategic HFC

II. Citizen Communication

Strategic HFC

III. Administrative Item

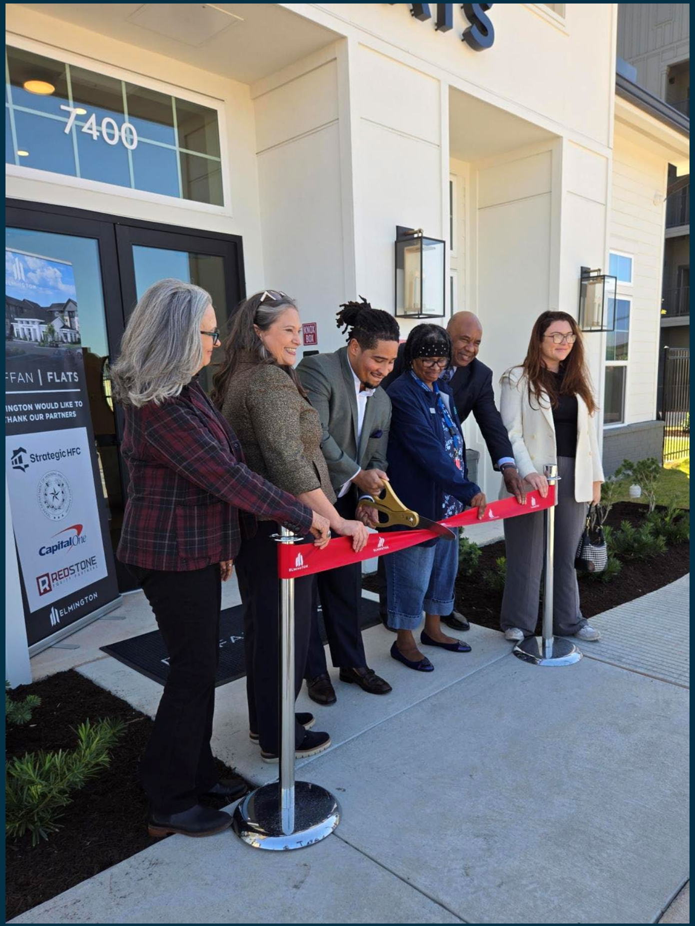
A. Ad Hoc Tenant Affairs Committee

Strategic HFC

IV. Director's Report

Daffan Flats Ribbon-Cutting

November 12, 2025



Habitat for Humanity Carter Work Project

October 27, 2025

Calendar Overview

November

- 11/12: Daffan Flats Event
- 11/13: Board Meeting
- 11/13 & 11/18: TCCC Interviews
- 11/18: Property Tours

December

- 12/2: Property Tours
- 12/10: TAAHP Event
- 12/11: Board Meeting

January

- 1/8: Board Meeting
- 1/13: Property Tours

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Financial Report

September Highlights

- Income for the month can be broken down to developer fees from Paddock at Norwood, and interest income earned from the TexPool Account.

- As noted in prior months, Silver Springs revenue makes up most of the current YTD income, and when excluding it revenue totals are behind budgeted projections.

September Financials

	Income	Expenditures
September 2025	$171,984	$272,431
Year-to-Date	$8,598,324	$2,154,407
% of Annual Budget, YTD	198%	61.32%

2025 YTD
Net Assets: $23,897,559

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Financial Report

Cash Distribution

	Account Balance	Months of Operating Expenses
Cash in IBC Operating Account	$ 231,512	0.80
Operating Reserve Fund (TexPool)	$ 3,600,000	12.30
Housing Production Fund (TexPool)	$ 15,000,000	N/A
Unallocated Cash in TexPool	$ 4,560,883	15.58
	Total Months in Reserve:	**28.68**

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V. Consent Agenda

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Agenda Item V.A

Minutes October 9th, 2025

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Agenda Item V.B

Executive Director Purchasing Authority

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Procurement and Purchasing Standards

Resolution No. SHFC-2025-36

Consolidates ED threshold within procurement policy, rather than separate resolution AND procurement revisions

Only update is annual adjustment to ED's signature authority, based on City of Austin's practices

- 2025's authority level was $76,000
- Authority level was inflation adjusted to $78,000 for 2026

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Delegated Purchasing Authority

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2025	2026	Updates Required
• $76K and below • Based on City of Austin's contract authority level for City Manager in 2024.	• $78K and below • Increased 2.8% according to 2025 CPI-W change rates • Aligns with City of Austin's practice	• Procurement & Purchasing Policy (Resolution No. SHFC-2025-25)

Agenda Item V.C

Revise Employee Benefits Policy

Employee Benefits Policy

Resolution No. SHFC-2025-37

Updated annually to reflect benefit offerings available to Strategic HFC employees

- Only update is adjusting the organization's retirement match from 4% to 6%, as indicated in the 2026 Operating Budget

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Employee Benefits Policy

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Any updates to employee benefit offerings will trigger a corresponding update to the Employee Benefits Policy.

Benefit	2025	2026	Increase 2025/2026
401(k) Retirement Plan	4% employer match	6% employer match	2%, or a maximum possible $28.9K

VI. Voting Items

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Agenda Item VI.A.

Resolution No. SHFC-2025-38

Approving the fiscal year 2026 budget of Strategic HFC

Discussion Points

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- Recap of Budget Process
- 2026 Operating Budget
- Budget Amendment Policy

2026 Recommended Budget Snapshot

	Budget 2025	Budget TOTAL 2026	Percent change 2025/2026 budget
Total Expenses	$ 3,513,533	$ 3,651,656	3.93%
Net Operating Income	$ 829,614	$ (128,550)	
ADD EXPENSE: Non Routine Legal		$ (225,000)	
ADD: Draw from Board Designated Funds		$ 353,550	
Final Net Income		$ -	

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RECOMMENDED BUDGET BY CATEGORY

	Budget 2025	Budget 2026	Percent change 2025/2026 budget	Anticipated percent change 2026/2027 budget
Expenses				
Total 7200 Salaries & Related Expenses	**$ 2,232,734**	**$ 2,262,266**	**1%**	**4%**
Total 7500 Contract Service Expenses	**$ 827,500**	**$ 848,732**	**3%**	**6%**
Total 8100 Non-personnel Expenses	**$ 89,334**	**$ 147,659**	**65%**	**8%**
Total 8200 Facility Expenses	**$ 83,590**	**$ 119,812**	**43%**	**14%**
Total 8300 Travel & Conference Expenses	**$ 92,832**	**$ 105,405**	**14%**	**4%**
Total 8400 Other Program Specific Expenses	**$ 15,000**	**$ 31,000**	**107%**	**3%**
Total 8500 Other Expenses	**$ 172,543**	**$ 136,782**	**-21%**	**66%**
Total Expenses	$ 3,513,533	$ 3,651,656	3.93%	7%

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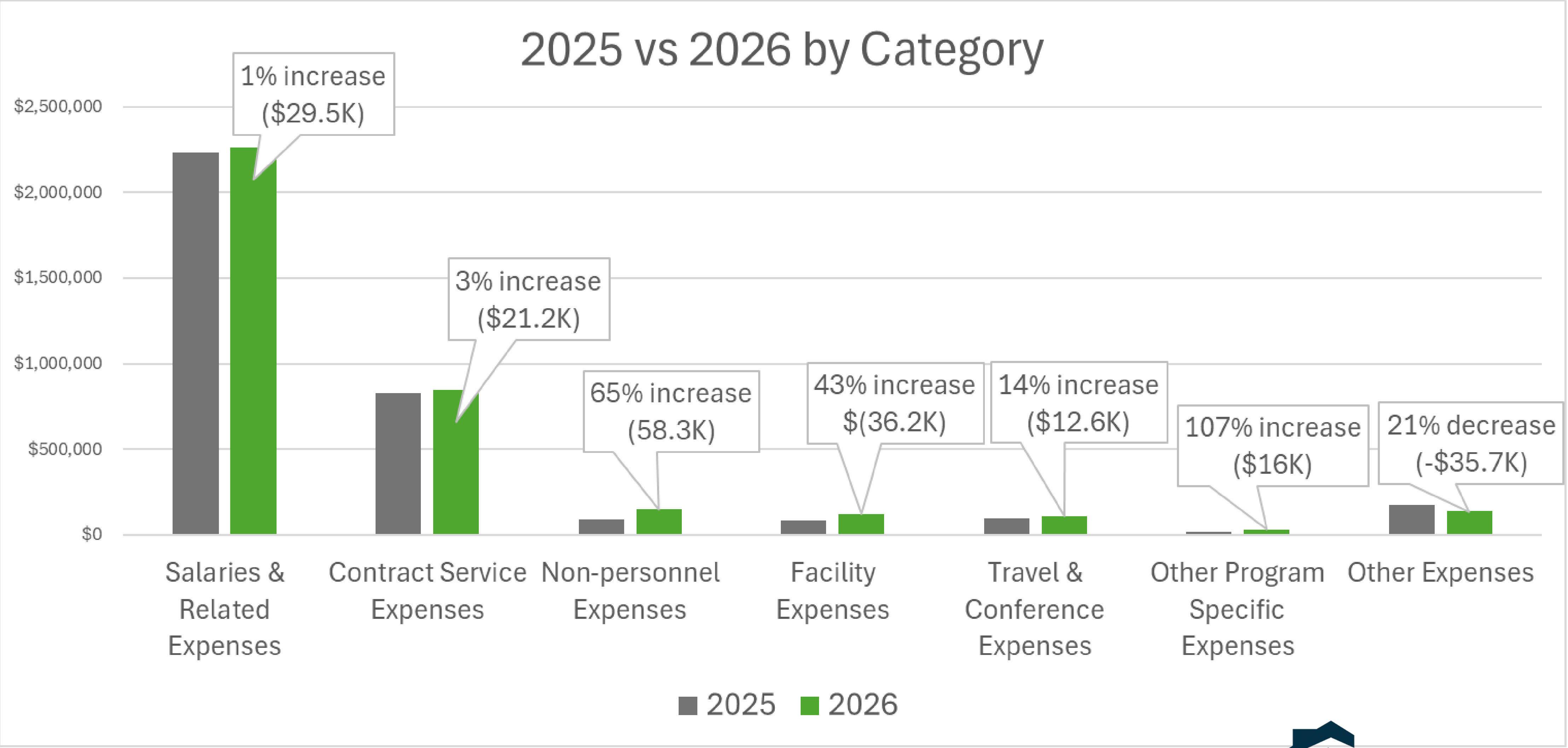
Recommended Budget by category



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Budget Amendment Process

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Report on Budget Variances

- Triggered when budget variances of 5% per line item occur, totaling at least $20K
- To be addressed via monthly financial reports to Board

Budget Amendments

- Triggered when variance of 5% of total expense budget is anticipated
- 5% of 2026 expense budget would total $182.6K
- Requires Board of Directors approval

Agenda Item VI.B.

Resolution No. SHFC-2025-39

Revising the Board Designated Funds Policy

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Board Designated Funds Policy

Resolution No. SHFC-2025-39

Updates include:

- Reserve Fund: Recommended annual adjustment based on 12 months of operating expenses
- Portfolio Fund (new): Creation, purpose, and fund target

Overview of all funds and associated targets:

- Reserve Fund: $3,700,000 (~12 months of operating funds)
- Portfolio Fund: $4,100,000 (~$1,000 per operating unit in portfolio)
- Housing Production Fund: $15,000,000

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Board Designated Funds: Purpose

Resolution No. SHFC-2025-04

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Operating Reserve Fund

- Sustain organization through temporary decreases in revenue
- Non-recurring obligations such as non-portfolio legal expenses (portfolio legal expenses moved)

Housing Production Fund

- Increase production of quality projects
- Invest in capital projects
- Financing, acquisition, development

PROPOSED NEW Portfolio Fund

- Re-invest in the organization's existing portfolio
- Buyout of Investor Limited Partner
- Make loan for capital improvements
- Non-recurring portfolio legal expenses

Board Designated Funds: Recommendations

Resolution No. SHFC-2025-04

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Operating Reserve Fund	Housing Production Fund	PROPOSED NEW: Portfolio Fund
• Operating Reserve of 12 months • Increase from \$3.6M to \$3.7M • Option: Increase target balance beyond 12 months	• Current target balance \$15M	• Target balance of \$4M as funds are available

Board Designated Funds: Waterfall

Resolution No. SHFC-2025-04

Unallocated/ Operating Cash → Reserve Fund → Portfolio Fund → Housing Production Fund

Unallocated/ Operating Cash	Reserve Fund	Portfolio Fund	Housing Production Fund
$1.85M (six months of operating costs)	*$3.7M (one year of operating costs)*	*$4.1M (~$1,000 per operating unit)*	*$15M*

Board Designated Funds: Balances

Resolution No. SHFC-2025-04

Fund Title	Current Target Balance	Proposed Target Balance	Increase
Operating Reserve Fund	$3,600,000	$3,700,000	$100,000
Housing Production Fund	$15,000,000	$15,000,000	$0
PROPOSED NEW Portfolio Fund	$0	$4,100,000	$4,100,000

Agenda Item VI.C.

Resolution No. SHFC-2025-40

Tenant Protection Policies

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Tenant Protection Resolution Package

Resolution SHFC-2025-40

- Tenant Protection Policy Implementation
- Two specific recommendations
- Four near-term policies
- Mutual adoption mechanism

Memo

- Response to SHFC 2024-068
- Additional context policy drivers: HB21, UT Law Report
- Rationale

Action Inventory

- Maps potential policies to NLIHC domains
- Identifies Implemented actions
- Categorizes recommendations

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Policy Drivers

Travis County Commissioners Court Resolution re: Tenants' Bill of Rights
10/21

Strategic HFC TBOR Resolution

12/24

UT Law Housing Policy Clinic, "TEPP" Report
11/25

Texas House Bill 21
01/26*

Proposed Resolution:

SHFC-2025-40

Tenant Protection Policies

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Types of Tenant Protections

Drawn from the National Low Income Housing Coalition' Tenants' Bill of Rights

The right to…

1. A fair application
2. A fair lease
3. Freedom from harassment
4. A habitable home
5. Reasonable rent & costs
6. Organize
7. Safeguards against eviction

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Tenants' Bill of Rights vs. Tenant Protection Policies

Tenants' Bill of Rights

- TCCC & Strategic HFC resolutions reference a 'TBOR'
- Conceptual Framework
- Lacks specificity – 'fair' is open to interpretation
- Conflated with "RHDA Lease Addendum"

Tenant Protection Policies

- Specific policies, context, application
- Consideration of individual policies versus one broad statement
- Specificity re: execution (how, where, etc)

Tenants' Bill of Rights provides a useful frame of reference for relevant efforts…
but most staff recommendations will focus on specific <u>policies, practices, or programs</u>

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Policy Recommendations

24 unique recommendations from UT Report & HB21 (by NLIHC Domain)

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					In -Place
Require a 30-day notice of lease termination		X					In -Place
Show good cause required for lease nonrenewal		X					In -Place
Cap income requirements for HCV @ 250% of the tenant portion			X				In -Place
Cap total housing costs 30% of AMI (base rent + utli & fees)			X				In -Place
Adjust rent limits for household size (1 or 1.5 per bedroom)			X				In -Place
Protect tenant orgzanizing free from retaliation				X			In -Place
Global voucher (HCV) acceptance policy						X	In -Place
Affirmatively market vacancies to HCV holders						X	In -Place

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Three Categories of Remaining Actions

Category 1

- Clear need
- Relatively low cost
- Straightforward execution

Category 2

- Potentially feasible
- Needs additional analysis

  Moderate cost & complexity

Category 3

- High cost
- Complex Execution
- More programmatic

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Proposed ‘Category 1’ Actions

Policy

At the next term sheet revision, require

- Full up-front disclosure of all mandatory fees
- Cap late fees below the statutory maximum (10% of gross rent)
- Cap application fees & other up-front costs

Practice

- Track & report voucher utilization rates (at Annual Portfolio Report)

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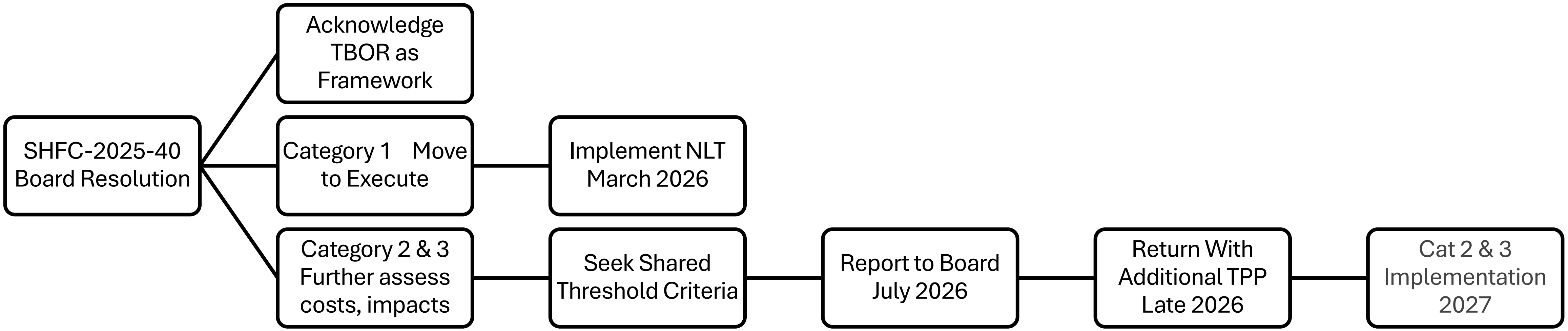
Overview: Staff Recommendation



Next Steps

11/13	• Regular Board Meeting: Possible Adoption
11/20	• Peer Workgroup Meeting
12/04	• Proposed Deal Term Revision Real Estate Committee
Mar ‘26	• Deal Term Revision to Implement Category 1 Activities
07/30	• Progress Update to Strategic HFC Board
Fall '26	• Category 2 & 3 Protection Recommendations to Strategic HFC Board
Q1 '27	• Implementing Additional TPP via Mutual Adoption

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Agenda Item VI.D.

Resolution No. SHFC-2025-41

Residences at Rubi – Final Documents

Residences at Rubi (fka Frontier Valley)

Resolution No. SHFC-2025-41 To authorize the participation of Strategic Housing Finance Corporation of Travis County and its affiliates in the acquisition and financing of a multifamily residential development known as Residences at Rubi; and contain other provisions relating thereto, including authorization to execute relevant documents, as outlined in the resolution.

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Residences at Rubi

Property Overview

Address: 1418 Frontier Valley, Austin, TX 78741

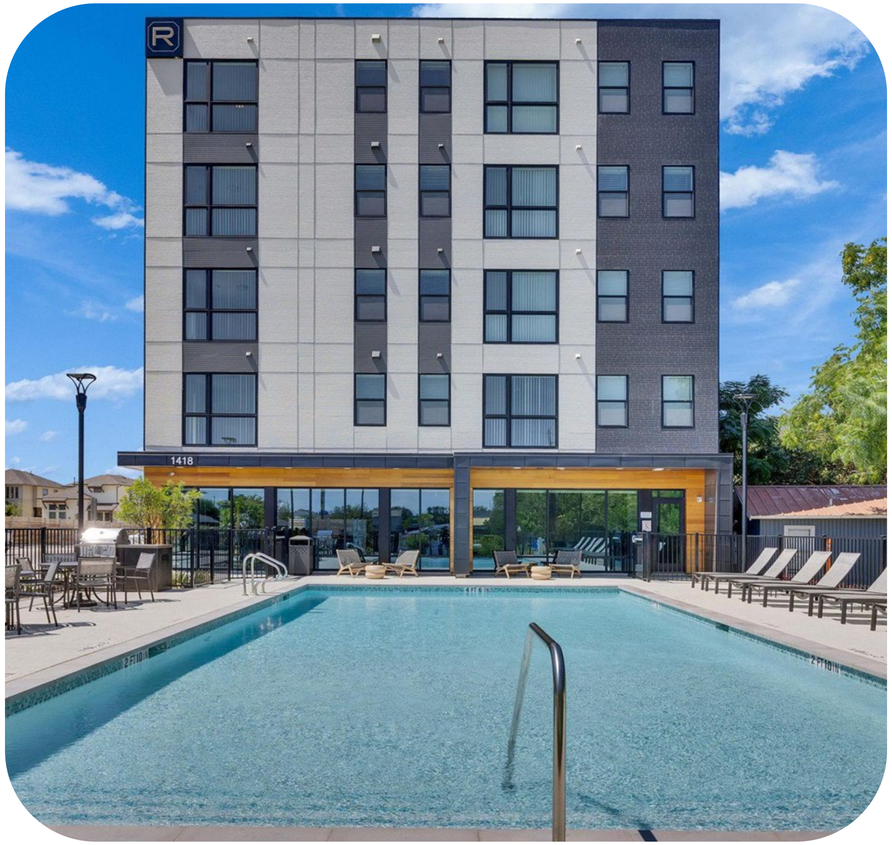
Description: 101-unit general multifamily

Building Type: 5-story, midrise building

Construction: completed in 2025

Unit Mix:

Unit Type	# of Units	% Total	Square Footage
Studio	40	39.6%	439-447 SF
1BR	43	42.6%	552 SF
2BR	18	17.8%	771-772 SF
Total Units	**101**	**100%**	



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Residences at Rubi

Structure: Workforce Housing

Timing: Coming in on extension to construction loan, expecting conversion to perm in 2026

Current Occupancy: 22%

AIM Score: 2,790

Affordability Mix:

Unit Type	# of Units	% Total
≤ 30% AMI	6	5.90%
≤ 50% AMI	15	14.90%
≤ 70% AMI	30	29.70%
≤ 120% AMI	40	39.60%
Unrestricted Market Rate	10	9.90%
Total Units	**101**	**100%**

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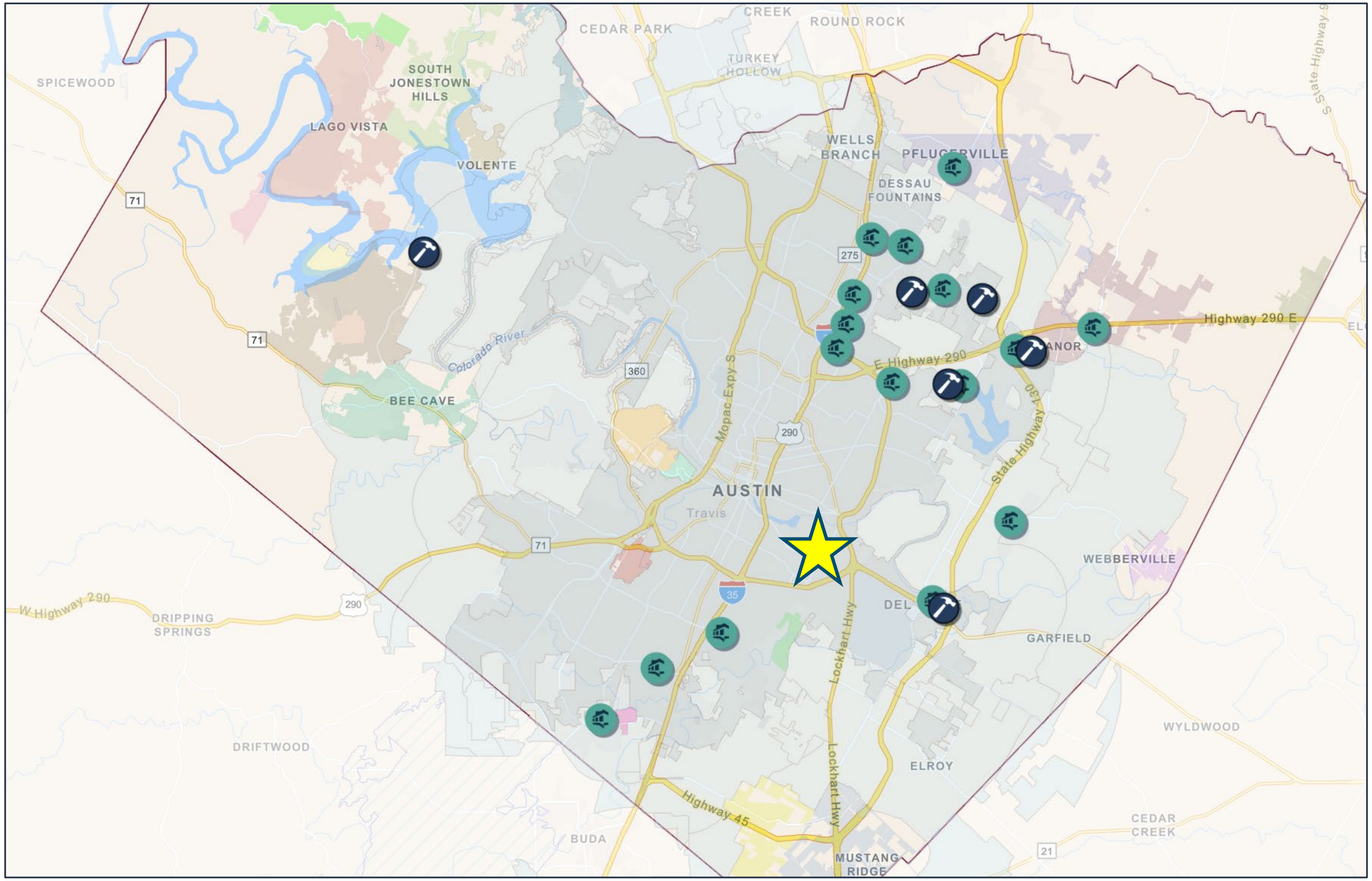
Residences at Rubi

Location



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Partnership Fees to Strategic HFC

Abated Taxes Over 15 Years	**$ 5,768,589**
Public Benefit Over 15 Years	**Amount**
Reduced Rents	$3,567,531
Annual Lease Payment (15% of property tax value + 3%/year)	$862,244
Partnership Management Fee ($100/unit + 3%/year)	$170,863
5% Cash Flow	$457,050
Sale/Refi Participation (5% net proceeds)	$562,947
Total	**$5,620,635**
Public Benefit Ratio Without Bonus Points	97.44
Bonus Points: Architecture (2), Lease Addendum (2.5), Local Public Sector Workers (1), Decarbonization (1)	6.5
Total Public Benefit Score	**103.94**

Source: Hilltop Underwriting Memo

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Residences at Rubi Timeline

May 2024	Board Approves Strategic HFC to Negotiate & Approve an MOU for Partnership
Jan 2025	Execution of MOU for Partnership
May 2025	House Bill 21 Passed in TX 89th Legislative Session
Oct 2025	TDHCA Releases Draft Rules on HFC Compliance Monitoring
November 14th, 2025	Targeting Close
June 2026	1st Annual Audit Report Submission Deadline

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Quality Control Checklist

Strategic HFC Standards

- Exceeds Public benefit threshold of 90
  - (95.41 in May 2024, 103.94 in November 2025)
- Board approved initial deal concept/terms, in executed MOU
- No significant deviation in Final Partnership docs
- Deal incorporates new HB21 requirements

Additional Quality Components

- First operating workforce deal
- First operating Public Workers Preference deal
- Deeper affordability
- Increases portfolio diversity: geographic and affordability mix
- Innovative construction technology (steel framing)
- Central location, nearby to public transportation

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Considerations & Recommendations

- Significant delays caused by legislative changes
- Extension & modification of current construction loan (11/15 deadline)
- Target November 14th close

Recommendation: Approve Resolution SHFC-2025-41

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Agenda Item VI.E.

Resolution No. SHFC-2025-39

Revision of Bylaws

Bylaw Revision

Addition of Past President

- Executive Committee driven revision
- 1 Year Term
- Member of Executive Committee
- Supports transition for new president and transfer of institutional knowledge

Bylaw Revision

Clarification of Executive Officer Terms

- Maximum 2 years in a single officer role
- Applies to President and Vice President
- Potential 5-year max in officer roles
  - Example: Jane Boardmember serves as
    - Vice President 2 years
    - President 2 years
    - Past President 1 year

VII.A. Discussion Item

Board Self Evaluation

2025 Board Evaluation System

Purpose

- Maintain strong governance
- Accountability
- Alignment with expectations of Travis County Commissioners Court

Timeframe

Nov Board Mtg	Fri, 11/14	Tue, 11/25	Thu, 12/4	Dec Board Mtg
Intro discussion	Surveys sent	Surveys DUE	Results shared	Results discussed

Board Self-Assessment Categories

A. Governance & Mission Alignment
2 questions

B. Composition & Capacity
4 questions

C. Operations & Structure
2 questions

D. Communication & Collaboration
3 questions

E. Strategic Impact
3 questions

VIII. Executive Session

Executive Director Evaluation Process

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IX. Adjourn