



Strategic Housing Finance Corporation *of TRAVIS COUNTY*

Board of Directors – Regular Meeting
December 11th, 2025

I. Call to Order/Quorum



II. Citizen Communication



Strategic HFC

III.A. Oath of Office



Strategic HFC

IV.A. Director's Report



Calendar

Calendar Reminders & Updates

- Staffing Updates
- Holiday Closures
- Office Move
- 1/8 Board Meeting
- 1/13 Property Tours

Financial Report

Cash Distribution at 10/31

	Account Balance	Months of Operating Expenses
Cash in IBC Operating Account	\$ 353,478	1.21
Operating Reserve Fund (TexPool)	\$ 3,600,000	12.30
Housing Production Fund (TexPool)	\$ 15,000,000	N/A
Unallocated Cash in TexPool	\$ 4,093,305	13.98
Total Months in Reserve: 26.28		

Financial Report

October Highlights

- Real estate revenue this month: \$182.6K
 - Construction admin fees, annual bond fees, cash flow distribution
 - **Excluding** revenue from Silver Springs transaction, **YTD** revenue was 39% of total budget

October Financials

	Income	Expenditures
October 2025	\$265,176	\$329,186
Year-to-Date	\$8,863,500	\$2,483,593
% of Annual Budget, YTD	204.08%	70.69%

2025 YTD
Net Assets: \$23,796,912

December YTD Revenue Position

	2025 YTD Revenue	2025 Revenue Budget	% of 2025 Revenue Budget	Difference
Including Silver Springs Revenue	\$11,789,894	\$4,343,147	271%	\$7,446,747
Excluding Silver Springs Revenue	\$4,604,220	\$4,343,147	106%	\$261,073



Agenda Item V.A.

Minutes from November 13, 2025

Agenda Item V.B.

Resolution SHFC-2025-43: Ratifying Benefits Renewal

2026 Benefits Ratification

Resolution No. SHFC-2025-43

Strategic HFC was required to execute the 2026 benefits renewal by November 14, 2025 - 4 days after its receipt on November 10, 2025.

This resolution requests the Board ratify the renewal executed by Executive Director, Dianna Grey.



Renewal rates for 2026 coverage came in below expectations:

- \$18.2K below the 2026 benefits budget
- \$17.2K below quote from 2025 for equivalent coverage

Agenda Item V.C.

Resolution SHFC-2025-44: Amendment to El Buen Samaritano Grant Agreement

Rosemont Tenant Investment Program

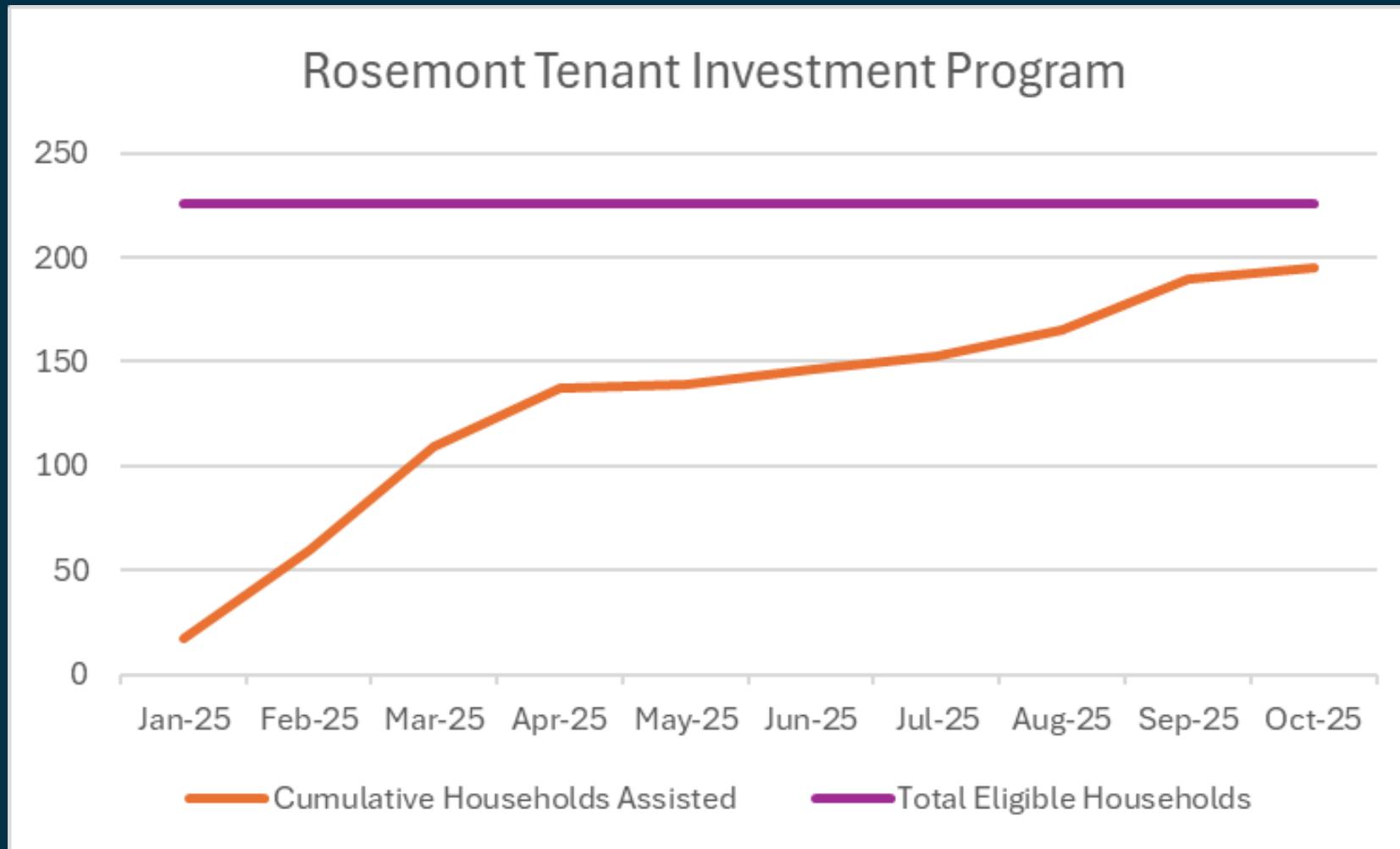
- \$7,200 in one-time assistance per household (est. 250 households)
- El Buen Samaritano grant agreement
 - December 16, 2024 - December 15, 2025
 - \$2M budget (\$1.8M Financial Assistance, \$200K Admin Fee)
- Progress Update
- Proposed Amendment



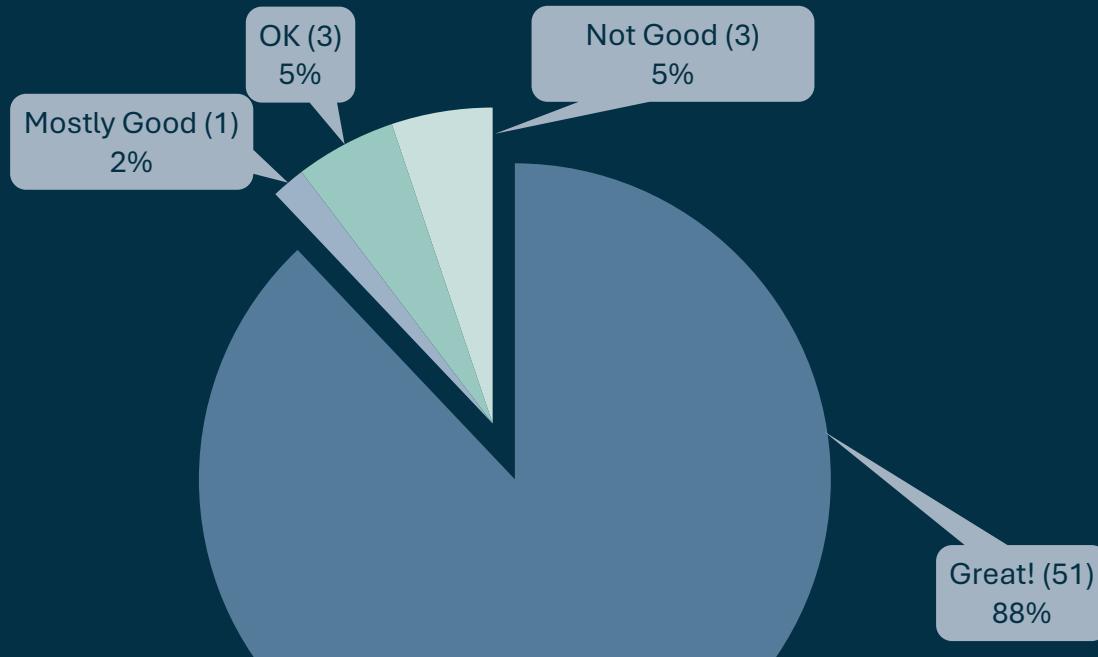
Project Implementation Timeline

- January 2025: Soft Launch
- January – June: Outreach, processing of existing contacts (~130 HHs)
- June – December: Searching for households w/o contact information
- September & December: Satisfaction Surveys

To date: Strategic HFC has located or served 92.9% of eligible households



The process of being contacted, completing the forms, and receiving payment was:



■ Great! (51) ■ Mostly Good (1) ■ OK (3) ■ Not Good (3)

Compilation of English and Spanish RTIP Survey Results (n=58)

Proposed Amendment Grant Agreement

- Extend end date to March 31, 2026
- Adjusted Amount
 - Reduce DFA by \$172,800 (per reduced eligible HHs)
 - Additional Admin Fee of \$14,400 paid to El Buen Samaritano

Agenda Item VI.A.

Resolution SHFC-2025-45: Guidance on Housing Production Fund

Request for Board to Approve HPF Resolution

Resolution will provide staff with guidelines for vetting and recommending awards of funding from the Housing Production Fund.

Housing Production Fund

Overview

- **Board Designated Fund:** Fully funded to target \$15 million
- **Purpose:** Maximize Strategic AIM (affordability, quality)
- **Current Priority:** Unstick prospective deals
- **Other:** Mitigate portfolio risks
- **History:** Fund created in 2024, direction to staff to bring recommendations

Housing Production Fund

Real Estate Committee - Research and Development Process

1. Set Desired Criteria:

- Get deals done ("but-for" tool)
- Revenue Generating - Moderate Returns
- Speed & Ability to Implement

2. Identified range of potential financing types

- Lending
- Investment
- Subsidy

3. Narrowed pool of potential tool options:

- Subordinate & soft loans
- Equity investment

4. Stakeholder Interviews

5. Developed financial models

- 4% LIHTC New Construction
- Mixed Income New Construction

Stakeholder Outreach

Interviewed 8 different stakeholders

Findings

Biggest Financial Challenge: Attracting Equity to Austin due to soft multifamily market

Average Financial Gap: \$3-6 million

Most preferred tool: Subordinate, soft repayable loan
- Early commitment could help attract equity

*Soft repayable loan tool has established precedent and strong track record in region with City of Austin's Rental Development Assistance Program (RHDA)

Housing Production Fund

Soft Loan Payback Modeling: Typical 4%/LIHTC Deal

Inputs:

- \$4,000,000 HPF Fund
- Invested at Close of Construction
- 7% Interest on Unpaid Balance
- Refi in Year 15
- Strategic AIM: 10,895

Assumed Payout Waterfall After Debt Service:

1. Pay Strategic HFC Fees (Ground Lease)
2. Paydown Deferred Developer Fee
3. Paydown Strategic HFC Soft Money Loan
4. Payout Remaining Cash Flow to Partners

Housing Production Fund

Soft Loan Payback Schedule: Typical Workforce Housing Deal

Inputs:

- \$3,500,000 HPF Fund
- Invested at Close of Construction
- 7% Interest on Unpaid Balance
- Refi in Year 8
- Strategic AIM: 4,956

Assumed Payout Waterfall After Debt Service:

1. Pay Strategic HFC Fees
2. Preferred Equity Payout
3. Paydown Strategic HFC Soft Money Loan
4. Payout Remaining Cash Flow to Partners

HPF Revenue Generation and Replenishment

Assumptions:

- Closing 4 deals in 2026, using \$15M of HPF
 - 2 LIHTC deals with \$4M funding gaps
 - 2 workforce deals with \$3.5M Funding gaps
- **Revenue:** Generate estimated \$2.8M in closing proceeds in 2026
- 7% interest rate on unpaid proceeds
- 90% of proceeds from soft loans to replenish HPF budget

Hypothetical on next slide: If Strategic HFC were to deploy HPF funds to 4 deals next year...

HPF Replenishment, Hypothetical Schedule

When might funds be available again for another deal?

Years from Loan Issuance	Years from Loan Issuance																	
	0	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17
	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035	2036	2037	2038	2039	2040	2041	2042	2043
Net Cash Flow from Soft Loans	Close	Year 1 Constr.	Year 2 Constr.	Year 1 Oper.	Year 2 Oper.	Year 3 Oper.	Year 4 Oper.	Year 5 Oper.	Year 6 Oper.	Year 7 Oper.	Year 8 Oper.	Year 9 Oper.	Year 10 Oper.	Year 11 Oper.	Year 12 Oper.	Year 13 Oper.	Year 14 Oper.	Year 15 Oper.
<i>LIHTC</i>	-																	
<i>Deal A</i>	\$4,000,000	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$813,154	\$1,042,675	\$1,082,199	\$1,121,812	\$1,161,495	\$1,201,228	\$1,240,989	\$1,280,757	\$581,058	
<i>LIHTC</i>	-																	
<i>Deal B</i>	\$4,000,000	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$813,154	\$1,042,675	\$1,082,199	\$1,121,812	\$1,161,495	\$1,201,228	\$1,240,989	\$1,280,757	\$581,058	
<i>Workforce</i>	-																	
<i>Deal A</i>	\$3,500,000	\$0	\$0	\$697,194	\$735,004	\$773,056	\$811,338	\$849,839	\$888,547	\$426,458	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
<i>Workforce</i>	-																	
<i>Deal B</i>	\$3,500,000	\$0	\$0	\$697,194	\$735,004	\$773,056	\$811,338	\$849,839	\$888,547	\$426,458	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
ANNUAL TOTAL:	-\$15,000,000	\$0	\$0	\$1,394,388	\$1,470,009	\$1,546,111	\$1,622,675	\$1,699,678	\$1,777,094	\$2,479,223	\$2,085,349	\$2,164,397	\$2,243,624	\$2,322,990	\$2,402,456	\$2,481,979	\$2,561,514	\$1,162,116
<i>Annual Revenue to Replenish HPF:</i>	\$0	\$0	\$0	\$1,254,949	\$1,323,008	\$1,391,500	\$1,460,408	\$1,529,710	\$1,599,385	\$2,231,301	\$1,876,814	\$1,947,958	\$2,019,261	\$2,090,691	\$2,162,211	\$2,233,781	\$2,305,362	\$1,045,904
<i>CUMULATIVE Replenishment to HPF:</i>	\$0	\$0	\$0	\$1,254,949	\$2,577,957	\$3,969,457	\$5,429,865	\$6,959,575	\$8,558,960	\$10,790,261	\$12,667,075	\$14,615,033	\$16,634,294	\$18,724,985	\$20,887,196	\$23,120,977	\$25,426,339	\$26,472,243

- Can fund another workforce deal by year 5
- HPF replenished by year 12

Resolution #SHFC 2025-45

Provides guidance to staff on:

- Loan Terms (amount, interest rate, repayment)
- Target project criteria
- Staff to provide draft template loan docs and plans for administration of loan to REC by March 31st, 2026

Next Steps

- 1. Template Legal Documents**
- 2. Servicing/Administration**
- 3. Outreach:** Staff will reach out to potential pipeline candidates, deals that are potentially ready to move forward will submit up-to-date proformas for underwriting
- 4. Individual Loans**
 - a. Staff will negotiate draft amount and terms based on policy guidelines
 - b. REC will review draft amount and terms and determine if ready to take to board
 - c. Board votes on each loan from Housing Production Fund
 - d. Funds disbursed at deal close
 - e. HPF loans must close within one year of award

Housing Production Fund

Strategic HFC Fees + Soft Loan Payback Schedule: Typical 4%/LIHTC Deal

Method: Soft Money Loan	2025	2026 – 2028 –											
		2027	2033	2034	2035	2036	2037	2038	2039	2040	2041	2042	
		Year 1 – 2	Year 1 – 6	Constr.	Oper.	Year 7	Year 8	Year 9	Year 10	Year 11	Year 12	Year 13	Year 14
<i>Net Cash Flow from Soft Money Loan</i>		\$(4,000,000)	\$0	\$0	\$813,154	\$1,042,675	\$1,082,199	\$1,121,812	\$1,161,495	\$1,201,228	\$1,240,989	\$1,280,757	\$581,058
<i>Cash flow from Partnership Fees as GP + Landlord + Issuer</i>		\$959,740	\$150,000	\$1,996,043	\$172,303	\$127,484	\$130,272	\$133,144	\$136,102	\$139,149	\$142,287	\$145,520	\$10,291,920
TOTAL:		\$(3,040,260)	\$150,000	\$1,996,043	\$985,457	\$1,170,158	\$1,212,471	\$1,254,956	\$1,297,597	\$1,340,377	\$1,383,277	\$1,426,276	\$10,872,978

Returns:

Year Soft Loan Paid Off:	15	NPV of HPF Investment Only:	\$1,030,030*
IRR from HPF Investment only:	7.0%	NPV of Partnership Fees:	\$7,359,021*
Total Project IRR:	17.5%	Total Project NPV:	\$8,389,051*

**Assumed Discount Rate*

Housing Production Fund

Strategic HFC Fees + Soft Loan Payback Schedule: Typical Workforce Housing Deal

Method: Soft Money Loan	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035	2036 - 2042
Summary of Net Cash Flow to Strategic HFC	Close	Year 1 Constr.	Year 2 Constr.	Year 1 Oper.	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9 - 15
<i>Net Cash Flow from Soft Money Loan</i>	-\$4,000,000	\$0	\$0	\$697,194	\$735,004	\$773,056	\$811,338	\$849,839	\$888,547	\$927,450	\$447,514	\$0
<i>Cash flow from Partnership Fees as GP + Landlord</i>	\$475,000	\$0	\$150,000	\$112,454	\$115,828	\$119,303	\$122,882	\$126,568	\$130,365	\$134,276	\$159,065	\$1,750,774
TOTAL:	-\$3,525,000	\$0	\$150,000	\$809,648	\$850,832	\$892,358	\$934,220	\$976,407	\$1,018,913	\$1,061,726	\$606,579	\$1,750,774

Returns:

Year Soft Loan Paid Off:	8	NPV of HPF Investment Only:	\$472,419*
IRR from HPF Investment only:	7.0%	NPV of Partnership Fees:	\$2,105,467*
Total Project IRR:	14.2%	Total Project NPV:	\$2,577,886*

**Assumed Discount Rate*

Agenda Item VI.B.

Resolution SHFC-2025-47: Executive Director Performance-Based Compensation

Agenda Item VII.A.

Discussion: 2025 Board Self-Evaluation



2025 BOARD SELF-EVAULATION SURVEY

EVALUATION SCORE AVERAGES		
4.58	A. Governance & Mission Alignment	<i>Excellent</i>
4.17	B. Composition & Capacity	<i>Strong</i>
3.83	C. Operations & Structure	<i>Strong</i>
4.18	D. Communication & Collaboration	<i>Strong</i>
4.56	E. Strategic Impact	<i>Excellent</i>

Score averages based on a 1-5 scale, 1=Strongly Disagree and 5=Strongly Agree

2025 BOARD SELF-EVALUATION SURVEY



EVALUATION AREA Average Score	Evaluation Area	Question #	Strongly Disagree (1)	Disagree (2)	Neutral (3)	Agree (4)	Strongly Agree (5)	Avg Score
4.58	A. Governance & Mission Alignment	1				III	III	4.50
		2		I		IIII I		4.67
4.17	B. Composition & Capacity	3				IIII	II	4.33
		4				I	IIII	4.80
		5		I	II	III		4.33
		6	I	III	I	I		3.33
		7	I	II	I	II		3.67
3.83	C. Operations & Structure	8	I		III	II		4.00
		9				I	IIII I	4.00
4.18	D. Communication & Collaboration	10	II		I	II		3.60
		11			I	IIII I		4.83
		12			II	IIII		4.67
4.56	E. Strategic Impact	13		I	I	IIII		4.50
		14		I	I	IIII		4.50



SURVEY RESULTS



Directors' 2025 self-assessment was overall positive and successful



Areas for improvement were consistent in 2024 and 2025:

- a) Board Workload (3.33)**
- b) Communication with Staff, Key Stakeholders, Public (3.60)**



Relationships with Commissioners Court members rated highest (4.83)



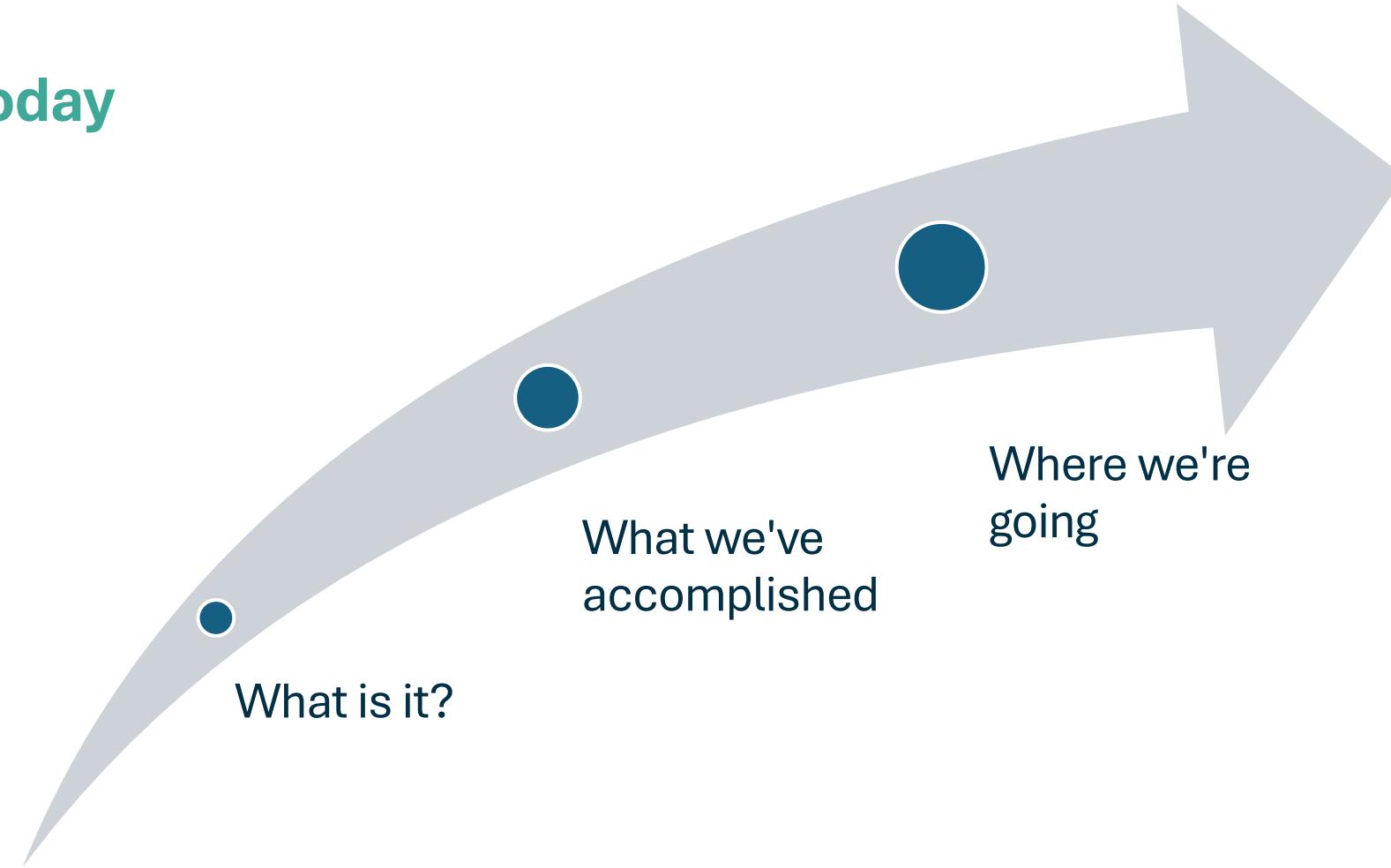
Multiple areas scored 2 – 5, “Disagree” to “Strongly Agree”, revealing a range of differing perspectives

Agenda Item VII.B.

Discussion: Public Workers Preference Update

Public Worker Preference Pilot (PWPP)

For Today



Public Worker Preference (PWP) Overview

What is it?

- Conceptualized as specialized niche for Strategic HFC
- Returns value to the taxing entities of Travis County

Who is it for?

- Employees of Travis County Taxing entities
- Eligible tenants at all income levels

Which Projects? Mixed-Income/Workforce projects only

How is it structured?

- Partners commit to a combination of incentives and proactive marketing in exchange for bonus points used in Public Benefit Analysis

Public Worker Preference Development

Challenges

- Soft market
- Legislative reforms
- Dwindling pipeline and delayed closings
- Vague bonus point criteria
- Numerous support docs needed
 - Applicant guidelines
 - Template Partnership docs

Development

Core Criteria

- Responsive to Partner input
- Doable & verifiable
- Analysis
- Subject developments analyzed
- Cost of commitment vs benefit at varying levels?

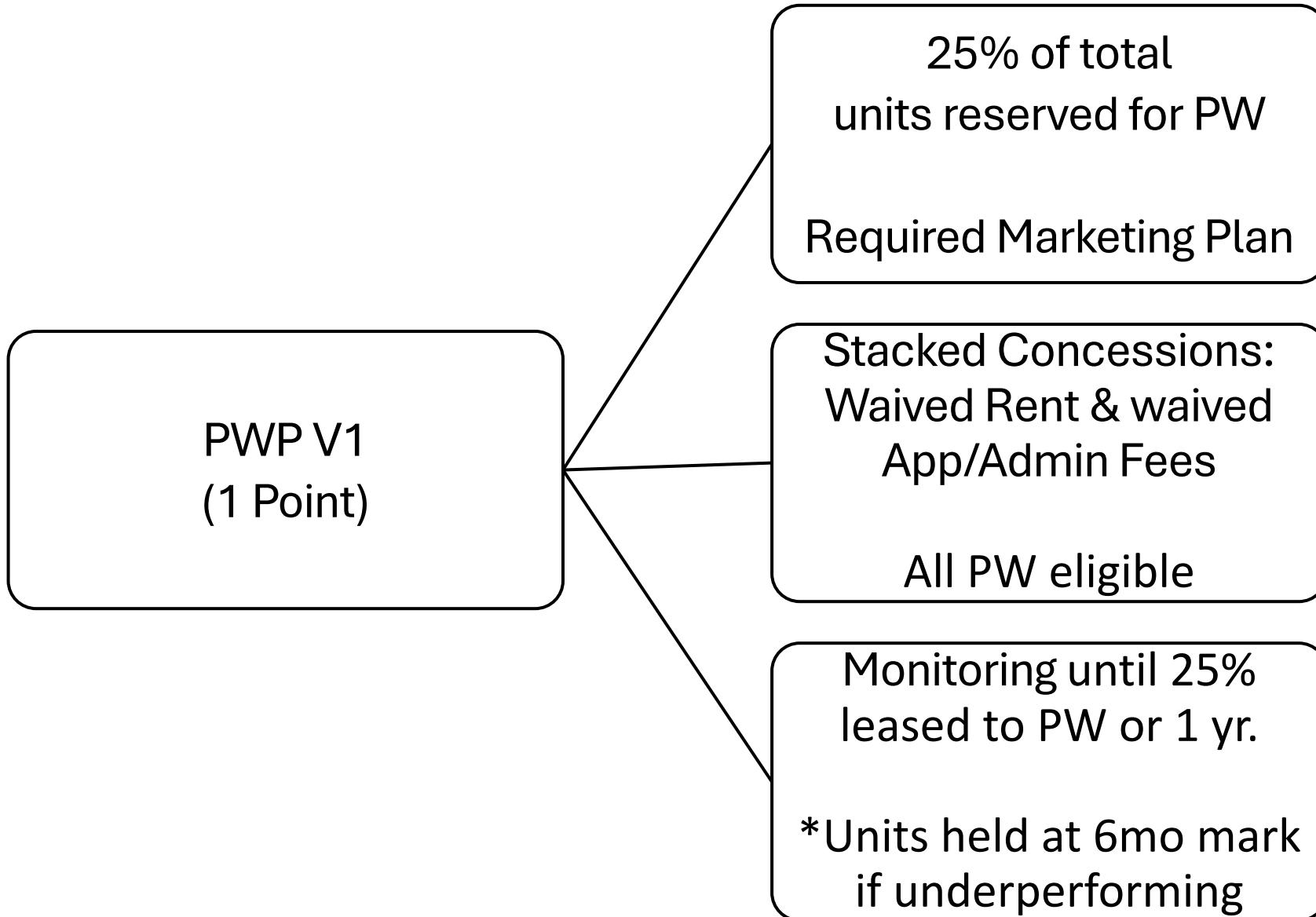
Status

- Prepared to launch PWP pilot with Residences at Rubi
- (2) Developments in pipeline
- Exploring other approaches to support this Board priority

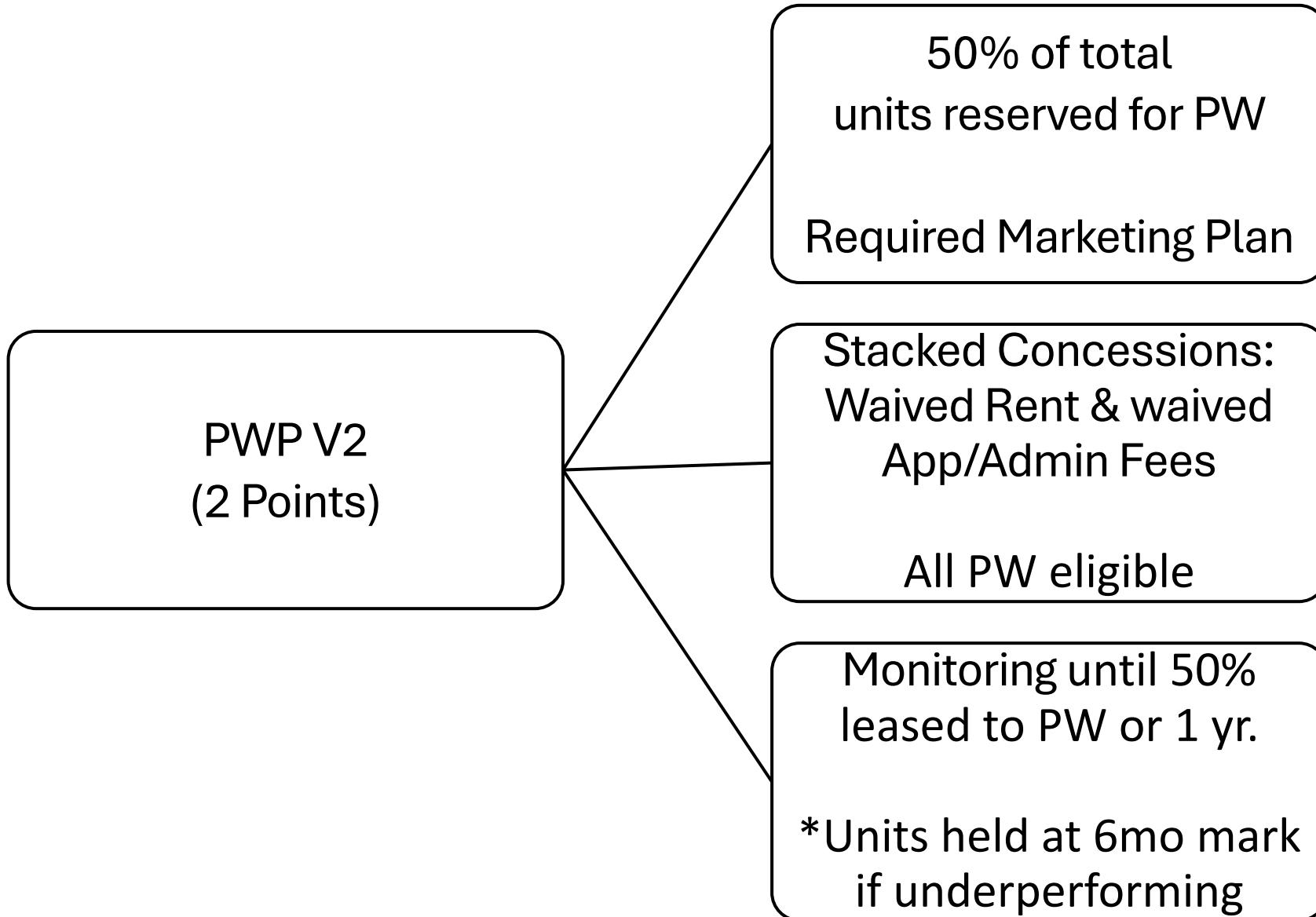


Strategic HFC

Public Worker Preference Structure (Pilot)



Public Worker Preference Structure V2 (Current)



Strategic HFC

Public Worker Preference Where Now?

Pilot Launch

- First pilot site closed November 18, 2025
- Assess outlook for other 2026 closings
- Recommend providing Pilot update mid-2026

Parallel Approaches

- Exploration of specific jurisdictional partnerships & MOUs (Example: Austin Community College)
- Linkage of employees to units



**Strategic
Housing Finance
Corporation
of TRAVIS COUNTY**

Executive Session

Executive Director Evaluation

Agenda Item VI.B.

Resolution SHFC-2025-47: Executive Director Performance-Based Compensation