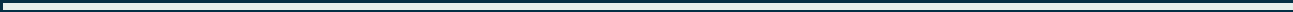


2025

ANNUAL REPORT



LETTER FROM THE PRESIDENT AND EXECUTIVE DIRECTOR

Dear Community,

On behalf of the Board of Directors and staff at Strategic Housing Finance Corporation of Travis County (Strategic HFC), we are pleased to share our 2025 Annual Report with you. We are excited to report that in 2025, we met emerging market challenges head-on and ended the year in a strong position.

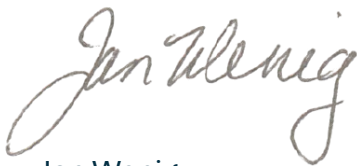
Strategic HFC and many others in the affordable housing sector faced headwinds in 2025. The overall shortage of affordable housing persists in our community. At the same time, the surge in local multifamily housing development, begun during the pandemic era, has resulted in nearly 17,000 to 30,000 new units hitting the Austin market annually. While softened rents are fundamentally positive for tenants, the temporary oversupply has made critical private equity hard to come by. In addition, the 89th Texas Legislature passed House Bill 21, which instituted important reforms, but also created uncertainty for sources of financing, further chilling the production of affordable housing.

Even in the face of adverse conditions, we made meaningful advances in the core areas that determine long-term success. A few highlights:

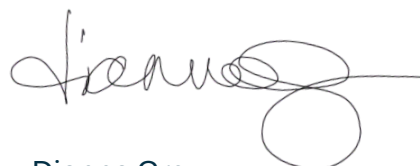
- Delivering 638 affordable housing units
- Growing resources for long-term health and future production via our Portfolio Fund, Operating Reserve, and Housing Production Fund
- Embarking on rigorous review and risk analysis of all properties in the portfolio
- Expanding standard tenant protections in our new partnership projects
- Closing our first mixed-income transaction that sets aside units for public employees

We continue to strive to be the very best housing finance corporation in Texas. There is much more ahead, and we welcome you to be a part of it. Join us as we work toward a Travis County where every family can build a life of dignity and opportunity.

Thank you for your trust and partnership while we continue this work.



Jan Wenig
2025 Board President



Dianna Grey
Executive Director

OUR ORGANIZATION

STABILITY & STEWARDSHIP

2025 was a year of maturation for Strategic HFC. As the affordable multi-family market in Austin continues to evolve, we are supported by a capable staff and board. In 2024, we established our leadership team. In 2025, we complemented the core group with a full suite of professionals versed in underwriting, portfolio management, finance & administration, as well as a communications and external affairs department. By year's end, we had a fully staffed team of professionals and a full board of exceptional volunteers representing a diverse range of skills and expertise.

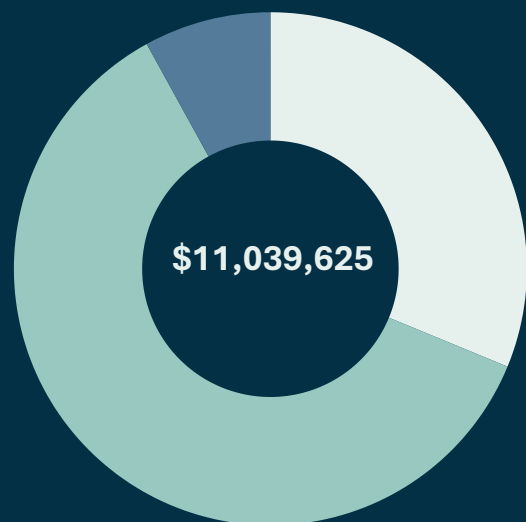
We're poised to capitalize on mission-aligned opportunities that will support our efforts to deliver high-quality, affordable housing to the residents of Travis County.



2025 FINANCIAL HIGHLIGHTS

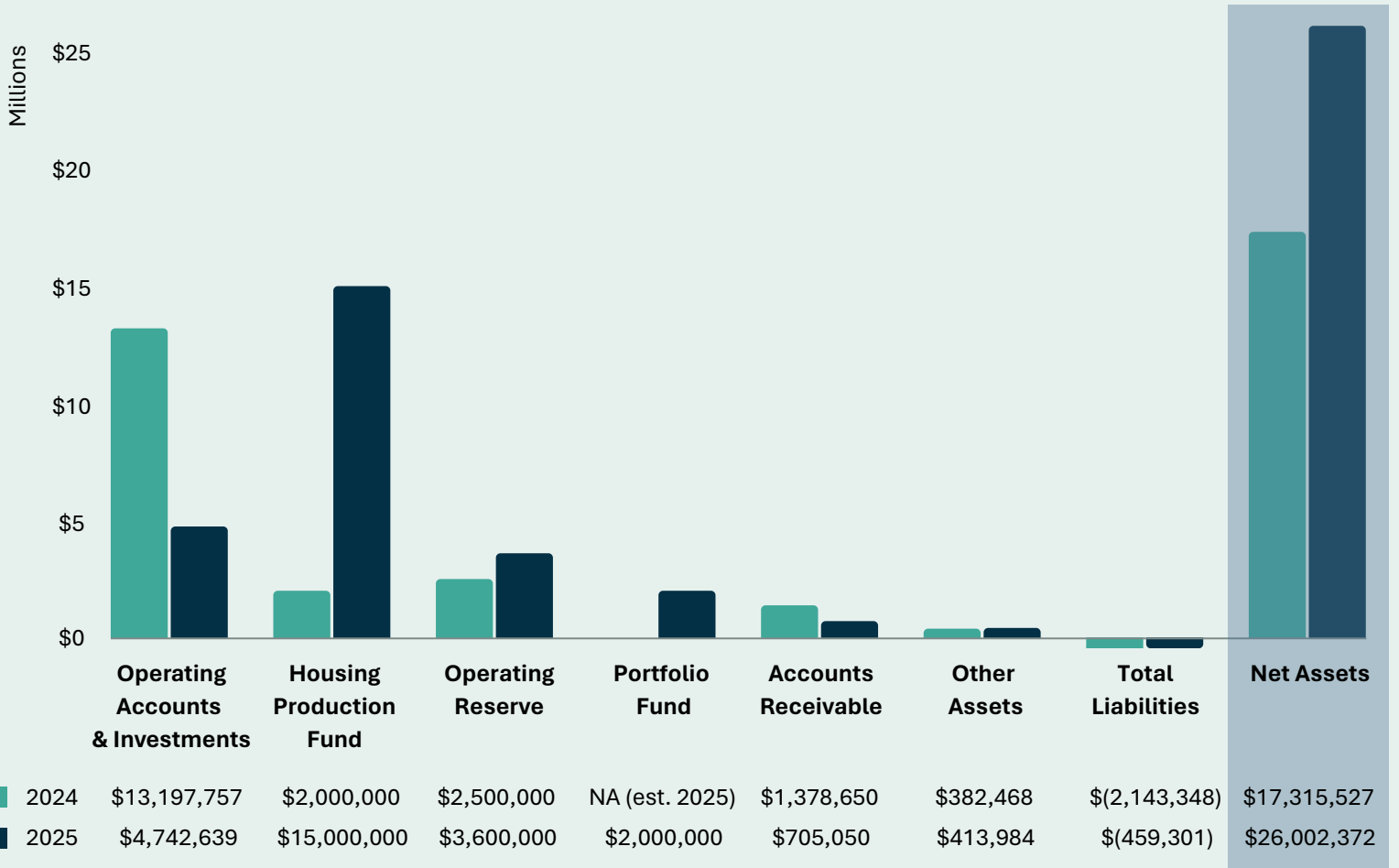
In 2025, our team focused intentionally on the existing portfolio. The restructuring of one of our partnerships in the first quarter of 2025 significantly increased the organization's liquid assets, enabling us to allocate nearly \$15m toward key priorities. We head into 2026 with additional capital to support both new projects and our existing portfolio.

2025 REVENUE

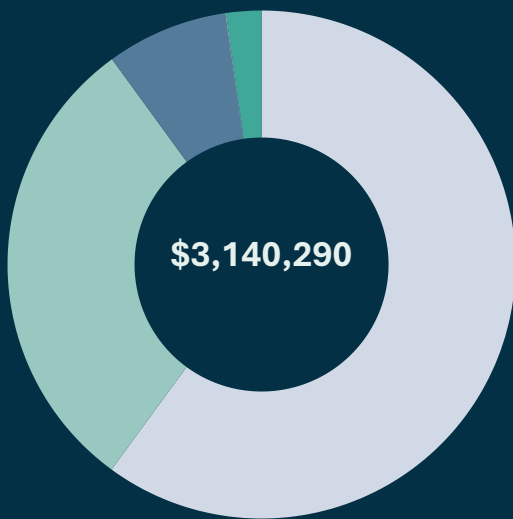


- Investment Interest 31%
- Refinance Distribution 61%
- Development Revenue 8%

2024 VS. 2025 NET ASSET COMPARISON



2025 EXPENSES



- Operating/ Facilities 8%
- Contract Services 30%
- Personnel 60%
- Other 2%

A STABLE FOUNDATION

As a quasi-governmental public non-profit that receives no public funding, our commitment to Travis County residents requires careful planning and safeguarding resources for the future. From honing our revenue and expense forecasting to inform the budget process, to an extensive multi-month review of legacy receivables, the processes we've put in place have helped us build a healthy operating reserve and grow our net assets by more than 44% year-over-year.

WE'RE PUTTING TENANTS FIRST

ROSEMONT TENANT INVESTMENT PROGRAM

Following the sale of Rosemont at Oak Valley Apartments in April 2023, the Strategic HFC Board established the Rosemont Tenant Investment Program (RTIP), a \$2 million initiative that provides \$7,200 in one-time financial assistance to former Rosemont households impacted by Winter Storm Uri. Working with tenants and community partners, including El Buen Samaritano, we designed a program built around residents' real needs. By year's end, 209 households have been assisted, with over \$1.5 million distributed directly to families, contributing to increased stability, homeownership, and even the launch of businesses.

“Finally, someone fought for us at Rosemont. Showed up for us tenants and made a commitment to helping us until the end.”

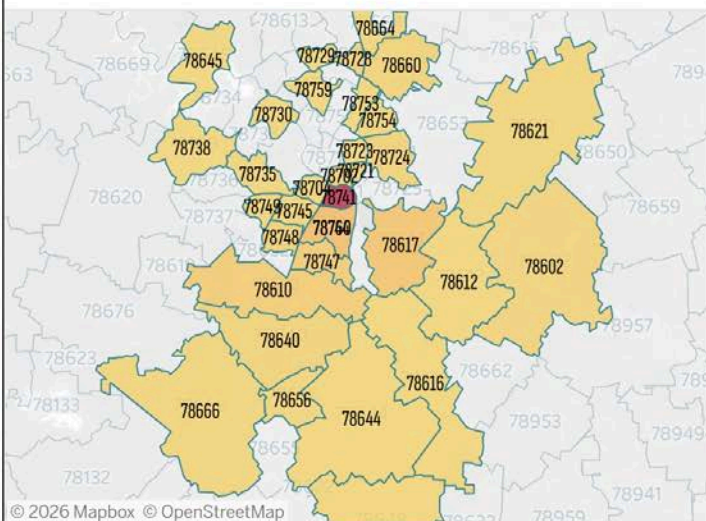
~ RTIP Recipient

ROSEMONT TENANT INVESTMENT PROGRAM (RTIP)

Snapshot: End of 01/01/25 - 12/31/25



RTIP Households by Zip Code



Total Amount Distributed

1,504,800

Individuals Paid

240

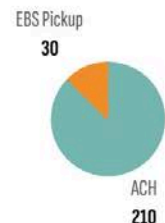
Households Paid

209

Payment Status by Household

Payment Disbursed	209
Confirming Eligibility	0
Ready for Review	0

Payment Type Distribution





Strategic HFC Board, Staff & Advocates
2025 El Buen Samaritano's ¡Avanzando
Futuros! Brunch Celebration

ENGAGING TENANTS & ADVOCATES

Strategic is committed to meaningful partnerships with advocacy groups and tenant associations across our portfolio. Following tenant organizing efforts at one of our legacy portfolio properties, Residences at Decker, we began collaborative discussions with the Tenant Association, BASTA, and our development partner, the NRP Group, to address resident concerns. This partnership has yielded progress, including enhanced security measures, improved towing protocols, and stronger communication between management and residents. We've established new systems for sharing updates and tracking outcomes, so that tenants have a direct voice in their community. Most importantly, it has highlighted areas of growth for us as an organization. That's why, in November 2025, the Strategic HFC Board of Directors created a Tenant Affairs Committee, chaired by one of the tenant representatives appointed to the Board. Strategic's board and staff remain dedicated to working alongside tenants to keep current and future residents at the center of everything we do.



Strategic HFC Board, Staff & Travis County Staff
40th Annual Habitat for Humanity's Carter Work
Project

STATE OF THE PORTFOLIO

PORTFOLIO OVERVIEW

At year-end, Strategic's portfolio includes 24 multifamily apartment communities with 4,410 units. Most are legacy assets with a median age of seven years. The bedroom mix is family-oriented, weighted toward two- and three-bedroom homes, primarily serving general family households with a smaller share dedicated to seniors. While this footprint provides a strong base of high-quality, affordable housing, the portfolio is heavily concentrated at 60% AMI and within North and Northeast Travis County. We believe that continued focus on geographic diversity and delivering units at varying affordability levels will strengthen the organization's overall position.

MARKET CONDITIONS & PERFORMANCE

2025 was a challenging year for the Strategic HFC multifamily portfolio. Austin's real estate market delivered nearly 30,000 new units, outpacing demand and driving downward pressure on rental rates. In some submarkets, private-market rents fell to levels that rivaled those of affordable housing properties. As a result, our portfolio occupancy dipped to 83%, compared to the county-wide market rate of 92.4%. We anticipate that slow construction starts in 2025 and 2026 will tighten supply, and that occupancy will begin climbing again as we move into 2027.

VOUCHER USAGE

Strategic requires all its partners to accept housing choice vouchers. 20.4% of units in the entire Strategic portfolio are home to households utilizing vouchers.

1 IN 5

STRATEGIC HFC
HOUSHOLDS ARE
SUPPORTED BY A
HOUSING VOUCHER

PORTFOLIO OVERSIGHT NEW TOOLS

PORTFOLIO OVERSIGHT

In 2025, we introduced a quarterly risk rating system to strengthen portfolio oversight and uphold quality standards. Each property is assessed across four key metrics: occupancy, financial stability, physical condition, and tenant experience. Properties elevated to the watchlist enter a 12-week course correction process, including management meetings, site tours, targeted action plans, and progress tracking.



STRATEGIC AIM: MEASURING IMPACT

In 2025, we launched the Strategic Affordability Impact Metric (Strategic AIM) to better evaluate the mission value of prospective developments. Unlike unit count alone, Strategic AIM weighs the depth and duration of affordability, total bedrooms, and location and physical quality. This tool enables more meaningful production goals, clearer “return on mission” analysis, and smarter allocation of resources and staff capacity.

GROWTH & INNOVATION

These market lessons have strengthened our commitment to building affordable communities across a range of incomes. In 2026, we will launch our Housing Production Fund and pursue mixed-income partnerships targeting the Travis County public workforce. A recent milestone: the grand opening of Residences at Rubi, a 101-unit community developed with Notional Development Partners, offering rents from 30% to 80% AMI, with units set aside for local jurisdiction employees. Strategic anticipates that 835 of the units currently under construction will come online in 2026.

PROJECT HIGHLIGHT

DAFFAN FLATS



7400 DAFFAN LANE, AUSTIN, TX 78724

DEVELOPMENT PARTNER: Elmington Capital Group

HIGHLIGHTS: 247-unit 4% tax credit bond deal with 13 units at 30% AMI, and 24 4-bedroom units

On November 12, 2025, the Travis County community celebrated the grand opening of Daffan Flats. Each apartment features 9-foot ceilings, granite countertops, in-unit washers and dryers, stainless steel appliances, covered patios or balconies, and walk-in closets. Residents can enjoy amenities such as a pool, fitness center, clubhouse, picnic area, playground, and dog park.

MOVING AHEAD

LOOKING FORWARD

We're entering 2026 from a position of strength, with solid financial reserves, a complementary suite of tools to guide our work, and a creative staff and board deeply committed to our mission.

We'll continue to leverage our core financing mechanisms to advance the production of great housing that Travis County residents can afford, where it is needed most. Our specialized Housing Production Fund will catalyze developments that can't otherwise be brought to fruition in the current market. Our Portfolio Fund will serve as an ongoing resource to strengthen and meet the needs of our existing portfolio.

We're also engaging more deeply with the broader housing ecosystem, cultivating relationships with partners, peer organizations, and policymakers, because we know that lasting change requires collaboration beyond our own portfolio

“The groundwork we're laying today will shape affordable housing for years to come.”

~ Dianna Grey, Executive Director

Looking further ahead, we're excited about what's on the horizon. As Travis County's housing market recalibrates and rental demand continues to grow, we anticipate that the need for affordable housing development will be more important than ever. Under the leadership of incoming Board President Ashley Huddleston, Strategic HFC is well-positioned to steward the opportunities ahead.



2025 Board of Directors: Katherine Groves, First Vice President Kecia Prince, Julio Gonzalez Altamirano, Second Vice President Ashley Huddleston, Keri Dorman, President Jan Wenig, Bea Arce



2025

THANK YOU

FOR YOUR CONTINUED SUPPORT



Strategic
Housing Finance
Corporation
of TRAVIS COUNTY

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Austin, Texas 78752

