

**SHFC Action Agenda IV.B.**  
**February 13, 2025**  
**Resolution No. SHFC-2025-04**

**RESOLUTION OF BOARD OF DIRECTORS CONCERNING THE APPROVAL OF A BOARD DESIGNATED FUNDS POLICY**

**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 directed staff to propose additional policy guidance on Board Designated Funds in 2025; and

**WHEREAS**, the Board of Directors of the Corporation (the “Board”) has reviewed a proposed Board Designated Funds, 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 13<sup>th</sup> day of February, 2025.

  
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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 13<sup>th</sup> day of February, 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 February, 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 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. 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.

#### Target Balance

In general, the Reserve Fund is expected to maintain between 6 and 18 months of operating reserves on hand. 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

**III. 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. 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. 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 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.