

SUPPLEMENTAL

BOARD MEETING OF NOVEMBER 9, 2009

C. Kent Conine, Chair



Gloria Ray, Vice-Chair

Leslie Bingham Escareño, Member

Tom Gann, Member

Lowell Keig, Member

Juan Muñoz, Member

BOARD ACTION REQUEST November 9, 2009
--

Action Item

Presentation, Consideration, and Possible Approval to Award 2007 and 2008 Housing Tax Credit Exchange Program Funds and to Authorize the Return of 2009 Tax Credit Authority to the Treasury and Award of 2009 Housing Tax Credit Program Funds.

Required Action

Approve the award of 2007, 2008 and 2009 Housing Tax Credit Exchange Program Funds to 86 developments in the amount of \$586,286,563 subject to final Threshold Review, Previous Participation Review, and Underwriting; Authorize the Return of 2009 Tax Credit Authority to the Treasury in the Amount of \$34,716,460 in exchange for \$295,089,911; and approve awards to additional developments with the remaining \$7,805,366 along with any additional returned funds as they become available to fully fund the next eligible development on the attached list based upon the QAP waiting list process. A summary of this action is as follows:

Year	#	Credit Return	Exch. Rate	Exch. Avail.	Exch. Recom.
2007 Deals	12	\$ 7,690,168	10 x 0.85	\$ 65,366,428	\$ 81,723,681
2008 Deals	30	\$27,486,540	10 x 0.85	\$233,635,590	\$211,402,864
SubTotal 07/08	42	\$35,176,708 ^a		\$299,002,018	\$293,126,545
Ret/Carry Fwd.		\$ 5,759,948	10 x 0.85	\$ 48,959,558	
Net Ike Swap		\$ 6,575,696 ^b	10 x 0.85	\$ 55,893,416	
2009 (40%)	44	\$22,380,816	10 x 0.85	\$190,236,937	\$293,160,018
SubTotal 2009	44	\$34,716,460		\$295,089,911	\$293,160,018
 Grand Total	 86	 \$69,893,168		 \$594,091,929	 \$586,286,563

Background

Based on the American Recovery and Reinvestment Act of 2009 “ARRA”, Treasury guidance and prior Board action staff requested exchanges of tax credits in the amount of \$299,002,018 for the 2007 and 2008 applications and general authority for the full exchange of 40% of the credits available for the 2009 round. These funds have been

^a Board previously authorized these funds (up to \$37,820,216 in 2007 and 2008 Credits) to be exchanged with Treasury.

^b At the end of 2008, the Department swapped \$14,906,160 in Ike credit for regular 2008 ceiling credit for deals in the Ike designated area. As a result and while Ike credit is not currently exchangeable with treasury, 100% of this swapped regular credit available in 2009 is available to Exchange. 2008 deals that received the Ike credits were eligible to participate in Exchange and \$8,330,464 in Ike credits requested Exchange leaving \$6,575,696 to be exchanged for the benefit of 2009 transactions in the Ike area.

made available to applicants based on the Board policy of providing incentives to develop additional units affordable to households earning not more than 30% of the area median gross income on a pricing scale of from \$0.77 to \$0.85, with the higher pricing for developments that chose to provide additional units.

At the September Board meeting the Board authorized staff to return tax credits for 45 2007 and 2008 developments for a total of \$37,820,216 in credits, but only 42 developments chose to move forward with Exchange (total credits of \$35,176,708). Staff is now recommending approval of \$293,126,545 in Exchange awards to these developments conditioned upon the completion of Threshold Review, Previous Participation Review, Underwriting and changes due to final application requests. A list of the 2007 and 2008 awardees is attached hereto.

In addition, staff previously referenced the return of \$27,165,964 in additional prior year return, carryover and 2009 Tax Credit authority; however additional prior year return and the remaining swapped regular credit in the Ike area has increased this amount to \$34,716,460. This will provide for \$295,089,911 in Exchange funds to award to 2009 housing tax credit developments. Staff is now recommending approval of \$293,160,018 in Exchange awards to 44 developments from 2009 conditioned upon the completion of Threshold Review, Previous Participation Review, Underwriting and changes due to final application requests. A list of the 2009 awardees is attached hereto. This recommendation presumes the prioritization of the eight 100% underfunded urban regions will be in accordance with the recommendation on agenda item 3b whereby the regions with the largest dollar amounts of allocation will have the highest priority.

The remaining \$7,550,496 in Exchange funds is insufficient to fund the next eligible development (#09175/09956 Abilene Senior Villages) which has requested \$8,672,364. It is possible that small amounts of Exchange dollars will be freed up during the underwriting and due diligence process in order to ultimately fully fund this development. While not included as an awardee today, staff is asking for the authority to award funds to this and any subsequent transaction, based upon the QAP waiting list process, should such funds become available.

Recommendation

Staff recommends the authorization to return Tax Credit authority in the total amount of \$69,893,168 (inclusive of previous requests) to the U.S. Treasury; approval of the 2007, 2008 and 2009 Exchange Program awards currently totaling \$586,286,563 (subject to Threshold Review, Previous Participation Review, Underwriting and changes due to final application requests); and the approval of additional awards subject to the return of additional Exchange funds.

TDHCA
Tax Credit Exchange Program
Round 1 (2007 and 2008) Application Log

Region	R/ U	Exchange Project Number	2007 Previous TDHCA#	2008 Previous TDHCA#	Project Name	Current SCORE	\$0.77	\$0.81	\$0.85	Total Funds Requested	Total Round 1 Exchange Funds Conditionally Awarded
--------	------	-------------------------	----------------------	----------------------	--------------	---------------	--------	--------	--------	-----------------------	--

REGION 1

1	U										
1	R	09914		08091	StoneLeaf at Dalhart	301		X		\$6,354,013	\$6,354,013

REGION 2

2	U	09920		08142	Anson Park Seniors	177			X	\$7,518,709	\$7,518,709
2	R	09906	07194	08932	377 Villas	300	X			\$5,955,888	\$5,955,888

REGION 3

3	U	09913	07303	08096	Villas on Raiford	190	X			\$10,542,494	\$10,542,494
3	U	09927		08207	Carpenter's Point	203			X	\$11,913,226	\$11,913,226
3	U	09928		08233	Heritage Park Vista	200			X	\$10,781,332	\$10,781,332
3	U	09941		08298	Residences at Stalcup	199			X	\$7,279,740	\$7,279,740
3	R	09937		08264	Cambridge Crossing	205	X			\$5,023,463	\$5,023,463
3	R	09940		08297	St. Charles Place	170			X	\$2,096,644	\$2,096,644

REGION 4

4	U	09936		08262	Lake View Apartment Homes	202			X	\$12,169,238	\$12,169,238
4	R										

REGION 5

5	U										
5	R										

REGION 6

6	U	09902	07103	08924	Oak Tree Village	300	X			\$3,197,117	\$3,197,117
6	U	09907	07203	08908	Melbourne Apartments	300			X	\$12,250,999	\$12,250,999
6	U	09912	07300	08922	Wentworth Apartments	196			X	\$9,757,269	\$9,757,269
6	U	09915		08101	Jackson Village Retirement Center	205				\$8,009,336	\$8,009,336
6	U	09919		08140	Premier on Woodfair	206	X			\$10,781,101	\$10,781,101
6	U	09926		08198	Highland Manor	200	X			\$11,312,070	\$11,312,070
6	U	09934		08260	Harris Manor Apartments	190		X		\$6,414,471	\$6,414,471
6	U	09939		08295	Vista Bonita Apartments	178			X	\$10,822,758	\$10,822,758
6	U	09944		08303	Heritage Square	211		X		\$3,131,522	\$3,131,522
6	R	09910	07246	08917	Lexington Square	147	X			\$2,997,960	\$2,997,960
6	R	09911	07258	08918	Trinity Garden Apartment Homes	190			X	\$7,286,279	\$7,286,279
6	R	09916		08128	Mid-Towne Apartments	190		X		\$2,549,775	\$2,549,775
6	R	09931		08254	Montgomery Meadows Phase II	194		X		\$4,575,609	\$4,575,609
6	R	09945		08304	Park Place Apartments	199		X		\$4,334,582	\$4,334,582

REGION 7

7	U	09930		08253	Creekside Villas Senior Village	209			X	\$12,055,533	\$12,055,533
7	R	09917		08129	Alta Vista Apartments	180			X	\$2,936,283	\$2,936,283

REGION 8

8	U	09932		08257	Constitution Court	206		X		\$8,838,615	\$8,838,615
8	R										

TDHCA
Tax Credit Exchange Program
Round 1 (2007 and 2008) Application Log

Region	R/ U	Exchange Project Number	2007 Previous TDHCA#	2008 Previous TDHCA#	Project Name	Current SCORE	\$0.77	\$0.81	\$0.85	Total Funds Requested	Total Round 1 Exchange Funds Conditionally Awarded
REGION 9											
9	U	09901	07095	08951	Las Palmas Gardens Apartments	300			X	\$6,961,007	\$6,961,007
9	U	09903	07173	08903	West End Baptist Manor Apartments	300			X	\$3,347,275	\$3,347,275
9	U	09921		08150	Oak Manor/Oak Village Apartments	206		X		\$12,171,481	\$12,171,481
9	R	09918		08135	Gardens at Clearwater	193		X		\$7,107,612	\$7,107,612

REGION 10											
10	U	09904	07174	08904	LULAC Hacienda Apartments	300			X	\$5,308,029	\$5,308,029
10	U	09929		08235	Buena Vida Senior Village	199		X		\$7,532,749	\$7,532,749
10	R										

REGION 11											
11	U	09922		08151	Parkview Terrace	214			X	\$9,498,011	\$9,498,011
11	U	09923		08158	Villas at Beaumont	200		X		\$3,436,903	\$3,436,903
11	R	09905	07178	08905	Aurora Meadows	300		X		\$9,642,000	\$9,642,000
11	R	09909	07227	08916	Champion Home at La Joya	204		X		\$4,477,364	\$4,477,364
11	R	09924		08176	Maeghan Pointe	199		X		\$10,219,000	\$10,219,000
11	R	09938		08294	Stardust Village	202	X			\$4,180,587	\$4,180,587
11	R	09943		08302	Leona Apartments	200			X	\$1,161,409	\$1,161,409

REGION 12											
12	U										
12	R	09942		08299	Southern View Apartments	126	X			\$3,807,300	\$3,807,300

REGION 13											
13	U	09925		08182	Suncrest Apartments	173			X	\$3,389,792	\$3,389,792
13	R										

Total Applications Received	45
Withdrawn/Terminated	3
Total Applications Awarded	42

	Total Active Requests	Total Conditional Award
Grand Funding Totals	\$293,126,545.00	\$293,126,545.00
2007/2008 Exchange Funds Available		\$ 299,002,018.00
Remaining Exchange Funds for 2009		\$ 5,875,473.00

TDHCA
Tax Credit Exchange Program
Round 2 (2009) Application Log

Region	R/ U	Previous TDHCA#	Exchange Project #	Project Name	Current SCORE	\$0.77	\$0.81	\$0.85	Total Funds Requested	Total Round 2 Exchange Funds Conditionally Awarded	Funded @ I=Initial R=Rural SW=State-Wide
AT-RISK											
3	U-AR	09135	09961	Lincoln Terrace	215			X	\$7,894,851	\$ 7,894,851	I
8	R-AR	09150	09998	Prairie Village Apartments	187			X	\$1,279,003	\$ 1,279,003	I
8	R-AR	09148	09996	Whispering Oaks Apartments	187			X	\$1,386,205	\$ 1,386,205	I
8	R-AR	09165	09999	Cherrywood Apartments	185			X	\$2,466,182	\$ 2,466,182	I
2	R-AR	09146	09955	Oakwood Apartments	185			X	\$2,343,713	\$ 2,343,713	I
3	R-AR	09100	09958	Crestmoor Park South Apartments	183	X			\$3,042,484	\$ 3,042,484	I
7	R-AR	09294	09992	Northgate Apts and Rhomberg Apts	177			X	\$2,712,282	\$ 2,712,282	I
8	R-AR	09149	09997	Autumn Villas	177			X	\$903,082	\$ 903,082	I
6	U-AR	09232	09983	Brazos Bend Villa	177			X	\$11,636,347	\$ 11,636,347	I
8	R-AR	09147	09995	Village Place Apartments	173			X	\$1,747,030	\$ 1,747,030	I
10	R-AR	09318	09353	Hyatt Manor I and II Apartments	162	X			\$2,551,331	\$ 2,551,331	I
8	R-AR	09126	09994	Holland House Apartments	160	X			\$3,953,919	\$ 3,953,919	I
6	R-AR	09000	09974	Courtwood Apts	125			X	\$2,503,318	\$ 2,503,318	I
6	R-AR	09001	09975	Hillwood Apts	113			X	\$1,266,747	\$ 1,266,747	I
Totals									\$45,686,494	\$ 44,419,747	

Total Available for AT-RISK \$43,952,990

REGION 1

Available in Urban \$8,471,793

1	U	09315	09951	Canyons Retirement Community	217	X			\$7,899,892	\$ 7,899,892	I
1	U	09179	09950	Emory Senior Living Apartments	203	X			\$7,594,741		
Available in Rural									\$12,806,119		
1	R	09006	09946	Cedar Street Apartments	FWD	X			\$3,893,800	\$ 3,893,800	I
1	R	09101	09949	Hampton Villages	199			X	\$10,001,457	\$ 10,001,457	R

Total Available in Region 1 \$21,277,912

REGION 2

Available in Urban \$459,795

2	U	09175	09956	Abilene Senior Village	210	X			\$8,672,364		
Available in Rural									\$2,878,352		
2	R	09164	09953	Gholson Hotel	202			X	\$3,138,106	\$ 3,138,106	R
2	R	09105	09952	Villages at Snyder	198			X	\$9,992,646	\$ 9,992,646	R
2	R	09110	09954	Mustang Heights Apartments	160	X			\$7,337,138		

Total Available in Region 2 \$3,338,146

REGION 3

Available in Urban \$31,929,551

3	U	09108	09965	Peachtree Seniors	214			X	\$15,250,440	\$ 15,250,440	I
3	U	09225	09963	Hacienda Del Sol	209		X		\$8,643,535	\$ 8,643,535	I
3	U	09172	09962	Evergreen at Vista Ridge	200		X		\$12,259,560		
3	U	09116	09960	Tuscany Villas	186			X	\$8,500,000		
3	U	09115	09959	Magnolia Trace	182			X	\$8,500,000		
3	U	09314	09964	Taylor Farms	176	X			\$14,475,461		
Available in Rural									\$14,021,418		
3	R	09010	09947	Mineral Wells Pioneer Crossing	FWD	X			\$6,589,853	\$ 6,589,853	I
3	R	09237	09957	Woodland Park at Decatur	150	X			\$4,439,496	\$ 4,439,496	I

Total Available in Region 3 \$45,950,969

TDHCA
Tax Credit Exchange Program
Round 2 (2009) Application Log

Region	R/ U	Previous TDHCA#	Exchange Project #	Project Name	Current SCORE	\$0.77	\$0.81	\$0.85	Total Funds Requested	Total Round 2 Exchange Funds Conditionally Awarded	Funded @ I=Initial R=Rural SW=State-Wide
--------	------	-----------------	--------------------	--------------	---------------	--------	--------	--------	-----------------------	--	---

REGION 4

Available in Urban **\$652,596**

4 U		09260	09967	Millie Street Apartments	166	X			\$5,120,500	\$ 5,120,500	SW
<i>Available in Rural</i>									\$5,161,505		
4 R		09261	09966	Turner Street Apartments	168			X	\$5,368,772	\$ 5,368,772	R

Total Available in Region 4 **\$5,814,100**

REGION 5

Available in Urban **\$5,656,710**

5 U		09104	09971	Stone Hearst Seniors	202			X	\$4,611,205	\$ 4,611,205	I
5 U		09183	09972	Grace Lake Townhomes	189	X			\$9,909,340		
<i>Available in Rural</i>									\$3,726,499		
5 R		09162	09968	Arbor Pines Apartment Homes	174	X			\$6,767,569	\$ 6,767,569	R
5 R		09228	09970	Lufkin Pioneer Crossing for Seniors	173	X			\$7,380,716	\$ 7,380,716	R
5 R		09184		Oakmont Apartments	WITHDREW	X			\$7,008,978		

Total Available in Region 5 **\$9,383,209**

REGION 6

Available in Urban **\$76,174,144**

6 U		09265	09986	Greenhouse Place	210			X	\$12,426,601	\$ 12,426,601	I
6 U		09142	09978	Floral Gardens	210			X	\$11,936,975	\$ 11,936,975	I
6 U		09132	09977	Chelsea Senior Community	209	X			\$15,066,382	\$ 15,066,382	I
6 U		09103	09976	Trebah Village	204	X			\$9,485,758	\$ 9,485,758	I
6 U		09267	09987	Heritage Crossing	203	X			\$6,051,451	\$ 6,051,451	I
6 U		09193	09982	Sierra Meadows	202	X			\$9,104,580	\$ 9,104,580	I
6 U		09188	09981	Casa Brazoria	200			X	\$7,448,711	\$ 7,448,711	I
6 U		09161	09979	Sterling Court Senior Residences	200	X			\$14,002,696		
6 U		09242	09984	Beechnut Oaks	198	X			\$12,988,316		
6 U		09316	09989	Champion Homes at Bay Walk	178	X			\$10,987,246		
6 U		09312	09988	Villas at El Dorado Apts	155	X			\$15,533,595		
6 U		09249		Dixie Gardens	WITHDREW			X	\$16,200,000		
6 U		09185		Maplewood Village II	WITHDREW	X			\$8,854,076		
<i>Available in Rural</i>									\$14,457,096		

Total Available in Region 6 **\$90,631,240**

REGION 7

Available in Urban **\$5,848,411**

7 U		09159	09993	Malibu Apartments	215	X			\$15,400,000	\$ 15,400,000	SW
7 U		09138	09991	Belmont Senior Village	212			X	\$17,000,000		
<i>Available in Rural</i>									\$9,849,016		
7 R		09012	09948	Park Ridge Apartments	FWD			X	\$5,645,838	\$ 5,645,838	I
7 R		09310	09990	San Gabriel Crossing	199	X			\$6,028,000	\$ 6,028,000	R

Total Available in Region 7 **\$15,697,427**

REGION 8

Available in Urban **\$3,462,556**

8 U		09163	09350	Tremont Apartment Homes	204	X			\$10,385,652	\$ 10,385,652	SW
<i>Available in Rural</i>									\$4,321,030		
8 R											

Total Available in Region 8 **\$7,783,586**

TDHCA
Tax Credit Exchange Program
Round 2 (2009) Application Log

Region	R/ U	Previous TDHCA#	Exchange Project #	Project Name	Current SCORE	\$0.77	\$0.81	\$0.85	Total Funds Requested	Total Round 2 Exchange Funds Conditionally Awarded	Funded @ I=Initial R=Rural SW=State-Wide
--------	------	-----------------	--------------------	--------------	---------------	--------	--------	--------	-----------------------	--	---

REGION 9

Available in Urban **\$6,359,382**

9 U											
									<i>Available in Rural</i>	\$5,330,933	
9 R		09192	09351	Tierra Pointe	195		X		\$8,597,850	\$ 8,597,850	R

Total Available in Region 9 **\$14,957,232**

REGION 10

Available in Urban **\$1,914,665**

10 U		09158	09354	Arrowsmith Apartments	205			X	\$3,779,482	\$ 3,779,482	SW
10 U		09211	09355	Corban Townhomes	194	X			\$11,735,342		
									<i>Available in Rural</i>	\$6,671,302	
10 R		09245	09352	Heights at Corral	217	X			\$5,941,503	\$ 5,941,503	I

Total Available in Region 10 **\$8,585,967**

REGION 11

Available in Urban **\$9,115,599**

11 U		09180	09357	Westlaco Hills Apartments	204	X			\$10,021,149	\$ 10,021,149	SW
11 U		09181	09358	Bowie Garden Apartments	184	X			\$7,473,342		
									<i>Available in Rural</i>	\$11,730,698	
11 R		09119	09356	Legacy Villas	203		X		\$8,100,000	\$ 8,100,000	I

Total Available in Region 11 **\$17,215,599**

REGION 12

Available in Urban **\$35,473**

12 U		09127	09360	Sage Brush Village	204			X	\$10,642,417		
									<i>Available in Rural</i>	\$2,774,920	
12 R		09136		Gateway to Eden		Not Awarded Credits	X		\$3,670,944		

Total Available in Region 12 **\$2,810,393**

REGION 13

Available in Urban **\$3,232,470**

13 U											
									<i>Available in Rural</i>	\$4,094,889	
13 R											

Total Available in Region 13 **\$7,327,359**

SUMMARY

Total Applications Received	58
Withdrawn/Terminated	3
Total Applications Conditionally Awarded	44

	Total Active Requests	Total Conditional Award
At-Risk Set-Aside Funding Total	\$45,686,494	\$ 44,419,747
Regional Set-Asides Funding Total	\$705,531,608	\$ 248,740,271
Grand Funding Totals	\$751,218,102	\$ 293,160,018
2009 Exchange Funds Available		\$ 295,089,911
Remaining 2007/2008 Exchange Funds Available		\$ 5,875,473
Remaining Exchange Funds for 2009		\$ 7,805,366

BOND FINANCE DIVISION

BOARD ACTION REQUEST

November 9, 2009

Action Items

Presentation, Discussion and Approval of Resolution No. 10-006 authorizing approval of the Residential Mortgage Revenue Bonds (Program 76) issued under the Homeowner Affordability and Stability Plan as well as approval of Senior Underwriter for Program 76.

Required Action

Approval of Resolution No. 10-006 authorizing approval of the Residential Mortgage Revenue Bonds (Program 76) issued under the Homeowner Affordability and Stability Plan as well as approval of Senior Underwriter for Program 76.

Background

As part of its comprehensive plan to stabilize the U.S housing market, the Obama Administration on October 19, 2009 announced a new initiative for state and local housing finance agencies (HFAs) that will help support low mortgage rates and expand resources for low and middle income borrowers to purchase or rent homes that are affordable over the long term. This new initiative, the Homeowner Affordability and Stability Plan has two parts: the New Issue Bond Program (NIBP) supports new lending by HFAs with the issuance of bonds and the Temporary Credit and Liquidity Program (TCLP) to improve the access of HFAs to liquidity for outstanding HFA bonds.

Resolution 10-006 requests the Board to approve the issuance of up to \$300 million in principal amount of new money residential mortgage revenue bonds to be placed with Fannie Mae and Freddie Mac under the New Issue Bond Program.

Under this program a term bond will be issued in December with a temporary variable interest note that will reset up to three times in 2010 at which time that bond or a portion of the bond will be re-issued setting a mortgage rate approximately 100bps below current market. At the time of re-issuance TDHCA will be required to sell to the private market an amount of shorter-term bonds in a ratio equal to 40% of aggregate bond proceeds, with the other 60% of bonds represented by the bonds purchased through the New Issue Bond Program. In 2010, Staff will come back to the Board to approve the new re-issuance bond program which will establish mortgage program guidelines and set a mortgage rate. Staff is requesting to allocate \$300 million for this New Issue Bond Program that will be issued as a term bond which will not require volume cap at this time. In 2010, Staff will come back to the Board with a new resolution to draw down volume cap for the re-issuance of this term bond in the form of a tax-exempt bond. At that time Staff will be able to issue an additional \$200 million of authority or volume cap as serial bonds so the TDHCA will have a total of \$500 million in new mortgage loans at a very attractive rate for first-time home buyers. With Board approval today, TDHCA will be able to help over 4,237 Texans achieve home ownership in 2010.

Staff is also seeking approval today of the Underwriting Team for Program 76. At the September 3, 2009 Board meeting, the Board approved our next set of Senior Underwriters and Staff is requesting that

JPMorgan be assigned Senior Underwriter for Program 76. Since these term bonds will be issued under the New Issue Bond Program they will be sold exclusively 50% to Fannie Mae and 50% to Freddie Mac. TDHCA will not require a syndicate of Co-Senior or Co-Managers to sell these bonds until 2010 when the term bond is reissued as tax-exempt in combination with 40% serials.

Recommendation

Approve Resolution No. 10-006 authorizing approval of the Residential Mortgage Revenue Bonds (Program 76) issued under the Homeowner Affordability and Stability Plan as well as approval of Senior Underwriter for Program 76.

Resolution No. 10-006

RESOLUTION AUTHORIZING THE ISSUANCE, SALE AND DELIVERY OF TEXAS DEPARTMENT OF HOUSING AND COMMUNITY AFFAIRS RESIDENTIAL MORTGAGE REVENUE BONDS, SERIES 2009C; AUTHORIZING THE APPROVAL OF THE FORM AND SUBSTANCE OF THE THIRTIETH SERIES SUPPLEMENT, THE DEPOSITORY AGREEMENT, THE PLACEMENT AGREEMENT, THE CONTINUING DISCLOSURE AGREEMENT AND THE OFFERING DOCUMENT FOR THE BONDS; AUTHORIZING THE EXECUTION OF DOCUMENTS AND INSTRUMENTS NECESSARY OR CONVENIENT TO CARRY OUT THE SINGLE FAMILY MORTGAGE PURCHASE PROGRAM; AND CONTAINING OTHER PROVISIONS RELATING TO THE SUBJECT

WHEREAS, the Texas Department of Housing and Community Affairs (the "Department") has been duly created and organized pursuant to and in accordance with the provisions of Chapter 2306, Texas Government Code (the "Act"), as amended from time to time, for the purpose of providing a means of financing the costs of residential ownership, development and rehabilitation that will provide decent, safe and sanitary housing for individuals and families of low and very low income and families of moderate income (as described in the Act as determined by the Governing Board of the Department (the "Governing Board") from time to time) at prices they can afford; and

WHEREAS, the Act authorizes the Department: (a) to acquire, and to enter into advance commitments to acquire, mortgage loans (including participations therein) secured by mortgages on residential housing in the State of Texas (the "State"); (b) to issue its bonds for the purpose of obtaining funds to make and acquire such mortgage loans or participations therein, to establish necessary reserve funds and to pay administrative and other costs incurred in connection with the issuance of such bonds; and (c) to pledge all or any part of the revenues, receipts or resources of the Department, including the revenues and receipts to be received by the Department from such mortgage loans or participations therein, and to mortgage, pledge or grant security interests in such mortgages, mortgage loans or other property of the Department, to secure the payment of the principal or redemption price of and interest on such bonds; and

WHEREAS, the Department or the Texas Housing Agency, its predecessor (the "Agency"), has, pursuant to and in accordance with the provisions of the Act, issued, sold and delivered its Residential Mortgage Revenue Bonds pursuant to the Residential Mortgage Revenue Bond Trust Indenture dated as of November 1, 1987 (as amended by supplemental indentures numbered First through Twenty-Ninth and any amendments thereto, collectively, the "RMRB Indenture") between the Department, as successor to the Agency, and The Bank of New York Mellon Trust Company, N.A., as successor trustee (the "Trustee"), to implement the various phases of the Agency's (now the Department's) single family mortgage purchase program (the "Program"); and

WHEREAS, Section 302 of the RMRB Indenture authorizes the issuance of additional bonds for the purposes of acquiring Mortgage Loans (hereinafter defined) or participations therein, payment of costs of issuance, funding of reserves and refunding outstanding bonds or notes issued by the Department under the Act; and

WHEREAS, the Governing Board has determined to authorize the issuance of the Department's Residential Mortgage Revenue Bonds, to be known as its Residential Mortgage Revenue Bonds, Series 2009C (the "Series 2009C Bonds") pursuant to the RMRB Indenture, for the purpose of providing funds to acquire mortgage-backed securities issued and guaranteed by Fannie Mae ("Fannie Mae"), Federal Home Loan Mortgage Corporation ("Freddie Mac") or Government National Mortgage Association backed by qualifying mortgage loans secured by mortgages on residential housing in the State owned and occupied by persons and families of low and very low income and families of moderate income (the "Mortgage Loans"); and

WHEREAS, the Governing Board desires to authorize the execution and delivery of the Thirtieth Supplemental Residential Mortgage Revenue Bond Trust Indenture (the “Thirtieth Series Supplement”) in substantially the form attached hereto relating to the Series 2009C Bonds; and

WHEREAS, the Governing Board has determined to authorize the execution and delivery of an Eighth Supplement to Amended and Restated Depository Agreement relating to the Series 2009C Bonds (the “Depository Agreement”), by and among the Department, the Trustee and the Texas Treasury Safekeeping Trust Company, in substantially the form attached hereto to provide for the holding, administering and investing of certain moneys and securities relating to the Series 2009C Bonds; and

WHEREAS, the Governing Board has further determined that the Department should enter into one or more Placement Agreements relating to the sale of the Series 2009C Bonds (collectively, the “Placement Agreement”) with Fannie Mae and Freddie Mac (collectively, the “Purchasers”) and/or any other parties to the Placement Agreement as authorized by the execution thereof by an authorized representative of the Department named in this Resolution, in substantially the forms attached hereto setting forth certain terms and conditions upon which the Purchasers and/or any other parties to the Placement Agreement will purchase the Series 2009C Bonds from the Department and the Department will sell the Series 2009C Bonds to the Purchasers and/or any other parties to the Placement Agreement; and

WHEREAS, the Governing Board desires to authorize the execution and delivery of a Continuing Disclosure Agreement (the “Continuing Disclosure Agreement”) in substantially the form attached hereto between the Department and the Trustee; and

WHEREAS, the Governing Board has been presented with a draft of an offering document to be used in the sale of the Series 2009C Bonds (the “Offering Document”) and the Governing Board desires to approve such Offering Document in substantially the form attached hereto; and

WHEREAS, the Governing Board has determined to authorize the investment of the proceeds of the Series 2009C Bonds and any other amounts held under the RMRB Indenture with respect to the Series 2009C Bonds; and

WHEREAS, the Governing Board desires to approve the use of an amount not to exceed \$750,000 of Department funds for any purpose authorized under the Act and the RMRB Indenture, including to pay a portion of the costs of issuance of the Series 2009C Bonds; and

WHEREAS, in accordance with Section 2306.142(m) of the Act, the Governing Board has determined that the issuance of bonds to finance Mortgage Loans to meet the credit needs of borrowers in underserved economic and geographic submarkets in the State is unfeasible or would damage the financial condition of the Department and desires to authorize the authorized representatives of the Department named in this Resolution to seek from the Texas Bond Review Board a waiver of the requirements of Section 2306.142(l) of the Act; and

WHEREAS, the Governing Board hereby determines that the purpose for which the Department may issue the Series 2009C Bonds constitutes “public works” as contemplated by Chapter 1371, Texas Government Code, as amended; and

WHEREAS, the Governing Board desires to approve the forms of the Thirtieth Series Supplement, the Depository Agreement, the Placement Agreement, the Continuing Disclosure Agreement and the Offering Document, in order to find the form and substance of such documents to be satisfactory and proper and the recitals contained therein to be true, correct and complete; and has determined that the issuance of the Series 2009C Bonds, the execution and delivery of such documents and the taking of such other actions are in furtherance of the Program; NOW, THEREFORE,

BE IT RESOLVED BY THE GOVERNING BOARD OF THE TEXAS DEPARTMENT OF HOUSING AND COMMUNITY AFFAIRS:

ARTICLE I
ISSUANCE OF BONDS; APPROVAL OF DOCUMENTS

Section 1.1--Issuance, Execution and Delivery of the Series 2009C Bonds. That the issuance of the Series 2009C Bonds is hereby authorized, all under and in accordance with the RMRB Indenture, and that, upon execution and delivery of the Thirtieth Series Supplement, the authorized representatives named herein each are hereby authorized to execute, attest and affix the Department's seal to the Series 2009C Bonds and to deliver the Series 2009C Bonds to the Attorney General of Texas (the "Attorney General") for approval, the Comptroller of Public Accounts of the State of Texas (the "Comptroller") for registration and the Trustee for authentication, and thereafter to deliver the Series 2009C Bonds to or upon the order of the Purchasers and/or any other parties pursuant to the Placement Agreement.

Section 1.2--Authority to Approve Form of Documents, Determine Interest Rates, Principal Amounts, Maturities and Prices. That the Chairman of the Governing Board or the Executive Director of the Department (i) are hereby authorized and empowered to determine whether the Series 2009C Bonds will be issued on a taxable or a tax-exempt basis and to determine whether the Series 2009C Bonds will be issued as new money bonds, refunding bonds, or governmental purpose bonds (or any combination thereof) and (ii) are hereby authorized and empowered, in accordance with Chapter 1371, Texas Government Code, as amended, to fix and determine the interest rates, principal amounts and maturities of, and the prices at which the Department will sell the Series 2009C Bonds to the Purchasers and/or any other parties to the Placement Agreement, all of which determinations shall be conclusively evidenced by the execution and delivery by the Chairman of the Governing Board or the Executive Director of the Department of the Thirtieth Series Supplement, the Placement Agreement, the Depository Agreement and the Offering Document; provided, however, that: (a) the net effective interest rate on the Series 2009C Bonds shall not exceed 10.0% per annum, subject to adjustment in accordance with the Thirtieth Series Supplement; (b) the aggregate principal amount of the Series 2009C Bonds shall not exceed \$300,000,000; (c) the final maturity of the Series 2009C Bonds shall occur not later than December 31, 2041; (d) the price at which the Series 2009C Bonds are sold to the Purchasers and/or any other parties to the Placement Agreement shall not exceed 105% of the principal amount thereof; and (e) the fee of any underwriter or placement agent shall not exceed the amount approved by the Texas Bond Review Board. In no event shall the interest rate on the Series 2009C Bonds (including any default interest rate) exceed the maximum interest rate permitted by applicable law.

Section 1.3--Approval, Execution and Delivery of the Thirtieth Series Supplement. That the form and substance of the Thirtieth Series Supplement are hereby approved, and that the authorized representatives of the Department named in this Resolution each are hereby authorized to execute, attest and affix the Department's seal to the Thirtieth Series Supplement, and to deliver the Thirtieth Series Supplement to the Trustee.

Section 1.4--Approval of Depository Agreement. That the form and substance of the Depository Agreement are hereby approved, and that the authorized representatives of the Department named in this Resolution each are hereby authorized to execute, attest and affix the Department's seal to the Depository Agreement and to deliver the Depository Agreement to the Trustee and to the Texas Treasury Safekeeping Trust Company.

Section 1.5--Approval, Execution and Delivery of the Placement Agreement. That the sale of the Series 2009C Bonds to the Purchasers and/or any other parties pursuant to the Placement Agreement is hereby approved, and that the authorized representatives of the Department named in this Resolution each are hereby authorized to execute, attest and affix the Department's seal to the Placement Agreement and to deliver the Placement Agreement to the Purchasers and/or any other parties to the Placement Agreement.

Section 1.6--Approval of Continuing Disclosure Agreement. That the form and substance of the Continuing Disclosure Agreement are hereby approved, and that the authorized representatives of the Department named in this Resolution each are hereby authorized to execute, attest and affix the Department's seal to the Continuing Disclosure Agreement and to deliver the Continuing Disclosure Agreement to the Trustee.

Section 1.7--Offering Document. That the use and distribution of the Offering Document in connection with the sale of the Series 2009C Bonds to the Purchasers and/or any other parties to the Placement Agreement, in substantially the form presented to the Governing Board, is hereby approved, and that the authorized representatives of the Department named in this Resolution each are hereby authorized to execute and deliver the Offering Document.

Section 1.8--Approval of Investment. That the investment of funds held under the RMRB Indenture in connection with the Series 2009C Bonds as provided in the Thirtieth Series Supplement is hereby approved.

Section 1.9--Execution and Delivery of Other Documents. That the authorized representatives of the Department named in this Resolution each are hereby authorized to execute, attest, affix the Department's seal to and deliver such other agreements, advance commitment agreements, assignments, bonds, certificates, contracts, documents, instruments, releases, financing statements, letters of instruction, notices of acceptance, written requests and other papers, whether or not mentioned herein, as may be necessary or convenient to carry out or assist in carrying out the purposes of this Resolution, the RMRB Indenture, the Thirtieth Series Supplement, the Depository Agreement, the Placement Agreement and the Continuing Disclosure Agreement.

Section 1.10--Power to Revise Form of Documents. That, notwithstanding any other provision of this Resolution, the authorized representatives of the Department named in this Resolution each are hereby authorized to make or approve such revisions in the form of the documents attached hereto as exhibits as, in the judgment of such authorized representative, and in the opinion of Vinson & Elkins L.L.P., Bond Counsel to the Department, may be necessary or convenient to carry out or assist in carrying out the purposes of this Resolution, such approval to be evidenced by the execution of such documents by the authorized representatives of the Department named in this Resolution.

Section 1.11--Exhibits Incorporated Herein. That all of the terms and provisions of each of the documents listed below as an exhibit shall be and are hereby incorporated into and made a part of this Resolution for all purposes:

Exhibit B	-	Thirtieth Series Supplement
Exhibit C	-	Depository Agreement
Exhibit D	-	Placement Agreement
Exhibit E	-	Continuing Disclosure Agreement
Exhibit F	-	Offering Document

Section 1.12--Authorized Representatives. That the following persons are hereby named as authorized representatives of the Department for purposes of executing, attesting, affixing the Department's seal to, and delivering the documents and instruments and taking the other actions referred to in this Article I: Chairman and Vice Chairman of the Governing Board, Executive Director of the Department, Chief of Agency Administration of the Department, Director of Bond Finance of the Department and the Secretary to the Governing Board.

Section 1.13--Department Contribution. That the contribution of Department funds in an amount not to exceed \$750,000 to be used for any purpose authorized under the Act and the RMRB Indenture, including to pay a portion of the costs of issuance of the Series 2009C Bonds, is hereby authorized.

ARTICLE II
APPROVAL AND RATIFICATION OF CERTAIN ACTIONS

Section 2.1--Submission to the Attorney General of Texas. That the Governing Board of the Department hereby approves the submission by the Department's Bond Counsel to the Attorney General of Texas, for his approval, of a transcript of the legal proceedings relating to the issuance, sale and delivery of the Series 2009C Bonds.

Section 2.2--Engagement of Other Professionals. That the Executive Director or the Director of Bond Finance is authorized to engage an accounting firm to perform such functions, audits, yield calculations and subsequent investigations as necessary or appropriate to comply with the Placement Agreement and the requirements of the purchasers of the Series 2009C Bonds and Bond Counsel to the Department, provided such engagement is done in accordance with applicable State law.

Section 2.3--Certification of the Minutes and Records. That the Secretary and any Assistant Secretary to the Governing Board of the Department are hereby authorized to certify and authenticate minutes and other records on behalf of the Department for the Program, the issuance of the Series 2009C Bonds and all other Department activities.

Section 2.4--Approval of Requests for Rating from Rating Agencies. That the Executive Director, the Director of Bond Finance and the Department's consultants are authorized to seek ratings from Moody's Investors Service, Inc. and Standard & Poor's Ratings Services, a division of The McGraw-Hill Companies, Inc.

Section 2.5--Ratifying Other Actions. That all other actions taken or to be taken by the Executive Director and the Department's staff in connection with the Program and the issuance of the Series 2009C Bonds are hereby ratified and confirmed.

Section 2.6--Authority to Invest Funds. That the Executive Director or the Director of Bond Finance is hereby authorized to undertake all appropriate actions required under the RMRB Indenture and the Depository Agreement and to provide for investment and reinvestment of all funds held under the RMRB Indenture.

Section 2.7--Waiver from Texas Bond Review Board. That the Governing Board of the Department ratifies actions taken by the authorized representatives of the Department named in this Resolution seeking from the Texas Bond Review Board a waiver of the requirements of Section 2306.142(l) of the Act in accordance with Section 2306.142(m) of the Act.

ARTICLE III
CERTAIN FINDINGS AND DETERMINATIONS

Section 3.1--Determination of Interest Rate. That the Governing Board of the Department hereby declares that the Department shall fix and determine the interest rates on the Mortgage Loans for the Program at the time and in accordance with the procedures set forth in the RMRB Indenture and that such rates shall be established at levels such that the Mortgage Loans for the Program will produce, together with other available funds, the amounts required to pay for the Department's costs of operation with respect to the Program and debt service on the Series 2009C Bonds, and enable the Department to meet its covenants with and responsibilities to the holders of the bonds issued under the RMRB Indenture without adversely affecting the exclusion from gross income for federal income tax purposes of interest on any of such tax-exempt bonds.

Section 3.2--Bonds to Finance Mortgage Loans in Underserved Economic and Geographic Markets. That, in accordance with Section 2306.142(m) of the Act, the Governing Board hereby finds that the issuance of bonds to finance Mortgage Loans to meet the credit needs of borrowers in underserved economic and geographic submarkets in the State is unfeasible or would damage the financial condition of the Department.

Section 3.3--Purpose of Series 2009C Bonds. The Governing Board hereby determines that the purpose for which the Department may issue the Series 2009C Bonds constitutes “public works” as contemplated by Chapter 1371, Texas Government Code, as amended.

ARTICLE IV
GENERAL PROVISIONS

Section 4.1--Limited Obligations. That the Series 2009C Bonds and the interest thereon shall be limited obligations of the Department payable solely from the trust estate pledged under the RMRB Indenture to secure payment of the bonds issued under the RMRB Indenture and payment of the Department’s costs and expenses for the Program thereunder and under the RMRB Indenture, and under no circumstances shall the Series 2009C Bonds be payable from any other revenues, funds, assets or income of the Department.

Section 4.2--Non-Governmental Obligations. That the Series 2009C Bonds shall not be and do not create or constitute in any way an obligation, a debt or a liability of the State or create or constitute a pledge, giving or lending of the faith or credit or taxing power of the State.

Section 4.3--Purposes of Resolution. That the Governing Board of the Department has expressly determined and hereby confirms that the issuance of the Series 2009C Bonds and the furtherance of the Program contemplated by this Resolution accomplish a valid public purpose of the Department by providing for the housing needs of persons and families of low, very low and extremely low income and families of moderate income in the State.

Section 4.4--Notice of Meeting. That written notice of the date, hour and place of the meeting of the Board at which this Resolution was considered and of the subject of this Resolution was furnished to the Secretary of State and posted on the Internet for at least seven (7) days preceding the convening of such meeting; that during regular office hours a computer terminal located in a place convenient to the public in the office of the Secretary of State was provided such that the general public could view such posting; that such meeting was open to the public as required by law at all times during which this Resolution and the subject matter hereof was discussed, considered and formally acted upon, all as required by the Open Meetings Act, Chapter 551, Texas Government Code, as amended; and that written notice of the date, hour and place of the meeting of the Board and of the subject of this Resolution was published in the Texas Register at least seven (7) days preceding the convening of such meeting, as required by the Administrative Procedure and Texas Register Act, Chapters 2001 and 2002, Texas Government Code, as amended. Additionally, all of the materials made available to the Board relevant to the subject of this Resolution were posted on the Department’s website not later than the third day before the date of the meeting of the Board at which this Resolution was considered, and any documents made available to the Board by the Department on the day of the meeting were also made available in hard-copy format to the members of the public in attendance at the meeting, as required by Section 2306.032, Texas Government Code, as amended.

Section 4.5--Effective Date. That this Resolution shall be in full force and effect from and upon its adoption.

[Signature page follows.]

PASSED AND APPROVED this 9th day of November, 2009.

Chairman, Governing Board

ATTEST:

Secretary to the Governing Board

(SEAL)

ALL DOCUMENTS REFERRED TO IN THE FOREGOING RESOLUTION ARE ATTACHED TO THE ORIGINAL COPY OF SAID RESOLUTION, WHICH IS ON FILE IN THE OFFICIAL RECORDS OF THE DEPARTMENT, AND EXECUTED COUNTERPARTS OF SUCH EXHIBITS ARE INCLUDED IN THE OFFICIAL TRANSCRIPT OF PROCEEDINGS RELATING TO THE SERIES 2009C BONDS.

**THIS ITEM HAS BEEN PULLED
FROM THE AGENDA**

**THIS ITEM HAS BEEN PULLED
FROM THE AGENDA**