

RESOLUTION NO. 26-015

RESOLUTION EVIDENCING THE DEPARTMENT'S INTENT TO REASSIGN ITS 2023 CARRYFORWARD DESIGNATION 23CF-016 (AIRPORT COMMERCE); 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, as amended, (the "Act") for the purpose, among others, of providing a means of financing the costs of residential ownership, developments and rehabilitation that will provide decent, safe, and affordable living environments for persons and families of low, very low and extremely low income and families of moderate income (all as defined in the Act); and

WHEREAS, the Act authorizes the Department: (a) to make mortgage loans to housing sponsors to provide financing for multifamily residential rental housing in the State of Texas (the "State") intended to be occupied by persons and families of low, very low and extremely low income and families of moderate income, as determined by the Department; (b) to issue its revenue bonds or notes for the purpose, among others, of obtaining funds to make such loans and provide financing, to establish necessary reserve funds and to pay administrative and other costs incurred in connection with the issuance of such bonds or notes; 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 multifamily residential rental development loans, and to mortgage, pledge or grant security interests in such loans or other property of the Department in order to secure the payment of the principal or redemption price of and interest on such bonds or notes; and

WHEREAS, Sections 103 and 142 of the Internal Revenue Code of 1986, as amended (the "Code"), provide that the interest on fully registered, qualified bonds issued by or on behalf of the state or its political subdivisions to finance qualified residential rental developments is excludable from gross income of the bondholders for federal income tax purposes if the requirements of Sections 141-150 of the Code are met; and

WHEREAS, Section 146(a) of the Code requires that the aggregate face amount of certain "private activity bonds" (as defined in Section 141(a) of the Code), when added to the aggregate face amount of tax-exempt private activity bonds previously issued by the issuer, does not exceed the issuer's volume cap for the applicable calendar year in order for such bonds to be treated as obligations the interest on which is excludable from the gross income of the holders thereof for federal income tax purposes; and

WHEREAS, the private activity bond "State Ceiling" (as defined in Section 146(d) of the Code) applicable to the State is subject to allocation, in the manner authorized by Section 146(e) of the Code, pursuant to Chapter 1372, Texas Government Code, as amended (the "Allocation Act"); and

WHEREAS, the Department previously received an allocation of volume cap through a carryforward designation (Docket No. 23CF-016) in the amount of \$29,000,000 on January 5, 2024 (the "Carryforward Designation"); and

WHEREAS, pursuant to Section 1372.074 of the Allocation Act, the Department desires to reassign all or a portion of the Carryforward Designation to one or more multifamily housing developments (the "Developments"); and

WHEREAS, the Board desires to take action declaring the Department's intent to reassign the Carryforward Designation to finance the Developments on the terms and conditions set out below.

NOW, THEREFORE, BE IT RESOLVED BY THE GOVERNING BOARD OF THE TEXAS DEPARTMENT OF HOUSING AND COMMUNITY AFFAIRS THAT:

ARTICLE 1

APPROVAL OF CERTAIN ACTIONS

Section 1.1 Reassignment of Carryforward. The Board hereby authorizes the reassignment of the Carryforward Designation to one or more Developments, and accordingly authorizes Bracewell LLP, as Bond Counsel to the Department, to file on its behalf with the Texas Bond Review Board evidence of such reassignment, together with any other documents and opinions required by the Texas Bond Review Board in connection therewith.

Section 1.2 Authorization of Certain Actions. The Authorized Representatives of the Department named in this Resolution are hereby authorized to take such actions on behalf of the Department as may be necessary to carry out the purposes of this Resolution.

Section 1.3 Authorized Representatives. 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 1: the Chair or Vice Chair of the Board, the Executive Director of the Department, the Director of Administration of the Department, the Director of Financial Administration of the Department, the Deputy Executive Director – Housing Finance of the Department, and the Secretary or any Assistant Secretary to the Board. Such persons are referred to herein collectively as the "Authorized Representatives." Any one of the Authorized Representatives is authorized to act individually as set forth in this Resolution.

ARTICLE 2

GENERAL PROVISIONS

Section 2.1 Notice of Meeting. This Resolution was considered and adopted at a meeting of the Board that was noticed, convened, and conducted in full compliance with the Texas Open Meetings Act, Chapter 551 of the Texas Government Code, and with Section 2306.032 of the Texas Government Code, regarding meetings of the Board.

Section 2.2 Effective Date. This Resolution shall be in full force and effect from and upon its adoption.

PASSED AND APPROVED this 4th day of June, 2026.