

**RESOLUTION APPROVING ASSIGNMENT OF PRIVATE ACTIVITY BOND AUTHORITY TO TEXAS DEPARTMENT OF HOUSING AND COMMUNITY AFFAIRS; AND CONTAINING OTHER PROVISIONS RELATING TO THE SUBJECT**

WHEREAS, The Southeast Texas Housing Finance Corporation (the “Corporation”) was created by the Texas Counties of Austin, Brazoria, Chambers, Galveston (excluding the City of Galveston), Liberty, Matagorda, Walker, Waller and Wharton and the Texas Cities of Baytown, Deer Park, Dickinson, La Marque, La Porte, Pasadena, Santa Fe, Texas City and Tomball pursuant to the provisions of the Texas Housing Finance Corporations Act, as amended, formerly Article 12691-7, Vernon's Annotated Texas Civil Statutes, and now codified as Texas Local Government Code, Chapter 394 (as it may be amended, the “Act”); and

WHEREAS, the Corporation has informed Galveston County, Texas (the “Sponsor”) that the Corporation has filed or intends to file with the Texas Bond Review Board an application in the 2026 program year for reservation of state ceiling for issuance of qualified mortgage revenue bonds in the maximum amount of \$70,000,000 (the “Reservation”); and

WHEREAS, the Corporation has informed the Sponsor that the Board of Directors of the Corporation has adopted or intends to adopt a resolution to delegate to the Texas Department of Housing and Community Affairs (“TDHCA”), pursuant to Chapter 394.032(e) of the Act, the authority to act on its behalf in the financing, refinancing, acquisition, leasing, ownership, improvement, and disposal of certain home mortgages or residential developments as permitted under the Act, including its authority to issue bonds for those purposes; and

WHEREAS, as a governmental unit that created the Corporation, the Commissioners Court of Galveston County, Texas (the “Governing Body”) desires to approve the assignment of the Reservation to TDHCA in accordance with Chapter 1372.044 of the Texas Government Code; and

WHEREAS, the Governing Body desires to approve the Assignment Agreement in substantially the form attached as Exhibit A between the Corporation and TDHCA (the “Assignment Agreement”); and

WHEREAS, it is deemed necessary and advisable that this Resolution be adopted;

THEREFORE, BE IT RESOLVED BY THE COMMISSIONERS COURT OF GALVESTON COUNTY, TEXAS THAT:


Section 1. The Governing Body specifically approves and consents to the assignment of the Reservation to TDHCA in accordance with Chapter 1372.044 of the Texas Government Code and approves the Assignment Agreement. The approval herein given is solely pursuant to Chapter 1372.044 of the Texas Government Code, and is not to be construed as any undertaking by the Sponsor, and it is expressly acknowledged that any bonds issued by TDHCA using the Reservation would be obligations only of TDHCA and shall never constitute an indebtedness or pledge, within the meaning of any constitutional or statutory provision, of the Corporation, the Sponsor or any other municipal or political corporation or subdivision of the State of Texas, and the holders of any such obligations shall never be paid in whole or in part out of any funds raised or to be raised by taxation or any other revenues of the Corporation, the Sponsor or any such municipal or political corporation or subdivision

Section 2. The County Judge of the Sponsor is hereby authorized, jointly and severally, to execute and deliver such endorsements, instruments, certificates, documents, or papers necessary and advisable to carry out the intent and purposes of this Resolution.

PASSED AND APPROVED on this June 22, 2026.

  
\_\_\_\_\_  
County Judge

(SEAL)

 ATTEST  
  
\_\_\_\_\_  
County Clerk

## SUPPLEMENTAL INFORMATION

For many years it has been very difficult for Local Housing Finance Agencies to issue Single Family Mortgage Revenue Bonds. In the past, when SETH contemplated the issuance of single family bonds, the issuance and non-origination fees would have been approximately \$1.7 Million for \$25,000,000 in mortgage originations. SETH would not have receive any contribution back.

This is a result of the statutory requirement that obligates local housing finance agencies (LHFAs) to reserve at least 50% of issued bonds for homebuyers with incomes below 80% of the area median income for at least 12 months. **State agencies do not have this requirement.** Because it is difficult to qualify these homebuyers, LHFAs often face non-origination fees when a bond issue is not fully committed.

We appreciate the Partnership with the State Agency. By transferring our Bond Allocations to TDHCA, SETH does not incur any costs and we are still able to serve the homebuyers in our jurisdictions, which include: **Texas Counties of** Austin, Brazoria, Chambers, Galveston (excluding the City of Galveston), Liberty, Matagorda, Walker, Waller and Wharton and the **Texas Cities of** Baytown, Deer Park, Dickinson, La Marque, La Porte, Pasadena, Santa Fe, Texas City and Tomball.

**FOLLOWING EXHIBITS:**  
Exhibit A – Assignment Agreement