



OVERSUBSCRIPTION FOR TEXAS MULTIFAMILY HOUSING PRIVATE ACTIVITY BOND VOLUME*

A Quick "Guestimate"

March 28, 2022



R. WADE NORRIS, ESQ.

NORRIS GEORGE & OSTROW PLLC

1627 Eye Street, N.W. | Suite 1220 | Washington, D.C. 20006

wnorris@ngomunis.com

202.973.0110 (O)

202.744.1888 (C)



ETHAN OSTROW, ESQ.

NORRIS GEORGE & OSTROW PLLC

1627 Eye Street, N.W. | Suite 1220 | Washington, D.C. 20006

eostrow@ngomunis.com

(202) 973-0111 (O)

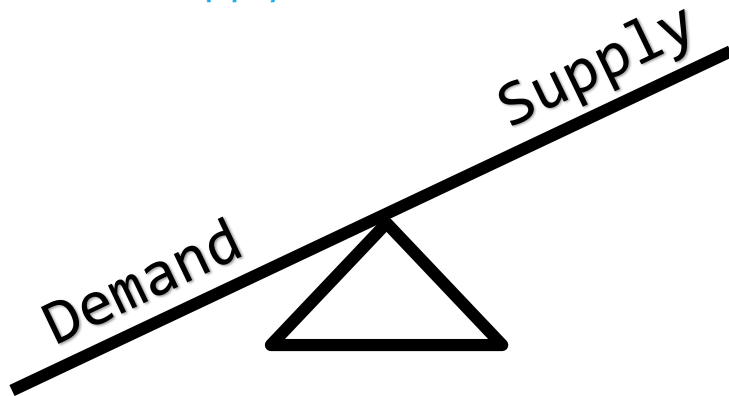
(617) 821-5958 (C)

* Copyright © by R. Wade Norris, Esq. March 17, 2022 All rights reserved. This document may not be reproduced without the prior written permission of the author.

We appreciate the generous assistance of Braxton Parsons of Hilltop Securities Inc. in the preparation of this presentation. However, the "guestimates" and other information set forth herein are solely those of the authors and in no way represent the views of Hilltop Securities Inc. with respect to the matters discussed herein.

It is no secret

that the demand for multifamily private activity bond volume in Texas now substantially exceeds the supply.



We reviewed the March 11, 2022 PAB Summary Spreadsheet from the Texas Bond Review Board.

STATE OF TEXAS 2016 PRIVATE ACTIVITY BOND ALLOCATION PROGRAM

STATUS OF 2022 ALLOCATION PROGRAM AS OF -

3/9/2022

	100.00%	32.25%	10.00%	2.00%	2.6250%	5.250%	18.375%	29.50%
	TOTAL	SC 1 MRB's	SC 2 State Voted	SC 3 IDBs	SC 4 TSAHC - MF	SC 4 TDHCA - MF	SC 4 Local HFC's MF	SC 5 All Other
2022 STATE CEILING	\$ 3,248,073,510	\$ 1,047,503,707	\$ 324,807,351	\$ 64,961,470	\$ 85,261,930	\$ 170,523,859	\$ 596,833,508	\$ 958,181,685
ELIGIBLE REQUESTS TO DATE	\$ 8,867,130,380	\$ 205,200,000	\$ 150,000,000	\$ -	\$ 43,000,000	\$ 615,560,000	\$ 5,040,160,881	\$ 2,813,209,499
RESERVATIONS TO DATE	\$ 2,235,015,881	\$ 205,200,000	\$ 150,000,000	\$ -	\$ 43,000,000	\$ 153,500,000	\$ 631,540,881	\$ 1,051,775,000
CERTIFIED TO DATE	\$ 1,815,240,000	\$ 205,200,000	\$ 150,000,000	\$ -	\$ 43,000,000	\$ 149,500,000	\$ 372,340,000	\$ 895,200,000
ALLOCATIONS TO DATE	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
RESERVATIONS RELEASED	\$ 264,900,000	\$ 205,200,000	\$ -	\$ -	\$ -	\$ 4,000,000	\$ 53,000,000	\$ 2,700,000
UNSATISFIED REQUESTS	\$ 6,632,114,499	\$ -	\$ -	\$ -	\$ -	\$ 462,060,000	\$ 4,408,620,000	\$ 1,761,434,499
CURRENT AVAILABLE ALLOCATION	\$ 1,433,182,629	\$ 1,047,503,707	\$ 174,807,351	\$ 64,961,470	\$ 42,261,930	\$ 21,023,859	\$ 23,942,627	\$ 58,681,685
CARRYFORWARD 2019	\$ 25,080,000	\$ 25,000,000.40	\$ -	N/A	\$ -	\$ -	\$ -	\$ 80,000
CARRYFORWARD 2020	\$ 610,040,284	\$ 430,662,636	\$ -	N/A	\$ -	\$ -	\$ 80,000,000	\$ 99,377,648
CARRYFORWARD 2021	\$ 1,434,428,302	\$ 1,020,949,325	\$ -	N/A	\$ 8,700,000	\$ -	\$ 280,235,715	\$ 124,543,262
	\$ 3,502,731,215	\$ 2,524,115,668.20	\$ 174,807,351	\$ 64,961,470	\$ 50,961,930	\$ 21,023,859	\$ 384,178,342	\$ 282,682,595

R. Wade Norris | wnorris@ngomunis.com | (202) 744-1888 (C)

Ethan Ostrow | eostrow@ngomunis.com | (617) 821-5958 (C)

Texas PAB Volume Breakdown

- In round numbers, we believe total available PAB Volume in Texas for 2022 is approximately:



- Of this, we believe requests for roughly \$2.14 billion were for activities other than multifamily.
- If those requests were funded we believe this would leave about \$3.18 Billion for multifamily.



- By our calculations, requests for multifamily volume as of March 11, 2022 were approximately \$5.01 Billion.
- This suggests that as of March 11, multifamily requests exceed the PAB volume that **may** be available for multifamily by roughly:



- Or, to say the same thing in another way, as of March 11, a very rough guesstimate of the level of oversubscription for multifamily PAB in Texas might be about:



Of course, this is truly, at best, a guesstimate

and it will change as the year
unfolds, possibly quite substantially.

At this stage one cannot say with a high degree of confidence, among other things, how many of these requests will ultimately be reserved, how many projects for which volume is reserved will close and use that volume versus those that do not, thus freeing up the volume that has been reserved for them, and whether there will be time for that volume to be allocated. These and other factors could cause the final allocations to vary quite substantially from any current guesstimate of this type.

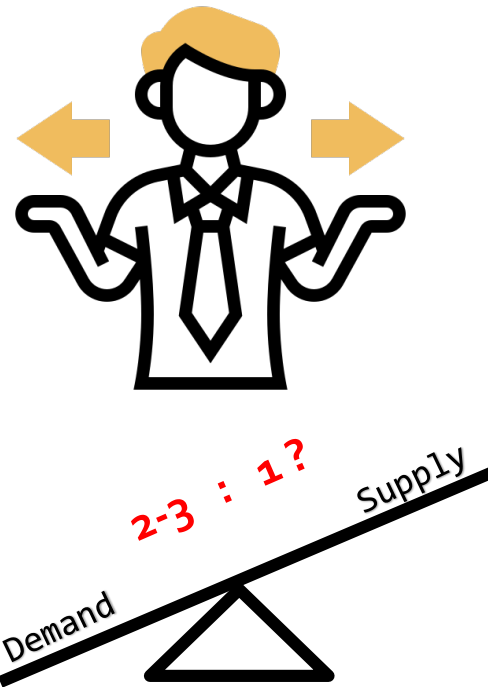


Moreover, the true degree to which demand exceeds supply

is probably greater than the above by a significant factor

because the now reduced probability of receiving a multifamily PAB allocation in Texas may have persuaded a number of developers to reposition their projects and to not even apply.

Some knowledgeable players think the level of “oversubscription” could be 2:1 or 3:1 or greater.





R. WADE NORRIS, ESQ.

wnorris@ngomunis.com
(202) 973-0110 (O)
(202) 744-1888 (C)

RYAN GEORGE, ESQ.

rgeorge@ngomunis.com
(502) 614-6853 (O)
(703) 867-1109 (C)

ETHAN OSTROW, ESQ.

eostrow@ngomunis.com
(202) 973-0111 (O)
(617) 821-5958 (C)

CATHERINE WOLTERING, ESQ.

cwoltering@ngomunis.com
(740) 504-7723 (C)

RANDAL S. PUTNAM, ESQ.

rputnam@ngomunis.com
(518) 729-3965 (O)
(402) 578-6205 (C)

KIM GRIFFITH, ESQ.

kgriiffith@ngomunis.com
(202) 973-0109 (O)
(571) 243-9404 (C)

TOM DOWNEY, ESQ.

tdowney@ngomunis.com
(415) 260-4674 (O)
(415) 260-4674 (C)

REGGIE NORRIS, ESQ.

rnorris@ngomunis.com
(202) 441-3996 (O)

MATT HOOD, ESQ.

mhood@ngomunis.com
(407) 456-4952 (C)

JACK OLSON, ESQ.*

jolsen@ngomunis.com
(602) 663-7723 (C)

CASSANDRA PEREDA, ESQ.

cpereda@ngomunis.com
(850) 557-1384 (C)

MR. KEVIN EGAN

kegan@ngomunis.com
(202) 973-0123 (O)

MS. RAQUEL JONES

rjones@ngomunis.com
(202) 973-0120 (O)

MR. BRIAN JOHNSON

bjohnson@ngomunis.com
(614) 352-9337 (C)

MS. ISABELLE YOURICK

iyourick@ngomunis.com
(443) 878-5985 (C)

MS. ROSE FOX

rfox@ngomunis.com
(973) 714-8632 (C)

NORRIS GEORGE & OSTROW PLLC

1627 Eye Street, N.W., Suite 1220

Washington, D.C. 20006

www.ngomunis.com

* Member of the Virginia State Bar; D.C. Application submitted, admission pending.