

# **BOARD MEETING OF DECEMBER 13, 2012**

**J. Paul Ozer, Chair**



**TEXAS DEPARTMENT OF  
HOUSING & COMMUNITY AFFAIRS**  
*Building Homes. Strengthening Communities.*

Tom Gann, Vice-Chair  
Leslie Bingham Escareño, Member  
Lowell Keig, Member  
Juan Muñoz, Member  
J. Mark McWatters, Member

**TEXAS DEPARTMENT OF HOUSING AND COMMUNITY AFFAIRS  
BOARD MEETING**

**A G E N D A**

**10:00 a.m.  
December 13, 2012**

Capitol Extension, Room E1.028  
1500 North Congress Ave.  
Austin, TX

CALL TO ORDER, ROLL CALL  
CERTIFICATION OF QUORUM

J. Paul Oxeer, Chairman

*Pledge of Allegiance - I pledge allegiance to the flag of the United States of America, and to the republic for which it stands, one nation under God, indivisible, with liberty and justice for all.*

*Texas Allegiance - Honor the Texas flag; I pledge allegiance to thee, Texas, one state under God, one and indivisible.*

**CONSENT AGENDA**

Items on the Consent Agenda may be removed at the request of any Board member and considered at another appropriate time on this agenda. Placement on the Consent Agenda does not limit the possibility of any presentation, discussion, or action at this meeting. Under no circumstances does the Consent Agenda alter any requirements under Chapter 551 of the Texas Government Code, Texas Open Meetings Act.

**ITEM 1: APPROVAL OF THE FOLLOWING ITEMS PRESENTED IN THE BOARD MATERIALS:**

***EXECUTIVE:***

- a) Presentation, Discussion, and Possible Action on the Board Minutes Summary for November 13, 2012
- b) Presentation, Discussion, and Possible Action superseding Resolution No. 12-019 in the adoption of Resolution No. 13-012, Designating Signature Authority

**Brooke Boston**  
Board Secretary

***ASSET MANAGEMENT:***

- c) Presentation, Discussion, and Possible Action to approve Housing Tax Credit Amendments

**Cari Garcia**  
Dir. Asset Management

11009	Sunflower Estates	La Feria
10266	Travis Street Plaza	Houston
12002	Riverwood Commons	Bastrop
12367	Justice Park Senior Villas	Houston

- d) Presentation, Discussion, and Possible Action on the issuance of a Request for Proposal for the procurement of property management and appraisal services in Real Estate

***COMMUNITY AFFAIRS:***

- e) Presentation, Discussion, and Possible Action on a Requests for Applications (RFA) to administer the Community Services Block Grant (CSBG) and Comprehensive Energy Assistance Program (CEAP) in Edwards, Kinney, Real, Uvalde, Val Verde and Zavala Counties
- f) Presentation, Discussion, and Possible Action on Approval of the Draft FFY 2013 Department of Energy (DOE) Weatherization Assistance Program (WAP) State Plan for Public Comment

**Michael DeYoung**  
Assist. DED, Network & Customer Service

***MULTIFAMILY FINANCE DIVISION:***

- g) Presentation, Discussion, and Possible Action regarding Awards of HOME funds from the 2012-1 HOME Multifamily Development Program Notice of Funding Availability

**Cameron Dorsey**  
Dir. Multifamily Finance

12336	The Residences of Solms Village	New Braunfels
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- h) Presentation, Discussion, and Possible Action on Determination Notices for Housing Tax Credits with another Issuer

12412	Villas at Colt Run	Houston
12415	San Juan Square III	San Antonio

- i) Presentation, Discussion, and Possible Action regarding the status of the 2012 Competitive (9%) Housing Tax Credit Application Cycle

**NEIGHBORHOOD STABILIZATION PROGRAM:**

- j) Presentation, Discussion, and Possible Action to approve a waiver of NSP1 NOFA requirements

77090000110 City of Galveston Galveston

- k) Presentation, Discussion, and Possible Action regarding an amendment to an NSP1 Contract

77090000158 City of Odessa Odessa

- l) Presentation, Discussion, and Possible Action regarding publication of the Neighborhood Stabilization Program Three (NSP3) Fourth Substantial Amendment to the One Year Action Plan for public comment and submission to HUD

**TEXAS HOMEOWNERSHIP:**

- m) Presentation, Discussion, and Possible Action regarding submission of an application to NeighborWorks America for the National Foreclosure Mitigation Counseling (NFMC) Program, Round 7

**RULES:**

- n) Presentation, Discussion, and Possible Action on an order adopting amendments to 10 TAC Chapter 5, Community Affairs Programs, Subchapter A, General Provisions, §§5.2 - 5.5, 5.7, 5.9 - 5.14, 5.16, 5.17, 5.19 - 5.22, and an order adopting new §5.23 concerning Protected Health Information and directing their publication in the *Texas Register*

- o) Presentation, Discussion, and Possible Action on an order adopting amendments to 10 TAC Chapter 5, Community Affairs Programs, Subchapter B, Community Services Block Grant (CSBG) §§5.201, 5.203 - 5.207 and 5.210 - 5.217, and directing their publication in the *Texas Register*

- p) Presentation, Discussion, and Possible Action on an order adopting amendments to 10 TAC Chapter 5, Community Affairs Programs, Subchapter D, Comprehensive Energy Assistance Program (CEAP) §§5.401 - 5.408, 5.421 - 5.423, and 5.430 - 5.432, an order adopting the repeal of §§5.424 and 5.425, and an order adopting new §5.424 concerning Utility Assistance Component, and directing their publication in the *Texas Register*

- q) Presentation, Discussion, and Possible Action on an order adopting amendments to 10 TAC Chapter 5, Community Affairs Programs, Subchapter F, Weatherization Assistance Program Department of Energy, §5.601 concerning DOE Cost Principles and Administrative Requirements, and directing their publication in the *Texas Register*

- r) Presentation, Discussion, and Possible Action on an order adopting the repeal of 10 TAC Chapter 5, Community Affairs Programs, Subchapter I, concerning Weatherization Assistance Program Department of Energy American Recovery and Reinvestment Act (WAP ARRA), and directing its publication in the *Texas Register*

- s) Presentation, Discussion, and Possible Action on the 2013 State of Texas Low Income Housing Plan and Annual Report (Draft for Public Comment), and proposed amendment to 10 TAC §1.23, 2013, State of Texas Low Income Housing Plan and Annual Report (SLIHP), Adoption by Reference, for publication in the *Texas Register* for public comment

**Marni Holloway**  
Dir. Neighborhood Stabilization

**Eric Pike**  
Dir. Texas Homeownership

**Michael DeYoung**  
Assist. DED, Network & Customer Service

**Elizabeth Yevich**  
Dir. Housing Resource Center

The Board accepts the following reports:

1. Status Report on the HOME Program Contracts and Reservation System
2. TDHCA Outreach Activities, November 2012
3. NSP OIG decision

**Sara Newsom**  
Dir. HOME

**Michael Lyttle**  
Dir. External Affairs

**Marni Holloway**  
Dir. Neighborhood Stabilization

**ACTION ITEMS**

**ITEM 2: ARRA:**

Presentation and Discussion of a final Report on TDHCA's successful implementation of the American Recovery and Reinvestment Act of 2009 (Recovery Act)

**Brooke Boston**  
DED SF, CA & Metrics

**ITEM 3: COMMUNITY AFFAIRS:**

- a) Presentation, Discussion, and Possible Action on approval of the Program Year 2013 Community Service Block Grant (CSBG) Awards
- b) Presentation, Discussion, and Possible Action on the award of Program Year 2013 Comprehensive Energy Assistance Program (CEAP) funds

**Michael DeYoung**  
 Assist. DED, Network & Customer Service

**ITEM 4: MULTIFAMILY FINANCE:**

Presentation, Discussion, and Possible Action to adopt a process for receipt and review of certain HOME Multifamily Development Program (MFD) applications prior to execution of a grant agreement with HUD for such funds

**Cameron Dorsey**  
 Dir. Multifamily Finance

**ITEM 5: NEIGHBORHOOD STABILIZATION PROGRAM:**

Presentation, Discussion, and Possible Action to authorize emergency action by the Executive Director as necessary for adherence to deadlines established by law for NSP1 and NSP3

**Marni Holloway**  
 Dir. Neighborhood Stabilization

**PUBLIC COMMENT ON MATTERS OTHER THAN ITEMS FOR WHICH THERE WERE POSTED AGENDA ITEMS.**

**EXECUTIVE SESSION**

The Board may go into Executive Session (close its meeting to the public):

**J. Paul Oxer**  
 Chairman

1. The Board may go into Executive Session Pursuant to Tex Gov't Code, §551.074 for the purposes of discussing personnel matters including to deliberate the appointment, employment, evaluation, reassignment, duties, discipline, or dismissal of a public officer or employee.
2. Pursuant to Tex. Gov't. Code, §551.071(1) to seek the advice of its attorney about pending or contemplated litigation or a settlement offer, including:
  - a) *The Inclusive Communities Project, Inc. v. Texas Department of Housing and Community Affairs, et al. filed in federal district court, Northern District of Texas*
  - b) *Pineywoods Home Team Affordable Housing, Inc.; US Bankruptcy Court, Eastern District of Texas; Cause # 12-90255.*
3. Pursuant to Tex. Gov't. Code, §551.071(2) for the purpose of seeking the advice of its attorney about any posted matter in which the duty of the attorney to the governmental body under the Texas Disciplinary Rules of Professional Conduct of the State Bar of Texas clearly conflicts with Tex. Gov't. Code, Chapter 551.
4. Pursuant to Tex. Gov't. Code, §551.072 to deliberate the possible purchase, sale, exchange, or lease of real estate because it would have a material detrimental effect on the Department's ability to negotiate with a third person.
5. Pursuant to Tex. Gov't. Code, §2306.039(c) the Department's internal auditor, fraud prevention coordinator or ethics advisor may meet in an executive session of the Board to discuss issues related to fraud, waste or abuse.
  - a) *Report*

**OPEN SESSION**

If there is an Executive Session, the Board will reconvene in Open Session. Except as specifically authorized by applicable law, the Board may not take any actions in Executive Session

**ADJOURN**

*To access this agenda & details on each agenda item in the board book, please visit our website at [www.tdhca.state.tx.us](http://www.tdhca.state.tx.us) or contact Nidia Hiroms, 512-475-3930; TDHCA, 221 East 11<sup>th</sup> Street, Austin, Texas 78701, and request the information. Individuals who require auxiliary aids, services or sign language interpreters for this meeting should contact Gina Esteves, ADA Responsible Employee, at 512-475-3943 or Relay Texas at 1-800-735-2989 at least two days before the meeting so that appropriate arrangements can be made. Non-English speaking individuals who require interpreters for this meeting should contact Nidia Hiroms, 512-475-3930 at least three days before the meeting so that appropriate arrangements can be made.*

*Personas que hablan español y requieren un intérprete, favor de llamar a Jorge Reyes al siguiente número (512) 475-4577 por lo menos tres días antes de la junta para hacer los preparativos apropiados.*

1a

**BOARD ACTION REQUEST**  
**BOARD SECRETARY**  
**DECEMBER 13, 2012**

Presentation, Discussion, and Possible Action on the Board Minutes Summary for November 13, 2012

**RECOMMENDED ACTION**

Approve Board Minutes Summary for November 13, 2012.

**RESOLVED**, that the Board Minutes Summary for November 13, 2012, is hereby approved as presented.

TEXAS DEPARTMENT OF HOUSING AND COMMUNITY AFFAIRS  
BOARD MEETING

November 13, 2012  
10:00 A.M.

CAPITOL EXTENSION, E2.028  
1500 NORTH CONGRESS AVE., AUSTIN, TX

SUMMARY OF MINUTES

**CALL TO ORDER, ROLL CALL, CERTIFICATION OF QUORUM**

The Board Meeting of the Texas Department of Housing and Community Affairs of November 13, 2012, was called to order by J. Paul Oxeer, Chair, at 10:02 a.m. It was held at the Capitol Extension, E2.028, 1500 North Congress Ave, Austin, Texas. Roll call certified a quorum was present.

**MEMBERS PRESENT:**

J. Paul Oxeer, Chair  
Tom H. Gann, Vice-Chair  
Lowell Keig  
J. Mark McWatters  
Juan Muñoz

**CONSENT AGENDA**

Items on the Consent Agenda may be removed at the request of any Board member and considered at another appropriate time on this agenda. Placement on the Consent Agenda does not limit the possibility of any presentation, discussion or approval at this meeting. Under no circumstances does the Consent Agenda alter any requirements under Chapter 551 of the Texas Government Code, Texas Open Meetings Act.

**AGENDA ITEM 1: APPROVAL OF THE FOLLOWING ITEMS PRESENTED IN THE BOARD MATERIALS:**

*EXECUTIVE*

- a) Presentation, Discussion, and Possible Action regarding the Board Minutes Summary for October 9, 2012
- b) Presentation, Discussion, and Possible Action superseding Resolution No. 12-019 in the adoption of Resolution No. 13-012, Designating Signature Authority

**Agenda item 1b was pulled for consideration in December**

*FINANCIAL*

- c) Presentation of the Department's 4th Quarter Investment Report in accordance with the Public Funds Investment Act (PFIA)

*ASSET MANAGEMENT*

- d) Presentation, Discussion, and Possible Action to approve Housing Tax Credit Amendments
  - 1001501 Artisan at Dilley Dilley
  - 09928 Heritage Park Vista Apartments Fort Worth
  - 12393 Highland Villas Bryan
  - 12053 The Manor at Hancock Park Lampasas
- e) Presentation, Discussion, and Possible Action to approve Material Amendments to Land Use Restriction Agreements
  - MF011 Heritage Square Apartments Dallas
  - MF012 The Highlands Apartments Dallas
- f) Presentation, Discussion, and Possible Action to approve the use of program income from the Tax Credit Assistance Program as a source of funds for workout transactions in Asset Management

*BOND FINANCE*

- g) Presentation, Discussion, and Possible Acceptance of the Department's 4th Quarter Investment Report relating to funds

held under Bond Trust Indentures

- h) Presentation, Discussion, and Possible Action adopting Resolution No. 13-013 authorizing application to the Texas Bond Review Board for reservation of the 2012 single family private activity bond authority carry forward from the Unencumbered State Ceiling
- i) Presentation, Discussion, and Possible Action on Resolution No. 13-014 authorizing the sale of mortgage certificates and redemption of bonds from Residential Mortgage Revenue Bonds Series 2009C-4
- j) Presentation, Discussion, and Possible Action on Resolution No. 13-015 authorizing the sale of mortgage certificates and redemption of bonds from Residential Mortgage Revenue Bonds Series 2003A

**COMMUNITY AFFAIRS**

- k) Presentation, Discussion, and Possible Action on the 2013 Section 8 Payment Standards for Housing Choice Voucher Program (HCVP)
- l) Presentation, Discussion, and Possible Action to authorize the Department to release an Emergency Solutions Grants Program Contract to Family Endeavors using Community Services Block Grant Discretionary funds and to fully expend the balance of 2012 CSBG Discretionary Fund for other ESG entities

**COMPLIANCE**

- m) Presentation, Discussion, and Possible Action on a Request for Proposals for Uniform Physical Condition Standards (UPCS) Inspections

**HOUSING RESOURCE CENTER**

- n) Presentation, Discussion, and Possible Action on the 2013 State of Texas Consolidated Plan: One-Year Action Plan

**MULTIFAMILY FINANCE**

- o) Presentation, Discussion, and Possible Action to adopt the 2013 Multifamily Programs Procedures Manual
- p) Presentation, Discussion, and Possible Action to waive the Neighborhood Stabilization Program (NSP) requirements for loan repayment for The Works at Pleasant Valley (#2011-507)
- q) Presentation, Discussion, and Possible Action to award Neighborhood Stabilization Program funds for Multifamily Development  
2012-602 Pepper Tree Apartments Houston
- r) Presentation, Discussion, and Possible Action to adopt Inducement Resolution No. 13-017 for Multifamily Housing Revenue Bonds and an Authorization for Filing Applications for Private Activity Bond Authority – 2012 Waiting List  
12609 The Overlook at Trinity River Fort Worth

**RULES**

- s) Presentation, Discussion, and Possible Action on orders adopting the repeals of 10 TAC Chapter 35, 2011 Multifamily Housing Revenue Bond Rules and Chapter 33, 2012 Multifamily Housing Revenue Bond Rules; and an order adopting new 10 TAC, Chapter 12, Multifamily Housing Revenue Bond Rules and directing their publication in the *Texas Register*
- t) Presentation, Discussion, and Possible Action on an order adopting the repeal of 10 TAC Chapter 60, Compliance Administration, Subchapter A, Compliance Monitoring, and an order adopting new 10 TAC Chapter 10, Uniform Multifamily Rules, Subchapter F, Compliance Monitoring, and directing their publication in the *Texas Register*
- u) Presentation, Discussion, and Possible Action on an order adopting new 10 TAC, Chapter 1, Administration, Subchapter A General Policies and Procedures, §1.5 and directing its publication in the *Texas Register*
- v) Presentation, Discussion, and Possible Action on an order adopting the repeal of 10 TAC Chapter 1, Administration, Subchapter B, Underwriting, Market Analysis, Appraisal, Environmental Site Assessment, Property Condition Assessment, and Reserve for Replacement Rules and Guidelines, and an order adopting new 10 TAC Chapter 10, Uniform Multifamily Rules, Subchapter D, Underwriting and Loan Policies and directing their publication in the *Texas Register*
- w) Presentation, Discussion, and Possible Action on an order withdrawing the proposed repeal of 10 TAC, Chapter 1, Administration, Subchapter A, General Policies and Procedures, §1.19, Deobligated Funds, and withdrawing proposed new 10 TAC Chapter 1, Administration, Subchapter A, General Policies and Procedures, §1.19, Reobligation of Deobligated Funds and Other Related Sources of Funds and directing their publication in the *Texas Register*



- x) Presentation, Discussion, and Possible Adoption on an order amending 10 TAC Chapter 5, Community Affairs Programs, Subchapter H, Section 8 Housing Choice Voucher Program, §5.801, concerning Project Access Initiative and directing its publication in the *Texas Register*

## REPORT ITEMS

The Board accepts the following reports:

1. Presentation and Discussion of the Status Report on the Implementation of the American Recovery and Reinvestment Act of 2009 (Recovery Act)
2. Status Report on the HOME Program Contracts and Reservation System Participants
3. TDHCA Outreach Activities, October 2012

**Motion by Tom Gann to approve the Consent Agenda with the exception of Item 1b which was pulled from the Agenda to be considered at the December 2012 Board meeting; duly seconded by Juan Muñoz**

Cynthia Bast, Locke Lord, provided testimony on Item 1t, the proposed compliance rules, concerning utility allowances

**Motion passed unanimously.**

## ACTION ITEMS

At the Board Chair's discretion, Items on the Agenda were taken out of order.

### AGENDA ITEM 3: COMPLIANCE:

Presentation, Discussion, and Possible Action on request for reinstatement for Edcouch Seniors HTC Application #12411 and Riverside Gardens HTC Application #12414

**Motion by Lowell Keig to accept staff's recommendation to deny the request for reinstatement as presented; duly seconded by Mark McWatters**

Alfredo Izmajtovich, Executive Vice President, Cesar Chavez Foundation, provided testimony in support of the reinstatement.

Juan Cedillo, Edcouch City Manager, provided testimony on Edcouch Seniors.

Barry Palmer provided testimony on Edcouch Seniors.

**Motion by Lowell Keig to withdraw his motion to deny the request for reinstatement, second was withdrawn by Mark McWatters. Motion by Lowell Keig to table the item until the December 2012 Board meeting; duly seconded by Juan Muñoz; motion passed unanimously.**

The Honorable State Representative Jose Menendez, provided testimony in support of the QAP comments made by the San Antonio Housing Authority.

### AGENDA ITEM 2: BOND FINANCE:

Presentation, Discussion, and Possible Action on Resolution No. 13-016 authorizing Taxable Down Payment Assistance Revenue Bonds Series 2012

**Motion by Tom Gann to approve Resolution No. 13-016 as modified; duly seconded by Lowell Keig; motion passed unanimously.**

The Board took a brief recess at 11:25 a.m. and resumed at 11:45 a.m.

### AGENDA ITEM 4: PROGRAM SERVICES:

Update on the Status of the Preparation of the State of Texas Plan for Fair Housing Choice: Analysis of Impediments  
**Status report item only. No action required.**

### AGENDA ITEM 5: HOUSING RESOURCE CENTER:

Presentation, Discussion, and Possible Action on the 2013 Regional Allocation Formula Methodology

**Motion by Juan Muñoz to approve staff recommendation to accept the 2013 Regional Allocation Formula Methodology; duly seconded by Lowell Keig; motion passed unanimously.**

**AGENDA ITEM 6: MULTIFAMILY FINANCE:**

- a) Presentation, Discussion, and Possible Action on an Unacceptable Site Determination for the competitive housing tax credit application for Amberwood Place (#12067)

Lisa Stephens, Sagebrook Development, provided testimony in support of Amberwood Place.

**Motion by Lowell Keig to accept materials submitted by applicant as evidence of an acceptable site and deny the challenge; duly seconded by Tom Gann; motion passed unanimously.**

- b) Presentation, Discussion, and Possible Action related to scoring for the competitive housing tax credit application for Stonebridge at Kelsey Park (#12269)

**Motion by Tom Gann to grant points related to scoring as presented; duly seconded by Juan Muñoz**

Kelly Garrett provided testimony in support of the Stonebridge at Kelsey Park.

Paul Holden, Wilhoit Properties, provided testimony in opposition to request.

Dru Childre provided testimony in support of the Stonebridge at Kelsey Park.

**Motion passed unanimously.**

**EXECUTIVE SESSION**

**At 12:33 p.m. Chairman Oxer convened the Executive Session.**

1. The Board may go into Executive Session Pursuant to Texas Government Code §551.074 for the purposes of discussing personnel matters including to deliberate the appointment, employment, evaluation, reassignment, duties, discipline, or dismissal of a public officer or employee.
2. Pursuant to Tex. Gov't. Code, §551.071(1) to seek the advice of its attorney about pending or contemplated litigation or a settlement offer, including:
  - a) *The Inclusive Communities Project, Inc. v. Texas Department of Housing and Community Affairs, et al. filed in federal district court, Northern District of Texas*
  - b) *Pineywoods Home Team Affordable Housing, Inc.; US Bankruptcy Court, Eastern District of Texas; Cause # 12-90255.*
3. Pursuant to Tex. Gov't. Code, §551.071(2) for the purpose of seeking the advice of its attorney about any posted matter in which the duty of the attorney to the governmental body under the Texas Disciplinary Rules of Professional Conduct of the State Bar of Texas clearly conflicts with Tex. Gov't. Code, Chapter 551,
4. Pursuant to Tex. Gov't. Code, §551.072 to deliberate the possible purchase, sale, exchange, or lease of real estate because it would have a material detrimental effect on the Department's ability to negotiate with a third person; and/or-
5. Pursuant to Tex. Gov't. Code, §2306.039(c) the Department's internal auditor, fraud prevention coordinator or ethics advisor may meet in an executive session of the Board to discuss issues related to fraud, waste or abuse.
  - a) *Report*

**OPEN SESSION**

At 1:45 p.m. Chairman Oxer reconvened the Open Session and announced that No Action had been taken during the Executive Session and certified that the posted agenda had been followed.

**AGENDA ITEM 7: RULES:**

- a) Presentation, Discussion, and Possible Action on orders adopting the repeals of 10 TAC, Chapter 1, Administration, Subchapter A, General Policies and Procedures, §1.1, Definitions and Amenities for Housing Program Activities; Chapter 53, HOME Program Rules, Subchapter A, General, Subchapter B, Availability of Federal Funds, Application Requirements, and Review and Award Procedures; Subchapter H, Multifamily (Rental Housing) Development (MFD) Program Activity; and Subchapter I, Community Housing Development Organization (CHDO); and orders adopting new 10 TAC Chapter 10, Uniform Multifamily Rules, Subchapter A, General Information and Definitions; Subchapter B, Site and Development Restrictions and Requirements; Subchapter C, Application Submission Requirements, Ineligibility Criteria, Board Decisions and Waiver of Rules; and Subchapter G, Fee Schedule, Appeals, and Other Provisions and directing their publication in the *Texas Register*

**Motion by Tom Gann to accept staff recommendation to adopt the repeals of 10 TAC, Chapter 1, Administration, Subchapter A, General Policies and Procedures, §1.1, Definitions and Amenities for Housing Program Activities; Chapter 53, HOME Program Rules, Subchapter A, General, Subchapter B, Availability of Federal Funds, Application Requirements, and Review and Award Procedures; Subchapter H, Multifamily (Rental Housing) Development (MFD) Program Activity; and Subchapter I, Community Housing Development Organization (CHDO); and orders adopting**

new 10 TAC Chapter 10, Uniform Multifamily Rules, Subchapter A, General Information and Definitions; Subchapter B, Site and Development Restrictions and Requirements; Subchapter C, Application Submission Requirements, Ineligibility Criteria, Board Decisions and Waiver of Rules; and Subchapter G, Fee Schedule, Appeals, and Other Provisions and directing their publication in the *Texas Register*; duly seconded by Juan Muñoz

Claire Palmer, Stoneleaf, provided testimony on the definition of feasibility study.

Casey Bump, Bonner Carrington, provided testimony on the proximity to amenities.

Barry Kahn, TAAHP, provided testimony on Chapter 10.

Sarah Anderson, on behalf of TAAHP, provided testimony on the undesirable site features.

Walter Moreau, Foundation Communities, provided testimony on green building practices.

Commander Bill Cantrell, Hill Country Veteran's Alliance, provided testimony on the veteran's set-aside.

Colonel Vickie Marsh, Hill Country Veteran's Alliance, provided testimony on the veteran's set-aside.

**Motion by Lowell Keig to adopt the staff recommendation, as amended, for any development exceeding 40 units, two points for common amenities must come from the list of green building amenities; duly seconded by Juan Muñoz ; motion passed unanimously.**

**At the Board Chair's discretion, Items on the Agenda were taken out of order**

- c) Presentation, Discussion, and Possible Action on an order adopting the repeals of 10 TAC Chapter 1, Administration, Subchapter A, General Policies and Procedures, §§1.9, 1.25, and an order adopting new 10 TAC Chapter 10, Uniform Multifamily Rules, Subchapter E, Post Award and Asset Management Requirements and directing their publication in the *Texas Register*

**Motion by Lowell Keig to adopt staff's recommendation to adopt the repeals of 10 TAC Chapter 1, Administration, Subchapter A, General Policies and Procedures, §§1.9, 1.25, and an order adopting new 10 TAC Chapter 10, Uniform Multifamily Rules, Subchapter E, Post Award and Asset Management Requirements and directing their publication in the *Texas Register*; duly seconded by Juan Muñoz**

Walter Moreau, Foundation Communities, provided testimony in support of staff's recommendation

**Motion passed unanimously.**

- b) Presentation, Discussion, and Possible Action on orders adopting the repeals of 10 TAC Chapter 49, 2011 Housing Tax Credit Qualified Allocation Plan and Chapter 50, 2012 Housing Tax Credit Qualified Allocation Plan; and an order adopting new 10 TAC Chapter 11, Housing Tax Credit Program Qualified Allocation Plan and directing its publication in the *Texas Register*

**Motion by Lowell Keig to approve staff's recommendation as amended to adopt the repeal of 10 TAC Chapter 49, 2011 Housing Tax Credit Qualified Allocation Plan and Chapter 50, 2012 Housing Tax Credit Qualified Allocation Plan, as revised; and an order adopting new 10 TAC Chapter 11, Housing Tax Credit Program Qualified Allocation Plan and directing its publication in the *Texas Register*; duly seconded by Tom Gann;**

Michael Lyttle, TDHCA Director of External Affairs read into record letters from The Honorable State Representative Leticia Van de Putte, The Honorable State Senator Troy Frasier, and The Honorable State Senator Rafael Anchia, The Honorable State Senator Eric Johnson.

#### COMMENT:

##### Development Funding for Local Political Subdivision

Michael Spurlock, General Counsel, Housing Authority City of El Paso, provided testimony in opposition to the provision that would prevent housing authorities from receiving credit points from their contributions to a project.

Dorothy Hopkins, Frasier Revitalization, provided testimony on the local government development funding scoring point difference should be greater.

Horace Allison, Harris County Housing Authority, provided testimony in opposition on the local government development funding scoring as it relates to housing authorities.

Granger MacDonald provided testimony requesting HOME funds in rural areas be counted for averaging.

Dan Allgeier, on behalf of TAAHP, provided testimony on the local government development funding scoring.

Lourdes Castro Ramirez, President and CEO, San Antonio Housing Authority, provided testimony on the local government development funding scoring section of the QAP.

Stan Waterhouse, Chief Operating Officer, Housing Authority for the City of El Paso, provided testimony on the related

parties portion of the QAP.

Frank Ansa provided testimony on the related parties portion of the QAP.

Ike Monty provided testimony on the related parties portion of the QAP.

Tamea Dula, Coats Rose, provided testimony on the related parties portion of the QAP.

Bobby Bowling provided testimony in support of staff recommendation.

Michael Hartman, Tejas Housing, provided testimony in support of staff recommendation.

Kathy McCormick provided testimony on the QAP.

Terri Anderson provided testimony on the QAP.

Donna Rickenbacker, Marquee Real Estate Consultants, provided testimony the scoring.

Stan Waterhouse Chief Operating Officer, Housing Authority for the City of El Paso, provided testimony on the QAP.

Bobby Bowling provided testimony on the leveraging.

Tamea Dula, Coats Rose, provided testimony on public/private partnerships.

### **Cost per square foot**

Barry Kahn, TAAHP, provided testimony.

Joy Horak Brown, New Hope Housing, provided testimony.

Claire Palmer, Stoneleaf, provided testimony.

Terri Anderson provided testimony.

Joy Horak Brown, New Hope Housing, provided testimony.

Janine Sisak, JSA Development, provided testimony on community revitalization.

Sarah Anderson, S2A Development Consulting, provided testimony on the legislative intent of the cost per square foot and the regional differences.

### **Opportunity Index**

Dennis Hoover, on behalf of Rural Rental Housing Association and QAP Committee, provided testimony.

Granger MacDonald provided testimony.

Jot Couch, Texas Interfaith Housing, provided testimony.

Hank Lawson provided testimony.

Ginger McGuire, on behalf of Rural Rental Housing Association, provided testimony.

Claire Palmer, Stoneleaf, provided testimony.

Donna Rickenbacker, Marquee Real Estate Consultants, provided testimony.

Dan Allgeier provided testimony.

Michele Atkins, Assistant Board Secretary, read into record opposition from Mike Sugrue against staff recommendations on senior housing.

### **Community Revitalization**

Dorothy Hopkins provided testimony.

Veronica Chapa-Jones provided testimony.

Barry Kahn, TAAHP, provided testimony.

Granger MacDonald provided testimony.

### **Sponsor Characteristics**

Bobby Bowling provided testimony .

Granger MacDonald provided testimony .

Donna Rickenbacker, Marquee Real Estate Consultants, provided testimony.

Michael Hartman, Tejas Housing, provided testimony.

Claire Palmer, Stoneleaf, provided testimony.

Terri Anderson provided testimony.

Sarah Anderson, S2A Development Consulting, provided testimony.

### **Point Deduction**

Bobby Bowling provided testimony.

Barry Kahn, TAAHP, provided testimony.

Janine Sisak, JSA Development, provided testimony.

The Record reflects that Juan Muñoz departed at 5:10 p.m.

The Board took a brief recess at 5:21 p.m. and resumed at 5:35 p.m.

## EXECUTIVE SESSION

At 5:36 p.m. Chairman Oxer convened the Executive Session.

1. The Board may go into Executive Session Pursuant to Texas Government Code §551.074 for the purposes of discussing personnel matters including to deliberate the appointment, employment, evaluation, reassignment, duties, discipline, or dismissal of a public officer or employee.
2. Pursuant to Tex. Gov't. Code, §551.071(1) to seek the advice of its attorney about pending or contemplated litigation or a settlement offer, including:
  - a) *The Inclusive Communities Project, Inc. v. Texas Department of Housing and Community Affairs, et al. filed in federal district court, Northern District of Texas*
  - b) *Pineywoods Home Team Affordable Housing, Inc.; US Bankruptcy Court, Eastern District of Texas; Cause # 12-90255.*
3. Pursuant to Tex. Gov't. Code, §551.071(2) for the purpose of seeking the advice of its attorney about any posted matter in which the duty of the attorney to the governmental body under the Texas Disciplinary Rules of Professional Conduct of the State Bar of Texas clearly conflicts with Tex. Gov't. Code, Chapter 551,
4. Pursuant to Tex. Gov't. Code, §551.072 to deliberate the possible purchase, sale, exchange, or lease of real estate because it would have a material detrimental effect on the Department's ability to negotiate with a third person; and/or-
5. Pursuant to Tex. Gov't. Code, §2306.039(c) the Department's internal auditor, fraud prevention coordinator or ethics advisor may meet in an executive session of the Board to discuss issues related to fraud, waste or abuse.
  - b) *Report*

## OPEN SESSION

At 6:15 p.m. Chairman Oxer reconvened the Open Session and announced that No Action had been taken during the Executive Session and certified that the posted agenda had been followed.

7b cont.

**Motion by Lowell Keig to accept staff recommendations, as modified by comments and discussion; duly seconded by Tom Gann, Juan Muñoz absent; motion passed.**

PUBLIC COMMENT ON MATTERS OTHER THAN ITEMS FOR WHICH THERE WERE POSTED AGENDA ITEMS.

No additional public comment.

## ADJOURN

Motion by Tom Gann to adjourn; duly seconded by Lowell Keig; motion passed unanimously.

PUBLIC COMMENT ON MATTERS OTHER THAN ITEMS FOR WHICH THERE WERE POSTED AGENDA ITEMS.

Since there was no other business to come before the Board, the meeting was adjourned at 6:30 pm on November 13, 2012.

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Brooke Boston, Board Secretary

FOR A FULL TRANSCRIPT OF THIS MEETING, PLEASE VISIT THE TDHCA WEBSITE AT [WWW.TDHCA.STATE.TX.US](http://WWW.TDHCA.STATE.TX.US)

1b

**BOARD ACTION REQUEST**  
**EXECUTIVE DIVISION**  
**DECEMBER 13, 2012**

Presentation, Discussion, and Possible Action superseding Resolution No. 12-019 by the adoption of Resolution No. 13-012, Designating Signature Authority.

**RECOMMENDED ACTION**

**RESOLVED**, the Governing Board has now determined that Resolution No. 12-019, designating signature authority, should be updated by the adoption of superseding Resolution No. 13-012 in order to conform to the Department's current organizational structure and operations;

**NOW, therefore, it is hereby**

**RESOLVED**, that Resolution No. 13-012, Designating Signature Authority for new signature designees is adopted in the form presented to this meeting.

**BACKGROUND**

The Texas Department of Housing and Community Affairs (the "Department"), a public and official governmental agency of the State of Texas (the "State"), was created and organized pursuant to and in accordance with the provisions of Chapter 2306, Texas Government Code, as amended. The Act authorizes the Department: (a) to make and acquire and finance, and to enter into advance commitments to make and acquire and finance, mortgage loans and finance, participating interests therein, secured by mortgages on residential housing in the State; (b) to issue its bonds, for the purpose of, among other things, obtaining funds to acquire or finance such mortgage loans, 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 single family mortgage loans of participating interests, and to mortgage, pledge or grant security interests in such mortgages of participating interests, mortgage loans or other property of the Department, to secure the payment of the principal or redemption price of and interest on such bonds.

This Resolution updates and designates signature authority to reflect the current structure of the Department.

**Texas Department of Housing and Community Affairs  
RESOLUTION OF THE BOARD OF DIRECTORS**

**SUPERSEDING RESOLUTION NO. 12-019  
AND ADOPTING NEW RESOLUTION NO. 13-012**

**DESIGNATING SIGNATURE AUTHORITY**

**WHEREAS**, the Texas Department of Housing and Community Affairs (the “Department”), a public and official governmental agency of the State of Texas, was created and organized pursuant to and in accordance with the provisions of Texas Government Code, Chapter 2306, as amended; and

**WHEREAS**, the Act authorizes the Department:

(a) to make and acquire and finance, and to enter into advance commitments to make and acquire and finance, mortgage loans and finance, participating interests therein, secured by mortgages on residential housing in the State of Texas (the “State”); and

(b) to issue its bonds, for the purpose of, among other things, obtaining funds to acquire or finance such mortgage loans, 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 single family mortgage loans of participating interests, and to mortgage, pledge or grant security interests in such mortgages of participating interests, 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**, on March 6, 2012, the Governing Board adopted Resolution No. 12-019, designating signature authority for bond and real estate transactions; and

**WHEREAS**, the Governing Board has now determined that Resolution No. 12-019, designating signature authority, should be superseded by a new Resolution No. 13-012 designating signature authority due to the reorganization of the Department.

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

**SECTION 1 – Supersession of Prior Signature Authority.** The Governing Board hereby supersedes Resolution No. 12-019 by enacting new Resolution No. 13-012.



**SECTION 2 – Designation of Signature Authority for Bond Transactions.** The Governing Board hereby authorizes and designates the Chairman or Vice Chairman of the Board, the Board Secretary, the Assistant Board Secretary, the Executive Director or the Acting Executive Director, the Deputy Executive Director for Single Family, Community Affairs & Metrics, the Chief Financial Officer, the Director of Bond Finance, the Director of Texas Homeownership, Deputy Executive Director of Asset Analysis and Management, and the Director of Multifamily Finance and each of them as signatories for single family and multifamily bond transactions including, but not limited to letters of instruction, officer’s certificates, bond transactional documents and all other documents and certificates executed in connection with such bond transactions.

**SECTION 3 – Designation of Signatory Authority for Real Estate Transactions.** The Governing Board hereby authorizes and designates the following persons to execute and deliver, as specified earnest money contracts, deeds or conveyances of title, leases of real property, settlement statements on purchase or sale of real property, deposits and disbursements on agency bank accounts, real estate transactional documents and all other documents executed in connection with real estate or real estate-related transactions:

- (a) Executive Director or Acting Executive Director, Chief Financial Officer, Board Secretary, and Assistant Board Secretary: All real estate or real estate related transactions;
- (b) Deputy Executive Director for Single Family, Community Affairs & Metrics or the Assistant Deputy Director for Network & Customer Service: All real estate or real estate-related transactions administered under any of the Single Family Programs areas;
- (c) Deputy Executive Director of Asset Analysis and Management: All real estate or real estate-related transactions administered under any of the Real Estate Analysis, Asset Management, or Program Services sections;
- (d) Director of Asset Management: All real estate or real estate-related transactions administered under the Asset Management program;
- (e) Director of Multifamily Finance: All real estate or real estate-related transactions administered under any Multifamily program;
- (f) Director of Bond Finance: All real estate or real estate-related transactions administered by the Bond Finance Division;
- (g) Director of Texas Home Ownership: All real estate or real estate-related transactions administered by the Texas Home Ownership Division;
- (h) Director of the HOME Program: All real estate or real estate-related transactions administered under the HOME Single Family Division;
- (i) Director of Program Services: All real estate or real estate-related transactions administered under Program Services;
- (j) Director of the Housing Trust Fund and the Office of Colonia Initiatives: All real estate or real-estate related transactions administered under the Housing Trust Fund and Office of Colonia Initiatives Division;

- (k) Director of the Neighborhood Stabilization Program: All real estate or real-estate related transactions administered under the Neighborhood Stabilization Program Division; and
- (l) Signatory authority on deposits and disbursements on agency bank accounts is limited to those persons designated on the applicable signature cards, as specified by the Executive Director or Acting Executive Director; provided however, that no person may be so designated other than the Executive Director or Acting Executive Director, Chief Financial Officer, a Deputy Executive Director, or a Director.

**SECTION 4 - Designation of Signatory Authority for Fund Transfers.** The Governing Board hereby authorizes and designates the following persons to execute and deliver any necessary fund transfer documents, including letters of instruction, in the manner prescribed below.

Fund transfers require dual signatures, consisting of one signatory from each of the following two groups:

- (a) Chief Financial Officer or Manager of Financial Services; and
- (b) Executive Director or Acting Executive Director or any Deputy Executive Director whose duties do not include management or oversight of the funds that are the subject of the transfer.

**SECTION 5 – Execution of Documents.** The Governing Board hereby authorizes the Executive Director or, in the absence of the Executive Director, or Acting Executive Director, Chief Financial Officer or a Deputy Executive Director, to execute, on behalf of the Department, any and all documents, instruments reasonably deemed necessary to effectuate this Resolution.

**SECTION 6 – Effective Date.** This Resolution shall be in full force and effect from and upon its adoption.

1c

**BOARD ACTION REQUEST**  
**ASSET MANAGEMENT DIVISION**  
**DECEMBER 13, 2012**

Presentation, Discussion, and Possible Action to approve a Housing Tax Credit Amendment for Sunflower Estates.

**RECOMMENDED ACTION**

**WHEREAS**, Sunflower Estates (HTC #11009) received an award of 9% Housing Tax Credits and \$792,008 in HOME funds in 2011 to construct 80 family units in a total of ten (10) residential buildings;

**WHEREAS**, the development owner is requesting approval to reduce the total number of residential buildings to seven (7), while maintaining the same number units, which would constitute a significant modification to the site plan;

**WHEREAS**, Board approval is required for a significant modification of the site plan; and

**WHEREAS**, the reduction in the number of residential buildings does not materially alter the development in a negative manner and would not have affected the final credit amount allocated to the development owner; therefore

Now, therefore, it is hereby,

**RESOLVED**, that staff's recommendation to approve the amendment to Sunflower Estates, be and is hereby approved as presented to this meeting.

**BACKGROUND**

Sunflower Estates was underwritten and approved for a 9% Housing Tax Credit allocation and HOME award during the 2011 competitive cycle. The application proposed to construct 80 family units in a total of ten (10) residential buildings. On October 16, 2012, the Department received a letter requesting approval to change the site plan and reduce the total number of residential building to seven (7). According to the owner, the new building configuration will provide greater convenience to the residents.

The changes to the financing and development cost schedule related to this amendment request were included in a review conducted and approved by Real Estate Analysis in March of 2012 at the time of the HOME loan closing.

Staff recommends approval of the requested amendment.

**BOARD ACTION REQUEST**  
**ASSET MANAGEMENT DIVISION**  
**DECEMBER 13, 2012**

Presentation, Discussion, and Possible Action to approve a Housing Tax Credit Amendment for Travis Street Plaza Apartments.

**RECOMMENDED ACTION**

**WHEREAS**, Travis Street Plaza Apartments (#10266) received an award of 9% Housing Tax Credits in 2010 to construct 192 Single Room Occupancy units under the General Set-aside and the development owner is requesting approval to change the site plan and the architectural design of the development;

**WHEREAS**, the development owner has indicated that the modification of the site plan and architectural design were requirements of their Lender (City of Houston);

**WHEREAS**, Board approval is required for a significant modification of the site plan and architectural design of the development under Texas Government Code §2306.6712; and

**WHEREAS**, although significant change occurred, it does not appear to materially alter the development in a negative manner and would not have adversely affected the selection of the application in the application round;

Now, therefore, it is hereby

**RESOLVED**, that staff's recommendation to approve the amendment to Travis Street Plaza Apartments is hereby approved.

**BACKGROUND**

The development owner is seeking approval to amend the site plan, reduce the number of parking spaces, change the exterior masonry and elevations, change the building floor plans, change the unit plans and sizes, and change the heating system.

The changes were necessary due to preferences from the neighborhood and the City of Houston that arose during the plan review process. The City of Houston invested over \$5.72 million in funds to this development and required a change in the building layout and design. The changes were not anticipated during the time of application. The supportive housing development will have 192 units for the homeless.

Staff confirmed the original intent of the Development has been maintained. The Real Estate Analysis Division reviewed additional development costs associated with these changes and determined that there was no financial impact to the cost. However, changes in the financial structure of the transaction remain under review.

Staff recommends approval of the amendment request.

**BOARD ACTION REQUEST**  
**MULTIFAMILY FINANCE DIVISION**  
**DECEMBER 13, 2012**

Presentation, Discussion, and Possible Action Regarding a Housing Tax Credit Amendment.

**RECOMMENDED ACTION**

**WHEREAS**, Riverwood Commons (#12002) received a forward commitment of 2012 9% Housing Tax Credits (HTC) in 2011 to construct 36 multifamily units in one building on 1.44 acres of land; and,

**WHEREAS**, the development owner is requesting approval to change the size of the site to 1.527 acres of land to contain the same number of buildings, number of units, unit mix and net rentable area; and,

**WHEREAS**, the Application was chosen for a forward commitment based on offering disaster relief to Bastrop County and these modifications would not have adversely affected the award; and

**WHEREAS**, Board approval is required for a significant modification of the site plan or a modification of the residential density of the Development of at least 5% pursuant to §50.13(b)(4) of the 2012-2013 Qualified Allocation Plan; and

**NOW**, therefore, it is hereby,

**RESOLVED**, that staff's recommendation to approve the amendment requested for Riverwood Commons, be and it hereby is approved as presented to this meeting.

**BACKGROUND**

The Application proposed the first phase of a two-phase project to be developed by subdividing a single tract of land into two sites. The entire tract remained under contract from submission of the pre-application through the award of the forward commitment. The amendment concerns the alignment of the boundary between the two sites. The owner stated that the boundary must change because of easements and set-backs and to accommodate the improvements which remain substantially as originally proposed. According to the owner, the need for this change became apparent as the final engineering advanced. The owner indicated the changes did not include changes in the unit mix or unit sizes and staff confirmed that the final site and site plan were very similar to the original plan. The Real Estate Analysis Division found the change acceptable with the condition that an adjustment of the allocation will be made at cost certification if appropriate.

Staff recommends approval of the amendment as requested, without penalty.

**BOARD ACTION REQUEST**  
**MULTIFAMILY FINANCE DIVISION**  
**DECEMBER 13, 2012**

Presentation, Discussion, and Possible Action Regarding a Housing Tax Credit Amendment.

**RECOMMENDED ACTION**

**WHEREAS**, Justice Park Senior Villas (#12367) received an award of 9% Housing Tax Credits (HTCs) in 2012 to construct 144 multifamily units in three buildings on 8.14 acres of land; and,

**WHEREAS**, the development owner is requesting approval to change the site plan and building plans to construct the same number of units and unit mix with the same net rentable area in five buildings; and,

**WHEREAS**, Board approval is required for a significant modification of the site plan or significant modification of the architectural design pursuant to §50.13(b)(4), 2012-2013 Qualified Allocation Plan; and

**WHEREAS**, the increase in the number of buildings and change in building plans do not materially alter the development in a negative manner and would not have affected the amount of credits awarded for the development;

**NOW**, therefore, it is hereby,

**RESOLVED**, that staff's recommendation to approve the amendment to Justice Park Senior Villas, be and it hereby is approved as presented to this meeting.

**BACKGROUND**

The owner stated that the site plan and building plans were revised to improve the privacy, amenities and convenience for more units than the original plan. The revised plan added two additional buildings containing six units, each unit having its own attached garage. The revised plan doubled the number of this type of building from the original plan, thereby doubling the number of units with attached garages. The owner indicated that the changes did not include changes in the unit mix or unit sizes.

Staff recommends approval of the amendment as requested, without penalty, subject to findings by the Real Estate Analysis Division that are consistent with such approval.



1d

**BOARD ACTION REQUEST**  
**ASSET MANAGEMENT DIVISION**  
**DECEMBER 13, 2012**

Presentation, Discussion, and Possible Action on the issuance of a Request for Proposal for the procurement of property management and appraisal services in Real Estate

**RECOMMENDED ACTION**

**WHEREAS**, §2306.251 Texas Government Code, authorizes the Department to acquire and own property on a temporary basis for the purpose of developing, redeveloping or operating affordable housing;

**WHEREAS**, TDHCA currently holds properties acquired in foreclosure and anticipates the potential need to procure property management services to operate the developments and maintain HOME or other required affordability restrictions for the remainder of their Land Use Restriction Agreement (LURA);

**WHEREAS**, TDHCA currently holds properties acquired in foreclosure and anticipates the potential need to evaluate the market price of a property prior to disposition of the asset to a qualified developer for redevelopment and/or to maintain HOME or other required affordability restrictions for the remainder of their LURA;

**WHEREAS**, TDHCA has identified HOME or other restricted properties that have lost or are at risk of losing their affordability requirements, and anticipates the potential need to evaluate the market price of a property prior to acquisition by the Department which shall maintain or reinstate the affordability restrictions of the original LURA; and

**WHEREAS**, TDHCA received approval of the Board on November 13, 2012, to use program income from the Tax Credit Assistance Program (TCAP) to acquire, redevelop and or finance previously funded rental developments that have lost or are at risk of losing their affordability requirements;

**NOW, therefore, it is hereby**

**RESOLVED**, that the Executive Director or his designee be and each of them hereby are authorized, empowered, and directed, for and on behalf of this Board to take such actions as they or any of them may deem necessary or advisable to develop a Request for Proposal for Property Management Services and a Request for Proposal for Real Estate Appraisal Services and to cause the Request for Proposal for Property Management Services and the Request for Proposal for Real Estate Appraisal Services to be published in the *Texas Marketplace* and *Texas Register*; and

**FURTHER RESOLVED**, that all such actions, projects, and their results shall be reported to this Board.

## **BACKGROUND**

The Department has made loans to developments that have been foreclosed or are anticipated to be foreclosed by the Department. When the Department becomes the owner of such property, assistance in operating and maintaining affordability requirements is necessary, on a temporary basis, while workout solutions are implemented for the transfer of ownership to a qualified developer. For many of these developments the Department has obligations to the original funding source, such as HUD, which require the delivery or maintenance of affordable housing units or repayment of original funding sources from non-federal sources. Since availability of non-federal sources is limited, procurement of property management services can be a less costly or more effective way to mitigate the Department's liability and maintain affordability requirements.

The Department currently holds two multifamily properties acquired in foreclosure that were originally funded under the HOME program. For various reasons the property owners were removed and the Department continues to actively monitor the properties. The Asset Analysis and Management Division is responsible for the marketing, negotiation and disposition of these challenging properties and it may be necessary to obtain real estate appraisal services to determine market price of a property and pursue informed negotiations prior to transferring ownership to a qualified developer for redevelopment and/or to maintain affordability requirements of the original LURA.

The aforementioned Board approvals and this request to procure property management and appraisal services will provide the necessary means to effectuate workout solutions developed by the Asset Management Division. Workout solutions will preserve the original funding sources, reduce the Department's liability, and ultimately include pursuit of negotiations to transfer ownership of at-risk properties to a qualified developer to maintain affordability requirements of the original LURA.

1e

**BOARD ACTION REQUEST**  
**COMMUNITY AFFAIRS DIVISION**  
**DECEMBER 13, 2012**

Presentation, Discussion, and Possible Action on a Requests for Applications (RFA) to administer the Community Services Block Grant (CSBG) and Comprehensive Energy Assistance Program (CEAP) in Edwards, Kinney, Real, Uvalde, Val Verde and Zavala Counties.

**RECOMMENDED ACTION**

**WHEREAS**, Community Council of Southwest Texas, Inc. relinquished its CSBG and CEAP funding for Edwards, Kinney, Real, Uvalde, Val Verde and Zavala counties;

**WHEREAS**, on July 10, 2012, the Board authorized the release of a Request for Applications to provide CSBG and CEAP services to Edwards, Kinney, Real, Uvalde, Val Verde and Zavala counties;

**WHEREAS**, the Department received seven applications in response to the request for applications;

**WHEREAS**, Department staff has reviewed and scored applications and Community Council of South Central Texas, Inc. received the highest score; and

**WHEREAS**, Department staff recommend that the CSBG and CEAP funds for Edwards, Kinney, Real, Uvalde, Val Verde and Zavala counties be awarded to Community Council of South Central Texas, Inc., effective January 1, 2013;

**NOW, therefore, it is hereby**

**RESOLVED**, that the Executive Director and his designees be, and each of them hereby are authorized, empowered, and directed, for and on behalf of the Department, to award Community Services Block Grant (CSBG) funds and Comprehensive Energy Assistance Program (CEAP) funds for Edwards, Kinney, Real, Uvalde, Val Verde and Zavala counties to the Community Council of South Central Texas, Inc., a Community Services Block Grant eligible entity.

**BACKGROUND**

The Community Council of Southwest Texas, Inc. relinquished its CSBG and CEAP funds and on July 10, 2012, the Board authorized the release of a Request for Applications to provide CSBG and CEAP services to Edwards, Kinney, Real, Uvalde, Val Verde and Zavala Counties and also authorized interim CSBG and CEAP contracts through December 31, 2012, to Community Council of South Central Texas, Inc. to provide services to the aforementioned unserved counties.

The Department received seven applications in response to the request for applications. Applications were received from Concho Valley Community Action Agency; Quad Counties Council on Alcohol and Drug Abuse; GT Rural Development Management Services; South Texas Rural Health Services, Inc.; Middle Rio Grande Development Council; On Track Ministries; and Community Council of South Central Texas, Inc.

Based on the application review by the Department and assigned scores, staff recommends that the CSBG and CEAP funds for the aforementioned counties be awarded to Community Council of South Central Texas, Inc. Funding allocations shall be determined by CSBG and CEAP formula.

The recommended applicant has been reviewed by the Compliance Division and no issues of material non-compliance, unresolved audit findings or questioned or disallowed costs have been identified.

# Applicant Evaluation

Project ID # **61120001301**

Name **Community Council of South Central** City: **Seguin**

HTC 9%  HTC 4%  HOME  BOND  HTF  NSP  ESG  Other

No Previous Participation in Texas  Members of the development team have been disbarred by HUD

### Compliance and Asset Oversight

Total # of MF awards monitored:	0	<b>Projects in Material Noncompliance</b> Yes <input type="checkbox"/> No <input checked="" type="checkbox"/>	Projects grouped by score	0-9: 0	10-19: 0	20-29: 0
Total # of MF awards not yet monitored or pending review:	0	Unresolved Audit Findings Identified w/ Contract(s) <input type="checkbox"/>				
SF Contract Experience <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No						
Total # of SF Contracts:	1	Total # of MF Projects in Material Noncompliance: 0	Total monitored with a score 0-29: 0			

Completed by: James Roper Reviewer: Patricia Murphy  
 Date 11/14/2012 Date 11/29/2012

### Single Audit

Single audit review not applicable  Late single audit certification form (see comments)  
 Single audit requirements current  Past due single audit or unresolved single audit issue (see comments)

Reviewer: Rosy Falcon Date 11/26/2012

Comments (if applicable):

### Financial Administration Loan Servicing

No delinquencies found  Delinquencies found (see comments)

Reviewer Candace Christiansen Date 11/30/2012

Comments (if applicable):

### Financial Administration Financial Services

No delinquencies found  Delinquencies found (See Comments)

Reviewer Monica Guerra Date 11/28/2012

Comments (if applicable):

# Applicant Evaluation

Project ID # **61120001301**

Name **Community Council of South Central** City: **Seguin**

HTC 9%  HTC 4%  HOME  BOND  HTF  NSP  ESG  Other

No Previous Participation in Texas  Members of the development team have been disbarred by HUD

### Compliance and Asset Oversight

Total # of MF awards monitored:	0	<b>Projects in Material Noncompliance</b>		Projects grouped by score	
Total # of MF awards not yet monitored or pending review:	0	Yes <input type="checkbox"/> No <input checked="" type="checkbox"/>		0-9:	0
SF Contract Experience <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No		Unresolved Audit Findings Identified w/ Contract(s) <input type="checkbox"/>		10-19:	0
Total # of SF Contracts:	1	Total # of MF Projects in Material Noncompliance: <u>0</u>		20-29:	0
				Total monitored with a score 0-29:	0

Completed by: James Roper Reviewer: Patricia Murphy

Date: 11/14/2012 Date: 11/29/2012

### Single Audit

Single audit review not applicable  Late single audit certification form (see comments)

Single audit requirements current  Past due single audit or unresolved single audit issue (see comments)

Reviewer: Rosy Falcon Date: 11/26/2012

Comments (if applicable):

### Financial Administration Loan Servicing

No delinquencies found  Delinquencies found (see comments)

Reviewer: Candace Christiansen Date: 11/30/2012

Comments (if applicable):

### Financial Administration Financial Services

No delinquencies found  Delinquencies found (See Comments)

Reviewer: Monica Guerra Date: 11/28/2012

Comments (if applicable):



1f

**BOARD ACTION REQUEST**  
**COMMUNITY AFFAIRS**  
**DECEMBER 13, 2012**

Presentation, Discussion, and Possible Action on Approval of the Draft FFY 2013 Department of Energy (DOE) Weatherization Assistance Program (WAP) State Plan for Public Comment

**RECOMMENDED ACTION**

**WHEREAS**, the Department develops and submits a State Plan to the Department of Energy (DOE) each year to administer the Weatherization Assistance Program (WAP); and

**WHEREAS**, in anticipation of grant guidance from DOE in December 2012, the Community Affairs Division has prepared the Draft FFY 2013 DOE WAP State Plan for public comment;

**NOW, therefore, it is hereby**

**RESOLVED**, that the Draft FFY 2013 DOE WAP State Plan, in the form presented to this meeting, is hereby approved for public comment and public hearing; and

**FURTHER RESOLVED**, that if no significant negative public comment is received, the plan will be submitted, without further Board approval, to the Department of Energy.

**BACKGROUND**

The 2013 DOE Weatherization budget is estimated at \$1,123,349, a significant decrease from the pre-ARRA and ARRA budget levels. The funds are used for similar activities to LIHEAP WAP but the technical requirements for DOE are more stringent. Although there are 26 possible Subrecipients in the statewide network, the Department will provide DOE WAP funding to only four: Alamo Area Council of Governments, Community Action Corporation of South Texas, Dallas County Health and Human Services, and Neighborhood Services, Inc. in an amount not to exceed \$349,999 per entity. These four Subrecipients are the only four that exceed 8 units. To ensure that all areas of the state receive equitable weatherization funding and services, the Department will adjust LIHEAP WAP funds to offset the concentration of the DOE funds to the four DOE funded entities.

The funding provides for the installation of weatherization measures to increase energy efficiency of a home including caulking, weather-stripping, adding ceiling, wall, and floor insulation, patching holes in the building envelope, duct work, and repair or replacement of energy inefficient heating and cooling systems. Additionally, the funds allow for subrecipients to complete financial audits, household energy audits, outreach and engagement activities, and program administration. Further, funding provides for state administration and state training and technical assistance activities. To the extent the awarded

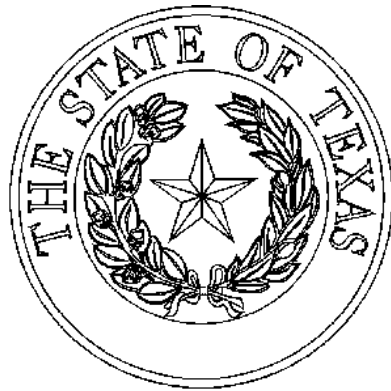
funds are greater or less than the amount in the draft plan, proposed activities will be proportionally adjusted.

The Draft plan will be posted on the Department's website and an announcement of the public hearing and the availability of the draft plan will be published in the *Texas Register* on December 28, 2012. The Department will conduct a public hearing for the draft plan on Wednesday January 16, 2013, at 1:00 p.m. at Department headquarters.

DOE regulations require a Weatherization Policy Advisory Council be designated in the Plan in order to provide guidance and comment on the plan. The Policy Advisory Council is comprised of six individuals appointed by the Department; these individuals from 2012 remain unchanged from the 2012 plan. The Council meeting is scheduled to occur after the conclusion of the Public Hearing and after all public comment has been received. Should public comment necessitate a substantive change in the draft plan, staff will provide a Board update at the February 13, 2013 meeting.

# **DRAFT 2013 DOE WAP STATE PLAN**

**TEXAS DEPARTMENT OF HOUSING  
AND COMMUNITY AFFAIRS**



**PY 2013 STATE PLAN & APPLICATION  
FOR  
WEATHERIZATION ASSISTANCE PROGRAM  
FOR LOW-INCOME PERSONS**

**February 2013**

**APPLICATION FOR FEDERAL ASSISTANCE SF-424**

Version 02

1. Type of Submission:

- Preapplication
- Application
- Changed/Corrected Application

2. Type of Application:

- New
- Continuation
- Revision

If Revision, select appropriate letter(s)

**Increase Duration**

Other (specify):

3. Date Received

04/01/2013

4. Applicant Identifier:

R830010

5a. Fed Entity Identifier:

5b. Federal Award Identifier:

DE-EE0000190

**State Use Only:**

6. Date Received by State: 04/01/2013

7. State Application Identifier: TX-W-200

**8. APPLICANT INFORMATION:**

a. Legal Name: STATE OF TEXAS

b. Employer/Taxpayer Identification Number (EIN/TIN):

742610542

c. Organizational DUNS:

806781902

**d. Address:**

Street 1: P.O. BOX 13941

Street 2:

City: AUSTIN

County:

State: TX

Province:

Country: U.S.A.

Zip / Postal Code: 787113941

**e. Organizational Unit:**

Department Name:

TEXAS HOUSING & COMMUNITY AFF.

Division Name:

TEXAS DEPT. OF HOUSING & COMMUNITY AFFAIRS

**f. Name and contact information of person to be contacted on matters involving this application:**

Prefix: Mr First Name: Michael

Middle Name:

Last Name: DeYoung

Suffix:

Title: Community Affairs Division Director

Organizational Affiliation: Texas Dept. of Housing and Community Affairs

Telephone Number: 5124752125

Fax Number: 5124753935

Email: michael.deyoung@tdhca.state.tx.us

**APPLICATION FOR FEDERAL ASSISTANCE SF-424**

Version 02

**9. Type of Applicant:**

A State Government

**10. Name of Federal Agency:**

U. S. Department of Energy

**11. Catalog of Federal Domestic Assistance Number:**

81.042

CFDA Title:

Weatherization Assistance for Low-Income Persons

**12. Funding Opportunity Number:**

DE-FOA-0000641

Title:

Program Year 2013 Weatherization Formula Grants

**13. Competition Identification Number:**

Title:

**14. Areas Affected by Project (Cities, Counties, States, etc.):**

Statewide

**15. Descriptive Title of Applicant's Project:**

Statewide Weatherization Assistance Program



**BUDGET INFORMATION - Non-Construction Programs**

1. Program/Project Identification No. EE0000190		2. Program/Project Title The Weatherization Assistance Program enables low-income families to permanently reduce their energy bills by making their homes more energy efficient. During the last 32 years, the U.S. Department of Energy's (DOE) Weatherization Assistance Program has provided weatherization services to more than 6.2 million low-income families.	
3. Name and Address STATE OF TEXAS P.O. BOX 13941 AUSTIN TX 787113941		4. Program/Project Start Date 04/01/2013	
		5. Completion Date 03/31/2014	

SECTION A - BUDGET SUMMARY						
Grant Program Function or Activity (a)	Federal Catalog No. (b)	Estimated Unobligated Funds		New or Revised Budget		
		Federal (c)	Non-Federal (d)	Federal (e)	Non-Federal (f)	Total (g)
1. DOE	81.042	\$ 1,300,000.00		\$ 0.00		\$ 1,300,000.00
2. STATE			\$ 0.00		\$ 0.00	\$ 0.00
3.						
4.						
5. TOTAL		\$ 1,300,000.00	\$ 0.00	\$ 0.00	\$ 0.00	\$ 1,300,000.00

SECTION B - BUDGET CATEGORIES					
6. Object Class Categories	Grant Program, Function or Activity				Total (5)
	(1) GRANTEE ADMINISTRATION	(2) SUBGRANTEE ADMINISTRATION	(3) GRANTEE T&TA	(4) SUBGRANTEE T&TA	
a. Personnel	\$ 28,285.00	\$ 0.00	\$ 49,814.00	\$ 0.00	\$ 78,099.00
b. Benefits	\$ 7,880.00	\$ 0.00	\$ 13,878.00	\$ 0.00	\$ 21,758.00
c. Travel	\$ 6,512.00	\$ 0.00	\$ 15,464.00	\$ 0.00	\$ 21,976.00
d. Equipment	\$ 0.00	\$ 0.00	\$ 0.00	\$ 0.00	\$ 0.00
e. Supplies	\$2,000.00	\$ 0.00	\$ 0.00	\$ 0.00	\$2,000.00
f. Contract	\$ 0.00	\$ 111,035.00	\$ 0.00	\$ 13,000.00	\$ 1,123,349.00
g. Construction	\$ 0.00	\$ 0.00	\$ 0.00	\$ 0.00	\$ 0.00
h. Other	\$ 8,092.00	\$ 0.00	\$ 10,955.00	\$ 0.00	\$ 19,047.00
i. Total Direct Charges	\$ 52,770.00	\$ 111,035.00	\$ 90,111.00	\$ 13,000.00	\$ 1,266,230.00
j. Indirect	\$ 12,230.00	\$ 0.00	\$ 21,540.00	\$ 0.00	\$ 33,770.00
k. Totals	\$ 65,000.00	\$ 111,035.00	\$ 111,651.00	\$ 13,000.00	\$ 1,300,000.00
7. Program Income	\$ 0.00	\$ 0.00	\$ 0.00	\$ 0.00	\$ 0.00



**BUDGET INFORMATION - Non-Construction Programs**

1. Program/Project Identification No. EE0000190		2. Program/Project Title The Weatherization Assistance Program enables low-income families to permanently reduce their energy bills by making their homes more energy efficient. During the last 32 years, the U.S. Department of Energy's (DOE) Weatherization Assistance Program has provided weatherization services to more than 6.2 million low-income families.	
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		Federal (c)	Non-Federal (d)	Federal (e)	Non-Federal (f)	Total (g)
1.						
2.						
3.						
4.						
5. TOTAL		\$ 1,300,000.00	\$ 0.00	\$ 0.00	\$ 0.00	\$ 1,300,000.00

SECTION B - BUDGET CATEGORIES						
6. Object Class Categories	Grant Program, Function or Activity				Total (5)	
	(1) PROGRAM OPERATIONS	(2) HEALTH AND SAFETY	(3) LIABILITY INSURANCE	(4) FINANCIAL AUDITS		
a. Personnel	\$ 0.00	\$ 0.00	\$ 0.00	\$ 0.00	\$ 78,099.00	
b. Benefits	\$ 0.00	\$ 0.00	\$ 0.00	\$ 0.00	\$ 21,758.00	
c. Travel	\$ 0.00	\$ 0.00	\$ 0.00	\$ 0.00	\$ 21,976.00	
d. Equipment	\$ 0.00	\$ 0.00	\$ 0.00	\$ 0.00	\$ 0.00	
e. Supplies	\$ 0.00	\$ 0.00	\$ 0.00	\$ 0.00	\$ 2,000.00	
f. Contract	\$ 761,342.00	\$ 190,335.00	\$ 44,437.00	\$ 3,200.00	\$ 1,123,349.00	
g. Construction	\$ 0.00	\$ 0.00	\$ 0.00	\$ 0.00	\$ 0.00	
h. Other	\$ 0.00	\$ 0.00	\$ 0.00	\$ 0.00	\$ 19,047.00	
i. Total Direct Charges	\$ 761,342.00	\$ 190,335.00	\$ 44,437.00	\$ 3,200.00	\$ 1,266,230.00	
j. Indirect	\$ 0.00	\$ 0.00	\$ 0.00	\$ 0.00	\$ 33,770.00	
k. Totals	\$ 761,342.00	\$ 190,335.00	\$ 44,437.00	\$ 3,200.00	\$ 1,300,000.00	
7. Program Income	\$ 0.00	\$ 0.00	\$ 0.00	\$ 0.00	\$ 0.00	

**U.S. Department of Energy**  
**WEATHERIZATION ANNUAL FILE WORKSHEET**

Identification: EE0000190

State: TX

Program year: 2013

Budget period: 04/01/2013 - 03/31/2014

**II.3 Subgrantees**

Grantee (city)	Tentative	
	Funding	Units
Alamo Area Council of Governments (San Antonio)	\$ 260,700.00	26
Community Action Corporation of South Texas (Alice)	\$ 261,425.00	27
Dallas County Health & Human Services (Dallas)	\$ 251,198.00	26
Neighborhood Centers, Inc. (Houston)	\$ 349,999.00	35
<b>TOTALS</b>	<b>\$1,123,349.00</b>	<b>114</b>

**II.4 WAP Production Schedule**

Total Units (excluding reweatherized)	114
Rewatherized Units	0

**WEATHERIZATION ANNUAL FILE WORKSHEET (cont)**

Identification: EE0000190

State: TX

Program year: 2013

Budget period: 04/01/2013 - 03/31/2014

Average Unit Costs, including Reweathering, Subject to DOE Program Rules		
VEHICLE & EQUIPMENT AVERAGE COST PER DWELLING UNIT (DOE RULES)		
A	Total Vehicles & Equipment (\$5,000 or more) Budget	\$0.00
B	Total Units Weatherized	114
C	Total Units Reweatherized	0
D	Total Dwelling Units to be Weatherized and Reweatherized (B + C)	114
E	Average Vehicles & Equipment Acquisition Cost per Unit (A divided by D)	\$0.00
AVERAGE COST PER DWELLING UNIT (DOE RULES)		
F	Total Funds for Program Operations	\$761,342.00
G	Total Dwelling Units to be Weatherized and Reweatherized (from line D)	114
H	Average Program Operations Costs per Unit (F divided by G)	\$6,678.00
I	Average Vehicles & Equipment Acquisition Cost per Unit (from line E)	\$0.00
J	Total Average Cost per Dwelling (H plus I)	\$6,678.00

**II.5 Energy Savings**

Method used to calculate energy savings: WAP algorithm  Other (describe below)

The PY 2012 energy saving calculations methodology was developed by the Department using the most recent Metaevaluation of the National Weatherization Assistance Program (ORNL/CON-493). This methodology estimates annual savings of 30.5 MBtu according to DOE's PY 2005 Application Instructions and Forms for PY 2006. The same methodology will be used for PY 2013. The 2012 Plan is estimated according to funding allocation and adjusted average expenditure limit per unit allowed to weatherize a home. The total number of units projected to be weatherized in PY 2013 is 114 for a total of annual estimated energy savings of 3,477 MBtu.

Estimated energy savings: 3,477 (MBtu)

Estimated prior year savings: 11,346 (MBtu) Actual: To be determined after prior year close out.

If variance is large, explain: Decrease in program funds available.

**WEATHERIZATION ANNUAL FILE WORKSHEET (cont)****Identification: EE0000190****State: TX****Program year: 2013****Budget period: 04/01/2013 - 03/31/2014**

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**II.6 Training, Technical Assistance, and Monitoring Activities**

The Texas Department of Housing and Community Affairs (the Department) plans to monitor the Weatherization Assistance Program (WAP) with the Monitoring staff included in the budget. Training and technical assistance shall be provided to the Subrecipient, whenever necessary, by the Training staff. Subrecipient is defined as an organization with whom the Department contracts and provides WAP funds.

Monitorings will be scheduled using a risk management-based assessment. Primary consideration will consist of amount of contract, previous findings, status of finding resolution, and submission of annual Single Audit. Periodic desk reviews of expenditures and production levels will be conducted during the program year. The scheduling of on-site monitoring will depend on availability of staff, minimum number of completed units, geographic and climatic considerations. The Department may utilize a desk monitoring of Subrecipients that are not high-risk entities. The schedule may vary and dates will be confirmed with each Subrecipient in advance. The Department will conduct a monitoring review of each Subrecipient at least once a year. The purpose of the onsite or desk monitoring is to ensure that program activities are completed and that funds are expended in accordance with the contract provisions and applicable State and Federal rules, regulations, policies and related Statutes. The Department will utilize this monitoring to determine the effectiveness of the Subrecipients performance and program compliance to ensure that eligible low-income families are receiving quality and appropriate weatherization of their homes.

The Department WAP program year is April 1 through March 31. Upon the Department's completion of the PY 2012 Monitoring process, the Department will review all monitoring findings in order to evaluate any improvements in the agencies' performances in May. The Department will submit to DOE a written summary of its monitoring findings.

Monitoring will include health and safety procedures, client eligibility, energy audit procedures, and client education procedures. In addition, Monitors will review financial management control and ensure the quality of work via established monitoring procedures.

The Department will conduct training and technical assistance throughout the program year. Department staff may determine that additional training is needed for a particular Subrecipient or the Subrecipient may request it. The Training staff is actively conducting training and technical assistance and continually works with feedback from Monitoring and department staff to determine Subrecipients additional training needs on an on-going basis. Training will include manufactured housing, lead safe work practices, building envelope measures, energy audit, and health and safety.

The Department will provide training through a four pronged approach, to the extent financially feasible.

A) Review of Findings entered in the Monitoring Tracking Database

The training team will provide training to address specific findings in order to correct identified monitoring deficiencies.

B) Referral by the Monitoring staff

Training areas will focus on input from the referring Monitor.

C) Online request produced by the Subrecipient

The Department has created an online training and technical assistance database to track training requested by the Subrecipient network. The requestor has a menu of WAP topics to select from. The online training request form can be found on the Department's website, <http://www.tdhca.state.tx.us/community-affairs/wap/index.htm>. The Department's training staff will contact the requestor and customize the training around their needs.

D) Management Request

Management may make a specific request and dictate the type of training needed.

**WEATHERIZATION ANNUAL FILE WORKSHEET (cont)****Identification: EE0000190****State: TX****Program year: 2013****Budget period: 04/01/2013 - 03/31/2014**

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Training will be designed for each Agency based on the information prompting the request. Technical Assistance will be documented by using the online training and technical assistance database. Additionally, for onsite Training and Technical Assistance visits, a report will be produced indicating Subrecipient staff present, Training and Technical Assistance materials and documents presented to the Subrecipient.

The Department does not require licensing or certification of Subrecipient staff. Should a Subrecipient hire a new weatherization coordinator, the Subrecipient will be required to notify the Department in writing within 30 days of the date of hiring the coordinator and request training. The Department will contact Subrecipients within 30 days of the date of notification to arrange for training. The Department will use in-house staff and may use other program professionals to provide training. The Department will provide travel assistance to Subrecipients that receive training.

**The Department has scheduled the following training dates for WAP Network:**

No trainings have been scheduled at this time.

**Energy Audit Procedures**

In December 2009, the Department implemented the U.S. Department of Energy approved Priority List that identifies cost effective recurring measures that can be performed. Additionally, the NEAT and MHEA audits have been approved by DOE for use on single family dwellings, manufactured homes and multifamily buildings containing 24 or fewer units. The energy audits have not been approved for multifamily buildings containing 25 or more units. For buildings with 25 or more units, the Department will acquire a DOE approved energy audit, such as EA-QUIP or TREAT, or require an engineering study.

**Energy Savings**

The State will cooperate with the Department of Energy as they implement a national evaluation project.

**Evaluation of Training Activities**

In order to evaluate the efficiency of its training activities, the training staff will review its training activities semi-annually and compare those to the Subrecipient monitoring reports. Additionally, Subrecipients will be given the opportunity to provide feedback through evaluation forms distributed at all training sessions. Training staff will conduct periodic surveys to solicit input from Subrecipients as to their training needs. The Department will also utilize input from Monitors and Subrecipient monitoring reports to determine areas of additional training needed. A database of all monitoring findings provides the training group with analysis of training needs and opportunities that correlate to monitoring reports.

**Lead-Based Paint Safe Work Practices**

The State of Texas provided Lead, Renovation, Repair, and Painting Program (LRRPP) training to all program monitors and Subrecipients through the Training Academy during Program Year 2011. The State will provide LRRPP training to new Subrecipient hires on an on-going case by case basis.

**Client Education**

The Department will continue to require WAP Subrecipients to provide client education to each WAP client. Subrecipients will be required to provide (at a minimum) educational materials in verbal and written format. Client education will include temperature strips that indicate the temperature in the room and energy savings materials.

**II.7 DOE-Funded Leveraging Activities**

N/A

**U.S. Department of Energy**  
**WEATHERIZATION ANNUAL FILE WORKSHEET (cont)**

Identification: EE0000190

State: TX

Program year: 2013

Budget period: 04/01/2013 - 03/31/2014

**II.8 Policy Advisory Council Members** (names, groups, agencies)

EOAC of Planning Region XI	Johnette Hicks, Executive Director
Ysleta del Sur Pueblo Housing Department	Al Joseph
Railroad Commission of Texas, Alt. Fuels Div.	Heather Ball, Dir. Marketing & Public Education
Greater East Texas Community Action Program	Karen Swenson, Executive Director
Texas Department of Aging and Disability Services	Winnie Rutledge
Texoma Council of Governments	Mark Bullard, Program Coordinator

**II.9 State Plan Hearings** (send notes, minutes, or transcript to the DOE office)

Hearing Date	Newspapers that publicized the hearings and the dates that the notice ran.
12/28/2012	Notice of Public Hearing was posted in the December 28, 2012 edition of the <i>Texas Register</i> .
1/16/2013	Public Hearing for the Texas 2013 WAP Plan was held on January 16, 2013. Transcript is available upon request.
1/22/2013	The WAP Policy Advisory Council meeting was held on January 22, 2013. Transcript is available upon request.

**II.10 Adjustments to On-File Information**

No changes will be made to the On-File Information.

**WEATHERIZATION ANNUAL FILE WORKSHEET (cont)****Identification: EE0000190****State: TX****Program year: 2013****Budget period: 04/01/2013 - 03/31/2014**

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**II.11 Miscellaneous****Intergovernmental Review Data**

The State of Texas is no longer participating in the intergovernmental review process referenced under Executive Order 12372 "Intergovernmental Review of Federal Programs". As a result, the federal Office of Management and Budget has removed Texas from their list of states that have a state single point of contact for intergovernmental review. Thus, applications for funding are no longer subject to review under EO 12372.

**Policy Advisory Council**

The Policy Advisory Council (PAC) is broadly representative of organizations and agencies and provides balance, background, and sensitivity with respect to solving the problems of low-income persons, including the weatherization and energy conservation problems. Historically, the PAC has met annually after the public hearing for the DOE plan.

**Liability Insurance**

The liability insurance separate line item was increased to enable Subrecipients to purchase pollution occurrence insurance in addition to the general liability insurance. Most regular liability insurance policies do not provide coverage for pollution occurrence. Subrecipients should review existing policies to ensure that lead paint measures are also covered and if not, secure adequate coverage for all units to be weatherized. If Subrecipients require additional funding for liability insurance, they must first provide the Department with three price quotes. When approved, additional liability insurance costs may be paid from administrative or program support categories. The Department strongly recommends the Subrecipients require their contractors to carry pollution occurrence insurance to avoid being liable for any mistakes the contractors may make. Each Subrecipient should get a legal opinion regarding the best course to take for implementing the pollution occurrence insurance coverage.

**WEATHERIZATION ANNUAL FILE WORKSHEET (cont)****Identification: EE0000190****State: TX****Program year: 2013****Budget period: 04/01/2013 - 03/31/2014**

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**Training & Technical Assistance Carryover Funds**

Training and technical assistance funds will not be used to purchase vehicles or equipment for local agencies to perform weatherization services. The cost of these vehicles and equipment to support the program must be charged to program support and program operations categories. The Department acknowledges that, should unexpended training and technical assistance funds remain at the end of the Program Year, DOE requires these funds to be used to weatherize homes during the following year.

**Formula Distribution**

The Department updates the budget allocation proportion by county and Subrecipient based on poverty income, elderly poverty, median household income (from the 2010 U.S. Census data), and climate data (from the National Climatic Data Center, Climate Normals, 2010).

**Electric Base Load Measures (EBL)**

DOE has approved the inclusion of selected Electric Base Load (EBL) measures as part of the weatherization of eligible residential units. Currently, the approved EBL measures include replacement of refrigerators, electric water heaters, and compact fluorescent lights. All EBL measures must be determined cost effective with an SIR of 1 or greater by either audit analysis or separate DOE approved analytical tools.

DOE has approved analytical tools to measure EBL. Instructions for incorporating EBL measures in to the WAP are detailed in the Texas Administrative Code. All dwelling units will be evaluated to determine the most cost effective measures to be installed in each unit weatherized and to determine the order in which measures will be installed. The evaluation of each unit must include building envelope measures, mechanical measures, and Electric Base Load measures.

**Additional information regarding Section 3--Subrecipients:**

The Department allocates funds to Subrecipients by applying a formula based upon the DOE allocation for program year 2013. The allocation formulas reflect the 2010 Census data. If any carryover funds are available, they will be distributed by allocation formula and used to increase the number of units to be weatherized.

The adjusted average expenditure limit per unit for program year 2013 is \$6,769. Texas limits Reweathering to 5% of all units weatherized. If agencies need to exceed the 5% cap, the agency should send a written request for prior approval to the Department.

With limited funding, the Department finds it costly and ineffective to operate a statewide network of 26 Subrecipients, with most Subrecipients, under the formula, being slated to weatherize 5 or fewer units. For program year 2013, the Department will provide DOE funding to the four Subrecipients listed in Section II. 3, whose units, under the formula, exceed 8 per year. To ensure that all areas of the state will receive equitable weatherization funding and services, the Department will allocate LIHEAP WAP funds to the remaining 22 Subrecipients at a level equal to what would have been their combined DOE and LIHEAP WAP allocations.

If funding levels remain the same for the 2014 program year, the Department may rebid WAP statewide.



**WEATHERIZATION ANNUAL FILE WORKSHEET (cont)****Identification: EE0000190****State: TX****Program year: 2013****Budget period: 04/01/2013 - 03/31/2014**

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If the Department determines it is necessary to permanently reassign a service area to a new Subrecipient, the Subrecipient will be chosen in accordance with 10 CFR §440.15 and the Department's Texas Administrative Code.

The fund allocations for individual service areas are determined by a distribution formula with five (5) factors:

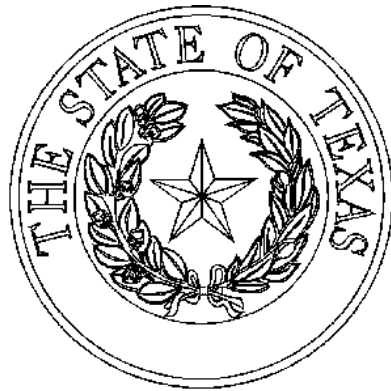
- (1) Number of non-elderly poverty households per county;
- (2) Number of elderly poverty households (65+) per county;
- (3) Median income variance per county;
- (4) Inverse poverty household density ratio per county; and
- (5) Heating/Cooling Degree days per county.

The Department may deobligate all or part of the funds provided under this contract, if Subrecipient has not expended funds as specified in the contract of each Subrecipient according to the expenditure rate and households served during the sixth month of the program year. Subrecipient's failure to expend the funds provided under this contract in a timely manner may also result in the Subrecipient's ineligibility to receive additional funding during the program year.

Note: CFR: Code of Federal Regulation

# **DRAFT 2013 DOE WAP STATE PLAN**

**TEXAS DEPARTMENT OF HOUSING  
AND COMMUNITY AFFAIRS**



**PY 2013 STATE PLAN & APPLICATION  
FOR  
WEATHERIZATION ASSISTANCE PROGRAM  
FOR LOW-INCOME PERSONS**

**February 2013**

**APPLICATION FOR FEDERAL ASSISTANCE SF-424**

Version 02

1. Type of Submission:

- Preapplication  
 Application  
 Changed/Corrected Application

2. Type of Application:

- New  
 Continuation  
 Revision

If Revision, select appropriate letter(s)

**Increase Duration**

Other (specify):

3. Date Received

04/01/2013

4. Applicant Identifier:

R830010

5a. Fed Entity Identifier:

5b. Federal Award Identifier:

DE-EE0000190

**State Use Only:**

6. Date Received by State: 04/01/2013

7. State Application Identifier: TX-W-200

**8. APPLICANT INFORMATION:**

a. Legal Name: STATE OF TEXAS

b. Employer/Taxpayer Identification Number (EIN/TIN):

742610542

c. Organizational DUNS:

806781902

**d. Address:**

Street 1: P.O. BOX 13941

Street 2:

City: AUSTIN

County:

State: TX

Province:

Country: U.S.A.

Zip / Postal Code: 787113941

**e. Organizational Unit:**

Department Name:

TEXAS HOUSING & COMMUNITY AFF.

Division Name:

TEXAS DEPT. OF HOUSING & COMMUNITY AFFAIRS

**f. Name and contact information of person to be contacted on matters involving this application:**

Prefix: Mr First Name: Michael

Middle Name:

Last Name: DeYoung

Suffix:

Title: Community Affairs Division Director

Organizational Affiliation: Texas Dept. of Housing and Community Affairs

Telephone Number: 5124752125

Fax Number: 5124753935

Email: michael.deyoung@tdhca.state.tx.us

**APPLICATION FOR FEDERAL ASSISTANCE SF-424**

Version 02

**9. Type of Applicant:**

A State Government

**10. Name of Federal Agency:**

U. S. Department of Energy

**11. Catalog of Federal Domestic Assistance Number:**

81.042

CFDA Title:

Weatherization Assistance for Low-Income Persons

**12. Funding Opportunity Number:**

DE-FOA-0000641

Title:

Program Year 2013 Weatherization Formula Grants

**13. Competition Identification Number:**

Title:

**14. Areas Affected by Project (Cities, Counties, States, etc.):**

Statewide

**15. Descriptive Title of Applicant's Project:**

Statewide Weatherization Assistance Program



**BUDGET INFORMATION - Non-Construction Programs**

1. Program/Project Identification No. EE0000190		2. Program/Project Title The Weatherization Assistance Program enables low-income families to permanently reduce their energy bills by making their homes more energy efficient. During the last 32 years, the U.S. Department of Energy's (DOE) Weatherization Assistance Program has provided weatherization services to more than 6.2 million low-income families.	
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i. Total Direct Charges	\$ 761,342.00	\$ 190,335.00	\$ 44,437.00	\$ 3,200.00	\$ 1,266,230.00
j. Indirect	\$ 0.00	\$ 0.00	\$ 0.00	\$ 0.00	\$ 33,770.00
k. Totals	\$ 761,342.00	\$ 190,335.00	\$ 44,437.00	\$ 3,200.00	\$ 1,300,000.00
7. Program Income	\$ 0.00	\$ 0.00	\$ 0.00	\$ 0.00	\$ 0.00

**U.S. Department of Energy**  
**WEATHERIZATION ANNUAL FILE WORKSHEET**

Identification: EE0000190

State: TX

Program year: 2013

Budget period: 04/01/2013 - 03/31/2014

**II.3 Subgrantees**

Grantee (city)	Tentative	
	Funding	Units
Alamo Area Council of Governments (San Antonio)	\$ 260,700.00	26
Community Action Corporation of South Texas (Alice)	\$ 261,425.00	27
Dallas County Health & Human Services (Dallas)	\$ 251,198.00	26
Neighborhood Centers, Inc. (Houston)	\$ 349,999.00	35
<b>TOTALS</b>	<b>\$1,123,349.00</b>	<b>114</b>

**II.4 WAP Production Schedule**

Total Units (excluding reweatherized)	114
Rewatherized Units	0



**WEATHERIZATION ANNUAL FILE WORKSHEET (cont)**

Identification: EE0000190

State: TX

Program year: 2013

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Average Unit Costs, including Reweathering, Subject to DOE Program Rules		
VEHICLE & EQUIPMENT AVERAGE COST PER DWELLING UNIT (DOE RULES)		
A	Total Vehicles & Equipment (\$5,000 or more) Budget	\$0.00
B	Total Units Weatherized	114
C	Total Units Reweatherized	0
D	Total Dwelling Units to be Weatherized and Reweatherized (B + C)	114
E	Average Vehicles & Equipment Acquisition Cost per Unit (A divided by D)	\$0.00
AVERAGE COST PER DWELLING UNIT (DOE RULES)		
F	Total Funds for Program Operations	\$761,342.00
G	Total Dwelling Units to be Weatherized and Reweatherized (from line D)	114
H	Average Program Operations Costs per Unit (F divided by G)	\$6,678.00
I	Average Vehicles & Equipment Acquisition Cost per Unit (from line E)	\$0.00
J	Total Average Cost per Dwelling (H plus I)	\$6,678.00

**II.5 Energy Savings**

Method used to calculate energy savings: WAP algorithm  Other (describe below)

The PY 2012 energy saving calculations methodology was developed by the Department using the most recent Metaevaluation of the National Weatherization Assistance Program (ORNL/CON-493). This methodology estimates annual savings of 30.5 MBtu according to DOE's PY 2005 Application Instructions and Forms for PY 2006. The same methodology will be used for PY 2013. The 2012 Plan is estimated according to funding allocation and adjusted average expenditure limit per unit allowed to weatherize a home. The total number of units projected to be weatherized in PY 2013 is 114 for a total of annual estimated energy savings of 3,477 MBtu.

Estimated energy savings: 3,477 (MBtu)

Estimated prior year savings: 11,346 (MBtu) Actual: To be determined after prior year close out.

If variance is large, explain: Decrease in program funds available.

**WEATHERIZATION ANNUAL FILE WORKSHEET (cont)****Identification: EE0000190****State: TX****Program year: 2013****Budget period: 04/01/2013 - 03/31/2014**

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**II.6 Training, Technical Assistance, and Monitoring Activities**

The Texas Department of Housing and Community Affairs (the Department) plans to monitor the Weatherization Assistance Program (WAP) with the Monitoring staff included in the budget. Training and technical assistance shall be provided to the Subrecipient, whenever necessary, by the Training staff. Subrecipient is defined as an organization with whom the Department contracts and provides WAP funds.

Monitorings will be scheduled using a risk management-based assessment. Primary consideration will consist of amount of contract, previous findings, status of finding resolution, and submission of annual Single Audit. Periodic desk reviews of expenditures and production levels will be conducted during the program year. The scheduling of on-site monitoring will depend on availability of staff, minimum number of completed units, geographic and climatic considerations. The Department may utilize a desk monitoring of Subrecipients that are not high-risk entities. The schedule may vary and dates will be confirmed with each Subrecipient in advance. The Department will conduct a monitoring review of each Subrecipient at least once a year. The purpose of the onsite or desk monitoring is to ensure that program activities are completed and that funds are expended in accordance with the contract provisions and applicable State and Federal rules, regulations, policies and related Statutes. The Department will utilize this monitoring to determine the effectiveness of the Subrecipients performance and program compliance to ensure that eligible low-income families are receiving quality and appropriate weatherization of their homes.

The Department WAP program year is April 1 through March 31. Upon the Department's completion of the PY 2012 Monitoring process, the Department will review all monitoring findings in order to evaluate any improvements in the agencies' performances in May. The Department will submit to DOE a written summary of its monitoring findings.

Monitoring will include health and safety procedures, client eligibility, energy audit procedures, and client education procedures. In addition, Monitors will review financial management control and ensure the quality of work via established monitoring procedures.

The Department will conduct training and technical assistance throughout the program year. Department staff may determine that additional training is needed for a particular Subrecipient or the Subrecipient may request it. The Training staff is actively conducting training and technical assistance and continually works with feedback from Monitoring and department staff to determine Subrecipients additional training needs on an on-going basis. Training will include manufactured housing, lead safe work practices, building envelope measures, energy audit, and health and safety.

The Department will provide training through a four pronged approach, to the extent financially feasible.

A) Review of Findings entered in the Monitoring Tracking Database

The training team will provide training to address specific findings in order to correct identified monitoring deficiencies.

B) Referral by the Monitoring staff

Training areas will focus on input from the referring Monitor.

C) Online request produced by the Subrecipient

The Department has created an online training and technical assistance database to track training requested by the Subrecipient network. The requestor has a menu of WAP topics to select from. The online training request form can be found on the Department's website, <http://www.tdhca.state.tx.us/community-affairs/wap/index.htm>. The Department's training staff will contact the requestor and customize the training around their needs.

D) Management Request

Management may make a specific request and dictate the type of training needed.

**WEATHERIZATION ANNUAL FILE WORKSHEET (cont)****Identification: EE0000190****State: TX****Program year: 2013****Budget period: 04/01/2013 - 03/31/2014**

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Training will be designed for each Agency based on the information prompting the request. Technical Assistance will be documented by using the online training and technical assistance database. Additionally, for onsite Training and Technical Assistance visits, a report will be produced indicating Subrecipient staff present, Training and Technical Assistance materials and documents presented to the Subrecipient.

The Department does not require licensing or certification of Subrecipient staff. Should a Subrecipient hire a new weatherization coordinator, the Subrecipient will be required to notify the Department in writing within 30 days of the date of hiring the coordinator and request training. The Department will contact Subrecipients within 30 days of the date of notification to arrange for training. The Department will use in-house staff and may use other program professionals to provide training. The Department will provide travel assistance to Subrecipients that receive training.

**The Department has scheduled the following training dates for WAP Network:**

No trainings have been scheduled at this time.

**Energy Audit Procedures**

In December 2009, the Department implemented the U.S. Department of Energy approved Priority List that identifies cost effective recurring measures that can be performed. Additionally, the NEAT and MHEA audits have been approved by DOE for use on single family dwellings, manufactured homes and multifamily buildings containing 24 or fewer units. The energy audits have not been approved for multifamily buildings containing 25 or more units. For buildings with 25 or more units, the Department will acquire a DOE approved energy audit, such as EA-QUIP or TREAT, or require an engineering study.

**Energy Savings**

The State will cooperate with the Department of Energy as they implement a national evaluation project.

**Evaluation of Training Activities**

In order to evaluate the efficiency of its training activities, the training staff will review its training activities semi-annually and compare those to the Subrecipient monitoring reports. Additionally, Subrecipients will be given the opportunity to provide feedback through evaluation forms distributed at all training sessions. Training staff will conduct periodic surveys to solicit input from Subrecipients as to their training needs. The Department will also utilize input from Monitors and Subrecipient monitoring reports to determine areas of additional training needed. A database of all monitoring findings provides the training group with analysis of training needs and opportunities that correlate to monitoring reports.

**Lead-Based Paint Safe Work Practices**

The State of Texas provided Lead, Renovation, Repair, and Painting Program (LRRPP) training to all program monitors and Subrecipients through the Training Academy during Program Year 2011. The State will provide LRRPP training to new Subrecipient hires on an on-going case by case basis.

**Client Education**

The Department will continue to require WAP Subrecipients to provide client education to each WAP client. Subrecipients will be required to provide (at a minimum) educational materials in verbal and written format. Client education will include temperature strips that indicate the temperature in the room and energy savings materials.

**II.7 DOE-Funded Leveraging Activities**

N/A

**U.S. Department of Energy**  
**WEATHERIZATION ANNUAL FILE WORKSHEET (cont)**

Identification: EE0000190

State: TX

Program year: 2013

Budget period: 04/01/2013 - 03/31/2014

**II.8 Policy Advisory Council Members** (names, groups, agencies)

EOAC of Planning Region XI	Johnette Hicks, Executive Director
Ysleta del Sur Pueblo Housing Department	Al Joseph
Railroad Commission of Texas, Alt. Fuels Div.	Heather Ball, Dir. Marketing & Public Education
Greater East Texas Community Action Program	Karen Swenson, Executive Director
Texas Department of Aging and Disability Services	Winnie Rutledge
Texoma Council of Governments	Mark Bullard, Program Coordinator

**II.9 State Plan Hearings** (send notes, minutes, or transcript to the DOE office)

Hearing Date	Newspapers that publicized the hearings and the dates that the notice ran.
12/28/2012	Notice of Public Hearing was posted in the December 28, 2012 edition of the <i>Texas Register</i> .
1/16/2013	Public Hearing for the Texas 2013 WAP Plan was held on January 16, 2013. Transcript is available upon request.
1/22/2013	The WAP Policy Advisory Council meeting was held on January 22, 2013. Transcript is available upon request.

**II.10 Adjustments to On-File Information**

No changes will be made to the On-File Information.

**WEATHERIZATION ANNUAL FILE WORKSHEET (cont)****Identification: EE0000190****State: TX****Program year: 2013****Budget period: 04/01/2013 - 03/31/2014**

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**II.11 Miscellaneous****Intergovernmental Review Data**

The State of Texas is no longer participating in the intergovernmental review process referenced under Executive Order 12372 "Intergovernmental Review of Federal Programs". As a result, the federal Office of Management and Budget has removed Texas from their list of states that have a state single point of contact for intergovernmental review. Thus, applications for funding are no longer subject to review under EO 12372.

**Policy Advisory Council**

The Policy Advisory Council (PAC) is broadly representative of organizations and agencies and provides balance, background, and sensitivity with respect to solving the problems of low-income persons, including the weatherization and energy conservation problems. Historically, the PAC has met annually after the public hearing for the DOE plan.

**Liability Insurance**

The liability insurance separate line item was increased to enable Subrecipients to purchase pollution occurrence insurance in addition to the general liability insurance. Most regular liability insurance policies do not provide coverage for pollution occurrence. Subrecipients should review existing policies to ensure that lead paint measures are also covered and if not, secure adequate coverage for all units to be weatherized. If Subrecipients require additional funding for liability insurance, they must first provide the Department with three price quotes. When approved, additional liability insurance costs may be paid from administrative or program support categories. The Department strongly recommends the Subrecipients require their contractors to carry pollution occurrence insurance to avoid being liable for any mistakes the contractors may make. Each Subrecipient should get a legal opinion regarding the best course to take for implementing the pollution occurrence insurance coverage.

**WEATHERIZATION ANNUAL FILE WORKSHEET (cont)****Identification: EE0000190****State: TX****Program year: 2013****Budget period: 04/01/2013 - 03/31/2014**

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**Training & Technical Assistance Carryover Funds**

Training and technical assistance funds will not be used to purchase vehicles or equipment for local agencies to perform weatherization services. The cost of these vehicles and equipment to support the program must be charged to program support and program operations categories. The Department acknowledges that, should unexpended training and technical assistance funds remain at the end of the Program Year, DOE requires these funds to be used to weatherize homes during the following year.

**Formula Distribution**

The Department updates the budget allocation proportion by county and Subrecipient based on poverty income, elderly poverty, median household income (from the 2010 U.S. Census data), and climate data (from the National Climatic Data Center, Climate Normals, 2010).

**Electric Base Load Measures (EBL)**

DOE has approved the inclusion of selected Electric Base Load (EBL) measures as part of the weatherization of eligible residential units. Currently, the approved EBL measures include replacement of refrigerators, electric water heaters, and compact fluorescent lights. All EBL measures must be determined cost effective with an SIR of 1 or greater by either audit analysis or separate DOE approved analytical tools.

DOE has approved analytical tools to measure EBL. Instructions for incorporating EBL measures in to the WAP are detailed in the Texas Administrative Code. All dwelling units will be evaluated to determine the most cost effective measures to be installed in each unit weatherized and to determine the order in which measures will be installed. The evaluation of each unit must include building envelope measures, mechanical measures, and Electric Base Load measures.

**Additional information regarding Section 3--Subrecipients:**

The Department allocates funds to Subrecipients by applying a formula based upon the DOE allocation for program year 2013. The allocation formulas reflect the 2010 Census data. If any carryover funds are available, they will be distributed by allocation formula and used to increase the number of units to be weatherized.

The adjusted average expenditure limit per unit for program year 2013 is \$6,769. Texas limits Reweathering to 5% of all units weatherized. If agencies need to exceed the 5% cap, the agency should send a written request for prior approval to the Department.

With limited funding, the Department finds it costly and ineffective to operate a statewide network of 26 Subrecipients, with most Subrecipients, under the formula, being slated to weatherize 5 or fewer units. For program year 2013, the Department will provide DOE funding to the four Subrecipients listed in Section II. 3, whose units, under the formula, exceed 8 per year. To ensure that all areas of the state will receive equitable weatherization funding and services, the Department will allocate LIHEAP WAP funds to the remaining 22 Subrecipients at a level equal to what would have been their combined DOE and LIHEAP WAP allocations.

If funding levels remain the same for the 2014 program year, the Department may rebid WAP statewide.

**WEATHERIZATION ANNUAL FILE WORKSHEET (cont)****Identification: EE0000190****State: TX****Program year: 2013****Budget period: 04/01/2013 - 03/31/2014**

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If the Department determines it is necessary to permanently reassign a service area to a new Subrecipient, the Subrecipient will be chosen in accordance with 10 CFR §440.15 and the Department's Texas Administrative Code.

The fund allocations for individual service areas are determined by a distribution formula with five (5) factors:

- (1) Number of non-elderly poverty households per county;
- (2) Number of elderly poverty households (65+) per county;
- (3) Median income variance per county;
- (4) Inverse poverty household density ratio per county; and
- (5) Heating/Cooling Degree days per county.

The Department may deobligate all or part of the funds provided under this contract, if Subrecipient has not expended funds as specified in the contract of each Subrecipient according to the expenditure rate and households served during the sixth month of the program year. Subrecipient's failure to expend the funds provided under this contract in a timely manner may also result in the Subrecipient's ineligibility to receive additional funding during the program year.

Note: CFR: Code of Federal Regulation

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**BOARD ACTION REQUEST**  
**MULTIFAMILY FINANCE DIVISION**  
**DECEMBER 13, 2012**

Presentation, Discussion, and Possible Action regarding an Award of HOME funds from the 2012-1 HOME Multifamily Development Program Notice of Funding Availability

**RECOMMENDED ACTION**

**WHEREAS**, on or before March 1, 2012, an application for The Residences of Solms Village (#12366) was submitted for Competitive Housing Tax Credits under the 2012 Qualified Allocation Plan and HOME Program funds under the General Set-Aside of the HOME Multifamily Development Program Notice of Funding Availability (NOFA);

**WHEREAS**, on July 26, 2012, the Board approved placing The Residences of Solms Village on the waiting list for tax credits and no awards of HOME funds were made for applications on the waiting list;

**WHEREAS**, in October 2012, the Department received tax credits from the national pool in the amount of \$248,283. Those credits, combined with the credits that remained after initial awards, total \$735,887, which was available to award to the next application on the waiting list;

**WHEREAS**, The Residences of Solms Village, being the next application on the waiting list in the most underserved region – Region 9 – has received a commitment of Competitive Housing Tax Credits;

**WHEREAS**, the applicant applied for \$1,900,000 in HOME funds.

**RESOLVED**, that a commitment of \$1,900,000 in HOME funds from the 2012-1 HOME Multifamily Development Program Notice of Funding Availability for The Residences of Solms Village is hereby approved in the form presented at this meeting; and

**FURTHER RESOLVED**, that the Board's approval is conditioned upon any conditions included in the Underwriting Report and completion of any other reviews required to ensure compliance with the applicable rules and requirements for HOME Multifamily Development Program funds.

**BACKGROUND**

On July 26, 2012, the Board approved the 2012-1 HOME Multifamily Development (MFD) Program Notice of Funding Availability (NOFA) with \$ 37,220,274 in funds, divided between

the General, Community Housing Development Organization (CHDO), and Persons with Disabilities Set-Asides. The Board action included a transfer of all pending applications from the 2011 HOME MFD NOFA.

Staff is recommending application #12366, The Residences of Solms Village, for an award under the General Set-Aside. The Residences of Solms Village is an 80-unit new construction transaction located in New Braunfels, Texas. This application is able to be recommended for an award without replacing any other 9% tax credit applications as a result of IRC Revenue Procedure 2012-42, which published an amount of unused housing credit carryovers allocated to qualified states, such as Texas, for a calendar year from a national pool of unused credit authority. The unused credit amount published for Texas is sufficient to recommend an award for this particular tax credit application that is also requesting HOME funds. Staff, in accordance with the rules and previous board action, issued a commitment of tax credits to The Residences of Solms Village as the next application on the approved waiting list. The Residences of Solms Village has priority over some other HOME MFD applications with earlier received dates but that were not recommended for tax credit awards. If approved, \$3,913,455 will remain available under the General Set-Aside. Details of the application and award amount are outlined in the posted underwriting report.

The Residences of Solms Village, if approved, would be the first development financed with HOME Multifamily Development funds in New Braunfels.

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**BOARD ACTION REQUEST**

**MULTIFAMILY FINANCE DIVISION**

**DECEMBER 13, 2012**

Presentation, Discussion, and Possible Action on Determination Notices for Housing Tax Credits with Another Issuer.

**RECOMMENDED ACTION**

**WHEREAS**, a Housing Tax Credit application for the Villas at Colt Run was submitted to the Department on October 12, 2012;

**WHEREAS**, the proposed issuer of the bonds is the City of Houston Housing Finance Corporation;

**WHEREAS**, the Certificate of Reservation from the Bond Review Board expires on April 12, 2013;

**WHEREAS**, the Development is located in a municipality that has been identified as having twice the state average of units per capita supported by Housing Tax Credits or Private Activity Bonds;

**WHEREAS**, the Unit of Local Government, the City of Houston, has voted specifically to approve the construction of the Development and to authorize an allocation of 4% Housing Tax Credits; and

**WHEREAS**, the Executive Award and Review Advisory Committee recommends the issuance of the Determination Notice;

**Now therefore, It is hereby,**

**RESOLVED**, that the issuance of a Determination Notice of \$711,990 in Housing Tax Credits, subject to underwriting conditions that may be applicable as found in the Real Estate Analysis report posted to the Department's website for the Villas at Colt Run is hereby approved in the form presented to this meeting.

**BACKGROUND**

*General Information:* The development is new construction and includes the demolition of an existing multifamily development that has been abandoned. Villas at Colt Run will consist of 138 - total units serving a general population. This transaction is a Priority 3 and all of the units are proposed to be restricted at 60% Area Median Family Income

(AMFI). The development is located in Houston, Harris County where there is no zoning ordinance.

*Organizational Structure and Compliance:* The Borrower is Villas at Colt Run, L.P., and the General Partner is Villas at Colt Run GP, LLC. The Compliance Status Summary completed on November 14, 2012, reveals that the principals of the general partner have received 10 multifamily awards. The Borrower corrected identified issues relating to material noncompliance in accordance with the Previous Participation Rule.

*Census Demographics:* The development is to be located at 7600 East Houston Rd. in Houston. Demographics for the census tract (2311.00) include AMFI of \$34,393; the total population is 4,729; the percent of population that is minority is 93.76%; the percent of population that is below the poverty line is 24.40%; the number of owner occupied units is 858 and the number of renter units is 482. (Census information from FFIEC Geocoding for 2012).

*Public Comment:* The Department has not received any letters of support or opposition for this Development.

# Applicant Evaluation

Project ID # **12412**

Name **Villas at Colt Run**

City: **Houston**

HTC 9%     HTC 4%     HOME     BOND     HTF     NSP     ESG     Other

No Previous Participation in Texas       Members of the development team have been disbarred by HUD

### Compliance and Asset Oversight

Total # of MF awards monitored:	9	<b>Projects in Material Noncompliance</b>			
		<b>Yes</b> <input type="checkbox"/>	<b>No</b> <input checked="" type="checkbox"/>	Projects grouped by score	0-9: 4
Total # of MF awards not yet monitored or pending review:	1			10-19:	3
SF Contract Experience <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No		Unresolved Audit Findings Identified w/ Contract(s) <input type="checkbox"/>		20-29:	2
Total # of SF Contracts:	0	Total # of MF Projects in Material Noncompliance: 0		Total monitored with a score 0-29:	9

Completed by: James Roper      Reviewer: Patricia Murphy  
 Date: 9/22/2012      Date: 11/14/2012

### Single Audit

Single audit review not applicable       Late single audit certification form (see comments)  
 Single audit requirements current       Past due single audit or unresolved single audit issue (see comments)

Reviewer: Rosy Falcon      Date: 9/27/2012

Comments (if applicable):

### Financial Administration Loan Servicing

No delinquencies found       Delinquencies found (see comments)

Reviewer: Candace Christiansen      Date: 9/25/2012

Comments (if applicable):

### Financial Administration Financial Services

No delinquencies found       Delinquencies found (See Comments)

Reviewer: John M Tomme      Date: 9/27/2012

Comments (if applicable):

**BOARD ACTION REQUEST**

**MULTIFAMILY FINANCE DIVISION**

**DECEMBER 13, 2012**

Presentation, Discussion, and Possible Action on Determination Notices for Housing Tax Credits with Another Issuer.

**RECOMMENDED ACTION**

**WHEREAS**, a Housing Tax Credit application for the San Juan III was submitted to the Department on September 24, 2012;

**WHEREAS**, the proposed issuer of the bonds is the San Antonio Housing Finance Corporation;

**WHEREAS**, the Certificate of Reservation from the Bond Review Board expires on April 14, 2013; and

**WHEREAS**, the Executive Award and Review Advisory Committee recommends the issuance of the Determination Notice; therefore,

**Now therefore, It is hereby,**

**RESOLVED**, that the issuance of a Determination Notice in an amount not to exceed \$1,028,298 in Housing Tax Credits, subject to underwriting conditions that may be applicable as found in the Real Estate Analysis report posted to the Department's website for the San Juan III is hereby approved in the form presented to this meeting.

**BACKGROUND**

*General Information:* The development is new construction and includes the demolition of an existing 116 - unit public housing development. San Juan III will consist of 252 total units serving a general population. This transaction is a Priority 3 and includes units to be restricted at 30% and 60% Area Median Family Income (AMFI). The development is located in San Antonio, Bexar County. An application for re-zoning was submitted to the City of San Antonio in September. Final approval from the City Council was received on November 15, 2012.

*Organizational Structure and Compliance:* The Borrower is San Juan III, Ltd. and the General Partner is SAHA San Juan III, LLC. The Compliance Status Summary completed on October 26, 2012, reveals that the principals of the general partner have received 67 multifamily awards. There are no identified issues relating to material noncompliance.

*Census Demographics:* The development is to be located on two adjacent sites. The first site is at 300 Gante Walk and the second site is at 2001 S. Zarzamora Street in San Antonio. Demographics for the first site census tract (1601.00) include AMFI of \$35,270; the total population is 5,794; the percent of population that is minority is 98.14%; the percent of population that is below the poverty line is 33.00%; the number of owner occupied units is 972 and the number of renter units is 526. (Census information from FFIEC Geocoding for 2012).

Demographics for the second site census tract (1605.02) include AMFI of \$31,385; the total population is 4,096; the percent of population that is minority is 96.88%; the percent of population that is below the poverty line is 32.03%; the number of owner occupied units is 847 and the number of renter units is 355. (Census information from FFIEC Geocoding for 2012).

*Public Comment:* The Department has not received any letters of support or opposition for this Development.



# Applicant Evaluation

Project ID **12415**

Name **San Juan III**

City: **San Antonio**

HTC 9%     HTC 4%     HOME     BOND     HTF     NSP     ESG     Other

No Previous Participation in Texas       Members of the development team have been disbarred by HUD

### Compliance and Asset Oversight

Total # of MF awards monitored:	67	<b>Projects in Material Noncompliance</b>		Projects 0-9:	56
Total # of MF awards not yet monitored or pending review:	8	<b>Yes</b> <input type="checkbox"/> <b>No</b> <input checked="" type="checkbox"/>		Projects grouped by score	
SF Contract Experience <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No		Unresolved Audit Findings Identified w/ Contract(s) <input type="checkbox"/>		10-19:	8
Total # of SF Contracts:	0	Total # of MF Projects in Material Noncompliance:	0	20-29:	3
				Total monitored with a score 0-29:	67

Completed by: James Roper      Reviewer: Patricia Murphy  
 Date: 10/18/2012      Date: 10/26/2012

### Single Audit

Single audit review not applicable       Late single audit certification form (see comments)  
 Single audit requirements current       Past due single audit or unresolved single audit issue (see comments)

Reviewer: Rosy Falcon      Date: 10/26/2012

Comments (if applicable):

### Financial Administration Loan Servicing

No delinquencies found       Delinquencies found (see comments)

Reviewer: Candace Christiansen      Date: 10/24/2012

Comments (if applicable):

### Financial Administration Financial Services

No delinquencies found       Delinquencies found (See Comments)

Reviewer: Monica Guerra      Date: 10/26/2012

Comments (if applicable):

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**BOARD ACTION REQUEST**  
**MULTIFAMILY FINANCE DIVISION**  
**DECEMBER 13, 2012**

Presentation, Discussion, and Possible Action regarding the status of the 2012 Competitive (9%) Housing Tax Credit Application Cycle

**BACKGROUND**

To date the Department has issued Commitment Notices for 46 awards of Competitive Housing Tax Credits to 2012 applications, totaling \$49,394,550 in annual tax credit allocation. A log of awarded applications is attached.

At the July 26, 2012, Board meeting, 45 transactions received Housing Tax Credit awards and the remaining active applications were placed on the Waiting List for the 2012 Housing Tax Credit Application Round. These awards were all conditioned upon completion of underwriting, completion of any other program reviews, and compliance with applicable laws and rules. After these awards were made, with some adjustments to credits awarded due to underwriting and credits returned from previous rounds, the Department was left with \$487,604 in credits. The Department then received \$248,283 from the national pool for a grand total left to award of \$735,887. The next application on the approved waiting list was The Residences of Solms Village, an 80-unit development in New Braunfels that originally requested \$750,000 in credits. We were able to award the application the \$735,887 in remaining credits without jeopardizing the financial feasibility of the development. Staff expects 100% of the 2012 ceiling to be awarded to eligible applications. This would leave no credit to carryover to 2013. Staff would like to make the Board aware of two unique situations that were resolved by staff.

Carryover was due on November 1, 2012, and will be executed prior to year end. Note that as provided for in the Carryover Agreement, "If Owners or Affiliates are found to be in violation of any rule regarding the Application or any rule regarding actions performed prior or subsequent to submission of the Application, specifically including actions that would have resulted in the ineligibility of the Owner or Affiliate to participate in the Application process, this Carryover allocation may be canceled at the discretion of the Department."

Staff is currently completing the final reviews. However, in the process of reviewing carryovers, staff encountered an unusual circumstance among the awarded applications in the USDA Set-Aside. Section 50.9(b)(12) of the 2012 QAP, related to Leveraging of Private, State and Federal Resources, requires that, "at the time of Carryover, the Applicant or Development Owner must provide evidence of a commitment approved by the funding entity for the sufficient financing to the Department." All of the applications in the USDA Set-Aside claimed these points and used USDA-RD financing as the qualifying source for this scoring item. However, the USDA-RD office, although they have received applications from all of the tax credit awardees, has not issued commitments to any of them. Under these circumstances, staff would normally review an application again to see if the point loss associated with the inability to provide the commitment would result in the next application in line being awarded instead. Because the Department is

required to meet the minimum set-aside, the next application in line would be another USDA Set-Aside application. There are only two such applications that were not awarded, and they are in the same position as the ones that were awarded, having claimed the points but with no commitment letter from USDA-RD and no reasonable expectation of receiving one soon. Therefore, all of the applications would lose the same points and staff would end up awarding the same applications. Staff contacted the two applicants that were not awarded to be sure this was the case and also explained the situation. Both applicants confirmed their understanding of the circumstances and have no expectation for a tax credit award this year.

In addition, at the September 6, 2012, meeting, the Board directed staff to work with the owners of Sunrise Terrace (#12379). This applicant had requested a waiver of a HOME rule because their original financial structure proposed that the Department take a subordinate lien position that was inconsistent with the Department's general requirement not to subordinate to other lenders providing less funding. Department staff and the owners have come to a solution that involves increasing the number of 60% units from 34 to 53 and decreasing the number of 50% units from 29 to 10. This rent schedule still affords the application the maximum number of points but allows the development to take on more conventional debt and decrease the amount of the HOME award so that no waiver is required.

The figures reflected in the first paragraph include the same USDA set-aside transaction that were originally awarded as well as the Sunrise Terrace award.

# Exhibit A



## Texas Department of Housing and Community Affairs 2012 Competitive (9%) Housing Tax Credit Program Award Log

The log is organized by region and subregion. Applicants selecting the At-Risk/USDA Set-Asides are listed first and are organized by score rather than by region. Forward commitments approved by the Board in 2011 and being allocated from the 2012 ceiling are not reflected below. These forward commitments are accounted for separately and have already been removed from the estimates of the available funding for each region. Only those applications that remain active and eligible for an award are reflected herein.

Those applications recommended for an award may remain subject to underwriting and other program requirements or conditions.

**HOW DO I READ THE SCORING COLUMNS?**

Several columns of the log relate to the scoring of the applications, beginning with "Points Requested" and ending with "Review Status." For the applications that have received a complete program review the review status column reflects a "C" and for these applications the "Best Possible Score" column reflects the staff determined final score. These final scores are subject to appeal. The remaining applications do not have final scores. For these remaining applications, the review status is either reflected as "UR" for under review or "N" for not reviewed or prioritized for review. Additionally, the "Best Possible Score" column reflects the maximum points staff believes an application could achieve. However, an appeal or staff review may ultimately increase or decrease any of the scores listed. **The applications with a review status of "N" or "UR" may have final scores for Quantifiable Community Participation (§50.9(b)(2)) and State Senator and Representative Support or Opposition (§50.9(b)(6)). Logs with more information regarding these specific scoring items are available on the HTC section of the website.**

The log has been organized based on the "Best Possible Score" column for each subregion or At-Risk Set-Aside. Where two or more applications have the same score, the "Tie Breaker Factors" columns on the far right are used to determine the ranking of each tied application.

Several issues may still affect the ranking of applications, such as testing for the \$3 million cap (§50.5(c)) or the impact of challenges. Applicants are encouraged to exercise caution in drawing conclusions from the log.

Application Number	Development Name	Development Address	Development City	Development County	Development Zip Code	Region	Nonprofit Set-Aside	At-Risk Set-Aside	USDA Set-Aside	Rural/Urban	Construction Type	Total HTC Units	Total IMR/EO Units	Total Units	Target Population	TDHCA HOME	Credit Request or Recommendation	Owner Contact	Second Contact	Points requested	Review Status: C=Complete, UR=under review, N=not reviewed								Tie Breaker Factors		
																					Base Score Awarded	+ Community Support \$50.9(b)(2) & (13)	+ State Elected Official Points \$50.9(b)(6)	II Best Possible Score	Review Status	Underwriting Complete	Recommended Awards	2010 Census Tract	Units / Capita \$50.6(f)(1)(A)	Tax Credits / Person \$50.6(f)(1)(B)	
<b>At-Risk Set-Aside</b>																															
12252	Gulf Coast Arms	6603 Hirsch Rd.	Houston	Harris	77026	6		X		Urban	Reconstruction	160	160	160	General	\$	1,795,385	Lee Zieben	Debra Guerrero	174	174	24	16	214	C	X	Recommended	48201230100	\$	2,992	
12264	LULAC Hacienda Apartments	2625 Greenwood Dr.	Corpus Christi	Nueces	78405	10		X		Urban	Reconstruction	60	60	60	Elderly	\$	941,740	Walter Martinez	Raymond H. Lucas	179	173	24	16	213	C	X	Recommended	48355000900	\$	9,565	
12084	San Gabriel Apartments	1100 Leander Rd.	Georgetown	Williamson	78628-8705	7		X	X	Rural	Acq/Rehab	135	1	136	General	\$	1,171,262	Paul Patierno	Kristoffer J. Kaufmann	171	171	24	16	211	C	X	Recommended	48491020110	\$	3,684	
12314	Parkview Place	1100 Ave. N St.	Huntsville	Walker	77340-4454	6		X		Rural	Acq/Rehab	41	41	41	Elderly	\$	384,763	Joseph Kasberg	JoEllen Smith	170	170	24	16	210	C	X	Recommended	48471790500	\$	6,406	
12121	Memorial Apartments	501 E. Jasmine Ave.	McAllen	Hidalgo	78501	11		X	X	Rural	Acq/Rehab	246	246	246	General	\$	885,739	David Marquez	Mike Lopez	169	168	24	16	208	C	X	Recommended	48215021000	\$	924	
12045	Elmwood Apartments	231 Gene St.	Buffalo	Leon	75831	8		X	X	Rural	Acq/Rehab	24	24	24	General	\$	205,380	Ronald Potterpin	Gary Maddock / Lisa Fehr	173	168	24	16	208	C	X	Recommended	48289950100	0.00359	\$	3,060
12048	Cottonwood Apartments	1205 Murray Street	Taft	San Patricio	78390	10		X	X	Rural	Acq/Rehab	24	24	24	General	\$	193,506	Ronald Potterpin	Lisa Fehr	173	167	24	16	207	C	X	Recommended	48409010800	\$	5,047	
12166	Villa Brazos	850 N. Ave J	Freeport	Brazoria	77541	6		X		Urban	Acq/Rehab	108	108	108	General	\$	1,084,190	K.T. (Ike) Akbari	Tracy Ambridge	171	166	24	16	206	C	X	Recommended	48039664300	0.03269	\$	4,284
12365	Stepping Stone & Taylor Square Apts.	2501 Davis St./1005 Cottonbowl	Taylor	Williamson	76574	7		X	X	Rural	Acq/Rehab	96	96	96	General	\$	889,626	Dennis Hoover	Kim Youngquist	175	165	24	16	205	C	X	Recommended	48491021202	0.01363	\$	42,989
12112	Inez Tims	800 N. Chestnut St.	Lufkin	Angelina	75901	5		X		Rural	Acq/Rehab	70	70	70	Elderly	\$	713,224	K.T. (Ike) Akbari	Tracy Ambridge	177	164	24	16	204	C	X	Recommended	48005000700	\$	7,143	
<b>Max Eligible Request In At-Risk</b>					<b>\$2,000,000</b>	<b>At-Risk Available</b>					<b>\$7,853,300</b>	<b>At-Risk</b>					<b>10</b>	<b>Total</b>	<b>\$8,264,815</b>												
						<b>USDA Available</b>					<b>\$3,145,264</b>							<b>USDA</b>	<b>\$3,345,513</b>												
<b>Region 1 / Rural</b>																															
12060	The Reserves at High Plains	NEC N. 7th and Oak	Dumas	Moore	79029	1				Rural	New Construction	60	4	64	General	\$	591,366	Matt Gillam	Alyssa Carpenter	179	179	24	16	219	C	X	Recommended	48341950300	\$	2,453	
<b>Max Eligible Request</b>					<b>\$1,055,095</b>	<b>Amount Available</b>					<b>\$727,369</b>	<b>Region 1 Rural</b>					<b>1</b>	<b>Total</b>	<b>\$591,366</b>												
<b>Region 1 / Urban</b>																															
12269	Stonebridge at Kelsey Park	SEC of FM 1585 and Norfolk Ave.	Lubbock	Lubbock	79424	1				Urban	New Construction	145	7	152	General	\$	1,549,990	Victoria W. Spicer	Dru Childre	179	179	24	16	219	C		Recommended	48303010508	-	\$	3,189
<b>Max Eligible Request</b>					<b>\$1,550,098</b>	<b>Amount Available</b>					<b>\$1,068,618</b>	<b>Region 1 Urban</b>					<b>1</b>	<b>Total</b>	<b>\$1,549,990</b>												
<b>Region 2 / Rural</b>																															
12075	Saddlebrook Apartments	N of Sycamore Dr. and E of IH 44	Burkburnett	Wichita	76354	2				Rural	New Construction	60	4	64	General	\$	602,610	Matt Gillam	Alyssa Carpenter	179	179	24	16	219	C	X	Recommended	48485013800	\$	2,498	
<b>Max Eligible Request</b>					<b>\$750,000</b>	<b>Amount Available</b>					<b>\$500,000</b>	<b>Region 2 Rural</b>					<b>1</b>	<b>Total</b>	<b>\$602,610</b>												
<b>Region 2 / Urban</b>																															
12065	La Ventana Apartments	Approximately 2401 Union Ln (Union & Hwy 351)	Abilene	Taylor	79601	2				Urban	New Construction	72	12	84	General	\$	710,000	Louis Wolfson III	Alyssa Carpenter	179	179	24	16	219	C	X	Recommended	48441013300	\$	2,518	

Texas Department of Housing and Community Affairs :: Competitive (9%) Housing Tax Credit Program

Application Number	Development Name	Development Address	Development City	Development County	Development Zip Code	Region	Nonprofit Set-Aside	At-Risk Set-Aside	USDA Set-Aside	Rural/Urban	Construction Type	Total HFC Units	Total IMR/FED Units	Total Units	Target Population	TDHCA HOME	Credit Request or Recommendation	Owner Contact	Second Contact	Points requested	Review Status: C=Complete, UR=under review, N=not reviewed										Tie Breaker Factors		
																					Base Score Awarded	+ Community Support \$50,910(2) & (13)	+ State Flected Official Points \$50,910(6)	II Best Possible Score	Review Status	Underwriting Complete	Recommended Awards	2010 Census Tract	Units / Capita \$50.6(f)(1)(A)	Tax Credits / Person \$50.6(f)(1)(B)			
<b>Max Eligible Request</b>		<b>\$750,000</b>	<b>Amount Available</b>		<b>\$500,000</b>	<b>Region 2 Urban</b>		<b>1</b>	<b>Total</b>		<b>\$710,000</b>																						
<b>Region 3 / Rural</b>																																	
12174	Royal Gardens	1500 SE Martin Luther King St.	Mineral Wells	Palo Pinto	76067	3	X			Rural	New Construction	75	75	Elderly	X	\$	697,774	Noorallah Jooma	Robert Wilson	179	175	24	16	215	C	X	Recommended	48363000700	\$	4,440			
<b>Max Eligible Request</b>		<b>\$1,149,718</b>	<b>Amount Available</b>		<b>\$792,601</b>	<b>Region 3 Rural</b>		<b>1</b>	<b>Total</b>		<b>\$697,774</b>																						
<b>Region 3 / Urban</b>																																	
12083	Harmon Villas	9592 Harmon Rd.	Fort Worth	Tarrant	76177-7544	3				Urban	New Construction	150	150	General		\$	1,769,613	Joseph Agumadu	Vanessa Hardy	179	179	24	16	219	C	X	Recommended	48439113926	\$	3,352			
12221	Riverstone Trails	Planters Rd. near Hwy. 80	Sunnyvale	Dallas	75182	3				Urban	New Construction	95	1	96	General	\$	1,274,822	Bob Davidson	Kelly Holden	179	179	24	16	219	C	X	Recommended	48113018104	\$	3,548			
12332	Apple Grove Villas	NEQ of Gus Thomasson and Hwy 80	Mesquite	Dallas	77150	3				Urban	New Construction	192	21	213	General	\$	1,906,038	Deepak Sulakhe	Alyssa Carpenter	178	178	24	16	218	C	X	Recommended	48113017804	\$	2,905			
12271	The Reserve at Western Center	SWC of Western Center Blvd. and Watauga Smithville Rd.	Fort Worth	Tarrant	76131	3				Urban	New Construction	120		120	General	\$	1,325,000	David R. Liette	Donna Rickenbacker - Marque Real Estate Consultant	178	178	24	16	218	C	X	Recommended	48439113926	\$	3,200			
12098	1400 Belleview	1401 Browder St.	Dallas	Dallas	75215	3				Urban	New Construction	164		164	General	\$	1,557,000	Kristian Teleki	Sara Reidy	178	178	24	16	218	C	X	Recommended	48113020400	\$	3,316			
<b>Max Eligible Request</b>		<b>\$2,000,000</b>	<b>Amount Available</b>		<b>\$8,012,212</b>	<b>Region 3 Urban</b>		<b>5</b>	<b>Total</b>		<b>\$7,832,473</b>																						
<b>Region 4 / Rural</b>																																	
12032	Heartland Village Apartments	South side of Hwy 11 (Wildcat Way), S of CR 1103 and Hwy 11	Sulphur Springs	Hopkins	75482	4				Rural	New Construction	74	6	80	General	X	\$	804,552	Rick J. Deyoe		179	179	24	16	219	C	X	Recommended	48223950300	-	\$	2,928	
<b>Max Eligible Request</b>		<b>\$1,706,158</b>	<b>Amount Available</b>		<b>\$1,176,532</b>	<b>Region 4 Rural</b>		<b>1</b>	<b>Total</b>		<b>\$804,552</b>																						
<b>Region 4 / Urban</b>																																	
12067	Amberwood Place	NWQ of Hawkins Pkwy. and McCann Rd.	Longview	Gregg	75605	4				Urban	New Construction	68	10	78	General	\$	857,000	Michael Wohl	Alyssa Carpenter	179	179	24	16	219	C	X	Recommended	48183000600	\$	3,174			
<b>Max Eligible Request</b>		<b>\$953,965</b>	<b>Amount Available</b>		<b>\$657,652</b>	<b>Region 4 Urban</b>		<b>1</b>	<b>Total</b>		<b>\$857,000</b>																						
<b>Region 5 / Rural</b>																																	
12074	Acadiana Village	Approx. 1200 Texas Ave.	Bridge City	Orange	77611	5				Rural	New Construction	72	8	80	General	X	\$	665,000	Terri Baker	Alyssa Carpenter	179	179	24	16	219	C	X	Recommended	48361022400	\$	2,548		
<b>Max Eligible Request</b>		<b>\$750,000</b>	<b>Amount Available</b>		<b>\$500,000</b>	<b>Region 5 Rural</b>		<b>1</b>	<b>Total</b>		<b>\$665,000</b>																						
<b>Region 5 / Urban</b>																																	
12089	Briarbend	6500 block Sienna Trails Dr.	Beaumont	Jefferson	77708	5				Urban	New Construction	40		40	General	\$	748,902	Mark Musemeche	Ofelia Elizondo	173	172	24	16	212	C	X	Recommended	48245000200	0.03181	\$	3,968		
<b>Max Eligible Request</b>		<b>\$750,000</b>	<b>Amount Available</b>		<b>\$500,000</b>	<b>Region 5 Urban</b>		<b>1</b>	<b>Total</b>		<b>\$748,902</b>																						
<b>Region 6 / Rural</b>																																	
12361	El Campo Village	Olivia & Way Streets	El Campo	Wharton	77437	6				Rural	New Construction	72	8	80	General	\$	936,100	Tim Lang		179	179	24	16	219	C	X	Recommended	48481740800	\$	2,400			
<b>Max Eligible Request</b>		<b>\$936,108</b>	<b>Amount Available</b>		<b>\$645,341</b>	<b>Region 6 Rural</b>		<b>1</b>	<b>Total</b>		<b>\$936,100</b>																						
<b>Region 6 / Urban</b>																																	



Texas Department of Housing and Community Affairs :: Competitive (9%) Housing Tax Credit Program

Application Number	Development Name	Development Address	Development City	Development County	Development ZIP Code	Region	Nonprofit Set-Aside	At-Risk Set-Aside	USDA Set-Aside	Rural/Urban	Construction Type	Total HFC Units	Total IMR/FED Units	Total Units	Target Population	FDHCA HOME	Credit Request or Recommendation	Owner Contact	Second Contact	Points requested	Review Status: C=Complete, UR=under review, N=not reviewed						Tie Breaker Factors			
																					Base Score Awarded	+ Community Support \$50.9(b)(2) & (13)	+ State Flected Official Points \$50.9(b)(6)	II Best Possible Score	Review Status	Underwriting Complete	Recommended Awards	2010 Census Tract	Units / Capita \$50.6(f)(1)(A)	Tax Credits / Person \$50.6(f)(1)(B)
12278	TGO Independence Village	NW Independence Dr. at N. Virginia St.	Port Lavaca	Calhoun	77979	10				Rural	New Construction	80		80	General	X	\$ 750,000	Steve Lollis, Authorized Representative	Donna Rickenbacker	179	179	24	16	219	C	X	Recommended	48057000400		\$ 2,976
<b>Max Eligible Request</b>		<b>\$750,000</b>	<b>Amount Available</b>		<b>\$1,294,750</b>		<b>Region 10 Rural</b>				<b>1</b>	<b>Total</b>		<b>\$750,000</b>																
<b>Region 10 / Urban</b>																														
12254	The Palms at Leopard	Palm Ave. between Lipan St. & Leopard St.	Corpus Christi	Nueces	78408	10	X			Urban	New Construction	120		120	General		\$ 1,408,944	Gilbert M. Piette		177	177	24	16	217	C	X	Recommended	48355001100		\$ 3,787
<b>Max Eligible Request</b>		<b>\$1,878,117</b>	<b>Amount Available</b>		<b>\$1,294,750</b>		<b>Region 10 Urban</b>				<b>1</b>	<b>Total</b>		<b>\$1,408,944</b>																
<b>Region 11 / Rural</b>																														
12379	Sunrise Terrace	N side of 49 Acre Lot on NEC of FM 2556	La Feria	Cameron	78559	11	X			Rural	New Construction	70		70	General	X	\$ 932,106	Sunny K. Philip	Valery Kedroff, S Williams HCDC	178	178	24	16	218	C	X	Recommended	48061010302		\$ 2,633
<b>Max Eligible Request</b>		<b>\$932,106</b>	<b>Amount Available</b>		<b>\$677,850</b>		<b>Region 11 Rural</b>				<b>1</b>	<b>Total</b>		<b>\$932,106</b>																
<b>Region 11 / Urban</b>																														
12388	Paseo Pointe	S side of Whipple Rd., E of Esalante Rd.	Los Fresnos	Cameron	78566	11				Urban	New Construction	187	21	208	General	X	\$ 1,398,642	Walter Martinez	Janice Degollado	179	179	24	16	219	C	X	Recommended	48061012402		\$ 1,865
12339	Hacienda del Sol	SWC of Stookey and Bus 77	San Benito	Cameron	78586	11				Urban	New Construction	136	16	152	General	X	\$ 1,064,246	Janice Degollado	Manish Verma	179	179	24	16	219	C	X	Recommended	48061011500		\$ 1,928
<b>Max Eligible Request</b>		<b>\$2,000,000</b>	<b>Amount Available</b>		<b>\$3,101,869</b>		<b>Region 11 Urban</b>				<b>2</b>	<b>Total</b>		<b>\$2,462,888</b>																
<b>Region 12 / Rural</b>																														
12243	Dunes Apartments	SE Ave. G and SE 4th St.	Seminole	Gaines	79630	12				Rural	New Construction	60		60	General		\$ 620,000	Bob Davidson	Kelly Holden	179	179	24	16	219	C	X	Recommended	48165950300		\$ 2,870
<b>Max Eligible Request</b>		<b>\$750,000</b>	<b>Amount Available</b>		<b>\$500,000</b>		<b>Region 10 Rural</b>				<b>1</b>	<b>Total</b>		<b>\$620,000</b>																
<b>Region 12 / Urban</b>																														
<b>Max Eligible Request</b>		<b>\$750,000</b>	<b>Amount Available</b>		<b>\$500,000</b>		<b>Region 12 Urban</b>				<b>0</b>	<b>Total</b>		<b>\$0</b>																
<b>Region 13 / Rural</b>																														
12127	Clint Palms	Near 13500 Alameda Rd.	Clint	El Paso	79836	13				Rural	New Construction	76		76	General		\$ 748,142	R.L. "Bobby" Bowling IV	Demetrio Jimenez	169	169	24	16	209	C	X	Recommended	48141010501	0.01864	\$ 2,717
<b>Max Eligible Request</b>		<b>\$750,000</b>	<b>Amount Available</b>		<b>\$500,000</b>		<b>Region 13 Rural</b>				<b>1</b>	<b>Total</b>		<b>\$748,142</b>																
<b>Region 13 / Urban</b>																														
12152	Eastside Crossings	Intersection of Zaragosa and Nour H.	El Paso	El Paso	79936	13				Urban	New Construction	143	45	188	General		\$ 1,246,056	Ike J. Monty	Corinne Vonberg	178	178	24	16	218	C	X	Recommended	48141010329		\$ 1,905
<b>Max Eligible Request</b>		<b>\$1,869,069</b>	<b>Amount Available</b>		<b>\$1,318,412</b>		<b>Region 13 Urban</b>				<b>1</b>	<b>Total</b>		<b>\$1,246,056</b>																
<b>Total Applications</b>		<b>45</b>											4838	<b>Total Funding Requested</b>		<b>\$48,658,663</b>														



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**BOARD ACTION REQUEST**  
**NEIGHBORHOOD STABILIZATION PROGRAM**  
**DECEMBER 13, 2012**

Presentation, Discussion, and Possible Action to approve a waiver of NSP1 NOFA requirements for an NSP Contract

**RECOMMENDED ACTION**

**WHEREAS**, The NSP1 NOFA requires that 35% of non-administrative funds awarded to a subgrantee be used to serve households at or below 50% of Area Median Income (AMI), and

**WHEREAS**, City of Galveston has requested amendment of their NSP1 contract to remove the set-aside requirement;

**NOW, therefore, it is hereby**

**RESOLVED**, that amendment of NSP Contract 77090000110, be and hereby is approved as presented at this meeting.

**BACKGROUND**

The Neighborhood Stabilization Program (NSP) is a HUD-funded program authorized by HR3221, the "Housing and Economic Recovery Act of 2008" (HERA), as a supplemental allocation to the Community Development Block Grant (CDBG) Program through an amendment to the existing State of Texas 2008 CDBG Action Plan. The purpose of the program is to redevelop into affordable housing, or acquire and hold, abandoned and foreclosed properties in areas that are documented to have the greatest need for arresting declining property values as a result of excessive foreclosures.

The NSP contract with the City of Galveston includes a requirement that no less than \$474,401 be used to serve four households at or below 50% AMI. As the City has worked to complete their units and secure income-eligible buyers, it has become apparent that households at this very low income level will not be able to purchase homes within NSP homebuyer financing requirements due to the high escrow payments required to support ownership unique to Galveston due flood and windstorm insurance requirements.

In order to make the monthly payments for property taxes, along with homeowners, flood & windstorm insurance, potential homebuyers in Galveston would need to make at least \$28,000 per year. For a household of four in Galveston 50% of AMI is \$33,450. This very small margin restricts the pool of

potential set-aside buyers to such an extent that the City has not been able to find income-eligible households that also qualify for financing.

The NSP regulations require that at least 25% of the NSP1 grant amount be expended to serve households at or below 50% AMI. As reflected in the Quarterly Performance Report of June 30, 2012, \$53,474,111 has been drawn for designated set-aside projects – this is 58% of the amended grant amount. Galveston has not drawn funds for reimbursement of their set-aside unit expenses, so waiver of the NOFA requirement will not impact Texas' progress toward meeting the set-aside requirement. While final occupancy of properties may cause changes in the set-aside final expenditure amount, NSP is clearly on target to meet the requirement without the Galveston units.

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**BOARD ACTION REQUEST**  
**NEIGHBORHOOD STABILIZATION PROGRAM**  
**DECEMBER 13, 2012**

Presentation, Discussion, and Possible Action regarding an amendment to an NSP1 Contract

**RECOMMENDED ACTION**

**WHEREAS**, the City of Odessa, Contract 77090000158, has requested amendment of their NSP1 contract to add the new activity of Land Banking; and

**WHEREAS**, staff agrees that the proposed amendment is appropriate and necessary;

**NOW, therefore, it is hereby**

**RESOLVED**, that amendment of NSP Contract 77090000158, be and hereby is approved as presented to this meeting.

**BACKGROUND**

The Neighborhood Stabilization Program (NSP) is a HUD-funded program authorized by HR3221, the "Housing and Economic Recovery Act of 2008" (HERA), as a supplemental allocation to the Community Development Block Grant (CDBG) Program through an amendment to the existing State of Texas 2008 CDBG Action Plan. The purpose of the program is to redevelop into affordable housing, or acquire and hold, abandoned and foreclosed properties in areas that are documented to have the greatest need for arresting declining property values as a result of excessive foreclosures.

The City of Odessa has acquired 11 foreclosed properties under its NSP contract, one of which has been subsequently sold to an income-eligible buyer. Due to economic conditions in the area, the City has had a great deal of difficulty in procuring qualified contractors to complete rehabilitation of a number of the houses. They have requested that properties that have not been rehabilitated be moved to Land Banking, so that they will have additional time to complete repairs using local funds. Once completed, the houses will either be sold or rented to income-eligible households. Properties with completed rehabilitation will not be transferred to the Land Bank, rather they will be sold or rented to income-eligible households.

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**BOARD ACTION REQUEST**

**NEIGHBORHOOD STABILIZATION PROGRAM**

**DECEMBER 13, 2012**

Presentation, Discussion, and Possible Action regarding publication of the Neighborhood Stabilization Program Three (NSP3) Fourth Substantial Amendment to the One Year Action Plan for public comment and submission to HUD

**Recommended Action**

**WHEREAS**, the U.S. Department of Housing and Urban Development (HUD) has set aside \$7,284,978 under the third round of funding for the Neighborhood Stabilization Program to be administered by the Texas Department of Housing and Community Affairs for the State of Texas;

**WHEREAS**, the NSP3 regulations require that grantees publish a Substantial Amendment and receive public comment before making certain changes to their NSP3 program;

**NOW, therefore, it is hereby**

**RESOLVED**, that the Fourth Substantial Amendment of the Texas 2010 Action Plan for the NSP3 be approved as presented to this meeting, contingent upon the receipt of no significant negative public comment during the comment period.

**Background**

The Neighborhood Stabilization Program (NSP) is a HUD-funded program authorized by HR3221, the "Housing and Economic Recovery Act of 2008" (HERA) (Pub. L 110-289, approved July 30, 2008), as a supplemental allocation to the Community Development Block Grant (CDBG) Program through an amendment to the existing State of Texas 2008 CDBG Action Plan. The NSP3 allocation of funds is provided under Section 1497 of the Wall Street Reform and Consumer Protection Act of 2010 (Pub. L. 111-203, approved July 21, 2010) (Dodd-Frank Act). The purpose of the program is to develop into affordable housing abandoned, foreclosed, and vacant properties in areas that are documented to have the greatest need for arresting declining property values as a result of excessive foreclosures.

The Community Development Corporation of Brownsville (CDCB) was awarded \$2,930,818 on June 30, 2011, for the construction of 30 single-family homes, with the plan that they would be rented to households at or below 50% of AMI. Since that time, it has been determined that rental housing at this site would not be feasible under NSP3.

The NSP3 4<sup>th</sup> Substantial Amendment provides notice that CDCB will construct no less than 21 single family homes for ownership at the same site previously proposed for the rental project. Homes will be sold to income-eligible households, within the requirements of the NSP Homebuyer Financing Guidelines.

# **NSP3 SUBSTANTIAL AMENDMENT #4**

Jurisdiction(s): State of Texas, Texas Department of Housing and Community Affairs	NSP3 Contact Person: Marni Holloway
Jurisdiction Web Address: <a href="http://www.tdhca.state.tx.us">http://www.tdhca.state.tx.us</a>	Address: Texas Department of Housing and Community Affairs 221 East 11 <sup>th</sup> Street Austin, Texas 78701
	Telephone: (512) 475-3726
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This document is a substantial amendment to the Action Plan for FFY 2010 submitted by the State of Texas. The Action Plan is the annual update to the Consolidated Plan for FFY 2010 through 2014. This amendment outlines the expected distribution and use of \$7,284,978 through the Neighborhood Stabilization Program (NSP), which the U.S. Department of Housing and Urban Development (HUD) is providing to the State of Texas. This allocation of funds is provided under Section 1497 of the Wall Street Reform and Consumer Protection Act of 2010 (Pub. L. 111-203, approved July 21, 2010) (“Dodd-Frank Act”).

## ***A. SELECTION OF TARGET AREAS***

This Fourth Substantial Amendment makes no changes to previously published target areas.

## ***B. ACTIVITIES***

This Fourth Substantial Amendment makes no changes to previously published Activities

## ***C. EXPECTED IMPACT***

Based on the Department’s underwriting of submitted applications, the Department expects to fund 24 rental units and no less than 21 ownership units of housing for low, moderate, and middle income households with a preponderance of these units serving households at 50% of AMFI. At a minimum 25% of the funding will serve households at 50% of AMFI or below.

The proposed change reduces the number of rental units and adds ownership units.

## ***D. PUBLIC COMMENT***

The draft Substantial Amendment was presented to the TDHCA Governing Board on December 13, 2012.



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**BOARD ACTION REQUEST**  
**TEXAS HOMEOWNERSHIP DIVISION**  
**DECEMBER 13, 2012**

Presentation, Discussion, and Possible Action regarding submission of an application to NeighborWorks America for the National Foreclosure Mitigation Counseling (NFMC) Program, Round 7.

**RECOMMENDED ACTION**

**WHEREAS**, NeighborWorks America has released a funding announcement for NFMC, Round 7 and

**WHEREAS**, the Texas Department of Housing and Community Affairs (TDHCA) may partner with HUD-Approved Housing Counseling Agencies to prepare an application for these funds;

**NOW, therefore, it is hereby**

**RESOLVED**, the Executive Director or his designee is hereby authorized on behalf of the Department to submit an application for funding to NeighborWorks America.

**BACKGROUND**

The NFMC Program, administered through NeighborWorks America, has been providing funding to HUD-Approved Housing Counseling Agencies for foreclosure counseling. Working with borrowers and their lenders/servicers, counseling agencies funded through this program have used a wide range of situation-appropriate strategies to help reach resolutions to prevent foreclosure and set counseled borrowers back on a path to long-term affordability of their mortgages.

TDHCA received awards for NFMC Rounds 2-6, working with 15 subgrantees across the state and serving 4,819 households. Round 6 funding expires on December 31, 2012. The Round 7 application cycle opened on November 20, 2012, and continues until December 19, 2012.

Applicants for NFMC funding must provide 20 percent match for the first \$500,000 in funding they receive. After \$500,000, the required match drops to 10 percent. For Rounds 2-6, TDHCA provided \$199,123 in matching funds through the Housing Trust Fund; Texas State Affordable Housing Corporation (TSAHC), a partner in the administration of the NFMC program, provided \$124,167 in matching funds; and subgrantees provided \$73,939 in matching funds or in-kind match to date.

For NFMC Round 7, subgrantees have been requested to provide 100% of the matching funds. At this time, TDHCA does not anticipate applying for any possible future rounds of NFMC funding.

Subject to Board approval and anticipating a very rapid application process and timeline, TDHCA has provided information to HUD-Approved Housing Counseling Agencies within the State to have interested agencies at the ready to participate in TDHCA's grant application. The number of counseling sessions proposed to be completed within the grant period will determine the exact application amount and resulting match requirement. As part of an ongoing partnership, TSAHC has committed its administrative role should TDHCA be awarded NFMC Round 7.

The outcomes of the counseling sessions to date are illustrated in the table below.

Counseling Outcome-NFMC, Rounds 2, 3, 4 and 5	Households
Bankruptcy	138
Brought mortgage current (with or without rescue funds)	312
Counseled and referred to another organization for assistance (e.g. legal, social service, emergency)	132
Currently in negotiation with servicer; outcome unknown	2,164
Currently Receiving Foreclosure Prevention/Budget Counseling	459
Foreclosure put on hold/moratorium	20
Homeowner started counseling process but did not continue	104
Homeowner(s) sold property (not short sale)	40
Initiated forbearance agreement/repayment plan	465
Mortgage Foreclosed	92
Mortgage Modified	518
Mortgage refinanced	22
Other (e.g. obtained partial claim loan, executed a deed-in-lieu, lost home to tax sale or condemnation)	286
Pre-foreclosure sale/short sale	67
Total	4,819

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**BOARD ACTION REQUEST**  
**COMMUNITY AFFAIRS DIVISION**  
**DECEMBER 13, 2012**

Presentation, Discussion, and Possible Action on an order adopting amendments to 10 TAC Chapter 5, Community Affairs Programs, Subchapter A, General Provisions, §§5.2 - 5.5, 5.7, 5.9 - 5.14, 5.16, 5.17, 5.19 - 5.22, and an order adopting new §5.23 concerning Protected Health Information, and directing their publication in the *Texas Register*

**RECOMMENDED ACTION**

**WHEREAS**, pursuant to Texas Government Code, Chapter 2306, the Department is authorized to adopt rules governing the administration of the Department and its programs;

**WHEREAS**, the proposed amendments to §§5.2 - 5.5, 5.7, 5.9 - 5.14, 5.16, 5.17, 5.19 - 5.22, and proposed new §5.23 were approved at the October 9, 2012 Board meeting for publication in the *Texas Register* for public comment, and public comment period ended November 26, 2012; and

**WHEREAS**, three public comments were received concerning the proposed amendments and new section in 10 TAC Chapter 5, Subchapter A, General Provisions and staff has proposed recommendations to respond to comments while maintaining consistency with other community affairs program rules;

**NOW, therefore, it is hereby**

**RESOLVED**, that the referenced amendments and new section are hereby adopted and the Executive Director and his designees be and each of them hereby are authorized, empowered, and directed, for and on behalf of the Department, to cause the amendments to 10 TAC Chapter 5, Community Affairs Programs, Subchapter A, General Provisions, §§5.2 - 5.5, 5.7, 5.9 - 5.14, 5.16, 5.17, 5.19 - 5.22 and new §5.23 concerning Protected Health Information, in the form presented to this meeting, to be published in the *Texas Register* for final adoption, and in connection therewith, make such non-substantive technical corrections as they may deem necessary to effectuate the foregoing.

**BACKGROUND**

The proposed adoption will improve the Department's administration of all Community Affairs programs by:

- adding a definition for modified cost reimbursement and renumbering §5.2,
- adding clarification to cost principles and administrative requirements to maintain adequate separation of duties at Subrecipient agencies,
- moving lobbying prohibitions to the appropriate section,

- adding detail to procurement standards, specifically small purchase procurement,
- capitalizing the terms Subrecipient, Subcontractors, Household, and Eligible Entity for consistency,
- adding a requirement that the Subrecipient Board authorize the Executive Director or his/her designee authority to enter into contracts,
- generalizing §5.16 concerning Monitoring of Subrecipients because these duties are now performed by the Department's Compliance Division,
- strengthening requirements applicable to Subrecipients placed on modified cost reimbursement by the Department,
- updating income guidelines related to Social Security Income,
- updating contact information requirements, and
- protecting individually identifiable health information of individuals who apply for and receive benefits from Community Affairs programs.

On October 9, 2012, the Board approved the proposed amendments and new section to be published in order to receive public comment. The public comment period was from October 26, 2012, to November 26, 2012, with comments received from (1) Stella Rodriguez, Texas Association of Community Action Agencies, Inc., (2) Travis County Health and Human Services and Veterans Service, and (3) Desiree Davis, Neighborhood Centers, Inc. The attached preamble includes the public comment received and the staff responses.

**Attachment A: Preamble, Reasoned Response, and Amended 10 TAC Chapter 5 Community Affairs Programs, Subchapter A, General Provisions, §§5.2 - 5.5, 5.7, 5.9 - 5.14, 5.16, 5.17, 5.19 - 5.22 and new §5.23 concerning Protected Health Information.**

The Texas Department of Housing and Community Affairs (the “Department”) adopts amendments to 10 TAC Chapter 5, Community Affairs Programs, Subchapter A, General Provisions, §§5.2 - 5.5, 5.7, 5.9 - 5.14, 5.16, 5.17, 5.19 - 5.22 and new §5.23. Sections 5.20 concerning Income Eligibility, and §5.21 concerning Contact Information are adopted with changes to the proposed text as published in the October 26, 2012 issue of the *Texas Register* (37 TexReg 8383). Sections 5.2 - 5.5, 5.7, 5.9 - 5.14, 5.16, 5.17, 5.19, 5.22 and 5.23 are adopted without change and will not be republished.

**REASONED JUSTIFICATION:** The Department finds that the adoption of the amendments and new section will enhance the Department’s administration of all Community Affairs programs by adding a definition for modified cost reimbursement and renumbering §5.2, adding clarification to cost principles and administrative requirements to maintain adequate separation of duties at Subrecipient agencies, moving lobbying prohibitions to the appropriate section, adding detail to procurement standards, specifically small purchase procurement, capitalizing the terms Subrecipient, Subcontractors, Household, and Eligible Entity for consistency, adding a requirement that the Subrecipient Board authorize the Executive Director or his/her designee authority to enter into contracts, generalizing §5.16 concerning Monitoring of Subrecipients because these duties are now performed by the Department’s Compliance Division, strengthening requirements applicable to Subrecipients placed on modified cost reimbursement by the Department, updating income guidelines related to Social Security Income, updating contact information requirements, and protect individually identifiable health information of individuals who apply for and receive benefits from Community Affairs programs.

**SUMMARY OF PUBLIC COMMENT AND STAFF RECOMMENDATIONS:**

Public Comments were accepted from October 26, 2012, through November 26, 2012, with comments received from (1) Stella Rodriguez, Texas Association of Community Action Agencies, Inc., (2) Travis County Health and Human Services and Veterans Service, and (3) Desiree Davis, Neighborhood Centers, Inc.

**§5.10(b)(1)(D). Procurement Standards.**

**COMMENT SUMMARY:** Commenter (3) suggested that the Department increase procurement standards to an aggregate of \$1,000 for small purchases and \$500 for any single item purchase.

**STAFF RESPONSE:** Staff believes that a single item of \$250 or any purchase in the aggregate of \$500 is a significant program expenditure amount and warrants written documentation of the procurement process. Therefore, staff does not recommend any change based on this comment.

**§5.19. Client Income Guidelines.**

**COMMENT SUMMARY:** Commenter (2) stated that utilizing SSI and SDI in income eligibility will disproportionately impact households with 1-2 members by denying them CEAP benefits since they will not meet income criteria.

STAFF RESPONSE: Staff believes that these components should not be excluded as income to provide consistency within TDHCA programs and to be in compliance with the U.S. Department of Health and Human Services (USDHHS). In addition, it enhances the ability of service providers to serve the very lowest income households. Staff recommends no change based on this comment.

**§5.20(b). Determining Income Eligibility.**

COMMENT SUMMARY: Commenter (1) suggested that the Department clarify the collection of documents for purposes of unobtainable proof of income and remove language requiring a client statement to obtain documentation in §5.407.

STAFF RESPONSE: The Department agrees and recommends the revision of §5.20(b) to be consistent with the change in §5.407(e).

**§5.21(a). Subrecipient Contact Information.**

COMMENT SUMMARY: Commenters (1), (3) suggested that the Department develop a uniform procedure for submission of contact changes, identify a point of contact for receipt of new contact information and acknowledge receipt of such information.

Commenters (1), (3) also suggested a definition for key management staff.

STAFF RESPONSE: Staff agrees with the commenter and will explore the feasibility of collecting updates of contact information on line. Therefore, no change is recommended based on this comment.

Staff also agrees with and will revise language to provide clarification to include key management staff.

STATUTORY AUTHORITY. The amendments and new section are adopted pursuant to Texas Government Code, §2306.053, which authorizes the Department to adopt rules, and Chapter 2306, Subchapter E, which authorizes the Department to administer its Community Affairs Programs.

*§5.2. Definitions.*

(a) To ensure a clear understanding of the terminology used in the context of the Community Affairs Programs, a list of terms and definitions has been compiled as a reference.

(b) The words and terms in this chapter shall have the meanings described in this subsection unless the context clearly indicates otherwise.

(1) CAA--Community Action Agency.

(2) CFR--Code of Federal Regulations.

(3) Children--Household dependents not exceeding eighteen (18) years of age.

(4) Collaborative Application--An application from two or more organizations to provide services to the target population. If a unit of general local government applies for only one organization, this will not be considered a Collaborative Application. Partners in the Collaborative Application must coordinate services and prevent duplication of services.

(5) Community Action Agencies (CAAs)--Local private and public non-profit organizations that carry out the Community Action Program (CAP), which was established by the 1964 Economic Opportunity Act to fight poverty by empowering the poor in the United States. Each CAA must have a board consisting of at least one-third elected public officials, not fewer than one-third



representatives of low-income individuals and families, chosen in accordance with democratic selection procedures, and the remainder are members of business, industry, labor, religious, law enforcement, education, or other major groups and interests in the community.

(6) Community Action Plan--A plan required by the Community Services Block Grant (CSBG) Act which describes the local (Subrecipient) service delivery system, how coordination will be developed to fill identified gaps in services, how funds will be coordinated with other public and private resources and how the local entity will use the funds to support innovative community and neighborhood based initiatives related to the grant.

(7) Community Affairs Division (CAD)--The Division at the Department that administers CEAP, CSBG, ESGP, ESG, HHSP, Section 8 Housing Choice Voucher Program, and WAP.

(8) The Community Services Block Grant (CSBG)--A grant which provides U.S. federal funding for CAAs and other Eligible Entities that seek to address poverty at the community level. Like other block grants, CSBG funds are allocated to the states and other jurisdictions through a formula.

(9) CSBG Act--The CSBG Act is a law passed by Congress authorizing the Community Services Block Grant. The CSBG Act was amended by the Community Services Block Grant Amendments of 1994 and the Coats Human Services Reauthorization Act of 1998 under 42 U.S.C. §§9901, et seq. The CSBG Act authorized establishing a community services block grant program to make grants available through the program to states to ameliorate the causes of poverty in communities within the states.

(10) Cooling--Modifications including, but not limited to, the repair or replacement of air conditioning units, evaporative coolers, and refrigerators.

(11) CSBG Subrecipient--Includes CSBG Eligible Entities and other organizations that are awarded CSBG funds.

(12) Department--The Texas Department of Housing and Community Affairs.

(13) Discretionary Funds--Those CSBG funds maintained in reserve by a state, at its discretion, for CSBG allowable uses as authorized by §675C of the CSBG Act, and not designated for distribution on a statewide basis to CSBG Eligible Entities and not held in reserve for state administrative purposes.

(14) DOE--The United States Department of Energy.

(15) DOE WAP Rules--10 CFR Part 440 describes the Weatherization Assistance for Low Income Persons as administered through the Department of Energy.

(16) Dwelling Unit--A house, including a stationary mobile home, an apartment, a group of rooms, or a single room occupied as separate living quarters. This definition does not apply to the ESG or HHSP.

(17) Equipment--A tangible non-expendable personal property including exempt property, charged directly to the award, having a useful life of more than one year, and an acquisition cost of \$5,000 or more per unit. For CSBG, CEAP, and WAP, if the unit acquisition cost exceeds \$5,000, approval from the Department's Community Affairs Division must be obtained before the purchase takes place. For ESGP, if the unit acquisition cost exceeds \$500, approval from the Department's Community Affairs Division must be obtained before the purchase is made.

(18) Elderly Person--A person who is sixty (60) years of age or older.

(19) Electric Base-Load Measure--Weatherization measures which address the energy efficiency and energy usage of lighting and appliances.

(20) Eligible Entity--Those local organizations in existence and designated by the federal government to administer programs created under the federal Economic Opportunity Act of

1964. This includes community action agencies, limited-purpose agencies, and units of local government. The CSBG Act defines an eligible entity as an organization that was an eligible entity on the day before the enactment of the Coats Human Services Reauthorization Act of 1998 (October 27, 1998), or is designated by the Governor to serve a given area of the state and that has a tripartite board or other mechanism specified by the state for local governance.

(21) Emergency--Defined by the LIHEAP Act of 1981 (Title XXVI of the Omnibus Budget Reconciliation Act of 1981, 42 U.S.C. §8622):

(A) natural disaster;

(B) a significant home energy supply shortage or disruption;

(C) significant increase in the cost of home energy, as determined by the Secretary;

(D) a significant increase in home energy disconnections reported by a utility, a state regulatory agency, or another agency with necessary data;

(E) a significant increase in participation in a public benefit program such as the food stamp program carried out under the Food Stamp Act of 1977 (7 U.S.C. §§2011, et seq.), the national program to provide supplemental security income carried out under Title XVI of the Social Security Act (42 U.S.C. §§1381, et seq.) or the state temporary assistance for needy families program carried out under Part A of Title IV of the Social Security Act (42 U.S.C. §§601, et seq.), as determined by the head of the appropriate federal agency;

(F) a significant increase in unemployment, layoffs, or the number of Households with an individual applying for unemployment benefits, as determined by the Secretary of Labor; or

(G) an event meeting such criteria as the Secretary, at the discretion of the Secretary, may determine to be appropriate.

(H) This definition does not apply to ESGP, ESG, or HHSP.

(22) Emergency Shelter Grants Program (ESGP)--A federal grant program established by the Homeless Housing Act of 1986 and incorporated into Title IV of the Stewart B. McKinney Homeless Assistance Act (42 U.S.C. §§11371 - 11378) and funded through HUD.

(23) Emergency Solutions Grants (ESG)--A federal grant program authorized in Title IV of the Stewart B. McKinney Homeless Assistance Act (42 U.S.C. §§11371 - 11378), as amended by the Homeless Emergency Assistance and Rapid Transition to Housing Act (HEARTH Act). ESG is funded through HUD.

(24) Energy Audit--The energy audit software and procedures used to determine the cost effectiveness of weatherization measures to be installed in a dwelling unit.

(25) Energy Repairs--Weatherization-related repairs necessary to protect or complete regular weatherization energy efficiency measures.

(26) Families with Young Children--A family that includes a child age five (5) or younger.

(27) High Energy Burden--Determined by dividing a Household's annual home energy costs by the Household's annual gross income. The percentage at which energy burden is considered high is defined by data gathered from the State Data Center.

(28) High Energy Consumption--Household energy expenditures exceeding the median of low-income home energy expenditures expressed in the data collected from the State Data Center.

(29) Homeless or homeless individual--An individual as defined by 42 U.S.C. §§11371 - 11378 and 24 CFR §576.2.

(30) Homeless and Housing Services Program (HHSP)--A state funded program established by the State Legislature during the 81st Legislative session with the purpose of providing funds to local programs to prevent and eliminate homelessness in municipalities with a population of 285,500 or more.

- (31) Household--Any individual or group of individuals who are living together as one economic unit. For energy programs, these persons customarily purchase residential energy in common or make undesignated payments for energy.
- (32) Inverse Ratio of Population Density Factor--The number of square miles of a county divided by the number of poverty Households of that county.
- (33) Local Units of Government--City, county, council of governments, and housing authorities.
- (34) Low Income--Income in relation to family size:
- (A) For DOE WAP, at or below 200% of the Income guidelines;
  - (B) For CEAP, CSBG, and LIHEAP WAP at or below 125% of the Income guidelines;
  - (C) For ESGP, at or below 100% of the poverty level, determined in accordance with criteria established by the Director of the Office of Management and Budget;
  - (D) For ESG, 30% of the Area Median Income (AMI) as defined by HUD for persons receiving prevention assistance; and
  - (E) For HHSP, 50% of the AMI as defined by HUD for persons receiving emergency essential services, essential services, and emergency intervention assistance.
- (35) Low Income Home Energy Assistance Program (LIHEAP)--A federally funded block grant program that is implemented to serve low income Households who seek assistance for their home energy bills and/or weatherization services.
- (36) Migrant Farm worker--An individual or family that is employed in agricultural labor or related industry and is required to be absent overnight from their permanent place of residence.
- (37) Modified Cost Reimbursement--A contract sanction whereby reimbursement of costs incurred by the Subrecipient is made only after the Department has reviewed and approved backup documentation provided by the Subrecipient to support such costs.
- (38) Multifamily Dwelling Unit--A structure containing more than one dwelling unit. This definition does not apply to ESGP, ESG, or HHSP.
- (39) National Performance Indicator--An individual measure of performance within the Department's reporting system for measuring performance and results of Subrecipients of funds. There are currently twelve indicators of performance which measure self-sufficiency, family stability, and community revitalization.
- (40) Needs Assessment--An assessment of community needs in the areas to be served with CSBG funds. The assessment is a required part of the Community Action Plan per Assurance 11 of the CSBG Act.
- (41) OMB--Office of Management and Budget, a federal agency.
- (42) OMB Circulars--OMB circulars set forth principles and standards for determining costs for federal awards and establishes consistency in the management of grants for federal funds. Cost principles for local governments are set forth in Office of Management and Budget (OMB) Circular A-87, and for non-profit organizations in OMB Circular A-122. Uniform administrative requirements for local governments are set forth in OMB Circular A-102, and for non-profits in OMB Circular A-110. OMB Circular A-133 "Audits of States, Local Governments, and Non-Profit Organizations," provides audit standards for governmental organizations and other organizations expending federal funds. The single audit requirements are set forth under OMB Circular A-133.
- (43) Outreach--The method that attempts to identify clients who are in need of services, alerts these clients to service provisions and benefits, and helps them use the services that are available. Outreach is utilized to locate, contact and engage potential clients.

- (44) Performance Statement--A document which identifies the services to be provided by a CSBG Subrecipient. The document is an attachment to the CSBG contract entered into by the Department and the CSBG Subrecipient.
- (45) Persons with Disabilities--Any individual who is:
- (A) a handicapped individual as defined in §7(9) of the Rehabilitation Act of 1973;
  - (B) under a disability as defined in §1614(a)(3)(A) or §223(d)(1) of the Social Security Act or in §102(7) of the Developmental Disabilities Services and Facilities Construction Act; or
  - (C) receiving benefits under 38 U.S.C. Chapter 11 or 15.
- (46) Population Density--The number of persons residing within a given geographic area of the state.
- (47) Poverty Income Guidelines--The official poverty income guidelines as issued by the U.S. Department of Health and Human Services annually.
- (48) Private Nonprofit Organization--An organization described in §501(c) of the Internal Revenue Code (the "Code") of 1986 and which is exempt from taxation under subtitle A of the Code, has an accounting system and a voluntary board, and practices nondiscrimination in the provision of assistance. Private nonprofit organizations applying for ESGP, ESG and HHSP funds must be established for charitable purposes and have activities that include, but are not limited to, the promotion of social welfare and the prevention or elimination of homelessness. The entity's net earnings may not inure to the benefit of any individual(s).
- (49) Public Organization--A unit of local government, as established by the Legislature of the State of Texas. Includes, but may not be limited to, cities, counties, and councils of governments.
- (50) Referral--The process of providing information to a client Household about an agency, program, or professional person that can provide the service(s) needed by the client.
- (51) Rental Unit--A dwelling unit occupied by a person who pays rent for the use of the dwelling unit. This definition does not apply to ESGP, ESG, or HHSP.
- (52) Renter--A person who pays rent for the use of the dwelling unit. This definition does not apply to ESGP, ESG, or HHSP.
- (53) Seasonal Farm Worker--An individual or family that is employed in seasonal or temporary agricultural labor or related industry and is not required to be absent overnight from their permanent place of residence. In addition, at least 20% of the Household annualized income must be derived from the agricultural labor or related industry.
- (54) Secretary--Chief Executive of the U.S. Department of Health and Human Services.
- (55) Service--The provision of work or labor that does not produce a tangible commodity.
- (56) Shelter--Defined by the Department as a dwelling unit or units whose principal purpose is to house on a temporary basis individuals who may or may not be related to one another and who are not living in nursing homes, prisons, or similar institutional care facilities.
- (57) Single Family Dwelling Unit--A structure containing no more than one dwelling unit. This definition does not apply to ESGP, ESG, or HHSP.
- (58) Social Security Act--42 U.S.C. §§601, et seq., CSBG works with activities carried out under Title IV Part A to assist families to transition off of state programs.
- (59) State--The State of Texas or the Texas Department of Housing and Community Affairs.
- (60) Subcontractor--A person or an organization with whom the Subrecipient contracts with to administer programs.
- (61) Subrecipient--Generally, an organization with whom the Department contracts and provides CSBG, ESGP, CEAP, ESG, HHSP, DOE WAP, or LIHEAP funds. (Refer to Subchapters B, C, D - G, J, and K of this chapter for program specific definitions.)

- (62) Supplies--All personal property excluding equipment, intangible property, and debt instruments, and inventions of a contractor conceived or first actually reduced to practice in the performance of work under a funding agreement (subject inventions), as defined in 37 CFR Part 401, "Rights to Inventions Made by Non-profit Organizations and Small Business Firms Under Government Grants, Contracts, and Cooperative Agreements."
- (63) TAC--Texas Administrative Code.
- (64) Targeting--Focusing assistance to Households with the highest program applicable needs.
- (65) Terms and Conditions--Binding provisions provided by a funding organization to grantees accepting a grant award for a specified amount of time.
- (66) Treatment as a State or Local Agency--For purposes of 5 U.S.C. Chapter 15, any entity that assumes responsibility for planning, developing, and coordinating activities under the CSBG Act and receives assistance under CSBG Act shall be deemed to be a state or local agency.
- (67) Units of General Local Government--A unit of local government which has, among other responsibilities, the authority to assess and collect local taxes and to provide general governmental services.
- (68) U.S.C.--United States Code.
- (69) USDHHS/HHS--U.S. Department of Health and Human Services.
- (70) USHUD/HUD--U.S. Department of Housing and Urban Development.
- (71) Vendor Agreement--An agreement between the Subrecipient and energy vendors that contains assurance as to fair billing practices, delivery procedures, and pricing for business transactions involving LIHEAP beneficiaries.
- (72) WAP--Weatherization Assistance Program.
- (73) WAP PAC--Weatherization Assistance Program Policy Advisory Council. The WAP PAC was established by the Department in accordance with 10 CFR §440.17 to provide advisory services in regards to the WAP program.
- (74) Weatherization Material--The material listed in Appendix A of 10 CFR Part 440.
- (75) Weatherization Project--A project conducted in a single geographical area which undertakes to reduce heating and cooling demand of dwelling units that are energy inefficient.

### *§5.3. Cost Principles and Administrative Requirements.*

- (a) Except as expressly modified by the terms of a contract, Subrecipients shall comply with the cost principles and uniform administrative requirements set forth in the Uniform Grant and Contract Management Standards, 34 TAC §§20.421, et seq. (the "Uniform Grant Management Standards") provided, however, that all references therein to "local government" shall be construed to mean Subrecipient. Non-profit Subrecipients of ESGP, ESG, and DOE WAP do not have to comply with UGMS unless otherwise required by NOFA or contract. For federal funds, Subrecipients will follow OMB Circulars as interpreted by the federal funding agency.
- (b) In order to maintain adequate separation of duties, no more than two of the functions described in paragraphs (1) - (5) of this subsection are to be performed by a single individual:
- (1) Requisition authorization;
  - (2) Encumbrance into software;
  - (3) Check creation and/or automated payment disbursement;
  - (4) Authorized signature/electronic signature; and
  - (5) Distribution of paper check.

*§5.4. Prohibitions.*

(a) Knowingly hiring an undocumented worker is prohibited pursuant to 8 U.S.C. §1324a.

(b) Discrimination is prohibited.

(1) Civil Rights Act of 1964 (42 U.S.C. §§2000, et seq.), Age Discrimination Act of 1975 (42 U.S.C. §§6101, et seq.), Rehabilitation Act of 1973 (29 U.S.C. §794), and Title II of the Americans with Disabilities Act of 1990 (42 U.S.C. §§12131, et seq.) shall apply to all programs or activities administered by Subrecipients including the nondiscrimination provisions of the CSBG (42 U.S.C. §§9901, et seq.).

(2) All Subrecipients receiving federal funds must be equal opportunity employers and render services without regard to race, color, religion, sex, familial status, national origin, age, disability, political affiliation or belief. Information on equal opportunity and nondiscrimination shall be made available to participants, employees, Subcontractors, and interested parties.

*§5.5. Lobbying Activities.*

(a) Subrecipients of federal funding, including those who receive federal funds through the Department, are subject to the anti-lobbying provisions commonly referred to as "the Byrd Amendments" (31 U.S.C. §1352). The legislation imposes certain requirements for disclosure and certification on recipients of federal contracts, grants, cooperative agreements, and loans, including the requirement that each recipient of a federal contract in excess of \$100,000 must complete the Standard Form-LLL "Disclosure of Lobbying Activities" form.

(b) A §501(c)(3) nonprofit organization which pays any person funds from any source (even non-federal funds) to lobby Congress or which pays an employee of any federal agency in connection with this grant, must complete the "Disclosure of Lobbying Activities" form available on the U.S. Department of Health and Human Services (USDHHS) website. A completed form must be submitted to the Department prior to engaging in lobbying activities. The Subrecipient must also file quarterly updates about its employment of lobbyists if material changes occur in the organization's use of lobbyists.

(c) For each contract, grant, cooperative agreement, or loan in excess of \$100,000, the Subrecipient must complete the "Certification Regarding Lobbying" form and return it to the Department. This form is located on the USDHHS website. By completing the certification, the Subrecipient verifies that no federally appropriated funds have been used to lobby the United States Congress in connection with the awarding or modifying of a federal contract, loan, cooperative agreement or grant.

(d) Pursuant to the 1996 Simpson-Craig Amendment to the Lobbying Disclosure Act, 2 U.S.C. §1611, §501(c)(4) non-profit organizations, typically civic leagues or employee associations, may not receive any federal funding if such organizations engage in lobbying. The law establishes civil penalties for noncompliance, with possible penalties ranging from \$10,000 to \$100,000.

(e) Pursuant to the Office of Management and Budget (OMB) Circular A-122, "Cost Principles for Non-Profit Organizations," specifically §25 titled "Lobbying," costs associated with lobbying are unallowable.

*§5.7.Fidelity Bond Requirements.*

The Department is required to assure that fiscal control and accounting procedures for federally funded entities will be established to assure the proper disbursement and accounting for the federal funds paid to the state (A-110 "Administrative Requirements for Grants to Non-Profits"). In compliance with that assurance the Department requires program Subrecipients to maintain adequate fidelity bond coverage. A fidelity bond is a bond indemnifying the Subrecipient against losses resulting from the fraud or lack of integrity, honesty or fidelity of one or more of its employees, officers, or other persons holding a position of trust.

(1) In administering program contracts, Subrecipients shall observe their regular requirements and practices with respect to bonding and insurance. In addition, the Department may impose bonding and insurance requirements by contract.

(2) If a Subrecipient is a non-governmental organization, the Department requires an adequate fidelity bond. If the amount of the fidelity bond is not prescribed in the contract, the fidelity bond must be for a minimum of \$10,000 or an amount equal to the contract if less than \$10,000. The bond must be obtained from a company holding a certificate of authority to issue such bonds in the State of Texas.

(3) The fidelity bond coverage must include all persons authorized to sign or counter-sign checks or to disburse sizable amounts of cash. Persons who handle only petty cash (amounts of less than \$250) need not be bonded, nor is it necessary to bond officials who are authorized to sign payment vouchers, but are not authorized to sign or counter-sign checks or to disburse cash.

(4) The Department must receive written assurance from the Subrecipient that the required fidelity bond has been established. The assurance letter must be received from the bonding company or agency stating the type of bond, the amount and period of coverage, the positions covered, and the annual cost of the bond. Compliance must be continuously maintained thereafter. A copy of the actual policy shall remain on file with the Subrecipient and shall be subject to monitoring by the Department.

(5) Subrecipients are responsible for filing claims against the fidelity bond when a covered loss is discovered. The Department may take any one or more of the actions described in subparagraphs (A) - (D) of this paragraph for noncompliance.

(A) Deny Subrecipient's requests for advances and place the Subrecipient on a Modified Cost Reimbursement plan until written assurance of compliance is received by the Department.

(B) Withhold Subrecipient payments (either reimbursement or advance) until written assurance of compliance is received by the Department.

(C) Suspend performance of the contract until written assurance of compliance is received by the Department.

(D) Contract termination.

*§5.9.Travel.*

The governing body of each Subrecipient must adopt and submit to the Department approved travel policies that adhere to Office of Management and Budget (OMB) Circulars A-87, A-110, A-122, for cost allowability. The Subrecipient must follow either the federal travel regulations or State of Texas travel rules and regulations found on the Comptroller of Public Accounts website at [www.cpa.state.tx.us](http://www.cpa.state.tx.us). If the travel policy and procedures are revised they must be submitted to the Department.

*§5.10. Procurement Standards.*

(a) In addition to the requirements described in §5.3 of this chapter (relating to Cost Principles and Administrative Requirements), Subrecipients who administer Community Services Block Grant (CSBG), Homeless Housing and Services Program (HHSP), and Low Income Housing Energy Assistance Program (LIHEAP) must follow the requirements in Texas Government Code, Chapter 783.

(b) Additional Department requirements are:

(1) Small purchase procedures:

(A) This procedure may be used only on those services, supplies, or equipment costing in the aggregate of \$25,000 or less. For Emergency Shelter Grant Program (ESGP), Emergency Solutions Grant (ESG), and the HHSP, the threshold is \$500 or less;

(B) Subrecipient must establish a clear, accurate description of the specifications for the technical requirements of the material, equipment, or services to be procured;

(C) Subrecipient must obtain a written price or documented rate quotation from an adequate number of qualified sources. An adequate number is, at a minimum, three different sources; and

(D) For a Comprehensive Energy Assistance Program (CEAP), CSBG, or Weatherization Assistance Program (WAP), small purchase procurement that exceeds \$500 in the aggregate, and for any single item purchase for any program that exceeds \$250, Subrecipients must obtain three (3) written quotes that contain a clear and accurate description of the material product or services to be provided. For any procurement that does not exceed these stated amounts, written documentation of phone quotes is acceptable.

(2) For Sealed bids:

(A) Subrecipient must formally advertise, for a minimum of three (3) days, in newspapers or through notices posted in public buildings throughout the service area. Advertising beyond the Subrecipient's service area is allowable and recommended by the Department. The advertisement should include, at a minimum, a response time of fourteen (14) days prior to the closing date of the bid request. A Government Entity must comply with the statutorily imposed publication requirements in addition to those requirements stated herein; and

(B) When advertising for material or labor services, Subrecipient shall indicate a period for which the materials or services are sought (e.g. for a one-year contract with an option to renew for an additional four (4) years). This advertised time period shall determine the length of time which may elapse before re-advertising for material or labor services, except that advertising for labor services must occur at least every five (5) years.

(3) For Competitive proposals:

(A) The Request for Proposal (RFP) or Request for Qualification (RFQ) must be publicized. The preferred method of advertising is the local service area newspapers. This advertisement should, at a minimum, allow fourteen (14) days before the RFP or RFQ is due. The due date must be stated in the advertisement; and

(B) The time period for services shall be one year, plus four (4) additional years at a maximum.

(4) Non-competitive proposals may be used only if:

(A) The service, supply, or equipment is available only from a single source;

(B) A public emergency exists preventing the time required for competitive solicitation; or

(C) After solicitation of a number of sources, competition is determined inadequate.

(5) Contract provisions, including subcontracts shall include the provisions or conditions described in subparagraphs (A) - (G) of this paragraph:



- (A) Contracts in excess of \$25,000 shall include provisions or conditions that allow for administrative, contractual, or legal remedies in instances where Subcontractors violate or breach the contract terms, and provide for such remedial actions as may be appropriate;
- (B) All contracts in excess of \$25,000 shall include suitable provisions for termination by the recipient, including the manner by which termination shall be effected and the basis for settlement. In addition, such contracts shall describe conditions under which the contract may be terminated for default as well as conditions where the contract may be terminated because of circumstances beyond the control of the Subrecipient;
- (C) Contracts shall include a provision with regard to independent Subcontractor status, and a provision to hold harmless and indemnify the Subrecipient from and against any and all claims, demands and course of action asserted by any third party arising out of or in connection with the services to be performed under contract;
- (D) Contracts shall include a provision regarding conflicts of interest. Subrecipient's employees, officers, and/or agents shall neither solicit nor accept gratuities, favors, or anything of monetary value from Subcontractors, or potential Subcontractors; and
- (E) Contracts shall include a provision prohibiting and requiring the reporting of fraud, waste, and abuse.
- (i) Subrecipient shall establish, maintain, and utilize internal control systems and procedures sufficient to prevent, detect, and correct incidents of waste, fraud, and abuse in all Department funded programs and to provide for the proper and effective management of all program and fiscal activities funded by this contract. Subrecipient's internal control systems and all transactions and other significant events must be clearly documented and the documentation made readily available for review by Department.
- (ii) Subrecipient shall give Department complete access to all of its records, employees, and agents for the purpose of monitoring or investigating the program. Subrecipient shall fully cooperate with Department's efforts to detect, investigate, and prevent waste, fraud, and abuse. Subrecipient shall immediately notify the Department of any identified instances of waste, fraud, or abuse.
- (iii) Department will notify the funding source upon identification of possible instances of waste, fraud, and abuse or other serious deficiencies.
- (iv) Subrecipient may not discriminate against any employee or other person who reports a violation of the terms of this contract or of any law or regulation to Department or to any appropriate law enforcement authority, if the report is made in good faith.
- (F) Contracts shall include a provision to the effect that any alterations, additions, or deletions to the terms of the contract which are required by changes in federal law and regulations or state statute are automatically incorporated into the contract without written amendment, and shall become effective on the date designated by such law and or regulation; and any other alterations, additions, or deletions to the terms of the contract shall be amended hereto in writing and executed by both parties to the contract.
- (G) Contracts shall include the provisions described in clauses (i) - (iii) of this subparagraph:
- (i) Subcontractor represents that it possesses legal authority to enter into the contract, receive and manage the funds authorized by the contract, and to perform the services Subcontractor has obligated itself to perform under the contract;
- (ii) The person signing the contract on behalf of the Subcontractor warrants that he/she has been authorized by the Subcontractor to execute the contract on behalf of the Subcontractor and to bind the Subcontractor to all terms set forth in the contract; and

(iii) Department shall have the right to suspend or terminate the contract if there is a dispute as the legal authority of either the Subcontractor or the person signing the contract to enter into the contract or to render performances thereunder. Should such suspension or termination occur, the Subcontractor is liable to the Subrecipient for any money it has received for performance of provisions of the contract.

*§5.11. Procurement/Cooperative Purchasing Program.*

The State of Texas conducts procurement for many materials, goods, and appliances. The State of Texas procurement process complies with the required procurement provisions. For more detail about how to purchase from the state contract, please contact: State of Texas Co-Op Purchasing Program, Texas Comptroller of Public Accounts, Web address: <http://www.window.state.tx.us/procurement/prog/coop/>; e-mail: [coop@cpa.state.tx.us](mailto:coop@cpa.state.tx.us); phone number: (512) 463-3368. If Subrecipients choose to use the Cooperative Purchasing Program, documentation of annual fee payment is required.

*§5.12. Purchases.*

Purchases of personal property, equipment, goods or services with a unit acquisition cost of over \$5,000 for Community Services Block Grant (CSBG), Comprehensive Energy Assistance Program (CEAP), and Weatherization Assistance Program (WAP), and over \$500 for Emergency Shelter Grant Program (ESGP), Emergency Solutions Grants Program (ESG) and Homeless Housing and Services Program (HHSP) require prior written approval from the TDHCA Community Affairs Division before the purchase can take place.

*§5.13. Bonding Requirements.*

(a) The requirements described in this subsection relate only to construction or facility improvements.

(1) For contracts exceeding \$100,000 the Department may accept the bonding policy and requirements of the Subrecipient, provided the Department has made a written finding that the Department is adequately protected.

(2) For contracts in excess of \$100,000, and for which the Subrecipient cannot make a determination that the Department's interest is adequately protected, a "bid guarantee" from each bidder equivalent to 5% of the bid price shall be requested. The "bid guarantee" shall consist of a firm commitment such as a bid bond, certified check, or other negotiable instrument accompanying a bid as assurance that the bidder will, upon acceptance of his bid, execute such contractual documents as may be required within the time specified. A bid bond in the form of any of the documents described in this paragraph may be accepted as a "bid guarantee."

(A) A performance bond on the part of the Subrecipient for 100% of the contract price. A "performance bond" is one executed in connection with a contract, to secure fulfillment of all Subcontractors' obligations under such contract.

(B) A payment bond on the part of the Subcontractor for 100% of the contract price. A "payment bond" is one executed in connection with a contract to assure payment as required by statute of all persons supplying labor and material in the execution of the work provided for in the contract.

(C) Where bonds are required, in the situations described herein, the bonds shall be obtained from companies holding certificates of authority as acceptable sureties pursuant to 31 CFR Part 223, "Surety Companies Doing Business with the United States."

(b) A Government Entity must comply with the bond requirements of Texas Civil Statutes, Articles 2252, 2253, and 5160, and Local Government Code, §252.044 and §262.032, as applicable.

*§5.14.Subrecipient Contract.*

(a) Upon Board approval, the Department and Subrecipient shall enter into an agreement for the receipt of funds. The Department, acting by and through its Executive Director or his/her designee, may authorize, execute, and deliver authorized modifications and/or amendments to the contract.

(b) The governing body of the Subrecipient must pass a resolution authorizing its Executive Director or his/her designee to have signature authority to enter into contracts, sign amendments, and review and approve reports. All contract actions including extensions, amendments or revisions must be ratified by the governing body at the next regularly scheduled meeting. Minutes relating to this resolution must be on file at the Subrecipient level.

(c) Within sixty (60) days following the conclusion of a contract issued by the Department, the Subrecipient shall provide a full accounting of funds expended under the terms of the contract.

(d) Failure of a Subrecipient to provide an accounting of funds expended under the terms of the contract may be sufficient reason for the Department to deny any future contract to the Subrecipient.

*§5.16.Monitoring and Single Audit Requirement.*

(a) The Department or its designee may conduct on and off-site monitoring and evaluation of Subrecipient's compliance with state or federal requirements. The Department's monitoring may include a review of the efficiency, economy, and effectiveness of Subrecipient's performance. The Department will notify Subrecipient in writing of any deficiencies noted during such monitoring. The Department may provide training and technical assistance to Subrecipient in correcting the deficiencies noted. The Department may require corrective action to remedy deficiencies noted in Subrecipient's accounting, personnel, procurement, and management procedures and systems in order to comply with state or federal requirements.

(b) Copy of the most recent Single Audit Report--Organizations that expend more than the expenditure threshold under OMB Circular A-133 must have a single audit conducted for that year (A-133 Subpart B.200). Organizations that do not exceed the expenditure threshold under OMB Circular A-133 are exempt from the single audit requirements. If an organization is not required to have a single audit performed, the organization must provide the end-of-the-year financial statements (balance sheet, income statement, and statement of cash flow).

(c) Subrecipients not exempt from the single audit requirements are responsible for submitting their Single Audit Report within thirty (30) days of completion of their audit and no later than nine (9) months after the end of the audit period (fiscal year end) to the Department's Compliance Division. Refer to 31 U.S.C. §7502.

(d) Subrecipient shall make audit report available for public inspection within thirty (30) days after receipt of the audit reports.

(e) Subrecipient shall submit such audit report to the federal clearinghouse designated by OMB in accordance with OMB A-133.

*§5.17.Sanctions and Contract Close Out.*

(a) Subrecipients that enter into a contract with the Department to administer programs are required to follow state and federal laws and regulations and rules governing these programs.

(b) If a Subrecipient fails to comply with program requirements, rules, or regulations and in the event monitoring or other reliable sources reveal material deficiencies in performance, or if the Subrecipient fails to correct any deficiency within the time allowed by federal or state law, the Department will apply one or more of the sanctions described in paragraph (1)(A) - (E) of this subsection:

(1) Deny the Subrecipient's requests for advances and place it on a Modified Cost Reimbursement method of payment until proof of compliance with the rules and regulations are received by the Department;

(A) Subrecipients placed on a Modified Cost Reimbursement method of payment must comply with the reporting requirements outlined in §5.211 of this chapter (relating to Subrecipient Reporting Requirements); §5.311 of this chapter (relating to Reports); §5.406 of this chapter (relating to Subrecipient Reporting Requirements); §5.506 of this chapter (relating to Subrecipient Reporting Requirements); §5.1006 of this chapter (relating to Performance and Expenditure Benchmarks); and §5.2007 of this chapter (relating to Reporting), as applicable;

(B) Subrecipients on a Modified Cost Reimbursement method must provide all supporting documentation to the Department no later than seven (7) days after the reporting due date;

(C) If Subrecipient has not submitted documentation required for cost reimbursement review in accordance with reporting deadlines, Subrecipient will be required to enter a monthly report containing zero amounts and submit documentation required for the review as part of the next's month reporting;

(D) Subrecipients reporting a monthly report containing zero amounts throughout the program year shall submit all required support documentation to the Department for review by the last regular monthly report (before the final report); and/or

(E) The Department will review and assess supporting documentation submitted by Subrecipient no later than the seventh (7th) day of the following month.

(2) Withhold all payments from the Subrecipient (both reimbursements and advances) until proof of compliance with the rules and regulations are received by the Department, reduce the allocation of funds (with the exception of Community Services Block Grant (CSBG) funds to Eligible Entities as described in §5.206 of this chapter (relating to Termination and Reduction of Funding) and as limited for LIHEAP funds as outlined in Texas Government Code, Chapter 2105) or impose sanctions as deemed appropriate by the Department's Executive Director, at any time, if the Department identifies possible instances of fraud, waste, abuse, fiscal mismanagement, or other serious deficiencies in the Subrecipient's performance;

(3) Suspend performance of the contract or reduce funds until proof of compliance with the rules and regulations are received by the Department or a decision is made by the Department to initiate proceedings for contract termination;

(4) Elect not to provide future grant funds to the Subrecipient until appropriate actions are taken to ensure compliance; or

(5) Terminate the contract. Adhering to the requirements governing each specific program administered by the Department, as needed, the Department may determine to proceed with the termination of a contract, in whole or in part, at any time the Department establishes there is good cause for termination. Such cause may include, but is not limited to, fraud, waste, abuse, fiscal mismanagement, or other serious deficiencies in the Subrecipient's performance. For CSBG contract termination procedures, please refer to §5.206 of this chapter.

(c) Contract Close-out. When the Department moves to terminate a contract, the procedures described in paragraphs (1) - (12) of this subsection will be implemented.

(1) The Department will issue a termination letter to the Subrecipient no less than thirty (30) days prior to terminating the contract. The Department may determine to take one of the following actions: suspend funds immediately; establish a Modified Cost Reimbursement plan for closeout proceedings; or provide instructions to the Subrecipient to prepare a proposed budget and written plan of action that supports the closeout of the contract. The plan must identify the name and current job titles of staff that will perform the close-out and an estimated dollar amount to be incurred.

(2) If the Department determines that a Modified Cost Reimbursement is an appropriate method of providing funds to accomplish closeout, the Subrecipient will submit backup documentation for all current expenditures associated with the closeout. The required documentation will include, but not be limited to, the chart of accounts, detailed general ledger, revenue and expenditure statements, time sheets, payment vouchers and/or receipts, and bank reconciliations.

(3) No later than thirty (30) days after the contract is terminated, the Subrecipient will take a physical inventory of client files, including case management files, and will submit to the Department an inventory of equipment with a unit acquisition cost of \$5,000 or greater for Comprehensive Energy Assistance Program (CEAP), Weatherization Assistance Program (WAP) and Community Services Block Grant (CSBG) or a unit acquisition cost of \$500 or greater for ESGP, ESG, and HHSP.

(4) The terminated Subrecipient will have thirty (30) days from the date of the physical inventory to copy all current client files. Client files must be boxed by county of origin. Current and active case management files also must be copied, inventoried, and boxed by county of origin.

(5) Within thirty (30) days following the Subrecipient's due date for copying and boxing client files, Department staff will retrieve copied client files.

(6) The terminated Subrecipient will prepare and submit no later than sixty (60) days from the date the contract is terminated, a final report containing a full accounting of all funds expended under the contract.

(7) A final monthly expenditure report and a final monthly performance report for all remaining expenditures incurred during the close-out period must be received by the Department no later than sixty (60) days from the date the Department determines that the closeout of the program and the period of transition are complete.

(8) The Subrecipient will submit to the Department no later than sixty (60) days after the termination of the contract, an inventory of the non-expendable personal property acquired in whole or in part with funds received under the contract.

(9) The Department may transfer title to equipment having a unit acquisition cost (the net invoice unit price of an item of equipment) of:

(A) \$5,000 or greater for CEAP, CSBG, and WAP; or  
(B) \$500 or greater for ESG, ESGP, and HHSP, to the Department or to any other entity receiving funds under the program in question. The Department will make arrangements to remove equipment covered by this paragraph within ninety (90) days following termination of the contract.

(10) Upon selection of a new service provider, the Department will transfer to the new provider client files and, as appropriate, equipment.

(11) As required by OMB Circular A-133, a current year single audit must be performed for all agencies that have exceeded the federal expenditure threshold under OMB Circular A-133. The Department will allow a proportionate share of program funds to pay for accrued audit costs, when an audit is required, for a single audit that covers the date up to the closeout of the contract. The terminated Subrecipient must have a binding contract with a CPA firm on or before the termination date of the contract. The actual costs of the single audit and accrued audit costs including support documentation must be submitted to the Department no later than sixty (60) days from the date the Department determines the close-out is complete.

(12) Subrecipients shall submit within sixty (60) days after the date of the close-out process all financial, performance, and other applicable reports to the Department. The Department may approve extensions when requested by the Subrecipient. However, unless the Department authorizes an extension, the Subrecipient must abide by the sixty (60) day contractual requirement of submitting all referenced reports and documentation to the Department.

#### *§5.19. Client Income Guidelines.*

(a) The Department has defined eligibility for program assistance under the poverty income guidelines provided annually by the Secretary of the U.S. Department of Health and Human Services (USDHHS). For ESG, Subrecipients will adhere to 24 CFR §5.609, subject to the revisions of The Housing and Economic Recovery Act of 2008 (HERA), P.L. 110-289.

(b) For all programs except ESG and HHSP, Subrecipients will use the list of included and excluded income to determine eligibility for all programs, as described in paragraphs (1) and (2) of this subsection.

(1) Included Income:

(A) Temporary Assistance for Needy Families (TANF);

(B) Money, wages and salaries before any deductions;

(C) Net receipts from non-farm or farm self-employment (receipts from a person's own business or from an owned or rented farm after deductions for business or farm expenses);

(D) Regular payments from social security, including Social Security Disability Insurance (SSDI) and Supplemental Security Income (SSI);

(E) Railroad retirement;

(F) Unemployment compensation;

(G) Strike benefits from union funds;

(H) Worker's compensation;

(I) Training stipends;

(J) Alimony;

(K) Military family allotments;

(L) Private pensions;

(M) Government employee pensions (including military retirement pay);

- (N) Regular insurance or annuity payments; and
- (O) Dividends, interest, net rental income, net royalties, periodic receipts from estates or trusts; and net gambling or lottery winnings.
- (2) Excluded Income:
  - (A) Capital gains; any assets drawn down as withdrawals from a bank;
  - (B) The sale of property, a house, or a car;
  - (C) One-time payments from a welfare agency to a family or person who is in temporary financial difficulty;
  - (D) Tax refunds, gifts, loans, and lump-sum inheritances;
  - (E) One-time insurance payments, or compensation for injury;
  - (F) Non-cash benefits, such as the employer-paid or union-paid portion of health insurance or other employee fringe benefits;
  - (G) Food or housing received in lieu of wages;
  - (H) The value of food and fuel produced and consumed on farms;
  - (I) The imputed value of rent from owner-occupied non-farm or farm housing;
  - (J) Federal non-cash benefit programs as Medicare, Medicaid, Food Stamps, and school lunches;
  - (K) Housing assistance and combat zone pay to the military;
  - (L) Veterans (VA) Disability Payments;
  - (M) College scholarships, Pell and other grant sources, assistantships, fellowships and work study, VA Education Benefits (GI Bill); and
  - (N) Child support payments.

*§5.20.Determining Income Eligibility.*

(a) To determine income eligibility for USDHHS and DOE funded programs, Subrecipients must base annualized eligibility determinations on Household income from thirty (30) days prior to the date of application for assistance. Each Subrecipient must maintain documentation of income from all sources for all Household members for the entire thirty (30) day period prior to the date of application and multiply the monthly amount by twelve (12) to annualize income. Income documentation must be collected from all income sources for all Household members eighteen (18) years and older for the entire thirty (30) day period.

(b) If proof of income is ~~unavailable~~unobtainable, the applicant must complete and sign a Department approved declaration of income statement or complete income documentation attestations required by the federal funding source.

*§5.21.Subrecipient Contact Information.*

(a) Subrecipients will notify the Community Affairs Division (CAD) and provide contact information for key management staff (Executive Director, Chief Financial Officer, Program Director/Manager/Coordinator) vacancies and new hires within thirty (30) days of such occurrence. Contact information will include, name, title, phone number, and direct email address.

(b) As vacancies exceed the ninety (90) day threshold within the organization's board of directors, the CAD will be notified of such vacancies and, if applicable, the sector the board member represented.

(c) Contact information for the board of director's board chair must be provided to CAD and shall include: the board chair's name, mailing address (which must be different from the organization's mailing address), phone number (different from the organization's phone number), fax number (if applicable), and the direct e-mail address for the board chair.

*§5.22. Offsite Record Retention.*

Client Records. The Department requires Subrecipient organizations that administer Community Affairs Programs and serve clients to document client services. Subrecipient organizations must arrange for the security of all program-related computer files through a remote, online, or managed backup service. Confidential client files must be maintained in a manner to protect the privacy of each client and to maintain the same for future reference. Subrecipient organizations must store physical client files in a secure space in a manner that ensures confidentiality and in accordance with Subrecipient organization policies and procedures. To the extent that it is financially feasible, archived client files should be stored offsite from Subrecipient headquarters, in a secure space in a manner that ensures confidentiality and in accordance with organization policies and procedures.

*§5.23. Protected Health Information.*

Subrecipients are prohibited and shall not collect or maintain protected health information from any applicant as defined in the Texas Health and Safety Code, Subtitle I, Chapter 181.



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**BOARD ACTION REQUEST**  
**COMMUNITY AFFAIRS DIVISION**  
**DECEMBER 13, 2012**

Presentation, Discussion, and Possible Action on an order adopting amendments to 10 TAC Chapter 5, Community Affairs Programs, Subchapter B, Community Services Block Grant (CSBG) §§5.201, 5.203 – 5.207 and 5.210 - 5.217, and directing their publication in the *Texas Register*

**RECOMMENDED ACTION**

**WHEREAS**, pursuant to Texas Government Code, Chapter 2306, the Department is authorized to adopt rules governing the administration of the Department and its programs,

**WHEREAS**, proposed amendments to §§5.201, 5.203 – 5.207 and 5.210 - 5.217 were approved at the October 9, 2012 Board meeting for publication in the *Texas Register* for public comment, and public comment ended November 26, 2012; and

**WHEREAS**, one public comment was received concerning the proposed amendments in 10 TAC Chapter 5, Community Affairs Programs, Subchapter B, Community Services Block Grant, and staff has proposed a response to such comment;

**NOW, therefore, it is hereby**

**RESOLVED**, that the referenced amendments are hereby adopted and the Executive Director and his designees be and each of them hereby are authorized, empowered, and directed, for and on behalf of the Department, to cause the proposed amendments to 10 TAC Chapter 5, Community Affairs Programs, Subchapter B, Community Services Block Grant (CSBG), in the form presented to this meeting, to be published in the *Texas Register* for final adoption, and in connection therewith, make such non-substantive technical corrections as they may deem necessary to effectuate the foregoing.

**BACKGROUND**

The proposed adoption will add a prohibition on the use of CSBG funds for political activity, revise the hearing process on termination or reduction of CSBG funds, remove a deadline for Subrecipient CSBG Needs Assessments and Community Action Plans and require that Board training records be maintained at the Subrecipient level and other grammatical and capitalization matters for consistency.

On October 9, 2012, the Board approved the proposed amendments to be published in order to receive public comment. The public comment period was from October 26, 2012, to November 26, 2012, with comments received from Stella Rodriguez, Texas Association of Community Action Agencies, Inc. The attached preamble includes the public comment received and the staff response.

**Attachment A: Preamble, Reasoned Response and Amended Rule 10 TAC Chapter 5, Subchapter B, Community Services Block Grant (CSBG), §§5.201, 5.203 – 5.207, 5.210 - 5.217.**

The Texas Department of Housing and Community Affairs (the “Department”) adopts amendments to 10 TAC Chapter 5, §5.210, concerning the Community Services Block Grant (CSBG) program with changes to the proposed text as published in the October 26, 2012, issue of the *Texas Register* (37 TexReg 8394). Sections 5.201, 5.203 – 5.207, and 5.211 – 5.217 are adopted without change and will not be republished.

**REASONED JUSTIFICATION:** The proposed amendments add a reference to the prohibition of the use of CSBG funds for political and/or voter activity, revises the hearing process on termination or reduction of CSBG funds, removes a specific deadline for CSBG Needs Assessments and Community Action Plans, adds the requirement of maintaining Board training records at the Subrecipient level, and affects other grammatical and capitalization matters throughout the Subchapter.

**SUMMARY OF PUBLIC COMMENT AND STAFF RECOMMENDATIONS:**

Public Comments were accepted from October 26, 2012, through November 26, 2012, with comments received from Stella Rodriguez, Texas Association of Community Action Agencies, Inc.

**§5.210(j). CSBG Needs Assessment and Community Action Plan.**

**COMMENT SUMMARY:** Commenter suggested that the Department replace the wording “affected persons” with “applicants/clients” to be consistent with §5.210(h).

**STAFF RESPONSE:** Staff agrees and recommends the revised language.

**STATUTORY AUTHORITY.** The amended sections are adopted pursuant to Texas Government Code, §2306.053, which authorizes the Department to adopt rules, and Chapter 2306, Subchapter E, which authorizes the Department to administer its Community Affairs programs.

*§5.201.Background.*

(a) In addition to this subchapter, the rules established in Subchapter A of this chapter (relating to General Provisions) also apply to the CSBG program, except those that relate to the suspension, reduction, withholding or termination of funding. The CSBG Act was amended by the "Community Services Block Grant Amendments of 1994" and the Coats Human Services Reauthorization Act of 1998. The Secretary is authorized to establish a community services block grant program and make grants available through the program to states to ameliorate the causes of poverty in communities within the states.

(b) The Texas Legislature designated the Department as the lead agency for the administration of the CSBG program pursuant to Texas Government Code, §2306.092. CSBG funds will be made available to Eligible Entities to carry out the purposes of the CSBG program.

*§5.203.Distribution of CSBG Funds.*

(a) The CSBG Act requires that no less than 90% of the state's allocation be allocated to Eligible Entities. The Department currently utilizes a multi-factor fund distribution formula to equitably provide CSBG funds throughout the state's 254 counties to the CSBG Eligible Entities. Revisions to the formula shall be considered on a biennial basis including the release of decennial census figures. Changes to the formula shall be presented to the Department's Governing Board for approval.

(b) Five percent of the Department's annual allocation of CSBG funds and any funds not spent as identified in subsection (c) of this section, may be expended for activities as per 42 U.S.C. §9907(b)(A) - (H) and activities that may include:

- (1) the provision of training and technical assistance to CSBG Eligible Entities;
- (2) services to low-income migrant seasonal farm worker and Native American populations;
- (3) assisting CSBG Eligible Entities in responding to natural or man-made disasters;
- (4) funding for innovative and demonstration projects that assist CSBG target population groups to overcome at least one of the barriers to attaining self-sufficiency; and
- (5) other projects/initiatives, including state conference expenses. The Department may provide monetary awards to Subrecipients for outstanding performance. To ensure consistent and comparable results, the process for monetary awards to CSBG Subrecipients will be standardized.

(c) Up to 5% of the Department's annual allocation of CSBG funds will be used for administrative purposes consistent with state and federal law.

*§5.204.Use of Funds.*

(a) CSBG funds distributed to Eligible Entities for a fiscal year may be available for obligation during that fiscal year and the succeeding fiscal year. Eligible Entities may use the funds for administrative support and/or for direct services such as: education, employment, housing, health care, nutrition, transportation, linkages with other service providers, youth programs, emergency services, i.e., utilities, rent, food, shelter, clothing etc. For additional requirements reference 42 U.S.C. §9908(b)(A)(i-vii) and Office of Management and Budget (OMB) Circulars A-122 and A-87.

(b) Utility and rent deposit refunds from vendors must be reimbursed to the Subrecipient and not the client. Funds should be treated as program income.

*§5.205.Limitations on Use of Funds.*

(a) Construction of Facilities. CSBG funds may not be used for the purchase, construction or improvement of land, or facilities as described in (42 U.S.C. §9918(a)).

(b) Section 678(F)(b)(2) of the Community Services Block Grant (CSBG) Act prohibits the use of program funds for political activity, voter registration activity, or voter registration. The Hatch Act, 5 U.S.C. Chapter 15, amendments to the Hatch Act, and the repeal of §675(e) and §675(C)(6) of the CSBG Act do not affect the prohibition of §678(F)(b)(2).

*§5.206.Termination and Reduction of Funding.*

(a) If the Department determines, on the basis of a final decision in a review pursuant to the CSBG Act, that an Eligible Entity fails to comply with the terms of an agreement or the state plan, to provide services under the CSBG Act or to meet appropriate standards, goals, and other requirements established by the Department (including performance objectives), the Department shall:

- (1) inform the entity of the deficiency to be corrected;
- (2) require the entity to correct the deficiency;
- (3) offer training and technical assistance, if appropriate, to help correct the deficiency, and, as appropriate, prepare and submit to the Secretary a report describing the training and technical assistance offered; or if the Department determines that such training and technical assistance are not appropriate, prepare and submit to the Secretary a report stating the reasons for the determination and the reasons for proceeding with termination proceedings;
- (4) At the discretion of the Department (taking into account the seriousness of the deficiency and the time reasonably required to correct the deficiency), the Department shall allow the entity to develop and implement, within sixty (60) days after being informed of the deficiency, a Quality Improvement Plan (QIP) to correct such deficiency within a reasonable period of time, as determined by the Department. No later than thirty (30) days after receiving from an eligible entity a proposed QIP, the Department shall either approve such proposed plan or specify the reasons why the proposed plan cannot be approved;
- (5) If the Department does not accept the QIP, the Department, after providing adequate notice of impending termination proceedings and an opportunity for a hearing, may initiate proceedings to terminate or reduce the funding of a Subrecipient; and
- (6) If the Department has implemented sanctions against a Subrecipient and the Subrecipient has failed to comply with the QIP or a corrective action plan, the Department may request of the Subrecipient's Board of Directors the voluntary relinquishment of the CSBG program and their designation as a CSBG Eligible Entity. If the Subrecipient accepts to voluntarily relinquish the CSBG program, the Department will commence contract termination proceedings. If the Subrecipient rejects voluntarily relinquishment of the CSBG program or the Department does not accept the Subrecipient's QIP, the Department will initiate procedures for a hearing.

(A) Pursuant to the CSBG Act, the Department will provide notice and an opportunity for a hearing.

(B) The Department will refer a hearing under this section to the State Office of Administrative Hearings (SOAH). The Department and Subrecipient will coordinate establishing a date, time and hearing location with SOAH and will provide adequate notice to the Subrecipient. SOAH will issue a proposal for decision to the TDHCA's Board recommending whether there is cause, as defined by the CSBG Act, U.S.C. §9908(c), to terminate or reduce funding to the Subrecipient. The TDHCA Board will review the proposal for decision and issue its final order in the matter.

(C) If the TDHCA Board determines that there is cause to terminate or reduce funding, pursuant to 42 U.S.C. §9915, the Department will notify the Subrecipient that it has the right under 42 U.S.C. §9915 to seek review of the decision by the USDHHS. If the USDHHS does not overturn the decision, or if the Subrecipient does not seek USDHHS review, the Department will initiate proceedings to terminate and close-out the contract.

(b) Any right or remedy given to the Department by this chapter does not preclude the existence of any other right or remedy, nor shall any action or lack of action by the Department in the exercise of any right or remedy be deemed a waiver of any other right or remedy.

#### *§5.207.Subrecipient Performance.*

(a) Budgets. CSBG Eligible Entities and any other funded organizations shall submit a budget to facilitate the contract execution process. A certification of board approval of CSBG budget form issued by the Department must also be submitted with planned budgets.

(b) Unexpended Funds. The Department reserves the right to deobligate funds.

(1) The U.S. Department of Health and Human Services Administration for Children and Families issues terms and conditions for receipt of funds under the CSBG. Subrecipients of CSBG funds will comply with the requirements of the terms and conditions of the CSBG award.

(2) The Coats Human Services Reauthorization Act of 1998, allows states to recapture unexpended CSBG funds in excess of 20% of the CSBG funds obligated to an Eligible Entity. This may be superseded by Congressional action in the appropriation process or by the terms and conditions issued by U.S. Department of Health and Human Services in the CSBG award letter.

(c) Services to Poverty Population. Subrecipients administering services to clients in one or more CSBG service area counties shall ensure that such services are rendered reasonably and in an equitable manner to ensure fairness among all potential applicants eligible for services. Services rendered must reflect the poverty population ratios in the service area and services should be distributed based on the proportionate representation of the poverty population within a county. A variance of greater than plus or minus 20% may constitute a finding. Subrecipients with a service area of a single county shall demonstrate marketing and outreach efforts to render direct

services to a reasonable percentage of the county's eligible population based on the most recent decennial census. Services should also be distributed based on the proportionate representation of the poverty population within a county.

*§5.210.CSBG Needs Assessment and Community Action Plan.*

(a) In accordance with the CSBG Act and §676 of the Act, the Department is required to secure a Community Action Plan on an annual basis from each CSBG Eligible Entity.

(b) Every five (5) years, the CSBG Community Action Plan will include a community needs assessment from every CSBG Eligible Entity.

(c) The Community Action Plan shall at a minimum include a description of the delivery of services for the case management system in accordance with the National Performance Indicators and shall include a performance statement that describes the services, programs and activities to be administered by the organization.

(d) Hearing. A board certification that a public hearing was conducted on the proposed use of funds for the Community Action Plan must be submitted to the Department with the plan.

(e) Intake Form. To fulfill the requirements of 42 U.S.C. §9917, CSBG Subrecipients must complete an intake form which includes the demographic and household characteristic data required for the monthly performance and expenditure report, referenced in Subchapter A of this chapter, for all Households receiving a community action service. A new CSBG intake form or a centralized intake form must be completed on an annual basis to coincide with the CSBG program year of January 1st through December 31st.

(f) Case Management.

(1) In keeping with the regulations issued under Title II, §676(b) State Application and Plan, the Department requires CSBG Subrecipients to incorporate integrated case management systems in the administration of their CSBG program (Title II, §676(b)). Incorporating case management in the service delivery system and providing assistance that has a long-term impact on the client, such as enabling the client to move from poverty to self-sufficiency, to maintain stable families, and to revitalize the community, supports the requirements of Title II, §676(b). An integrated case management system improves the overall provision of assistance and improves each Subrecipient's ability to transition persons from poverty to self-sufficiency.

(2) Subrecipients must have in operation a case management program that has the components described in subparagraphs (A) - (H) of this paragraph:

(A) Intake Form;

(B) Pre-assessment to determine service needs, to determine the need for case management, and to determine which individuals/families to consider enrolling in case management program;



- (C) Integrated assessment of individual/family service needs of those accepted into case management program;
  - (D) Development of case management service plan to meet goals and become self-sufficient;
  - (E) Provision of services and coordination of services to meet needs and achieve self-sufficiency;
  - (F) Monitoring and follow-up of participant's progress;
  - (G) Case closure, once individual has become self-sufficient; and
  - (H) Evaluation process to determine effectiveness of case management system.
- (3) As required by 42 U.S.C. §678G(b)(1-2), CSBG Subrecipients shall inform custodial parents in single-parent families that participate in programs, activities, or services about the services available through the Texas Attorney General's Office with respect to the collection of child support payments and/or refer eligible parents to the Texas Attorney General's Office of Child Support Services Division.

(g) Non-CSBG Eligible Entities receiving state discretionary funds under §5.203(b) of this subchapter (relating to Distribution of CSBG Funds) are not required to submit a Community Action Plan. All CSBG Subrecipients must develop a performance statement which identifies the services, programs, and activities to be administered by the organization.

(h) Subrecipient Requirements for Appeals Process for CSBG Applicants/Clients. Subrecipients shall establish a CSBG denial of service complaint procedure to address written complaints from program applicants/clients. At a minimum, the procedures described in paragraphs (1) - (8) of this subsection shall be included:

- (1) Subrecipients shall provide a written denial of assistance notice to applicant/client within ten (10) business days of the adverse determination. This notification shall include written notice of the right to a hearing and specific reasons for the denial by component. The applicant wishing to appeal a decision must provide written notice to Subrecipient within twenty (20) days of receipt of the denial notice;
- (2) Subrecipient who receives an appeal or client complaint shall establish an appeal committee composed of at least three persons. Subrecipient shall maintain documentation of appeals/complaints in their client files;
- (3) Subrecipient shall hold the hearing within twenty (20) days after the Subrecipient received the appeal/complaint request from the applicant/client;
- (4) Subrecipient shall record the hearing;
- (5) The hearing shall allow time for a statement by Subrecipient staff with knowledge of the case;
- (6) The hearing shall allow the applicant/client at least equal time, if requested, to present relevant information contesting the decision;
- (7) Subrecipient shall notify applicant/client of the decision in writing. The Subrecipient shall mail the notification by close of business on the business day following the decision (one (1) day turnaround);

(8) If the denial is solely based on income eligibility, the provisions in paragraphs (2) - (7) of this subsection, do not apply and the applicant may request a recertification of income eligibility based on initial documentation provided at the time of the original application. The recertification will be an analysis of the initial calculation based on the documentation received with the initial application for services and will be performed by an individual other than the person who performed the initial determination. If the recertification upholds the denial based on income eligibility documents provided at the initial application, the applicant is notified in writing and no further appeal is afforded to the applicant.

(i) If the applicant is not satisfied, the applicant may further appeal the decision in writing to the Department within ten (10) days of notification of an adverse decision.

(j) ~~Affected persons~~ Applicants/clients who allege that the Subrecipient has denied all or part of a service or benefit in a manner that is unjust, violates discrimination laws, or without reasonable basis in law or fact, may request a contested hearing under Texas Government Code, Chapter 2001.

(k) The hearing shall be conducted by the State Office of Administrative Hearings on behalf of the Department in the locality served by the Subrecipient.

(l) If client appeals to the Department, the funds should remain encumbered until the Department completes its decision.

*§5.211. Subrecipient Reporting Requirements.*

(a) Monthly Performance and Expenditure Report. CSBG Subrecipients must submit a monthly performance and expenditure report. Subrecipients shall submit the Monthly Expenditure Report and Monthly Performance Report no later than the fifteenth (15th) day of the month after each month of the contract period. Even if a fund reimbursement is not being requested, an Expenditure Report must be submitted electronically on or before the fifteenth (15th) day of each month of the grant period. A final Expenditure Report must be submitted within sixty (60) days after the CSBG contract ends. The "Community Affairs Contract User Guide System" may be accessed through the TDHCA website, [www.tdhca.state.tx.us](http://www.tdhca.state.tx.us).

(b) Reporting. Federal requirements mandate all states to participate in the preparation of an annual performance measurement report (also referred to as the CSBG National Survey). To comply with the requirements of §678E of the CSBG Act, all CSBG Eligible Entities and other organizations receiving CSBG funds are required to participate.

*§5.212. CSBG Board of Directors Membership and Meeting Requirements for CSBG Eligible Entity's Tripartite Boards.*

(a) General Board Requirements:

(1) The Coats Human Services Reauthorization Act (Public Law 105-285) addresses the CSBG program and requires that Eligible Entities administer the CSBG program through a tripartite board. The Act requires that governing boards or a governing body be involved in the development, planning, implementation, and evaluation of the programs serving the low-income sector. Also, the Texas Legislature, through §551.001(3) of the Texas Government Code, addresses specific requirements regarding meetings, meeting notices, and open meeting records through the Open Meetings Act (Texas Government Code, §§551.001, et seq.) and the Public Information Act (Texas Government Code, §§552, et seq.). State legislation has also defined as a governmental body, nonprofit corporation boards that are eligible to receive funds under the federal CSBG program and that are authorized by the state to serve a geographic area of the state.

(2) Federal requirements for establishing a tripartite board require board oversight responsibilities for public entities, which differ from requirements for private organizations. Where differences occur between private and public organizations, requirements for each entity have been noted in related sections of the rule.

(b) Each CSBG Eligible Entity shall comply with the provisions of this rule and if necessary, the Eligible Entity's by-laws shall be amended to reflect compliance with these requirements.

*§5.213. Board Structure.*

(a) Private nonprofit entities, shall administer the CSBG program through a tripartite board that fully participates in the development, planning, implementation, and evaluation of the program to serve low-income communities. Some of the members of the board shall be selected by the private nonprofit entity and others through a democratic process; the board shall be composed so as to assure that the requirements of §676B(a)(2) of the CSBG Act are followed and are composed as:

(1) One-third of the members of the board shall be elected public officials, holding office on the date of the selection, or their representatives. In the event that there are not enough elected public officials reasonably available and willing to serve on the board, the entity may select appointive public officials to serve on the board. The public officials selected to serve on the board may each choose one permanent representative or designate an alternate to serve on the board. Appointive public officials or their representatives or alternates may be counted in meeting the 1/3 requirement. Refer to subsection (d)(1)(B) of this section entitled "Permanent Representatives and Alternates" for related information;

(2) not fewer than 1/3 of the members are persons chosen in accordance with democratic selection procedures adequate to assure that these members are representative of low-income individuals and families in the neighborhood served; and each representative of low-income

individuals and families selected to represent a specific neighborhood within a community under subsection (b)(1)(B) of this section, resides in the neighborhood represented by the member;

(3) the remainder are members of business, industry, labor, religious, law enforcement, education, or other major groups and interests in the community served.

(b) For public organizations to be considered to be an eligible entity for purposes of the CSBG Act, §676B(b), the entity shall administer the CSBG grant through tripartite boards as:

(1) A tripartite board, which shall have members selected by the organization and shall be composed so as to assure that not fewer than 1/3 of the members are persons chosen in accordance with democratic selection procedures adequate to assure that these members:

(A) are representative of low-income individuals and families in the neighborhood served;

(B) reside in the neighborhood served; and

(C) are able to participate actively in the development, planning, implementation, and evaluation of programs funded under this chapter; or

(D) If conditions in subparagraphs (A) - (C) of this paragraph are not utilized, then another mechanism specified by the state which meets the tripartite requirements may be used. Public organizations that choose to utilize another mechanism must submit to the Department, for review and approval, a description of the mechanism to be utilized to select low-income representatives. The mechanism must assure decision-making and participation by low-income individuals in the development, planning, implementation, and evaluation of programs funded under this chapter.

(2) One-third of the members of the board shall be elected public officials, holding office on the date of the selection, or their representatives. In the event that there are not enough elected public officials reasonably available and willing to serve on the board, the entity may select appointive public officials to serve on the board. The public officials selected to serve on the board may each choose one permanent representative or designate an alternate to serve on the board. Refer to subsection (d)(1)(B) of this section, entitled "Permanent Representatives and Alternates" for related information.

(3) The remainder of the members are officials or members of business, industry, labor, religious, law enforcement, education, or other major groups and interests in the community served.

(c) Eligible Entities administering the Head Start Program must comply with, the Head Start Act (42 U.S.C. §9837) that requires the governing body membership to comply with the requirements of §642(c)(1) of the Head Start Act. Exceptions shall be made to the requirements of clauses (i) - (iv) of §642(c)(1) of the Head Start Act for members of a governing body when those members oversee a public entity and are selected to their positions with the public entity by public election or political appointment.

(d) Selection. Pursuant to §676B of the CSBG Act, Private nonprofit entities and public organizations have the responsibility for selection and composition of the board.

(1) Public Officials:

(A) Elected public officials or appointed public officials, selected to serve on the board, shall have either general governmental responsibilities or responsibilities which require them to deal with poverty-related issues; and

(B) Permanent Representatives and Alternates. The public officials selected to serve on the board may each choose one permanent representative or designate an alternate to serve on the board.

(i) Permanent Representatives. The public officials selected by a private nonprofit entity or public organization to serve on the board may each choose one permanent representative to serve on the board in a full-time capacity. The public officials of the public organization may choose a representative to serve on the board or other governmental body. The representative need not be a public official but shall have full authority to act for the public official at meetings of the board. Permanent representatives may hold an officer position on the board. If a permanent representative is not chosen, then an alternate may be designated by the public official selected to serve on the board. Alternates may not hold an officer position on the board.

(ii) Alternate Representatives. If the private nonprofit entity or public organization board chooses to allow alternates, the alternates for low-income representatives shall be elected at the same time and in the same manner as the board representative is elected to serve on the board.

Alternates for representatives of private sector organizations may be designated to serve on the board and should be selected at the same time the board representative is selected. In the event that the board member or alternate ceases to be a member of the organization represented, he/she shall no longer be eligible to serve on the board. Alternates may not hold an officer position on the board.

(2) Low-Income Representatives:

(A) An essential objective of community action is participation by low-income individuals in the programs which affect their lives; therefore, the CSBG Act and its amendments require representation of low-income individuals on boards or state-specified governing bodies. The CSBG statute requires that not fewer than one-third of the members shall be representatives of low-income individuals and families and that they shall be chosen in accordance with democratic selection procedures adequate to assure that these members are representative of low-income individuals and families in the neighborhoods served; and that each representative of low-income individuals and families selected to represent a specific neighborhood within a community resides in the neighborhood represented by the member; or

(B) Board members representing low-income individuals and families must be selected in accordance with a democratic procedure. This procedure, as detailed in subparagraph (D) of this paragraph, may be either directly through election, public forum, or, if not possible, through a similar democratic process such as election to a position of responsibility in another significant service or community organization such as a school PTA, a faith-based organization leadership group; or an advisory board/governing council to another low-income service provider;

(C) Every effort should be made by the nonprofit entity or public organization to assure that low-income representatives are truly representative of current residents of the geographic area to be served, including racial and ethnic composition, as determined by periodic selection or reselection by the community. "Current" should be defined by the recent or annual demographic changes as documented in the needs/community assessment. This does not preclude extended service of low-income community representatives on boards, but it does suggest that continued board participation of longer term members be revalidated and kept current through some form of democratic process; and

(D) The procedure used to select the low-income representative must be documented to demonstrate that a democratic selection process was used. Among the selection processes that may be utilized, either alone or in combination, are:

- (i) Selection and elections, either within neighborhoods or within the community as a whole; at a meeting or conference, to which all neighborhood residents, and especially those who are poor, are openly invited;
- (ii) Selection of representatives to a community-wide board by members of neighborhood or sub-area boards who are themselves selected by neighborhood or area residents;
- (iii) Selection, on a small area basis (such as a city block); or
- (iv) Selection of representatives by existing organizations whose membership is predominately composed of poor persons.

(3) Representatives of Private Groups and Interests:

(A) The private nonprofit entity or public organization shall select the remainder of persons to represent the private sector on the board or it may select private sector organizations from which representatives of the private sector organization would be chosen to serve on the board; and

(B) The individuals and/or organizations representing the private sector shall be selected in such a manner as to assure that the board will benefit from broad community involvement. The board composition for the private sector shall draw from officials or members of business, industry, labor, religious, law enforcement, education, school districts, representatives of education districts and other major groups and interests in the community served.

#### *§5.214. Board Administrative Requirements.*

(a) Powers of the Board for Private Nonprofit Entities. The board is responsible for abiding by the terms of contracts and shall determine the policies of the agency to assure accountability for public funding. The board shall function as the organization's governing body with the same legal powers and responsibilities as the board of directors of any nonprofit corporation.

(b) Powers of the Board for Public Organizations. The powers, duties, and responsibilities of the board shall be determined by the governing officials of the public organization. The governing officials may establish:

- (1) an advisory board, in which case the authority given to the advisory board depends on the powers delegated to it by the governing officials of the political subdivision; or

(2) a governing board, empowering the board of directors with substantive decision-making authority and delegating the powers, duties, and responsibilities to carry out its CSBG-supported contract and functions.

(c) Compensation. Board members are not entitled to compensation for their service on the board. Reimbursement of reasonable and necessary expenses incurred by a board member in carrying out his/her duties is allowed.

(d) Conflict of Interest. No board member may participate in the selection, award, or administration of a subcontract supported by CSBG funds if:

(1) the board member;

(2) any member of his/her immediate family (as defined in the CSBG contract);

(3) the board member's partner; or

(4) any organization which employs or is about to employ any of the individuals described in paragraphs (1) - (3) of this subsection, has a financial interest in the firm or person selected to perform a subcontract. No employee of the local CSBG Subrecipient or of the Department may serve on the board.

#### *§5.215. Board Size.*

(a) Board Service Limitations for Private Nonprofit Entities and Public Organizations  
Subrecipients boards may establish bylaws which allow for term limits and/or procedures for the removal of board members.

(b) Vacancies/Removal of Board Members.

(1) Vacancies. In no event shall the board allow 25% or more of either the public, private, or poverty sector board positions to remain vacant for more than ninety (90) days. CSBG Subrecipients shall report the number of board vacancies by sector in their monthly performance reports. Compliance with the CSBG Act requirements for board membership is a condition for Eligible Entities to receive CSBG funding. There is no provision in the Act for a waiver or exception to these requirements.

(2) Removal of Board Members/Private Nonprofit Entities. Public officials or their representatives, may be removed from the board either by the board or by the entity that appointed them to serve on the board. Other members of the board may be removed by the board or pursuant to any procedure provided in the private nonprofit's by-laws.

(3) Removal of Board Members/Public Organizations. Board members may be removed from the board by the public organization or by the board if the board is so empowered by the public organization. The board may petition the public organization to remove a board member or the public organization may delegate the power of removal to the board.

*§5.216.Board Responsibility.*

(a) Tripartite boards have a fiduciary responsibility for the overall operation of the private nonprofit entity. Members are expected to carry out their duties as any reasonably prudent person would do.

(b) At a minimum, board members are expected to:

- (1) Maintain regular attendance of board and committee meetings;
- (2) Develop thorough familiarity with core agency information, such as the agency's bylaws, as appropriate, articles of incorporation, sources of funding, agency goals and programs, federal and state CSBG statutes;
- (3) Exercise careful review of materials provided to the board;
- (4) Make decisions based on sufficient information;
- (5) Ensure that proper fiscal systems and controls, as well as a legal compliance system, are in place;
- (6) Maintain knowledge of all major actions taken by the agency; and
- (7) Receive regular reports that includes:
  - (A) Review and approval of all funding requests (including budgets);
  - (B) Review of reports on the organization's financial situation;
  - (C) Regular reports on the progress of goals specified in the performance statement or program proposal;
  - (D) Regular reports addressing the rate of expenditures as compared to those projected in the budget;
  - (E) Updated modifications to policies and procedures concerning employee's and fiscal operations; and
  - (F) Updated information on community conditions that affect the programs and services of the organization.

(c) Individuals that agree to participate on a tripartite governing board, accept the responsibility to assure that the agency they represent continues to:

- (1) assess and respond to the causes and conditions of poverty in their community;
- (2) achieve anticipated family and community outcomes; and
- (3) remains administratively and fiscally sound. Excessive absenteeism of board members compromises the mission and intent of the program.

(d) Residence Requirement:

- (1) All board members shall reside within the Subrecipient's CSBG service area designated by the CSBG contract. Board members should be selected so as to provide representation for all geographic areas within the designated service area; however, greater representation may be given on the board to areas with greater poverty population. Low-income representatives must reside in the area that they represent; and



(2) Subrecipients may request a waiver of the residency requirement to the Director of the Community Affairs Division for review for consideration and/or approval.

(e) Improperly Constituted Board. If the Department determines that a board of an Eligible Entity is improperly constituted, the Department shall prescribe the necessary remedial action, a timeline for implementation and possible sanctions which may include:

- (1) cost reimbursement method of payment;
- (2) withholding of funds;
- (3) contract suspension; or
- (4) termination of funding.

*§5.217. Board Meeting Requirements.*

(a) The Board must follow the Texas Open Meetings Act, meet at least once per calendar quarter and at a minimum five (5) times per year and, must give each member a notice of meeting five (5) days in advance of the meeting.

(b) Open Meetings Training.

(1) Texas Government Code, §551.005 requires elected and appointed officials to receive training in Texas Open Government laws. This mandate applies to the board of directors for CSBG Eligible Entities, and public sector local officials, and requires that training is received within ninety (90) days of becoming a board member. As part of this requirement, the Office of the Attorney General has established and made available formal training to ensure government officials have a good command of open records and open meeting laws. To fulfill this requirement, the Office of the Attorney General offers free training videos which may be requested by accessing their website at [www.oag.state.tx.us/open/og\\_training.shtml](http://www.oag.state.tx.us/open/og_training.shtml) or by calling 1-800-252-8011.

(2) Legislation requires open meetings training for public sector local officials; however, the Department recommends this training for all board members. Boards shall ensure that all members serving on the Board of Directors shall receive this training according to the deadlines described in this subsection.

(3) A copy of the attendance roster for all Board trainings shall be maintained at the Subrecipient level.

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**BOARD ACTION REQUEST**  
**COMMUNITY AFFAIRS DIVISION**  
**DECEMBER 13, 2012**

Presentation, Discussion, and Possible Action on an order adopting amendments to 10 TAC Chapter 5, Community Affairs Programs, Subchapter D, Comprehensive Energy Assistance Program (CEAP) §§5.401 – 5.408, 5.421 – 5.423, and 5.430 – 5.432, an order adopting the repeal of §§5.424 and 5.425, and an order adopting new §5.424 concerning Utility Assistance Component, and directing their publication in the *Texas Register*

**RECOMMENDED ACTION**

**WHEREAS**, pursuant to Texas Government Code, Chapter 2306, the Department is authorized to adopt and repeal rules governing the administration of the Department and its programs;

**WHEREAS**, the proposed amendments to §§5.401 – 5.408, 5.421 – 5.423, and 5.430 – 5.432, proposed repeal of §§5.424 and 5.425, and proposed new §5.424, concerning Utility Assistance Component were approved at the October 9, 2012 Board meeting for publication in the *Texas Register* for public comment, and public comment period ended November 26, 2012; and

**WHEREAS**, three public comments were received concerning the proposed amendments, repeal and new section in 10 TAC Chapter 5, Subchapter D, Comprehensive Energy Assistance Program (CEAP) and staff has proposed recommendations to respond to comments while maintaining consistency with other community affairs program rules;

**NOW, therefore, it is hereby**

**RESOLVED**, that the referenced amendments, repeal, and new section are hereby adopted and the Executive Director and his designees be and each of them hereby are authorized, empowered, and directed, for and on behalf of the Department, to cause the amendments to 10 TAC Chapter 5 Community Affairs Programs, Subchapter D, Comprehensive Energy Assistance Program (CEAP) §§5.401 – 5.408, 5.421 – 5.423, and 5.430 – 5.432, the repeal of §§5.424 and 5.425, and new §5.424 concerning Utility Assistance Component, in the form presented to this meeting, to be published in the *Texas Register* for final adoption, and in connection therewith, make such non-substantive technical corrections as they may deem necessary to effectuate the foregoing.

## **BACKGROUND**

This rule relates to the Comprehensive Energy Assistance Program (CEAP), funded through the Low-Income Home Energy Assistance Program (LIHEAP) from the U.S. Department of Health and Human Services (USDHHS). The proposed adoption of the amendments will clarify and simplify rules as follows: removing Direct Service Support as an allowable expenditure and any related reference to the repealed sections described below, as recommended by USDHHS; emphasizing the requirement that priority be given to Households with the presence of a "vulnerable" individual, such as a child age 5 and younger, disabled person, or an elderly individual; revising the maximum allowable annual Household benefits to reflect the FFY 2013 LIHEAP State Plan as approved by the Board and submitted to HHS; revising CEAP appeals process in accordance with state laws and revising closeout reporting requirements; and reallocation of funds. The proposed concurrent adoption of a repeal and adoption of a new section 5.424 is to consolidate the Co-Payment and Elderly and Disabled components into a more effective component under the CEAP program.

On October 9, 2012, the Board approved the proposed amendments, repeal, and new section to be published in order to receive public comment. The public comment period was from October 26, 2012 to November 26, 2012, with comments received from (1) Stella Rodriguez, Texas Association of Community Action Agencies, Inc., (2) Travis County Health and Human Services and Veterans Service, and (3) Desiree Davis, Neighborhood Centers, Inc. The attached preamble includes the public comment received and the staff responses.

**Attachment A: Preamble, Reasoned Response, and Amended 10 TAC Chapter 5, Subchapter D, §§5.401 – 5.408, 5.421 - 5.423, and 5.430 – 5.432.**

The Texas Department of Housing and Community Affairs (the “Department”) adopts amendments to 10 TAC Chapter 5, Subchapter D, §§5.401 – 5.408, 5.421 - 5.423, and 5.430 – 5.432, concerning the Comprehensive Energy Assistance Program (CEAP). Sections 5.405, 5.407, 5.422 and 5.423 are adopted with changes to the proposed text as published in the October 26, 2012 issue of the *Texas Register* (37 TexReg 8400). Sections 5.401 – 5.404, 5.406, 5.408, 5.421, and 5.430 – 5.432 are adopted without change and will not be republished.

**REASONED JUSTIFICATION:** The Department finds that the amendments will clarify and simplify rules by removing Direct Service Support as an allowable expenditure and any related reference to the repealed sections described below, as recommended by USDHHS, emphasizing the requirement that priority be given to Households with the presence of a "vulnerable" individual, such as a child age 5 and younger, disabled person, or an elderly individual, revising the maximum allowable annual Household benefits to reflect the FFY 2013 LIHEAP State Plan as approved by the Board and submitted to HHS, revising CEAP appeals process in accordance with state laws and revising closeout reporting requirements and reallocation of funds. The proposed concurrent adoption of a repeal and adoption of a new §5.424 is to consolidate the Co-Payment and Elderly and Disabled components into a more effective component under the CEAP program.

**SUMMARY OF PUBLIC COMMENT AND STAFF RECOMMENDATIONS:**

Public Comments were accepted from October 26, 2012, through November 26, 2012, with comments received from (1) Stella Rodriguez, Texas Association of Community Action Agencies, Inc., (2) Travis County Health and Human Services and Veterans Service, and (3) Desiree Davis, Neighborhood Centers, Inc.

**§5.405(c). Subrecipient Requirements for Appeals Process for Applicants.**

**COMMENT SUMMARY:** Commenter (1) suggested that the Department replace the wording “affected persons” with “applicants/clients” to be consistent with §5.210(h).

**STAFF RESPONSE:** Staff agrees and recommends the revised language.

**§5.407(e). Subrecipient Requirements for Establishing Priority for Eligible Households and Client Eligibility Criteria.**

**COMMENT SUMMARY:** Commenter (1) suggested that the Department clarify the collection of documents needed for purposes of unobtainable proof of income and use the Declaration of Income Statement as the sole source to document income.

**STAFF RESPONSE:** Staff agrees with this change and recommends revisions to the proposed language.

**§5.422(d). General Assistance and Benefit Levels.**

COMMENT SUMMARY: Commenters (1), (2), and (3) suggested that the Department maintain CEAP benefit levels at \$1,200, \$1,100 and \$1,000, as reflected in the Texas Administrative Code.

STAFF RESPONSE: Staff agrees and recommends the benefit levels be amended to the proposed language to reflect the current levels shown in the current rule.

**§5.423(c). Household Crisis Component.**

COMMENT SUMMARY: Commenter (3) suggested that the Department allow unrestricted and household funds be revised to pay the difference between the household benefit limit and the amount needed to resolve the crisis.

STAFF RESPONSE: The proposed language already allows for unrestricted and/or household funds to be used to resolve household crisis. Therefore, staff recommends no change based on this comment.

COMMENT SUMMARY: Commenter (3) also suggested that proof of payment must be provided to the Subrecipient before a payment is made.

STAFF RESPONSE: Staff disagrees with this comment and recommends no change. Subrecipients should document resolution of the crisis as detailed in §5.432(e).

**§5.423(d)(3). Household Crisis Component.**

COMMENT SUMMARY: Commenter (1) suggested that the Department revise the language in §5.423(d)(3) to be consistent with §5.423(d)(4).

STAFF RESPONSE: Staff agrees and recommends the revised language.

COMMENT SUMMARY: Commenter (3) suggested that the Department revise language to allow for components of a central system being replaced when components cannot be repaired and that component replacement will not exceed \$2,500.

STAFF RESPONSE: Staff agrees and recommends the revised language.

STATUTORY AUTHORITY. The amendments are proposed pursuant to Texas Government Code, §2306.053, which authorizes the Department to adopt rules, and Chapter Subchapter E, which authorizes the Department to administer its Community Affairs programs.

*§5.401. Background.*

The Comprehensive Energy Assistance Program (CEAP) is funded through the Low Income Home Energy Assistance Act of 1981 (Title XXVI of the Omnibus Budget Reconciliation Act of 1981, Public Law 97-35, as amended). LIHEAP has been in existence since 1982. LIHEAP is a

federally funded block grant program that is implemented to serve low income Households who seek assistance for their home energy bills.

*§5.402.Purpose and Goals.*

The purpose of CEAP is to assist low-income Households, particularly those with the lowest incomes, that pay a high proportion of Household income for home energy, primarily in meeting their immediate home energy needs. The program requires priority be given to those with the highest home energy needs, meaning low income Households with high residential energy use, a high energy burden and/or the presence of a "vulnerable" individual in the Household, such as a child age 5 and younger, disabled person, or an elderly individual. CEAP services include: energy education, needs assessment, budget counseling (as it pertains to energy needs), utility payment assistance, repair of existing heating and cooling units, and crisis-related purchase of portable heating and cooling units.

*§5.403.Distribution of CEAP Funds.*

- (a) The Department distributes funds to Subrecipients by an allocation formula.
- (b) The formula allocates funds based on the number of low-income Households in a service area and takes into account the special needs of individual service areas. The need for energy assistance in an area is addressed through a weather factor (based on heating and cooling degree days). The extra expense in delivering services in sparsely populated areas is addressed by an inverse population density factor. The lack of additional services available in very poor counties is addressed by a county median income factor. Finally, the elderly are given priority by giving greater weight to this population. The five factors used in the formula are calculated as:
  - (1) County Non-elderly Poverty Household Factor (weight of 40%) is defined by the Department as the number of Non-elderly Poverty Households in the County divided by the number of Non-elderly Poverty Households in the state;
  - (2) County Elderly Poverty Household Factor (weight of 40%) is defined by the Department as the number of Elderly Poverty Households in the County divided by the number of Elderly Poverty Households in the state; and
  - (3) County Inverse Poverty Household Density Factor (weight of 5%) is defined by the Department as:
    - (A) The number of Square Miles of the County divided by the number of Poverty Households of the County (equals the Inverse Poverty Household Density of the County); and
    - (B) Inverse Poverty Household Density of the County divided by the Sum of Inverse Household Densities.
  - (4) County Median Income Variance Factor (weight of 5%) is defined by the Department as:
    - (A) State Median Income minus the County Median Income (equals County Variance); and
    - (B) County Variance divided by sum of the State County Variances.
  - (5) County Weather Factor (weight of 10%) is defined by the Department as:

- (A) County Heating Degree Days plus the County Cooling Degree Days, multiplied by the Poverty Households, divided by the sum of County Heating & Cooling Degree Days of Counties (equals County Weather); and
- (B) County Weather divided by the total sum of the State County Weather.
- (C) All demographic factors are based on the decennial U.S. Census.
- (D) Total sum of paragraphs (1) - (5) of this subsection multiplied by total funds allocation equals the County's allocation of funds. The sum of the county allocations within each Subrecipient service area equals the Subrecipient's total allocation of funds.

*§5.404.Subrecipient Eligibility.*

- (a) The Department shall ensure that: to the extent it is necessary to designate local administrative agencies in order to carry out the purposes of Title 42 U.S.C. §§8621, et seq; give special consideration to any local public or private nonprofit agency which was receiving Federal funds.
  - (1) The Department shall, before giving such special consideration, determine that the agency involved meets program and fiscal requirements established by the Department; and
  - (2) if there is no such agency because of any change in the assistance furnished to programs for economically disadvantaged persons, then the Department shall give special consideration in the designation of local administrative agencies to any successor agency which is operated in substantially the same manner as the predecessor agency which did receive funds for the fiscal year preceding the fiscal year for which the determination is made.
- (b) The Department administers the program through the existing Subrecipients that have demonstrated that they are operating the program in accordance with the Economic Opportunity Act of 1964, the Low-Income Home Energy Assistance Act of 1981, as amended (42 U.S.C. §§8621, et seq.), and the Department rules. If Subrecipients are successfully administering the program, the Department may offer to renew the contract.
- (c) When the Department determines that an organization is not administering the program satisfactorily, corrective actions are taken to remedy the problem. Thereafter, if Subrecipient fails to administer the program correctly, the Department reassigns the service area or a portion to another existing Subrecipient or conducts solicitation or selection of a new Subrecipient in accordance with the Low-Income Home Energy Assistance Act of 1981. The affected Subrecipient may request a hearing in accordance with the Texas Government Code, §2105.204.

*§5.405.Subrecipient Requirements for Appeals Process for Applicants.*

- (a) Subrecipient shall establish a denial of service complaint procedure to address written complaints from program applicants/clients. At a minimum, the procedures described in paragraphs (1) - (8) of this subsection shall be included:
  - (1) Subrecipients shall provide a written denial of assistance notice to applicant within ten (10) days of the adverse determination. This notification shall include written notice of the right of a hearing and specific reasons for the denial by component. The applicant wishing to appeal a



decision must provide written notice to Subrecipient within twenty (20) days of receipt of the denial notice.

(2) Subrecipient who receives an appeal shall establish an appeals committee composed of at least three persons. Subrecipient shall maintain documentation of appeals in their client files.

(3) Subrecipients shall hold the appeal hearing within ten (10) business days after the Subrecipient received the appeal request from the applicant.

(4) Subrecipient shall record the hearing.

(5) The hearing shall allow time for a statement by Subrecipient staff with knowledge of the case.

(6) The hearing shall allow the applicant at least equal time, if requested, to present relevant information contesting the decision.

(7) Subrecipient shall notify applicant of the decision in writing. The Subrecipient shall mail the notification by close of business on the business day following the decision (1 day turn-around).

(8) If the denial is solely based on income eligibility, the provisions described in paragraphs (2) - (7) of this subsection do not apply and the applicant may request a recertification of income eligibility based on initial documentation provided at the time of the original application. The recertification will be an analysis of the initial calculation based on the documentation received with the initial application for services and will be performed by an individual other than the person who performed the initial determination. If the recertification upholds the denial based on income eligibility documents provided at the initial application, the applicant is notified in writing and no further appeal is afforded to the applicant.

(b) If the applicant is not satisfied, the applicant may further appeal the decision in writing to the Department within ten (10) days of notification of an adverse decision.

(c) ~~Affected persons~~ Applicants/clients who allege that the Subrecipient has denied all or part of a service or benefit in a manner that is unjust, violates discrimination laws, or without reasonable basis in law or fact, may request a contested hearing under Texas Government Code, Chapter 2001.

(d) The hearing shall be conducted by the State Office of Administrative Hearings on behalf of the Department in the locality served by the Subrecipient.

(e) If client appeals to the Department, the funds should remain encumbered until the Department completes its decision.

#### *§5.406.Subrecipient Reporting Requirements.*

(a) Subrecipient shall electronically submit to the Department a monthly expenditure report of all expenditure of funds, request for advance or reimbursement, and a monthly performance report no later than fifteen (15) days after the end of each month.

(b) Subrecipient shall provide Direct Services to clients within sixty (60) days of receipt of contract funds.

(c) Subrecipient shall electronically submit to the Department no later than forty-five (45) days after the end of the Subrecipient contract term a final expenditure or reimbursement and programmatic report utilizing the expenditure report and the performance report.

(d) Subrecipient shall submit to the Department no later than forty-five (45) days after the end of the contract term an inventory of all vehicles, tools, and equipment with a unit acquisition cost of \$5,000 or more and a useful life of more than one year, if purchased in whole or in part with CEAP funds.

(e) Subrecipient shall submit other reports, data, and information on the performance of the CEAP program activities as required by the Department.

*§5.407.Subrecipient Requirements for Establishing Priority for Eligible Households and Client Eligibility Criteria.*

(a) Subrecipients shall set the client income eligibility level at or below 125% of the federal poverty level in effect at the time the client makes an application for services.

(b) Subrecipient shall determine client income. Income inclusions and exclusions to be used to determine total Household income are those noted in §5.19 of this chapter (relating to Client Income Guidelines).

(c) Subrecipients shall base annualized eligibility determinations on Household income from the thirty (30) day period prior to the date of application for assistance. Each Subrecipient shall document and retain proof of income from all sources for all Household members eighteen (18) years and older for the entire thirty (30) day period prior to the date of application and multiply by twelve (12) to annualize income.

(d) In the case of migrant, or seasonal workers, or similarly situated workers, a longer period than thirty (30) days may be used for annualizing income.

(e) If proof of income is unobtainable, the applicant must complete and sign a Declaration of Income Statement (DIS). In order to use the DIS form, each Subrecipient shall develop and implement a written policy and procedure on the use of the DIS form, ~~including policies requiring a client statement of efforts to obtain documentation of income with a notarized client signature.~~ The DIS must be notarized. In developing the policy and procedure, Subrecipients shall limit the use of the DIS form to cases where there are serious extenuating circumstances

that justify the use of the form. Such circumstances might include crisis situations such as applicants that are affected by natural disaster which prevents the applicant from obtaining income documentation, applicants that flee a home due to physical abuse, applicants who are unable to locate income documentation of a recently deceased spouse, or whose work is migratory, part-time, temporary, self-employed or seasonal in nature. To ensure limited use, the Department will review the written policy and its use, as well as client-provided descriptions of the circumstances requiring use of the form, during on-site monitoring visits.

(f) Social security numbers are not required for applicants for CEAP.

(g) Subrecipients shall establish priority criteria to serve persons in Households who are particularly vulnerable such as the elderly, persons with disabilities, families with young children, high residential energy users, and Households with high energy burden. High residential energy users and Households with high energy burden are defined as:

(1) Households with Energy Burden which exceeds the median energy burden of income-eligible Households characterized by the Department as experiencing high energy burden. The Department calculates energy burden by dividing home energy costs by the Household's gross income.

(2) Households with annual energy expenditures which exceed the median home expenditures for income-eligible Households are characterized by the Department as high residential energy users.

(h) Homeowners and renters will be treated equitably under all programs funded in whole or in part from LIHEAP funds. For those renters who pay heating and/or cooling bills as part of their rent, the Subrecipient shall make special efforts to determine the portion of the rent that constitutes the fuel heating and/or cooling payment. If "sub metering" is not available, the Subrecipient shall exercise care when negotiating with the landlords so the cost of utilities quoted is in line with the consumption for similar residents of the community. If the Subrecipient pays the landlord, then the landlord shall furnish evidence that he/she has paid the bill and the amount of assistance must be deducted from the rent, if the utility payment is not stated separately from the rent. An agreement stating the terms of the payment negotiations must be signed by the landlord.

(i) A Household unit cannot be served if the meter is utilized by another Household.

#### *§5.408. Service Delivery Plan.*

Subrecipients are required to submit on an annual basis a Department formatted Service Delivery Plan (SDP), which includes information on how they plan to implement CEAP in their service area. The Department will notify CEAP Subrecipients when the SDP template and the annual updated forms are posted on the Department's website.

*§5.421. Client Education.*

Subrecipients must provide an energy-related needs assessment and referrals, budget counseling, and energy conservation education to each CEAP client. Subrecipients may provide education to identify energy waste, manage Household energy use, and strategies to promote energy savings. Subrecipients are encouraged to use oral, written, and visual educational materials.

*§5.422. General Assistance and Benefit Levels.*

(a) Subrecipients shall not discourage anyone from applying for CEAP assistance. Subrecipients shall provide all potential clients with opportunity to apply for LIHEAP programs.

(b) CEAP provides assistance to targeted beneficiaries, with priority given to the elderly, persons with disabilities, families with young children; Households with the highest energy costs or needs in relation to income, and Households with high energy consumption.

(c) CEAP includes activities, as defined in Assurances 1-16 in Title XXVI of the Omnibus Budget Reconciliation Act of 1981 (Public Law 97-35), as amended; such as education; and financial assistance to help very low- and extremely low-income consumers reduce their utility bills to an affordable level. CEAP services include energy education, needs assessment, budget counseling (as it pertains to energy needs), utility payment assistance; repair of existing heating and cooling units, and crisis-related purchase of portable heating and cooling units.

(d) Sliding scale benefit for all CEAP components:

(1) Benefit determinations are based on the Household's income, the Household size, the energy cost and/or the need of the Household, and the availability of funds;

(2) Energy assistance benefit determinations will use the sliding scale described in subparagraphs (A) - (C) of this paragraph:

(A) Households with Incomes of 0 to 50% of Federal Poverty Guidelines may receive an amount needed to address their energy payment shortfall not to exceed ~~\$1,000~~\$1,200;

(B) Households with Incomes of 51% to 75% of Federal Poverty Guidelines may receive an amount needed to address their energy payment shortfall not to exceed ~~\$900~~\$1,100; and

(C) Households with Incomes of 76% to at or below 125% of Federal Poverty Guidelines may receive an amount needed to address their energy payment shortfall not to exceed ~~\$800~~\$1,000; and

(3) A Household may receive repair of existing heating and cooling units not to exceed \$2,500. Households that include at least one member that is elderly, disabled, or a child age 5 or younger, may receive either repair of existing heating and cooling units or crisis-related purchase of portable heating and cooling units not to exceed \$2,500.

(e) Subrecipient shall not establish lower local limits of assistance for any component.

(f) Total maximum possible annual Household benefit (all allowable benefits combined) equals \$4,500.

(g) Subrecipient shall determine client eligibility for utility payments and/or retrofit based on the agency's Household priority rating system and Household's income as a percent of poverty.

(h) Subrecipients shall provide only the types of assistance described in paragraphs (1) - (11) of this subsection with funds from CEAP:

(1) Payment to vendors and suppliers of fuel/utilities, goods, and other services, such as past due or current bills related to the procurement of energy for heating and cooling needs of the residence, not to include security lights and other items unrelated to energy assistance;

(2) Payment to vendors--only one energy bill payment per month;

(3) Needs assessment and energy conservation tips, coordination of resources, and referrals to other programs;

(4) Payment of water bills only when such costs include expenses from operating an evaporative water cooler unit or when the water bill is an inseparable part of a utility bill. As a part of the intake process, outreach, and coordination, the Subrecipient shall confirm that a client owns an operational evaporative cooler and has used it to cool the dwelling within sixty (60) days prior to application. Payment of other utility charges such as wastewater and waste removal are allowable only if these charges are an inseparable part of a utility bill. Documentation from vendor is required. Whenever possible, Subrecipient shall negotiate with the utility providers to pay only the "home energy"--heating and cooling--portion of the bill;

(5) Energy bills already paid may not be reimbursed by the program;

(6) Payment of reconnection fees in line with the registered tariff filed with the Public Utility Commission and/or Texas Railroad Commission. Payment cannot exceed that stated tariff cost. Subrecipient shall negotiate to reduce the costs to cover the actual labor and material and to ensure that the utility does not assess a penalty for delinquency in payments;

(7) Payment of security deposits only when state law requires such a payment, or if the Public Utility Commission or Texas Railroad Commission has listed such a payment as an approved cost, and where required by law, tariff, regulation, or a deferred payment agreement includes such a payment. Subrecipients shall not pay such security deposits that the energy provider will eventually return to the client;

(8) While rates and repair charges may vary from vendor to vendor, Subrecipient shall negotiate for the lowest possible payment. Prior to making any payments to an energy vendor a Subrecipient shall have a signed vendor agreement on file from the energy vendor receiving direct LIHEAP payments from the Subrecipient;

(9) Subrecipient may make payments to landlords on behalf of eligible renters who pay their utility and/or fuel bills indirectly. Subrecipient shall notify each participating Household of the amount of assistance paid on its behalf. Subrecipient shall document this notification.

Subrecipient shall maintain proof of utility or fuel bill payment. Subrecipient shall ensure that amount of assistance paid on behalf of client is deducted from client's rent;

(10) In lieu of deposit required by an energy vendor, Subrecipient may make advance payments. The Department does not allow LIHEAP expenditures to pay deposits, except as noted in paragraph (6) of this subsection. Advance payments may not exceed an estimated two months' billings; and

(11) Funds for the Texas CEAP shall not be used to weatherize dwelling units, for medicine, food, transportation assistance (i.e., vehicle fuel), income assistance, or to pay for penalties or fines assessed to clients.

*§5.423. Household Crisis Component.*

(a) A bona fide Household crisis exists when extraordinary events or situations resulting from extreme weather conditions and/or fuel supply shortages or a terrorist attack have depleted or will deplete Household financial resources and/or have created problems in meeting basic Household expenses, particularly bills for energy so as to constitute a threat to the well-being of the Household, particularly the elderly, the disabled, or children age 5 and younger.

(b) A utility disconnection notice may constitute a Household crisis. Assistance provided to Households based on a utility disconnection notice is limited to two (2) payments per year. Weather criteria is not required to provide assistance due to a disconnection notice.

(c) Crisis assistance for one Household cannot exceed the maximum allowable benefit level in one year. Crisis assistance payments cannot exceed the minimum amount needed to resolve the crisis. If the client's crisis requires more than the Household limit to resolve, it exceeds the scope of this program. If the crisis exceeds the Household limit, Subrecipient may pay up to the Household limit but the rest of the bill will have to be paid from other funds to resolve the crisis. Payments may not exceed client's actual utility bill. The assistance must result in resolution of the crisis.

(d) Where necessary to prevent undue hardships from a qualified crisis, Subrecipients may directly issue vouchers to provide:

(1) Temporary shelter not to exceed the annual Household expenditure limit for the duration of the contract period in the limited instances that supply of power to the dwelling is disrupted--causing temporary evacuation;

(2) Emergency deliveries of fuel up to 250 gallons per crisis per Household, at the prevailing price. This benefit may include coverage for tank pressure testing;

(3) Service and repair of existing heating and cooling units not to exceed \$2,500 during the contract period when Subrecipient has met local weather crisis criteria. If any component of the central system cannot be repaired using parts, the Subrecipient can replace the component in

order to repair the central system. Documentation of service/repair and related warranty must be included in the client file;

(4) Portable air conditioning/evaporative coolers and heating units (portable electric heaters are allowable only as a last resort) may be purchased for households that include at least one member that is elderly, disabled, or a child age 5 or younger, when Subrecipient has met local weather crisis criteria;

(5) Purchase of more than two portable heating/cooling units per Household requires prior written approval from the Department;

(6) Purchase of portable heating/cooling units which voltage exceeds 110 volt requires prior written approval from the Department;

(7) Replacement of central systems and combustion heating units is not an approved use of crisis funds; and

(8) Portable heating/cooling units must be Energy Star® and compliant with the International Residential Code (IRC).

(e) Crisis funds, whether for emergency fuel deliveries, repair of existing heating and cooling units, purchase of portable heating/cooling units, or temporary shelter, shall be considered part of the total maximum Household allowable assistance.

(f) When natural disasters result in energy supply shortages or other energy-related emergencies, LIHEAP will allow home energy related expenditures for:

(1) Costs to temporarily shelter or house individuals in hotels, apartments or other living situations in which homes have been destroyed or damaged, i.e., placing people in settings to preserve health and safety and to move them away from the crisis situation;

(2) Costs for transportation (such as cars, shuttles, buses) to move individuals away from the crisis area to shelters, when health and safety is endangered by loss of access to heating or cooling;

(3) Utility reconnection costs;

(4) Blankets, as tangible benefits to keep individuals warm;

(5) Crisis payments for utilities and utility deposits; and

(6) Purchase of fans, air conditioners and generators. The number, type, size and cost of these items may not exceed the minimum needed to resolve the crisis.

(g) Time Limits for Assistance--Subrecipients shall ensure that for clients who have already lost service or are in immediate danger of losing service, some form of assistance to resolve the crisis shall be provided within a 48-hour time limit (18 hours in life-threatening situations). The time limit commences upon completion of the application process. The application process is considered to be complete when an agency representative accepts an application and completes the eligibility process.

(h) Subrecipient must maintain written documentation in client files showing crises resolved within appropriate timeframes. The Department may disallow improperly documented expenditures.

*§5.430.Allowable Subrecipient Administrative and Assurance 16 Activities Expenditures.*

(a) Allowable Administrative Costs for administrative activities may include planning, budgeting and accounting; client intake, establishing and directing policies, goals, and objectives, not unique to the mission and goals of LIHEAP. Subrecipients earn administrative budget share based on expenditure of direct services funds. The Department calculates funds available for Subrecipient administrative activities as a percentage of Direct Services expenditures.

(b) Allowable Assurance 16 Activities costs may include services that encourage and enable Households to reduce their home energy needs and thereby the need for energy assistance, including needs assessments, counseling, and assistance with energy vendors.

(c) Assurance 16 Activities do not include computer purchases and related costs. These belong to Administration. Time/Expenditure allocation for Subrecipients shall demonstrate and document that they separately allocated the appropriate share of Assurance 16 Activities time and expenditures to both outreach and targeting.

(d) To ensure fiscal compliance for this program, the Department may at the minimum use the fiscal controls described in paragraphs (1) - (3) of this subsection:

- (1) review annual audits;
- (2) monitor fiscal records; and
- (3) review Monthly Expenditure and Performance Reports.

(e) The Department staff may monitor LIHEAP programs through monthly performance reports and periodic on-site visits using a standard monitoring instrument for each program, designed to identify the agency's strengths and weaknesses. A risk assessment process will guide scheduling of visits to ensure that agencies ranking highest in risk will be monitored first.

(f) The Department and its Subrecipients shall cooperate in all audits and maintain records in acceptable format for audit purposes and will cooperate with any state or federal investigations.

*§5.431.Payments to Subcontractors and Vendors.*

(a) A Department approved bi-annual vendor agreement is required to be implemented by the Subrecipient and shall contain assurances as to fair billing practices, delivery procedures, and pricing procedures for business transactions involving LIHEAP beneficiaries. These agreements are subject to monitoring procedures performed by the Department staff.



(b) Subrecipient shall maintain proof of payment to Subcontractors and vendors as required by OMB Circulars.

(c) Subrecipient shall notify each participating Household of the amount of assistance paid on its behalf. Subrecipient shall document this notification.

(d) Subrecipients shall use the vendor payment method for CEAP components. Subrecipient shall not make cash payments directly to eligible Household for any of the CEAP components.

(e) Payments to vendors for which a valid vendor agreement is not in place may be subject to disallowed costs unless prior written approval is obtained from the Department.

*§5.432. Outreach, Accessibility, and Coordination.*

(a) The Department may continue to develop interagency collaborations with other low-income program offices and energy providers to perform outreach to targeted groups.

(b) Subrecipients shall conduct outreach activities.

(c) Outreach activities may include:

- (1) providing information through home visits, site visits, group meetings, or by telephone for disabled low-income persons;
- (2) distributing posters/flyers and other informational materials at local and county social service agencies, offices of aging, Social Security offices, etc.;
- (3) providing information on the program and eligibility criteria in articles in local newspapers or broadcast media announcements;
- (4) coordinating with other low-income services to provide LIHEAP information in conjunction with other programs;
- (5) providing information on one-to-one basis for applicants in need of translation or interpretation assistance;
- (6) providing LIHEAP applications, forms, and energy education materials in English and/or Spanish (or other appropriate language);
- (7) working with energy vendors in identifying potential applicants;
- (8) assisting applicants to gather needed documentation; and
- (9) mailing information and applications.

(d) Subrecipients shall accept applications at sites that are geographically and physically accessible to all Households requesting assistance. If Subrecipient's office is not accessible, Subrecipient shall make reasonable accommodations to ensure that all Households can apply for assistance.

(e) Subrecipients shall coordinate with other social service agencies through cooperative agreements to provide services to client Households. Cooperative agreements must clarify procedures, roles, and responsibilities of all involved entities.

(f) Subrecipients shall coordinate with other energy related programs. Specifically, Subrecipient shall make documented referrals to the local WAP Subrecipient.

(g) Subrecipients shall coordinate with local energy vendors to arrange for arrearage reduction, reasonably reduced payment schedules, or cost reductions.

**Attachment B: Preamble, Reasoned Response and repeal of 10 TAC Chapter 5, Subchapter D, §§5.424 and 5.425.**

The Texas Department of Housing and Community Affairs (the “Department”) adopts the repeal of 10 TAC Chapter 5, Subchapter D, §§5.424 and 5.425, concerning the Comprehensive Energy Assistance Program (CEAP) without changes to the proposed text as published in the October 26, 2012 issue of the *Texas Register* (37 TexReg 8406) and will not be republished.

REASONED JUSTIFICATION: The proposed repeal will remove the Co-Payment and Elderly and Disabled components and allow them to be consolidated into a more effective component under the CEAP program. A proposed new §5.424 concerning Utility Assistance Component was published concurrently in October 26, 2012 issue of the *Texas Register*.

The Department accepted public comment from October 26, 2012 through November 26, 2012. No comments were received concerning the repeal.

The Board approved the final order adopting the repeal on on December 13, 2012.

STATUTORY AUTHORITY. The repeal is adopted pursuant to Texas Government Code, §2306.053, which authorizes the Department to adopt rules.

§5.424 Co-Payment Component

§5.425 Elderly and Disabled Component

**Attachment C: Preamble, Reasoned Response and New 10 TAC Chapter 5, Subchapter D, §5.424.**

The Texas Department of Housing and Community Affairs (the “Department”) adopts the new 10 TAC Chapter 5, Subchapter D, §5.424, concerning the Comprehensive Energy Assistance Program (CEAP), Utility Assistance Component with changes to the proposed text as published in the October 26, 2012 issue of the *Texas Register* (37 TexReg 8406).

REASONED JUSTIFICATION: The proposed new section will consolidate the Co-Payment and Elderly and Disabled components into a more effective component under the CEAP program.

**SUMMARY OF PUBLIC COMMENT AND STAFF RECOMMENDATIONS:**

Public Comments were accepted from October 26, 2012 through November 26, 2012, with comments received from Desiree Davis, Neighborhood Centers, Inc.

**§5.424(c). Utility Assistance Component.**

COMMENT SUMMARY: Commenter suggested that the Department use a standard energy consumption based on the household size and average rates provided by each individual provider calculated using the average kilowatt per hour.

STAFF RESPONSE: Staff recommended language provides the Subrecipient the ability to process payments on behalf of the client. Subrecipients may propose alternative calculation methods to the Department on a case by case basis.

STATUTORY AUTHORITY. The new section is adopted pursuant to Texas Government Code, §2306.053, which authorizes the Department to adopt rules.

*§5.424. Utility Assistance Component.*

(a) Subrecipients may use home energy payments to assist low-income households to reduce their home energy costs. Subrecipients shall combine home energy payments with energy conservation tips, participation by utilities, and coordination with other services in order to assist low-income households to reduce their home energy needs.

(b) Subrecipients must make payments directly to vendors and/or landlords on behalf of eligible households.

(c) Subrecipients may make utility payments on behalf of households based on the previous twelve (12) month's home energy consumption history, including allowances for cost inflation. If a twelve (12) month's home energy consumption history is unavailable, Subrecipient may base payments on current program year's bill. Subrecipients will note such exceptions in client files.

Benefit amounts exceeding the actual bill shall be treated as a credit for the client with the utility company.

(d) Households that include at least one member that is elderly, disabled or a child age 5 or younger may receive benefits to cover up to 100% of the eight highest remaining bills within the contract year as long as the cost does not exceed the maximum annual benefit. First payment may include 100% of utility bill including arrears. Elderly households include at least one member age sixty (60) or above. Disabled households include at least one member living with a disability.

(e) Households that do not contain at least one member that is elderly, disabled, or a child age 5 or younger may receive benefits to cover up to 100% of the 6 highest remaining bills within the contract year as long as the cost does not exceed the maximum annual benefit. First payment may include 100% of utility bill including arrears.

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**BOARD ACTION REQUEST**  
**COMMUNITY AFFAIRS DIVISION**  
**DECEMBER 13, 2012**

Presentation, Discussion, and Possible Action on an order adopting amendments to 10 TAC Chapter 5, Community Affairs Programs, Subchapter F, Weatherization Assistance Program Department of Energy, §5.601 concerning DOE Cost Principles and Administrative Requirements, and directing their publication in the *Texas Register*

**RECOMMENDED ACTION**

**WHEREAS**, pursuant to Texas Government Code, Chapter 2306, the Department is provided the authority to adopt rules governing the administration of the Department and its programs;

**WHEREAS**, proposed amendments to §5.601 were approved at the October 9, 2012 Board meeting for publication in the *Texas Register* for public comment, and no public comment was received by the November 26, 2012 deadline;

**NOW, therefore, it is hereby**

**RESOLVED**, that the final order adopting the amended Chapter 5 Community Affairs Programs, Subchapter F, Weatherization Assistance Program Department of Energy, §5.601 concerning DOE Cost Principles and Administrative Requirements, is hereby ordered and is approved, together with the preambles presented to this meeting; and

**FURTHER RESOLVED**, that the Executive Director and his designees be and each them hereby are authorized, empowered, and directed, for and on behalf of the Department, to cause the amendment, in the form presented to this meeting, to be published in the *Texas Register* for final adoption and in connection therewith, make such non-substantive technical corrections as they may deem necessary to effectuate the forgoing.

**BACKGROUND**

The adoption of the amendment corrects the reference to 10 TAC Chapter 5, Community Affairs Programs, Subchapter A, General Provisions, §5.3, relating to Cost Principles and Administrative Requirements. The proposed amendment was approved for publication on October 9, 2012, by the Board, and was published in the October 26, 2012 issue of the *Texas Register* to allow for public comment. The public comment period closed on November 26, 2012. No comments were received.

**Attachment A: Preamble, Reasoned Response and Amended 10 TAC Chapter 5, Subchapter F, §5.601.**

The Texas Department of Housing and Community Affairs (the "Department") adopts amendments to 10 TAC Chapter 5, Community Affairs Programs, Subchapter F, Weatherization Assistance Program Department of Energy, §5.601 concerning DOE Cost Principles and Administrative Requirements, without changes to the proposed text as published in the October 26, 2012 issue of the *Texas Register* (37 TexReg 8408) and will not be republished.

REASONED JUSTIFICATION. The Department corrected the section reference to 10 TAC Chapter 5, Community Affairs Programs, Subchapter A, General Provisions, §5.3, relating to Cost Principles and Administrative Requirements.

The Department accepted public comments between October 26, 2012, and November 26, 2012. Comments regarding the amended section were accepted in writing and by fax. No comments were received concerning the amended section.

The Board approved the final order adopting the amended section on December 13, 2012.

STATUTORY AUTHORITY. The amended section is adopted pursuant to the authority of Texas Government Code, §2306.053 which authorizes the Department to adopt rules.

*§5.601. DOE Cost Principles and Administrative Requirements.*

In addition to cost principles and administrative requirements listed in §5.3 of this chapter (relating to Cost Principles and Administrative Requirements), Subrecipients administering DOE programs must also adhere to 10 CFR Part 440 or DOE WAP rules, 10 CFR Part 600 and the International Residential Code.



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**BOARD ACTION REQUEST**  
**COMMUNITY AFFAIRS DIVISION**  
**DECEMBER 13, 2012**

Presentation, Discussion, and Possible Action on an order adopting the repeal of 10 TAC Chapter 5, Community Affairs Programs, Subchapter I, concerning Weatherization Assistance Program Department of Energy American Recovery and Reinvestment Act (WAP ARRA), and directing their publication in the *Texas Register*

**RECOMMENDED ACTION**

**WHEREAS**, pursuant to Texas Government Code, Chapter 2306, the Department is provided the authority to adopt rules governing the administration of the Department and its programs;

**WHEREAS**, rules previously adopted for the WAP ARRA program are no longer necessary due to the completion of the program; and

**WHEREAS**, the proposed repeal of 10 TAC Chapter 5, Subchapter I, §§5.900 – 5.905 concerning the WAP ARRA was approved at the October 9, 2012 Board meeting for publication in the *Texas Register* for public comment, and no public comment was received by the November 26, 2012 deadline;

**NOW, therefore, it is hereby**

**RESOLVED**, that the final order adopting the repeal of Chapter 5 Community Affairs Programs, Subchapter I, concerning Weatherization Assistance Program Department of Energy American Recovery and Reinvestment Act (WAP ARRA), is hereby ordered and is approved, together with the preambles presented to this meeting; and

**FURTHER RESOLVED**, that the Executive Director and his designees be and each them hereby are authorized, empowered, and directed, for and on behalf of the Department, to cause the repeal, in the form presented to this meeting, to be published in the *Texas Register* for final adoption and in connection therewith, make such non-substantive technical corrections as they may deem necessary to effectuate the forgoing.

**BACKGROUND**

The adoption of the repeal reflects the end of the WAP ARRA program in Texas. The proposed repeal was approved for publication on October 9, 2012, by the Board, and was published in the October 26, 2012 issue of the *Texas Register* to allow for public comment. The public comment period closed on November 26, 2012. No comments were received.

## **Attachment A: Preamble and repeal of 10 TAC Chapter 5, Subchapter I.**

The Texas Department of Housing and Community Affairs (the "Department") adopts the repeal of 10 TAC Chapter 5, Community Affairs Programs, Subchapter I, concerning Weatherization Assistance Program Department of Energy American Recovery and Reinvestment Act (WAP ARRA), without changes to the proposed text as published in the October 26, 2012 issue of the *Texas Register* (37 TexReg 8408) and will not be republished.

REASONED JUSTIFICATION. The Department finds that the WAP ARRA program has ended. Accordingly, the adoption of this repeal removes program rules from the Texas Administrative Code.

The Department accepted public comments between October 26, 2012, and November 26, 2012. Comments regarding the repeal were accepted in writing and by fax. No comments were received concerning the repeal.

The Board approved the final order adopting the repeal on December 13, 2012.

STATUTORY AUTHORITY. The repeal is adopted pursuant to the authority of Texas Government Code, §2306.053 which authorizes the Department to adopt rules.

§5.900. Deobligation and Reobligation of Funds for Department of Energy Weatherization Assistance Program under the American Recovery and Reinvestment Act.

§5.901. Definitions.

§5.902. Criteria for Deobligation of Fund Award.

§5.903. Notification and Action Plan.

§5.904. Deobligation and Other Mitigating Actions.

§5.905. Reobligation.

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**BOARD ACTION REQUEST**  
**HOUSING RESOURCE CENTER**  
**DECEMBER 13, 2012**

Presentation, Discussion, and Possible Action on the 2013 State of Texas Low Income Housing Plan and Annual Report (Draft for Public Comment), and proposed amendment to 10 TAC §1.23, 2013 State of Texas Low Income Housing Plan and Annual Report (SLIHP), Adoption by Reference, for publication in the *Texas Register* for public comment

**RECOMMENDED ACTION**

**WHEREAS**, the Texas Department of Housing and Community Affairs enabling legislation Texas Government Code §2306.0721 requires a state low income housing plan;

**WHEREAS**, Texas Government Code, §2306.072 requires an annual low income housing report;

**WHEREAS**, the draft 2013 State of Texas Low Income Housing Plan and Annual Report must be published for public comment; and

**WHEREAS**, 10 TAC §1.23 requires an amendment to reflect the updated State of Texas Low Income Housing Plan and Annual Report;

**NOW, therefore, it is hereby**

**RESOLVED**, that staff is hereby directed to cause the Draft 2013 State of Texas Low Income Housing Plan and Annual Report, in the form presented to this meeting, together with such grammatical and non-substantive technical corrections as they may deem necessary or advisable, to be published online for public comment, a notice of which will be published in the *Texas Register*, and in connection therewith, to make such non-substantive grammatical and technical changes as they deem necessary or advisable; and

**FURTHER RESOLVED**, that a proposed amendment to 10 TAC §1.23 is hereby approved, together with the preambles presented to this meeting, for publication in the *Texas Register*, for public comment, together with such grammatical and technical and non-substantive technical corrections as they may deem necessary or advisable.

**BACKGROUND**

The Texas Department of Housing and Community Affairs (TDHCA) is required to prepare and submit to the Board not later than March 18 of each year an annual report of the Department's housing activities for the preceding year. This State of Texas Low Income Housing Plan and Annual Report must be submitted annually to the Governor, Lieutenant Governor, Speaker of the House, and legislative oversight committee members not later than 30 days after the Board receives and approves the final

SLIHP. The document offers a comprehensive reference on statewide housing needs, housing resources, and strategies for funding allocations. It reviews TDHCA's housing programs, current and future policies, resource allocation plans to meet state housing needs, and reports on performance during the preceding state fiscal year (September 1, 2011, through August 31, 2012).

The SLIHP will be made available for public comment on January 4 through February 4, 2013. Written comments may be submitted to Texas Department of Housing and Community Affairs, Elizabeth Yevich, Rule Comments, P.O. Box 13941, Austin, Texas 78711-3941, by email to the following address: [elizabeth.yevich@tdhca.state.tx.us](mailto:elizabeth.yevich@tdhca.state.tx.us), or by fax to (512) 475-0070. A public hearing will be held at 10:00 a.m. Wednesday, January 16, 2013 at Stephen F. Austin State Office Building, room #172, 1700 N. Congress, Austin, Texas 78701.

The full text of the both the draft 2013 SLIHP may be viewed at the Department's website: <http://www.tdhca.state.tx.us/board/meetings.htm>. The public may also receive a copy of the 2013 SLIHP by contacting the Department's Housing Resource Center at (512) 475-3976.

It is expected that the SLIHP will be presented to the Board for interim approval on February 21, 2013, and for final Board approval on April 11, 2013. The SLIHP will then be distributed to the Governor, Lieutenant Governor, Speaker of the House, and legislative oversight committee members by the April 18, 2013 deadline.

The following attachments are provided:

- Attachment A - Summary of Substantive Changes from the 2012 SLIHP
- Attachment B - Preamble and proposed amendment to 10 TAC §1.23

**Attachment A**  
**Summary of Substantial Changes from the 2012 SLIHP**

- Introduction:
  - added the Asset Management Division and Program Planning, Policy, and Metrics Division to reflect internal reorganization of the Department.
- Housing Analysis chapter:
  - updated data on affordability of units with the most complete, up-to-date dataset since 2000; and
  - updated analysis figures with most recent socio-economic data available.
- Annual Report chapter:
  - updated numbers to reflect FY 2012 program performance by households/individuals and income group for the state and each region; and
  - updated performance measure information for goals and strategies reflecting FY 2012 performance, including updated targets for FY 2013.
- Action Plan chapter:
  - updated program descriptions to reflect programmatic changes;
  - added the Contract for Deed Conversion Pilot program and removed Affordable Housing Match Program under the Housing Trust Fund Division;
  - moved the HOME Multifamily Rental Housing Development from the HOME Division to the Multifamily Division to reflect internal reorganization of the Department; and
  - updated Regional Allocation Formula reflecting recalibration for 2013.
- Stimulus Programs chapter:
  - removed Tax Credit Assistance Program and National Foreclosure Mitigation Counseling Program Round 4, which were completed; and
  - updated report data for other stimulus programs based on their multiyear cycles instead of state fiscal year cycles.
- Updated Colonia Action Plan.

**Attachment B.**  
***Preamble and proposed amendment to 10 TAC §1.23***

The Texas Department of Housing and Community Affairs (the “Department”) proposes amendments to 10 TAC Chapter 1, Administration, §1.23, concerning the State of Texas Low Income Housing Plan and Annual Report (SLIHP). The purpose of the proposed amendment is to adopt by reference the 2013 SLIHP.

**FISCAL NOTE:** Mr. Timothy Irvine, Executive Director, has determined that, for each year of the first five years the amended section is in effect, enforcing or administering the amended section does not have any foreseeable implications related to costs or revenues of the state or local government.

**PUBLIC BENEFIT/COST NOTE:** Mr. Irvine also has determined that, for each year of the first five years the amended section is in effect, the public benefit anticipated as a result of the amended section will be improved communication with the public regarding the Department’s programs and activities. There will not be any economic cost to any individuals required to comply with the amended section. The amended section will not impact local employment.

**ADVERSE IMPACT ON SMALL OR MICRO-BUSINESSES:** The Department has determined that there will be no economic effect on small or micro-businesses.

**REQUEST FOR PUBLIC COMMENT:** The public comment period will be held January 4, 2013 to February 4, 2013, to receive input on the amended section. Written comments may be submitted to Texas Department of Housing and Community Affairs, Elizabeth Yevich, Rule Comments, P.O. Box 13941, Austin, Texas 78711-3941, by email to the following address: elizabeth.yevich@tdhca.state.tx.us, or by fax to (512) 475-0070. A public hearing will be held at 10:00 a.m. Wednesday, January 16, 2013 at Stephen F. Austin State Office Building, room #172, 1700 N. Congress, Austin, Texas 78701. **COMMENTS MUST BE RECEIVED BY 5:00 P.M. FEBRUARY 4, 2013.**

The full text of the both the draft and final 2013 SLIHP may be viewed at the Department’s website: [www.tdhca.state.tx.us](http://www.tdhca.state.tx.us). The public may also receive a copy of the 2013 SLIHP by contacting the Department’s Housing Resource Center at (512) 475-3976.

**STATUTORY AUTHORITY:** The amended section is proposed pursuant to Texas Government Code, §2306.053, which authorizes the Department to adopt rules. Additionally, the amended section is proposed pursuant to §2306.0723 which specifically authorizes the Department to consider the SLIHP as a rule.

The proposed amendment affects no other code, article or statute.



§1.23. State of Texas Low Income Housing Plan and Annual Report (SLIHP).

The Texas Department of Housing and Community Affairs (the "Department") adopts by reference the 2013[~~2012~~] State of Texas Low Income Housing Plan and Annual Report (SLIHP). The full text of the 2013[~~2012~~] SLIHP may be viewed at the Department's website: [www.tdhca.state.tx.us](http://www.tdhca.state.tx.us). The public may also receive a copy of the 2013[~~2012~~] SLIHP by contacting the Department's Housing Resource Center at (512) 475-3976[~~3800~~].

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**BOARD REPORT ITEM  
HOME DIVISION  
DECEMBER 13, 2012**

Status Report on the HOME Program Contracts and Reservation System Participants October 2012 and Calendar Year-to-Date

Activity Type	<u>Funded/Awarded for October</u>		<u>Funded/Awarded for Year</u>		<u>Setups for October</u>		<u>Setups for Year</u>		<u>Draws for October</u>		<u>Draws for Year</u>	
	RSP	Contracts	RSP	Contracts	Amount	Number	Amount	Number	Amount	Number	Amount	Number
CFD	\$0	\$0	\$105,950	\$0	\$0	0	\$105,950	1	\$0	0	\$52,845	2
CHDO Operating	\$0	\$0	\$0	\$50,000	\$0	0	\$0	0	\$6,250	1	\$37,524	6
Dev SF	\$0	\$0	\$0	\$300,000	\$0	0	\$484,310	5	\$53,116	3	\$779,230	30
HBA/Rehab	\$243,500	\$0	\$2,248,828	\$334,500	\$281,849	14	\$2,876,054	160	\$397,231	33	\$3,202,383	258
HRA	\$2,219,900	\$0	\$12,704,868	\$16,423,000	\$1,985,970	25	\$22,306,522	275	\$1,032,281	68	\$10,857,465	616
MFD	\$0	\$0	\$0	\$27,251,586	\$1,490,000	1	\$18,224,687	18	\$1,843,274	7	\$18,518,026	49
TBRA	\$449,796	\$0	\$3,289,175	\$324,000	\$503,698	51	\$3,919,652	422	\$424,164	533	\$3,181,433	4,348
<b>Sub Totals:</b>	\$2,913,196	\$0	\$18,348,821	\$44,683,086	\$4,261,517	91	\$47,917,175	881	\$3,756,316	645	\$36,628,906	5,309
<b>Totals:</b>	\$2,913,196		\$63,031,907									

CFD - Contract For Deed

CHDO - Community Housing Development Organization

HRA - Homeowner Rehabilitation

HBA/Rehab - Homebuyer Assistance with Rehab

MFD - Rental Housing Development

RSP - Reservation System Participant

TBRA - Tenant Based Rental Assistance

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## TDHCA Outreach Activities, November 2012

*A compilation of activities designed to increase the awareness of TDHCA programs and services or increase the visibility of the Department among key stakeholder groups and the general public*

<b>Event</b>	<b>Location</b>	<b>Date</b>	<b>Division</b>	<b>Purpose</b>
First Thursday Income Eligibility Training	Austin	Nov 1	Compliance	Training
Universal American Mortgage/TMP-79, MCC Programs Training	Austin	Nov 1	Homeownership	Training
Council on Advising and Planning for the Prevention and Treatment of Mental Health and Substance Abuse Disorders	Austin	Nov 1	Housing Resource Center	Participant
Envoy Mortgage/TMP-79, MCC Programs Training	Austin	Nov 5	Homeownership	Training
Fair Housing Focus Group	Carrizo Springs	Nov 7	Program Services	Roundtable Hearing
Housing Tax Credit Training	Fort Worth	Nov 8	Compliance	Training
Texas Mortgage Bankers Association Educational Seminar and Marketplace	Sugar Land	Nov 12-13	Homeownership	Exhibitor
Housing Tax Credit Training	Austin	Nov 13	Compliance	Training
Texas Municipal League	Grapevine	Nov 14-16	HOME, Public Affairs	Exhibitor
Affordable Housing Finance Conference	Chicago, IL	Nov 14-16	Multifamily	Panelist
Disability Advisory Workgroup	Austin	Nov 15	Housing Resource Center	Participant
Rural Housing Workgroup	Austin	Nov 19	Housing Resource Center	Participant
Texas Division of Emergency Management Conference	Austin	Nov 20	HOME	Presentation
State of Texas Plan for Fair Housing Choice: Analysis of Impediments	Nacogdoches	Nov 28	Program Services	Public Hearing
State of Texas Plan for Fair Housing Choice: Analysis of Impediments	Fort Worth	Nov 28	Program Services	Public Hearing

## Internet Postings of Note, November 2012

*A list of new or noteworthy documents posted to the Department's Web site*

**HPRP Program Summary** — reflecting number of persons and households served, and percentage of persons who exited to permanent housing situations, through the Homeless Prevention and Rapid Re-Housing stimulus program:

[www.tdhca.state.tx.us/recovery/detail-homelessness.htm](http://www.tdhca.state.tx.us/recovery/detail-homelessness.htm)

**Texas Homeless Information Exchange** — detailing the state's proposal to build an enterprise data warehouse to facilitate decision making, achieve operational improvements and promote a better understanding of homelessness:

[www.tdhca.state.tx.us/tich/data-warehouse.htm](http://www.tdhca.state.tx.us/tich/data-warehouse.htm)

**2013 CEAP Service Delivery Plan** — facilitating Comprehensive Energy Assistance Program subrecipients' submission of required responses to five Service Delivery Plan questions:

[www.tdhca.state.tx.us/community-affairs/ceap/guidance.htm](http://www.tdhca.state.tx.us/community-affairs/ceap/guidance.htm)

**Request for Qualifications: Attorney to serve as Independent Fact Finder** — *to identify a qualified individual to address instances of disputed quantifiable community participation or public opposition with reference to Housing Tax Credits (links to Comptroller's Web site):*  
[http://esbd.cpa.state.tx.us/bid\\_show.cfm?bidid=103170](http://esbd.cpa.state.tx.us/bid_show.cfm?bidid=103170)

**Public Notice of 2012 MCC Program 80** — *informing interested mortgage lenders as a prerequisite to the issuance of mortgage credit certificates and to maintaining a list of participating lenders:*  
[www.tdhca.state.tx.us/bond-finance/index.htm](http://www.tdhca.state.tx.us/bond-finance/index.htm)

**2012 State of Texas Low Income Housing Plan and Annual Report** — *describing the Department's housing and community affairs programs as well as those of other key state and federal agencies:*  
[www.tdhca.state.tx.us/housing-center/pubs.htm](http://www.tdhca.state.tx.us/housing-center/pubs.htm)

**Maximum Income and Purchase Price Limits Table** — *detailing income and home purchase price limits by area and household size for My First Texas Home and Texas Mortgage Credit Certificate Program:*  
[www.tdhca.state.tx.us/homeownership/fthb/buyer\\_intro.htm](http://www.tdhca.state.tx.us/homeownership/fthb/buyer_intro.htm)

**2013 One Year Action Plan** — *reporting to HUD on the state's intended use of funds to administer HOME, Emergency Solutions, Community Development Block Grant, and Housing Opportunities for Persons with AIDS programs:*  
[www.tdhca.state.tx.us/housing-center/pubs.htm](http://www.tdhca.state.tx.us/housing-center/pubs.htm)

**2012 TDHCA Program Guide** — *providing consumers with a brief explanation and description of TDHCA programs and services, in addition to information regarding other local, state, and federal resources:*  
[www.tdhca.state.tx.us/ppa/docs/ProgramBrochure.pdf](http://www.tdhca.state.tx.us/ppa/docs/ProgramBrochure.pdf)

**2012 State of Texas Single Family HOME Program Rule 10 TAC Chapter 23** — *governing the administration of HOME Single Family contracts and activities (links to Secretary of State Web site):*  
[http://info.sos.state.tx.us/pls/pub/readtac\\$ext.ViewTAC?tac\\_view=4&ti=10&pt=1&ch=23](http://info.sos.state.tx.us/pls/pub/readtac$ext.ViewTAC?tac_view=4&ti=10&pt=1&ch=23)

**2012 State of Texas Single Family Programs Umbrella Rule 10 TAC Chapter 20** — *detailing common elements of the Department's single family programs (links to Secretary of State Web site):*  
[http://info.sos.state.tx.us/pls/pub/readtac\\$ext.ViewTAC?tac\\_view=4&ti=10&pt=1&ch=20&rl=Y](http://info.sos.state.tx.us/pls/pub/readtac$ext.ViewTAC?tac_view=4&ti=10&pt=1&ch=20&rl=Y)

**Memorandum and Order Amended Judgment** — *providing clarification on specific aspects of the Inclusive Communities Project Judgment:*  
[www.tdhca.state.tx.us/multifamily/hc/inclusive-communities-project.htm](http://www.tdhca.state.tx.us/multifamily/hc/inclusive-communities-project.htm)

**2012 Project Income and Rent Tool** — *specifying maximum income and rent limits pertaining to Housing Tax Credit, Bond, HOME, NSP, and Housing Trust Fund rental development programs:*  
[www.tdhca.state.tx.us/pmcomp/irl/index.htm](http://www.tdhca.state.tx.us/pmcomp/irl/index.htm)

**2012 HOME Single Family Application and ASPM** — *by which qualifying applicants may apply for a HOME SF Contract Award, a Reservation System Participant Agreement, or both:*  
[www.tdhca.state.tx.us/home-division/applications.htm](http://www.tdhca.state.tx.us/home-division/applications.htm)

**2012 HOME Single Family Programs Reservation System** — *announcing the availability and eligible use of \$16.7 million in HOME Single Family funds available through a reservation system:*  
[www.tdhca.state.tx.us/home-division/nofas.htm](http://www.tdhca.state.tx.us/home-division/nofas.htm)

**2012 HOME Single Family Development (SFD) Activity NOFA** — *announcing the availability and eligible use of \$1.2 million in HOME Single Family funds:*  
[www.tdhca.state.tx.us/nofa.htm](http://www.tdhca.state.tx.us/nofa.htm)

**2013 ESG Application Timeline** — detailing key dates for applicants seeking funding through the 2013 Emergency Solutions Grant Program:  
[www.tdhca.state.tx.us/community-affairs/esgp/index.htm](http://www.tdhca.state.tx.us/community-affairs/esgp/index.htm)

**HTC Property Inventory as of 11/13/2012 Board Meeting** — providing data on Housing Tax Credit properties sorted by TDHCA number, city, and development team:  
[www.tdhca.state.tx.us/multifamily/htc/index.htm](http://www.tdhca.state.tx.us/multifamily/htc/index.htm)

**Notices of Casualty Loss and Property Restoration** — for owners of Housing Tax Credit properties that have experienced damage, destruction, or loss of property:  
[www.tdhca.state.tx.us/pmcomp/casualty-loss/](http://www.tdhca.state.tx.us/pmcomp/casualty-loss/)

**2013 Multifamily Uniform Application Workshop** — providing workshop and registration information for applicants in the 9% and 4% Housing Tax Credit, Tax- Exempt Bond, HOME, and all other available multifamily funding programs:  
[www.tdhca.state.tx.us/multifamily/htc/index.htm](http://www.tdhca.state.tx.us/multifamily/htc/index.htm)

**2013 Regional Allocation Formula Methodology** — detailing the method by which housing need and housing availability will be weighted in determining 2013 allocations in the HOME, Housing Trust Fund and Housing Tax Credit programs:  
[www.tdhca.state.tx.us/housing-center/pubs.htm#raf](http://www.tdhca.state.tx.us/housing-center/pubs.htm#raf)

**2013 Draft Multifamily Uniform Application** — by which qualifying applicants may apply for an award under the Housing Tax Credit, MF Mortgage Revenue Bond, HOME MF, and Neighborhood Stabilization programs:  
[www.tdhca.state.tx.us/multifamily/applications.htm](http://www.tdhca.state.tx.us/multifamily/applications.htm)

R3



# ORAL PRESENTATION

2

<p style="text-align: center;"><b>BOARD REPORT ITEM</b></p> <p style="text-align: center;"><b>OFFICE OF RECOVERY ACT ACCOUNTABILITY AND OVERSIGHT</b></p> <p style="text-align: center;"><b>DECEMBER 13, 2012</b></p>
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Presentation and Discussion of a Final Report on TDHCA's implementation of the American Recovery and Reinvestment Act of 2009 (Recovery Act)

**BACKGROUND**

With the end of Recovery Act activities and close-out of grants, TDHCA's successful participation in the Recovery Act programs is nearing completion. Staff has compiled a final Board report to outline the Department's successes and long term department impacts resulting from the Recovery Act programs.



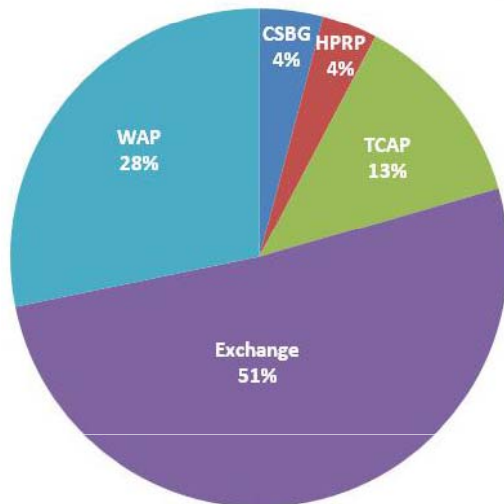
**TEXAS DEPARTMENT OF  
HOUSING & COMMUNITY AFFAIRS**  
*Building Homes. Strengthening Communities.*

**American Recovery & Reinvestment  
Act of 2009 Final TDHCA Report  
December 13, 2012**

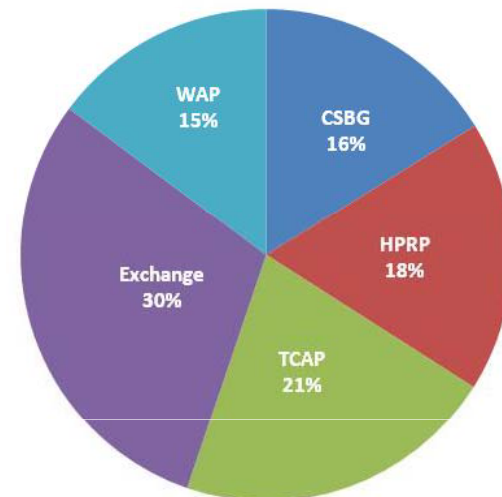
# TDHCA ARRA Facts

- \$1.16 billion
- Gained access to funds between April – Dec 2009
- Subrecipients: 297

## ARRA Program Awards



## Subrecipients





# Office of Recovery Act Accountability & Oversight

- Created June 1, 2009
- Timely submission of quarterly reports for §1512, LBB, and the Select Committee on the Federal Economic Stabilization Fund
- Liaise with the Governor's Office
- Creation of forecasting and reporting tools
- Office will close by the end of January 2013

# Community Services Block Grant

Award: \$48,148,071

Deadline: Sept 30, 2010

Subrecipients: 48

Uses:

- Admin support for poverty programs
- Direct services such as credit counseling, short-term rental assistance, and transportation

*Expended!*  
\$48,108,280  
99.92%

 = 99,325

# Homelessness Prevention & Rapid Rehousing

Award: \$41,472,772

Deadline: Sept 1, 2012

Subrecipients: 58

Uses:

- Rental/Utility assistance
- Case Management
- Credit repair/legal services





# Tax Credit Assistance Program

Award: \$148,354,769


Deadline: Feb 17, 2012

Subrecipients: 64

Use:

- Provide grant funding to tax credit projects

*Expended!*  
\$148,354,769  
100%

 = 8,346

# Tax Credit Exchange Program

Award: \$594,091,929

Deadline: Dec 30, 2011

Subrecipients: 89

Use:

- Exchange returned or unused tax credits for a cash grant

*Expended!*  
\$592,616,638  
99.75%

 = 8,015

# Weatherization Assistance Program

Award: \$326,975,732

Deadline: June 30, 2012

Subrecipients: 44

Uses:

- Weatherize homes
- Health & Safety Issues
- Training & Technical Assistance

*Expended!*  
\$324,927,087  
99.37%

 = 55,690

# TDHCA ARRA Programs

Award: \$1,159,043,273

Subrecipients: 297

*Expended!*

\$1,155,478,590

99.69%



146,143



72,051



# Texas Compared to Other States

- HPRP – Ranked 1<sup>st</sup> or 2<sup>nd</sup> in job creation for 6 quarters
- HPRP – Ranked 2<sup>nd</sup> in % expended, despite 2<sup>nd</sup> largest award
- WAP – Ranked Top 5 in job creation through active life of program
- WAP – Ascended from 48<sup>th</sup> to 13<sup>th</sup> in terms of % expended
- TCAP – Ranked Top 10 in job creation through active life of program
- CSBG – 2<sup>nd</sup> highest % expended compared to Top 5 Largest Awards

# TDHCA ARRA Job Creation

Highest/Avg Quarters

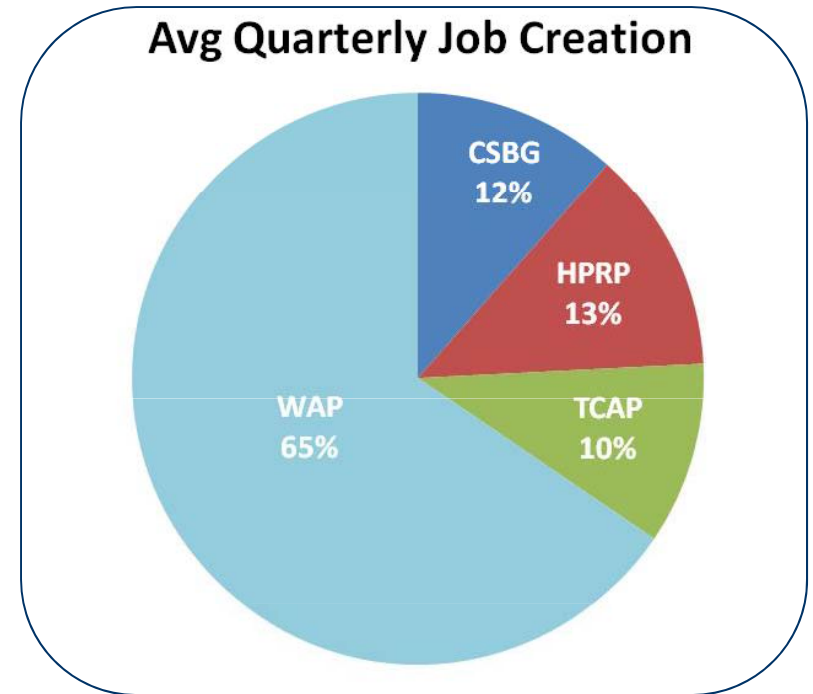
CSBG: 357/95

HPRP: 164/104

TCAP: 188/85

WAP: 1041/537

Exchange\*: 9,351



\* Exchange job creation calculated by one time estimate, as distinct from all other programs which are based on quarterly hours-worked figures.

# TDHCA ARRA Employees

Temporary Employees: 43

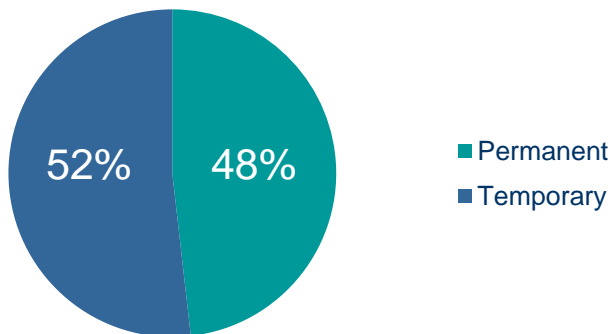
Later moved to Perm: 20

Permanent Employees: 40

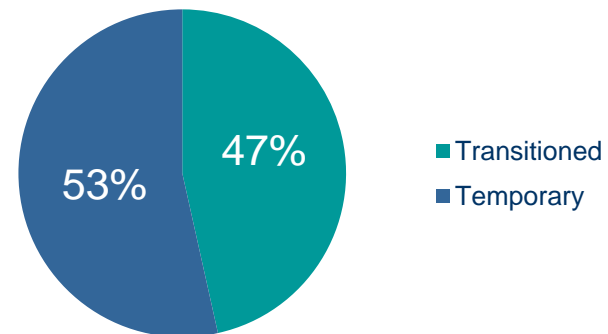
## Divisions:

- Community Affairs
- Information Services
- Compliance
- Program Services
- HRC
- Financial Admin
- Manuf. Housing
- 3PM

### ARRA Employee Breakdown



### Temporary Employee Breakdown





# Agency Benefits / Innovations

- Increased capacity in Davis Bacon reviews
- Focus on quantitative forecasting tools and proactive contract management
- Lessons learned from the ARRA-WAP Training Academy to model future T&TA programs
- Provide lifeline to at-risk tax credit deals suffering after the economic downturn
- Focus on continuous improvement
- Centralization of cross-cutting functions





# Final Close-out Tasks

- Track ARRA unemployment claims/expenses
- Archiving ARRA data per records retention policies
- Submit final 1512 reports for HPRP and WAP
- Receive ARRA close-out letter from the OOG

3a

**BOARD ACTION REQUEST**  
**COMMUNITY AFFAIRS**  
**DECEMBER 13, 2012**

Presentation, Discussion, and Possible Action on Program Year 2013 Community Services Block Grant (CSBG) awards.

**RECOMMENDED ACTION**

**WHEREAS**, the Texas Department of Housing and Community Affairs “The Department” has received notification from the U.S. Department of Health and Human Services (USHHS) of the first quarter allocation of 2013 Community Services Block Grant (CSBG) awards;

**WHEREAS**, the CSBG Act (42 USC §9901 et seq.) requires that not less than 90% (approximately \$29,191,824) of annual CSBG funds be used by the state to make grants to eligible entities; as well as 5% for state administration, and up to 5% for discretionary purposes;

**WHEREAS**, the CSBG network is comprised of 43 eligible entities serving all 254 counties; and

**WHEREAS**, the funds provide for the delivery of an array of services to low income Texans;

**NOW, therefore, it is hereby**

**RESOLVED**, that the awards to eligible entities for the PY 2013 CSBG Allocation (estimated to be \$29,181,824), be and are hereby approved.

**BACKGROUND**

The Department has received the first quarter allocation (\$8,108,840) of 2013 CSBG funds. The funding is being provided by the federal government under the Continuing Appropriations Resolution 2013. Based on the first quarter allocation from USHHS, the estimated 2013 CSBG allocation is \$32,435,360, which reflects level funding. Of this, 90% is recommended to be distributed to eligible entities totaling \$29,191,824.

Staff proposes distributing the available funds to CSBG-eligible entities as the subsequent quarterly releases are received. Staff utilizes a multi-factor fund distribution formula detailed in the Texas Administrative Code. The formula incorporates the U.S. Census Bureau Decennial 2010 Census and the 2006-2010 American Community Survey 5-Year Estimates data related to persons in poverty; a 98% weighted factor for poverty population; and, a 2% weighted factor for the inverse ratio of population density. Department staff request authority to obligate the 90% CSBG funds through the formula after the final allocation is determined.

The recently adopted Previous Participation Rule (10 TAC, Chapter 1, Subchapter A, §1.5) includes a review of CSBG entities prior to contract execution. The review has been performed and the following entities have been identified with issues:

Agency	Issue
Community Action Social Services & Education	Delinquent Audit Certification Form
Community Service Agency of South Texas	Unresolved monitoring findings and Suspended Contract
Economic Action Committee of the Gulf Coast	Delinquent Single Audit
N.E.T. Opportunities	Delinquent Audit Certification Form
Greater East Texas Community Action Program	Delinquent Loan Servicing Documents
Panhandle Community Services	On cost reimbursement
Tri-County Community Action Inc.	On cost reimbursement
Webb County Community Action Agency	On cost reimbursement
Community Action Corporation of South Texas	Affiliated with a Housing Tax Credit property in Material Noncompliance

As written, the rule provides that staff would terminate an application from an applicant with identified issues of noncompliance and that the entity would have to request reinstatement. However, these entities do not “apply” for this funding, so there is no application to terminate. To discontinue funding these agencies, a federal process would be followed. Staff does not believe that the issues noted above would constitute cause to discontinue funding. However, certain issues, such as failure to submit required single audits or unaddressed material noncompliance, could trigger contract suspension. Staff intends to bring an amendment to the rule at the January 2013 Board meeting to handle previous participation reviews for formula funded contracts differently than other competitive awards.

Previous participation review has not been completed for Cameron and Willacy Counties Community Projects, Inc. The recently adopted Previous Participation Rule (10 TAC, Chapter 1, Subchapter A, §1.5) states that, if the previous participation review cannot be completed prior to the Board meeting when funds will be awarded, the award will be contingent upon the requesting entity successfully clearing the previous participation review.

**CSBG PY 2013 Estimated Funding Distribution - DRAFT Subject to Revision**

	<b>CSBG Subrecipient</b>	<b>2013 Allocation (estimate)</b>
1	Aspermont Small Business Development Center, Inc.	\$150,000
2	Austin, City of, Health and Human Services Department	\$1,046,751
3	Bee Community Action Agency	\$225,803
4	Big Bend Community Action Committee, Inc.	\$150,000
5	Brazos Valley Community Action Agency	\$999,174
6	Cameron and Willacy Counties Community Projects, Inc.	\$938,784
7	Central Texas Opportunities, Inc.	\$197,699
8	Combined Community Action, Inc.	\$190,420
9	Community Action Council of Victoria	\$249,813
10	Community Action Corporation of South Texas	\$211,019
11	Community Action Inc. of Central Texas	\$235,899
12	Community Action Social Services & Education	\$164,871
13	Community Council of South Central Texas, Inc.	\$644,402
14	Community Services Agency of South Texas	\$150,000
15	Community Services of Northeast Texas	\$234,409
16	Community Services, Inc.	\$1,291,932
17	Concho Valley Community Action Agency	\$235,913
18	Dallas Urban League dba Urban League of Greater Dallas	\$2,800,968
19	Economic Action Committee of The Gulf Coast	\$150,000
20	Economic Opportunities Advancement Corporation of Planning Region XI	\$461,679
21	El Paso Community Action Program, Project BRAVO, Inc.	\$1,332,721
22	Fort Worth, City of, Parks & Community Services Department	\$1,582,459
23	Galveston County Community Action Council, Inc.	\$837,619
24	Greater East Texas Community Action Program (GETCAP)	\$858,036
25	Gulf Coast Community Services Association	\$4,461,865
26	Hidalgo County Community Services Agency	\$1,607,292
27	Hill Country Community Action Association, Inc.	\$473,429
28	Lubbock, City of, Community Services Department	\$367,596
29	Northeast Texas Opportunities, Inc.	\$227,770
30	Nueces County Community Action Agency	\$472,223
31	Panhandle Community Services	\$551,795
32	Pecos County Community Action Agency	\$150,000
33	Rolling Plains Management Corporation	\$436,820
34	San Antonio, City of, Community Action Division	\$1,844,886
35	South Plains Community Action Association, Inc.	\$266,576
36	South Texas Development Council	\$231,017
37	Southeast Texas Regional Planning Commission	\$449,381
38	Texas Neighborhood Services	\$400,009
39	Texoma Council of Governments	\$223,622
40	Tri-County Community Action, Inc.	\$320,601
41	Webb County Community Action Agency	\$487,638
42	West Texas Opportunities, Inc.	\$604,411
43	Williamson-Burnet County Opportunities, Inc.	\$274,522
	<b>TOTAL</b>	<b>\$29,191,824</b>

Note: Estimated allocations are based on level funding at \$32,435,360. Final funding is pending.

# Applicant Evaluation

Project ID **61120001293** Name **Aspermont Small Business Developme** City:

HTC 9%  HTC 4%  HOME  BOND  HTF  NSP  ESG  Other

No Previous Participation in Texas  Members of the development team have been disbarred by HUD

<b>Compliance and Asset Oversight</b>			
Total # of MF awards monitored:	0	<b>Projects in Material Noncompliance</b>	
Total # of MF awards not yet monitored or pending review:	0	<b>Yes</b> <input type="checkbox"/> <b>No</b> <input checked="" type="checkbox"/>	Projects grouped by score
SF Contract Experience <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No		Unresolved Audit Findings Identified w/ Contract(s) <input type="checkbox"/>	0-9: <u>0</u>
Total # of SF Contracts:	2	Total # of MF Projects in Material Noncompliance: <u>0</u>	10-19: <u>0</u>
			20-29: <u>0</u>
			Total monitored with a score 0-29: <u>0</u>
Completed by:	<u>J. Taylor</u>	Reviewer:	<u>Patricia Murphy</u>
Date	<u>11/13/2012</u>	Date	<u>11/19/2012</u>

<b>Single Audit</b>	
<input type="checkbox"/> Single audit review not applicable	<input type="checkbox"/> Late single audit certification form (see comments)
<input checked="" type="checkbox"/> Single audit requirements current	<input type="checkbox"/> Past due single audit or unresolved single audit issue (see comments)
Reviewer: <u>Rosy Falcon</u>	Date: <u>11/20/2012</u>
Comments (if applicable):	

<b>Financial Administration Loan Servicing</b>	
<input checked="" type="checkbox"/> No delinquencies found	<input type="checkbox"/> Delinquencies found (see comments)
Reviewer: <u>Candace Christiansen</u>	Date: <u>11/16/2012</u>
Comments (if applicable):	

<b>Financial Administration Financial Services</b>	
<input checked="" type="checkbox"/> No delinquencies found	<input type="checkbox"/> Delinquencies found (See Comments)
Reviewer: <u>Monica Guerra</u>	Date: <u>11/19/2012</u>
Comments (if applicable):	

# Applicant Evaluation

Project ID **61120001294** Name **Austin, City of, Health and Human Se** City: **Austin**

HTC 9%  HTC 4%  HOME  BOND  HTF  NSP  ESG  Other

No Previous Participation in Texas  Members of the development team have been disbarred by HUD

### Compliance and Asset Oversight

Total # of MF awards monitored:	0	<b>Projects in Material Noncompliance</b> Yes <input type="checkbox"/> No <input checked="" type="checkbox"/>			
Total # of MF awards not yet monitored or pending review:	0		Unresolved Audit Findings Identified w/ Contract(s)	<input type="checkbox"/>	Projects grouped by score
SF Contract Experience <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No		Total # of MF Projects in Material Noncompliance:	0	Total monitored with a score 0-29:	0
Total # of SF Contracts:	0				

Completed by: <u>James Roper</u>	Reviewer: <u>Patricia Murphy</u>
Date: <u>11/19/2012</u>	Date: <u>11/28/2012</u>

### Single Audit

<input type="checkbox"/> Single audit review not applicable	<input type="checkbox"/> Late single audit certification form (see comments)
<input checked="" type="checkbox"/> Single audit requirements current	<input type="checkbox"/> Past due single audit or unresolved single audit issue (see comments)

Reviewer: Rosy Falcon Date: 11/26/2012

Comments (if applicable):

### Financial Administration Loan Servicing

<input checked="" type="checkbox"/> No delinquencies found	<input type="checkbox"/> Delinquencies found (see comments)
--	---

Reviewer: Candace Christiansen Date: 11/27/2012

Comments (if applicable):

### Financial Administration Financial Services

<input checked="" type="checkbox"/> No delinquencies found	<input type="checkbox"/> Delinquencies found (See Comments)
--	---

Reviewer: Monica Guerra Date: 11/27/2012

Comments (if applicable):

# Applicant Evaluation

Project ID # **61120001290**

Name **Bee Community Action Agency**

City: **Beeville**

HTC 9%     HTC 4%     HOME     BOND     HTF     NSP     ESG     Other

No Previous Participation in Texas

Members of the development team have been disbarred by HUD

### Compliance and Asset Oversight

Total # of MF awards monitored: 0

Total # of MF awards not yet monitored or pending review: 0

SF Contract Experience  Yes  No

Total # of SF Contracts: 7

#### Projects in Material Noncompliance

Yes     No

Unresolved Audit Findings Identified w/ Contract(s)

Total # of MF Projects in Material Noncompliance: 0

Projects grouped by score	0-9:	<u>0</u>
	10-19:	<u>0</u>
	20-29:	<u>0</u>

Total monitored with a score 0-29: 0

Completed by: James Roper

Reviewer: Patricia Murphy

Date: 11/26/2012

Date: 12/4/2012

### Single Audit

Single audit review not applicable

Late single audit certification form (see comments)

Single audit requirements current

Past due single audit or unresolved single audit issue (see comments)

Reviewer: Rosy Falcon

Date: 12/5/2012

Comments (if applicable):

### Financial Administration Loan Servicing

No delinquencies found

Delinquencies found (see comments)

Reviewer: Candace Christiansen

Date: 11/30/2012

Comments (if applicable):

### Financial Administration Financial Services

No delinquencies found

Delinquencies found (See Comments)

Reviewer: Monica Guerra

Date: 12/5 /2012

Comments (if applicable):



# Applicant Evaluation

Project ID **61120001283** Name **Big Bend Community Action Committ** City: **Marfa**

HTC 9%  HTC 4%  HOME  BOND  HTF  NSP  ESG  Other

No Previous Participation in Texas  Members of the development team have been disbarred by HUD

<b>Compliance and Asset Oversight</b>			
Total # of MF awards monitored:	0	<b>Projects in Material Noncompliance</b>	
Total # of MF awards not yet monitored or pending review:	0	<b>Yes</b> <input type="checkbox"/> <b>No</b> <input checked="" type="checkbox"/>	Projects grouped by score
SF Contract Experience <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No		Unresolved Audit Findings Identified w/ Contract(s) <input type="checkbox"/>	0-9: 0
Total # of SF Contracts:	8	Total # of MF Projects in Material Noncompliance: 0	10-19: 0
			20-29: 0
			Total monitored with a score 0-29: 0
Completed by:	<u>James Roper</u>	Reviewer:	<u>Patricia Murphy</u>
Date	<u>11/19/2012</u>	Date	<u>11/28/2012</u>

<b>Single Audit</b>	
<input type="checkbox"/> Single audit review not applicable	<input type="checkbox"/> Late single audit certification form (see comments)
<input checked="" type="checkbox"/> Single audit requirements current	<input type="checkbox"/> Past due single audit or unresolved single audit issue (see comments)
Reviewer: <u>Rosy Falcon</u>	Date: <u>11/26/2012</u>
Comments (if applicable):	

<b>Financial Administration Loan Servicing</b>	
<input checked="" type="checkbox"/> No delinquencies found	<input type="checkbox"/> Delinquencies found (see comments)
Reviewer: <u>Candace Christiansen</u>	Date: <u>11/27/2012</u>
Comments (if applicable):	

<b>Financial Administration Financial Services</b>	
<input checked="" type="checkbox"/> No delinquencies found	<input type="checkbox"/> Delinquencies found (See Comments)
Reviewer: <u>Monica Guerra</u>	Date: <u>11/27/2012</u>
Comments (if applicable):	

# Applicant Evaluation

Project ID **61120001295** Name **Brazos Valley Community Action Age** City:

HTC 9%  HTC 4%  HOME  BOND  HTF  NSP  ESG  Other

No Previous Participation in Texas  Members of the development team have been disbarred by HUD

### Compliance and Asset Oversight

Total # of MF awards monitored:	0	<b>Projects in Material Noncompliance</b> Yes <input type="checkbox"/> No <input checked="" type="checkbox"/>	Projects grouped by score	0-9: 0 10-19: 0 20-29: 0
Total # of MF awards not yet monitored or pending review:	0	Unresolved Audit Findings Identified w/ Contract(s) <input type="checkbox"/>		
SF Contract Experience <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No		Total # of MF Projects in Material Noncompliance: 0	Total monitored with a score 0-29:	0
Total # of SF Contracts:	3			

Completed by: J. Taylor Reviewer: Patricia Murphy  
Date 11/16/2012 Date 11/28/2012

### Single Audit

Single audit review not applicable  Late single audit certification form (see comments)  
 Single audit requirements current  Past due single audit or unresolved single audit issue (see comments)

Reviewer: Rosy Falcon Date 11/26/2012

Comments (if applicable):

### Financial Administration Loan Servicing

No delinquencies found  Delinquencies found (see comments)

Reviewer Candace Christiansen Date 11/27/2012

Comments (if applicable):

### Financial Administration Financial Services

No delinquencies found  Delinquencies found (See Comments)

Reviewer Monica Guerra Date 11/27/2012

Comments (if applicable):

# Applicant Evaluation

Project ID # **61120001296**

Name **Central Texas Opportunities, Inc.**

City:

HTC 9%     HTC 4%     HOME     BOND     HTF     NSP     ESG     Other

No Previous Participation in Texas

Members of the development team have been disbarred by HUD

### Compliance and Asset Oversight

Total # of MF awards monitored: 0

Total # of MF awards not yet monitored or pending review: 0

SF Contract Experience  Yes  No

Total # of SF Contracts: 3

#### Projects in Material Noncompliance

Yes     No

Unresolved Audit Findings Identified w/ Contract(s)

Total # of MF Projects in Material Noncompliance: 0

Projects grouped by score	0-9:	<u>0</u>
	10-19:	<u>0</u>
	20-29:	<u>0</u>

Total monitored with a score 0-29: 0

Completed by: J. Taylor

Reviewer: Patricia Murphy

Date: 11/20/2012

Date: 11/28/2012

### Single Audit

Single audit review not applicable

Late single audit certification form (see comments)

Single audit requirements current

Past due single audit or unresolved single audit issue (see comments)

Reviewer: Rosy Falcon

Date: 12/5/2012

Comments (if applicable):

### Financial Administration Loan Servicing

No delinquencies found

Delinquencies found (see comments)

Reviewer: Candace Christiansen

Date: 11/27/2012

Comments (if applicable):

### Financial Administration Financial Services

No delinquencies found

Delinquencies found (See Comments)

Reviewer: Monica Guerra

Date: 11/27/2012

Comments (if applicable):

# Applicant Evaluation

Project ID **61120001285**

Name **Combined Community Action, Inc.**

City: **Giddings**

HTC 9%     HTC 4%     HOME     BOND     HTF     NSP     ESG     Other

No Previous Participation in Texas

Members of the development team have been disbarred by HUD

### Compliance and Asset Oversight

Total # of MF awards monitored: 2

Total # of MF awards not yet monitored or pending review: 0

SF Contract Experience  Yes  No

Total # of SF Contracts: 9

#### Projects in Material Noncompliance

Yes     No

Unresolved Audit Findings Identified w/ Contract(s)

Total # of MF Projects in Material Noncompliance: 0

Projects grouped by score	0-9:	<u>2</u>
	10-19:	<u>0</u>
	20-29:	<u>0</u>

Total monitored with a score 0-29: 2

Completed by: James Roper

Reviewer: Patricia Murphy

Date: 11/15/2012

Date: 11/20/2012

#### Single Audit

Single audit review not applicable

Late single audit certification form (see comments)

Single audit requirements current

Past due single audit or unresolved single audit issue (see comments)

Reviewer: Rosy Falcon

Date: 11/26/2012

Comments (if applicable):

#### Financial Administration Loan Servicing

No delinquencies found

Delinquencies found (see comments)

Reviewer: Candace Christiansen

Date: 11/27/2012

Comments (if applicable):

#### Financial Administration Financial Services

No delinquencies found

Delinquencies found (See Comments)

Reviewer: Monica Guerra

Date: 11/27/2012

Comments (if applicable):

# Applicant Evaluation

Project ID **61120001297**

Name **Community Action Committee of Vict** City:

HTC 9%  HTC 4%  HOME  BOND  HTF  NSP  ESG  Other

No Previous Participation in Texas

Members of the development team have been disbarred by HUD

### Compliance and Asset Oversight

Total # of MF awards monitored: 0

Total # of MF awards not yet monitored or pending review: 0

SF Contract Experience  Yes  No

Total # of SF Contracts: 5

#### Projects in Material Noncompliance

Yes  No

Unresolved Audit Findings Identified w/ Contract(s)

Total # of MF Projects in Material Noncompliance: 0

Projects grouped by score	0-9:	<u>0</u>
	10-19:	<u>0</u>
	20-29:	<u>0</u>

Total monitored with a score 0-29: 0

Completed by: J. Taylor

Reviewer: Patricia Murphy

Date: 11/16/2012

Date: 11/28/2012

### Single Audit

Single audit review not applicable

Late single audit certification form (see comments)

Single audit requirements current

Past due single audit or unresolved single audit issue (see comments)

Reviewer: Rosy Falcon

Date: 11/26/2012

Comments (if applicable):

### Financial Administration Loan Servicing

No delinquencies found

Delinquencies found (see comments)

Reviewer: Candace Christiansen

Date: 11/27/2012

Comments (if applicable):

### Financial Administration Financial Services

No delinquencies found

Delinquencies found (See Comments)

Reviewer: Monica Guerra

Date: 11/27/2012

Comments (if applicable):

# Applicant Evaluation

Project ID # **61120001298**

Name **Community Action Corporation of So** City: **Alice**

HTC 9%  HTC 4%  HOME  BOND  HTF  NSP  ESG  Other

No Previous Participation in Texas  Members of the development team have been disbarred by HUD

## Compliance and Asset Oversight

Total # of MF awards monitored:	2	<b>Projects in Material Noncompliance</b>		Projects grouped by score	
Total # of MF awards not yet monitored or pending review:	0	<b>Yes</b> <input checked="" type="checkbox"/> <b>No</b> <input type="checkbox"/>		0-9:	1
SF Contract Experience <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No		Unresolved Audit Findings Identified w/ Contract(s) <input type="checkbox"/>		10-19:	0
Total # of SF Contracts:	10	Total # of MF Projects in Material Noncompliance: <u>1</u>		20-29:	0
				Total monitored with a score 0-29:	1

Completed by: James Roper Reviewer: Patricia Murphy  
 Date 11/21/2012 Date 11/29/2012

## Single Audit

Single audit review not applicable  Late single audit certification form (see comments)  
 Single audit requirements current  Past due single audit or unresolved single audit issue (see comments)

Reviewer: Rosy Falcon Date 11/28/2012

Comments (if applicable):

## Financial Administration Loan Servicing

No delinquencies found  Delinquencies found (see comments)

Reviewer Candace Christiansen Date 12/4 /2012

Comments (if applicable):

## Financial Administration Financial Services

No delinquencies found  Delinquencies found (See Comments)

Reviewer Monica Guerra Date 12/5 /2012

Comments (if applicable):

# Applicant Evaluation

Project ID **61120001299**

Name **Community Action Inc, of Central Tex** City: **San Marcos**

HTC 9%  HTC 4%  HOME  BOND  HTF  NSP  ESG  Other

No Previous Participation in Texas

Members of the development team have been disbarred by HUD

## Compliance and Asset Oversight

Total # of MF awards monitored: 2

Total # of MF awards not yet monitored or pending review: 0

SF Contract Experience  Yes  No

Total # of SF Contracts: 1

### Projects in Material Noncompliance

Yes  No

Unresolved Audit Findings Identified w/ Contract(s)

Total # of MF Projects in Material Noncompliance: 0

Projects grouped by score	0-9:	<u>2</u>
	10-19:	<u>0</u>
	20-29:	<u>0</u>

Total monitored with a score 0-29: 2

Completed by: James Roper

Reviewer: Patricia Murphy

Date: 11/19/2012

Date: 11/28/2012

### Single Audit

Single audit review not applicable

Late single audit certification form (see comments)

Single audit requirements current

Past due single audit or unresolved single audit issue (see comments)

Reviewer: Rosy Falcon

Date: 11/26/2012

Comments (if applicable):

### Financial Administration Loan Servicing

No delinquencies found

Delinquencies found (see comments)

Reviewer: Candace Christiansen

Date: 11/27/2012

Comments (if applicable):

### Financial Administration Financial Services

No delinquencies found

Delinquencies found (See Comments)

Reviewer: Monica Guerra

Date: 11/27/2012

Comments (if applicable):

# Applicant Evaluation

Project ID # **61120001300**

Name **Community Action Social Services &** City:

HTC 9%  HTC 4%  HOME  BOND  HTF  NSP  ESG  Other

No Previous Participation in Texas  Members of the development team have been disbarred by HUD

### Compliance and Asset Oversight

Total # of MF awards monitored:	0	<b>Projects in Material Noncompliance</b> Yes <input type="checkbox"/> No <input checked="" type="checkbox"/>	Projects grouped by score	0-9: 0	10-19: 0	20-29: 0
Total # of MF awards not yet monitored or pending review:	0	Unresolved Audit Findings Identified w/ Contract(s) <input type="checkbox"/>				
SF Contract Experience <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No		Total # of MF Projects in Material Noncompliance: 0		Total monitored with a score 0-29: 0		
Total # of SF Contracts:	2					

Completed by: J. Taylor Reviewer: Patricia Murphy  
 Date 11/19/2012 Date 12/6/2012

### Single Audit

Single audit review not applicable  **Late single audit certification form (see comments)**  
 Single audit requirements current  Past due single audit or unresolved single audit issue (see comments)

Reviewer: JR Mendoza Date 12/6/2012

Comments (if applicable):

**CASSE is delinquent as of 11/30/2012 when their ACF for FYE 9/30/2012 was due.**

### Financial Administration Loan Servicing

No delinquencies found  Delinquencies found (see comments)

Reviewer Candace Christiansen Date 11/27/2012

Comments (if applicable):

### Financial Administration Financial Services

No delinquencies found  Delinquencies found (See Comments)

Reviewer Monica Guerra Date 11/27/2012

Comments (if applicable):



# Applicant Evaluation

Project ID # **61120001301**

Name **Community Council of South Central** City: **Seguin**

HTC 9%  HTC 4%  HOME  BOND  HTF  NSP  ESG  Other

No Previous Participation in Texas  Members of the development team have been disbarred by HUD

### Compliance and Asset Oversight

Total # of MF awards monitored:	0	<b>Projects in Material Noncompliance</b> Yes <input type="checkbox"/> No <input checked="" type="checkbox"/>	Projects grouped by score	0-9: 0	10-19: 0	20-29: 0
Total # of MF awards not yet monitored or pending review:	0	Unresolved Audit Findings Identified w/ Contract(s) <input type="checkbox"/>				
SF Contract Experience <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No		Total # of MF Projects in Material Noncompliance: 0	Total monitored with a score 0-29:	0		
Total # of SF Contracts:	1					

Completed by: James Roper Reviewer: Patricia Murphy

Date 11/14/2012 Date 11/29/2012

### Single Audit

Single audit review not applicable  Late single audit certification form (see comments)  
 Single audit requirements current  Past due single audit or unresolved single audit issue (see comments)

Reviewer: Rosy Falcon Date 11/26/2012

Comments (if applicable):

### Financial Administration Loan Servicing

No delinquencies found  Delinquencies found (see comments)

Reviewer Candace Christiansen Date 11/30/2012

Comments (if applicable):

### Financial Administration Financial Services

No delinquencies found  Delinquencies found (See Comments)

Reviewer Monica Guerra Date 11/28/2012

Comments (if applicable):

# Applicant Evaluation

Project ID # **61120001303**      Name **Community Services Agency of South**      City: **Carrizo Springs**

HTC 9%     HTC 4%     HOME     BOND     HTF     NSP     ESG     Other

No Previous Participation in Texas       Members of the development team have been disbarred by HUD

### Compliance and Asset Oversight

Total # of MF awards monitored:	3	<b>Projects in Material Noncompliance</b> Yes <input type="checkbox"/> No <input checked="" type="checkbox"/>	Projects grouped by score	0-9: 0	10-19: 3	20-29: 0
Total # of MF awards not yet monitored or pending review:	0	Unresolved Audit Findings Identified w/ Contract(s) <input type="checkbox"/>				
SF Contract Experience <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No						
Total # of SF Contracts:	5	Total # of MF Projects in Material Noncompliance: <u>0</u>	Total monitored with a score 0-29:	<u>3</u>		

Completed by: James Roper      Reviewer: Patricia Murphy  
 Date: 11/27/2012      Date: 11/29/2012

### Single Audit

Single audit review not applicable       Late single audit certification form (see comments)  
 Single audit requirements current       **Past due single audit or unresolved single audit issue (see comments)**

Reviewer: Rosy Falcon      Date: 12/5/2012

Comments (if applicable):

**CSA of South Texas is delinquent as of 8/30/2012 when their single audit for FYE 11/30/2011 was due**

### Financial Administration Loan Servicing

No delinquencies found       **Delinquencies found (see comments)**

Reviewer: Candace Christiansen      Date: 12/3 /2012

Comments (if applicable):

**HOME Loan# 530201001, Community Services Agency of S.Tx.: Delinquent loan amount of \$541,079.71, due 5/31/2009. Loan was referred to Asset Management - spoke to Kathryn Saar. Notice to cure is being sent out with 5 business days to resolve.**

### Financial Administration Financial Services

No delinquencies found       Delinquencies found (See Comments)

Reviewer: Monica Guerra      Date: 12/5 /2012

Comments (if applicable):

# Applicant Evaluation

Project ID **61120001286**

Name **Community Services of Northeast Tex** City:

HTC 9%  HTC 4%  HOME  BOND  HTF  NSP  ESG  Other

No Previous Participation in Texas  Members of the development team have been disbarred by HUD

### Compliance and Asset Oversight

Total # of MF awards monitored:	0	<b>Projects in Material Noncompliance</b>		Projects 0-9:	0
Total # of MF awards not yet monitored or pending review:	0	<b>Yes</b> <input type="checkbox"/>	<b>No</b> <input checked="" type="checkbox"/>	Projects grouped by score	
SF Contract Experience <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No		Unresolved Audit Findings Identified w/ Contract(s) <input type="checkbox"/>		10-19:	0
Total # of SF Contracts:	2	Total # of MF Projects in Material Noncompliance: 0		20-29:	0
				Total monitored with a score 0-29:	0

Completed by: J. Taylor

Reviewer: Patricia Murphy

Date: 11/19/2012

Date: 11/20/2012

### Single Audit

<input type="checkbox"/> Single audit review not applicable	<input type="checkbox"/> Late single audit certification form (see comments)
<input checked="" type="checkbox"/> Single audit requirements current	<input type="checkbox"/> Past due single audit or unresolved single audit issue (see comments)

Reviewer: Rosy Falcon

Date: 11/26/2012

Comments (if applicable):

### Financial Administration Loan Servicing

No delinquencies found  Delinquencies found (see comments)

Reviewer: Candace Christiansen

Date: 11/27/2012

Comments (if applicable):

### Financial Administration Financial Services

No delinquencies found  Delinquencies found (See Comments)

Reviewer: Monica Guerra

Date: 11/27/2012

Comments (if applicable):

# Applicant Evaluation

Project ID # **61120001287**

Name **Community Services Inc**

City: **Corsicana**

HTC 9%     HTC 4%     HOME     BOND     HTF     NSP     ESG     Other

No Previous Participation in Texas       Members of the development team have been disbarred by HUD

### Compliance and Asset Oversight

Total # of MF awards monitored: 0

Total # of MF awards not yet monitored or pending review: 0

SF Contract Experience  Yes  No

Total # of SF Contracts: 0

<b>Projects in Material Noncompliance</b>	
Yes <input type="checkbox"/>	No <input checked="" type="checkbox"/>

Unresolved Audit Findings Identified w/ Contract(s)

Total # of MF Projects in Material Noncompliance: 0

Projects grouped by score	0-9: <u>0</u>
	10-19: <u>0</u>
	20-29: <u>0</u>

Total monitored with a score 0-29: 0

Completed by: James Roper

Reviewer: Patricia Murphy

Date: 11/26/2012

Date: 12/4/2012

### Single Audit

Single audit review not applicable

Single audit requirements current

Late single audit certification form (see comments)

Past due single audit or unresolved single audit issue (see comments)

Reviewer: Rosy Falcon

Date: 12/5/2012

Comments (if applicable):

### Financial Administration Loan Servicing

No delinquencies found

Delinquencies found (see comments)

Reviewer: Candace Christiansen

Date: 11/30/2012

Comments (if applicable):

### Financial Administration Financial Services

No delinquencies found

Delinquencies found (See Comments)

Reviewer: Monica Guerra

Date: 12/5 /2012

Comments (if applicable):

# Applicant Evaluation

Project ID **61120001304**

Name **Concho Valley Community Action Ag** City: **San Angelo**

HTC 9%  HTC 4%  HOME  BOND  HTF  NSP  ESG  Other

No Previous Participation in Texas  Members of the development team have been disbarred by HUD

### Compliance and Asset Oversight

Total # of MF awards monitored: 0

Total # of MF awards not yet monitored or pending review: 0

SF Contract Experience  Yes  No

Total # of SF Contracts: 2

#### Projects in Material Noncompliance

Yes  No

Unresolved Audit Findings Identified w/ Contract(s)

Total # of MF Projects in Material Noncompliance: 0

Projects grouped by score	0-9:	<u>0</u>
	10-19:	<u>0</u>
	20-29:	<u>0</u>

Total monitored with a score 0-29: 0

Completed by: James Roper

Reviewer: Patricia Murphy

Date: 11/16/2012

Date: 11/28/2012

#### Single Audit

Single audit review not applicable

Late single audit certification form (see comments)

Single audit requirements current

Past due single audit or unresolved single audit issue (see comments)

Reviewer: Rosy Falcon

Date: 11/26/2012

Comments (if applicable):

#### Financial Administration Loan Servicing

No delinquencies found

Delinquencies found (see comments)

Reviewer: Candace Christiansen

Date: 11/27/2012

Comments (if applicable):

#### Financial Administration Financial Services

No delinquencies found

Delinquencies found (See Comments)

Reviewer: Monica Guerra

Date: 11/27/2012

Comments (if applicable):

# Applicant Evaluation

Project ID **61120001320**

Name **Dallas Urban League**

City: **Dallas**

HTC 9%     HTC 4%     HOME     BOND     HTF     NSP     ESG     Other

No Previous Participation in Texas

Members of the development team have been disbarred by HUD

### Compliance and Asset Oversight

Total # of MF awards monitored: 1

Total # of MF awards not yet monitored or pending review: 1

SF Contract Experience  Yes  No

Total # of SF Contracts: 0

#### Projects in Material Noncompliance

Yes     No

Unresolved Audit Findings Identified w/ Contract(s)

Total # of MF Projects in Material Noncompliance: 0

Projects grouped by score	0-9:	<u>1</u>
	10-19:	<u>0</u>
	20-29:	<u>0</u>

Total monitored with a score 0-29: 1

Completed by: James Roper

Reviewer: Patricia Murphy

Date: 11/19/2012

Date: 11/28/2012

#### Single Audit

Single audit review not applicable

Late single audit certification form (see comments)

Single audit requirements current

Past due single audit or unresolved single audit issue (see comments)

Reviewer: Rosy Falcon

Date: 11/26/2012

Comments (if applicable):

#### Financial Administration Loan Servicing

No delinquencies found

Delinquencies found (see comments)

Reviewer: Candace Christiansen

Date: 11/27/2012

Comments (if applicable):

#### Financial Administration Financial Services

No delinquencies found

Delinquencies found (See Comments)

Reviewer: Monica Guerra

Date: 11/27/2012

Comments (if applicable):

# Applicant Evaluation

Project ID **61120001305** Name **Economic Action Committee of the Gu** City:

HTC 9%  HTC 4%  HOME  BOND  HTF  NSP  ESG  Other

No Previous Participation in Texas  Members of the development team have been disbarred by HUD

### Compliance and Asset Oversight

Total # of MF awards monitored:	0	<b>Projects in Material Noncompliance</b> Yes <input type="checkbox"/> No <input checked="" type="checkbox"/>	Projects grouped by score	0-9: 0 10-19: 0 20-29: 0
Total # of MF awards not yet monitored or pending review:	0	Unresolved Audit Findings Identified w/ Contract(s) <input type="checkbox"/>		
SF Contract Experience <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No		Total # of MF Projects in Material Noncompliance: 0	Total monitored with a score 0-29:	0
Total # of SF Contracts:	1			

Completed by: J. Taylor Reviewer: Patricia Murphy  
Date 11/16/2012 Date 11/28/2012

### Single Audit

Single audit review not applicable  Late single audit certification form (see comments)  
 Single audit requirements current  Past due single audit or unresolved single audit issue (see comments)

Reviewer: Rosy Falcon Date 11/26/2012

Comments (if applicable):

Economic Action Committee of Gulf Coast is delinquent as of 9/30/2011 when their FYE 12/31/10 single audit was due.  
Economic Action Committee of Gulf Coast is delinquent as of 9/30/2012 when their FYE 12/31/11 single audit was due.

### Financial Administration Loan Servicing

No delinquencies found  Delinquencies found (see comments)

Reviewer Candace Christiansen Date 11/27/2012

Comments (if applicable):

### Financial Administration Financial Services

No delinquencies found  Delinquencies found (See Comments)

Reviewer Monica Guerra Date 11/27/2012

Comments (if applicable):

# Applicant Evaluation

Project ID # **61120001306**

Name **Economic Opportunities Advancement** City: **Waco**

HTC 9%     HTC 4%     HOME     BOND     HTF     NSP     ESG     Other

No Previous Participation in Texas       Members of the development team have been disbarred by HUD

### Compliance and Asset Oversight

Total # of MF awards monitored:   2  

Total # of MF awards not yet monitored or pending review:   0  

SF Contract Experience  Yes     No

Total # of SF Contracts:   1  

Projects in Material Noncompliance	
Yes <input type="checkbox"/>	No <input checked="" type="checkbox"/>

Unresolved Audit Findings Identified w/ Contract(s)

Total # of MF Projects in Material Noncompliance:   0  

Projects grouped by score	0-9:	<u>  2  </u>
	10-19:	<u>  0  </u>
	20-29:	<u>  0  </u>

Total monitored with a score 0-29:   2  

Completed by: James Roper

Reviewer: Patricia Murphy

Date: 11/27/2012

Date: 12/4/2012

### Single Audit

Single audit review not applicable

Late single audit certification form (see comments)

Single audit requirements current

Past due single audit or unresolved single audit issue (see comments)

Reviewer: Rosy Falcon

Date: 12/5/2012

Comments (if applicable):

### Financial Administration Loan Servicing

No delinquencies found

Delinquencies found (see comments)

Reviewer: Candace Christiansen

Date: 11/30/2012

Comments (if applicable):

### Financial Administration Financial Services

No delinquencies found

Delinquencies found (See Comments)

Reviewer: Monica Guerra

Date: 12/5 /2012

Comments (if applicable):



# Applicant Evaluation

Project ID **61120001307**

Name **El Paso Community Action Program,** City: **El Paso**

HTC 9%  HTC 4%  HOME  BOND  HTF  NSP  ESG  Other

No Previous Participation in Texas

Members of the development team have been disbarred by HUD

### Compliance and Asset Oversight

Total # of MF awards monitored: 0

Total # of MF awards not yet monitored or pending review: 0

SF Contract Experience  Yes  No

Total # of SF Contracts: 2

#### Projects in Material Noncompliance

Yes  No

Unresolved Audit Findings Identified w/ Contract(s)

Total # of MF Projects in Material Noncompliance: 0

Projects grouped by score	0-9:	<u>0</u>
	10-19:	<u>0</u>
	20-29:	<u>0</u>

Total monitored with a score 0-29: 0

Completed by: James Roper

Reviewer: Patricia Murphy

Date: 11/19/2012

Date: 11/28/2012

### Single Audit

Single audit review not applicable

Late single audit certification form (see comments)

Single audit requirements current

Past due single audit or unresolved single audit issue (see comments)

Reviewer: Rosy Falcon

Date: 11/26/2012

Comments (if applicable):

### Financial Administration Loan Servicing

No delinquencies found

Delinquencies found (see comments)

Reviewer: Candace Christiansen

Date: 11/27/2012

Comments (if applicable):

### Financial Administration Financial Services

No delinquencies found

Delinquencies found (See Comments)

Reviewer: Monica Guerra

Date: 11/27/2012

Comments (if applicable):

# Applicant Evaluation

Project ID **61120001308**

Name **City of Fort Worth Parks & Communi** City:

HTC 9%  HTC 4%  HOME  BOND  HTF  NSP  ESG  Other

No Previous Participation in Texas  Members of the development team have been disbarred by HUD

<b>Compliance and Asset Oversight</b>			
Total # of MF awards monitored:	0	<b>Projects in Material Noncompliance</b>	
Total # of MF awards not yet monitored or pending review:	0	<b>Yes</b> <input type="checkbox"/> <b>No</b> <input checked="" type="checkbox"/>	Projects grouped by score
SF Contract Experience <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No		Unresolved Audit Findings Identified w/ Contract(s) <input type="checkbox"/>	0-9: 0 10-19: 0 20-29: 0
Total # of SF Contracts:	0	Total # of MF Projects in Material Noncompliance: 0	Total monitored with a score 0-29: 0
Completed by: <u>J. Taylor</u>		Reviewer: <u>Patricia Murphy</u>	
Date: <u>11/14/2012</u>		Date: <u>11/19/2012</u>	

<b>Single Audit</b>	
<input type="checkbox"/> Single audit review not applicable	<input type="checkbox"/> Late single audit certification form (see comments)
<input checked="" type="checkbox"/> Single audit requirements current	<input type="checkbox"/> Past due single audit or unresolved single audit issue (see comments)
Reviewer: <u>Rosy Falcon</u>	Date: <u>11/20/2012</u>
Comments (if applicable):	

<b>Financial Administration Loan Servicing</b>	
<input checked="" type="checkbox"/> No delinquencies found	<input type="checkbox"/> Delinquencies found (see comments)
Reviewer: <u>Candace Christiansen</u>	Date: <u>11/16/2012</u>
Comments (if applicable):	

<b>Financial Administration Financial Services</b>	
<input checked="" type="checkbox"/> No delinquencies found	<input type="checkbox"/> Delinquencies found (See Comments)
Reviewer: <u>Monica Guerra</u>	Date: <u>11/19/2012</u>
Comments (if applicable):	

# Applicant Evaluation

Project ID **61120001309**

Name **Galveston County Community Action** City: **Galveston**

HTC 9%  HTC 4%  HOME  BOND  HTF  NSP  ESG  Other

No Previous Participation in Texas  Members of the development team have been disbarred by HUD

### Compliance and Asset Oversight

Total # of MF awards monitored:	0	<b>Projects in Material Noncompliance</b> Yes <input type="checkbox"/> No <input checked="" type="checkbox"/>	Projects grouped by score	0-9: 0 10-19: 0 20-29: 0
Total # of MF awards not yet monitored or pending review:	0	Unresolved Audit Findings Identified w/ Contract(s) <input type="checkbox"/>		
SF Contract Experience <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No		Total # of MF Projects in Material Noncompliance: 0	Total monitored with a score 0-29:	0
Total # of SF Contracts:	0			

Completed by: James Roper Reviewer: Patricia Murphy

Date 11/16/2012 Date 11/28/2012

### Single Audit

<input type="checkbox"/> Single audit review not applicable	<input type="checkbox"/> Late single audit certification form (see comments)
<input checked="" type="checkbox"/> Single audit requirements current	<input type="checkbox"/> Past due single audit or unresolved single audit issue (see comments)

Reviewer: Rosy Falcon Date 11/26/2012

Comments (if applicable):

### Financial Administration Loan Servicing

No delinquencies found  Delinquencies found (see comments)

Reviewer Candace Christiansen Date 11/27/2012

Comments (if applicable):

### Financial Administration Financial Services

No delinquencies found  Delinquencies found (See Comments)

Reviewer Monica Guerra Date 11/27/2012

Comments (if applicable):

# Applicant Evaluation

Project ID # **61120001310**      Name **Greater East Texas Community Actio**      City: **Nacogdoches**

HTC 9%     HTC 4%     HOME     BOND     HTF     NSP     ESG     Other

No Previous Participation in Texas       Members of the development team have been disbarred by HUD

### Compliance and Asset Oversight

Total # of MF awards monitored:	2	<b>Projects in Material Noncompliance</b> Yes <input type="checkbox"/> No <input checked="" type="checkbox"/>	Projects grouped by score	0-9: 1
Total # of MF awards not yet monitored or pending review:	1		10-19: 0	20-29: 1
SF Contract Experience	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	Unresolved Audit Findings Identified w/ Contract(s)		
Total # of SF Contracts:	13	Total # of MF Projects in Material Noncompliance:	0	Total monitored with a score 0-29: 2

Completed by: James Roper      Reviewer: Patricia Murphy  
 Date: 11/26/2012      Date: 12/4/2012

### Single Audit

Single audit review not applicable       Late single audit certification form (see comments)  
 Single audit requirements current       Past due single audit or unresolved single audit issue (see comments)

Reviewer: Rosy Falcon      Date: 12/5/2012

Comments (if applicable):

### Financial Administration Loan Servicing

No delinquencies found       **Delinquencies found (see comments)**

Reviewer: Candace Christiansen      Date: 11/30/2012

Comments (if applicable):

Home loan# 5323183086 Community Action Nacogdoches: Delinquent submission of proof of paid taxes or tax exemption for years 2007, 2008, 2009, 2010, and 2011.

### Financial Administration Financial Services

No delinquencies found       Delinquencies found (See Comments)

Reviewer: Monica Guerra      Date: 12/5 /2012

Comments (if applicable):

# Applicant Evaluation

Project ID **61120001311** Name **Gulf Coast Community Services Assoc** City:

HTC 9%  HTC 4%  HOME  BOND  HTF  NSP  ESG  Other

No Previous Participation in Texas  Members of the development team have been disbarred by HUD

### Compliance and Asset Oversight

Total # of MF awards monitored:	0	<b>Projects in Material Noncompliance</b> Yes <input type="checkbox"/> No <input checked="" type="checkbox"/>	Projects grouped by score	0-9:	0
Total # of MF awards not yet monitored or pending review:	0		10-19:	0	
SF Contract Experience <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No		Unresolved Audit Findings Identified w/ Contract(s) <input type="checkbox"/>	20-29:	0	
Total # of SF Contracts:	0	Total # of MF Projects in Material Noncompliance:	0	Total monitored with a score 0-29:	0

Completed by: J. Taylor Reviewer: Patricia Murphy  
 Date 11/16/2012 Date 11/28/2012

### Single Audit

Single audit review not applicable  Late single audit certification form (see comments)  
 Single audit requirements current  Past due single audit or unresolved single audit issue (see comments)

Reviewer: Rosy Falcon Date 11/26/2012

Comments (if applicable):

### Financial Administration Loan Servicing

No delinquencies found  Delinquencies found (see comments)

Reviewer Candace Christiansen Date 11/27/2012

Comments (if applicable):

### Financial Administration Financial Services

No delinquencies found  Delinquencies found (See Comments)

Reviewer Monica Guerra Date 11/27/2012

Comments (if applicable):

# Applicant Evaluation

Project ID **61120001323** Name **County of Hidalgo Community Servic** City:

HTC 9%  HTC 4%  HOME  BOND  HTF  NSP  ESG  Other

No Previous Participation in Texas  Members of the development team have been disbarred by HUD

### Compliance and Asset Oversight

Total # of MF awards monitored:	0	<b>Projects in Material Noncompliance</b> Yes <input type="checkbox"/> No <input checked="" type="checkbox"/>	Projects grouped by score	0-9: 0 10-19: 0 20-29: 0
Total # of MF awards not yet monitored or pending review:	0	Unresolved Audit Findings Identified w/ Contract(s) <input type="checkbox"/>		
SF Contract Experience <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No		Total # of MF Projects in Material Noncompliance: 0	Total monitored with a score 0-29:	0
Total # of SF Contracts:	0			

Completed by: J. Taylor Reviewer: Patricia Murphy  
Date 11/19/2012 Date 11/28/2012

### Single Audit

Single audit review not applicable  Late single audit certification form (see comments)  
 Single audit requirements current  Past due single audit or unresolved single audit issue (see comments)

Reviewer: Rosy Falcon Date 11/26/2012

Comments (if applicable):

### Financial Administration Loan Servicing

No delinquencies found  Delinquencies found (see comments)

Reviewer Candace Christiansen Date 11/27/2012

Comments (if applicable):

### Financial Administration Financial Services

No delinquencies found  Delinquencies found (See Comments)

Reviewer Monica Guerra Date 11/27/2012

Comments (if applicable):

# Applicant Evaluation

Project ID # **61120001312**

Name **Hill Country Community Action Assoc** City: **San Saba**

HTC 9%     HTC 4%     HOME     BOND     HTF     NSP     ESG     Other

No Previous Participation in Texas       Members of the development team have been disbarred by HUD

### Compliance and Asset Oversight

Total # of MF awards monitored:	4	<b>Projects in Material Noncompliance</b> Yes <input type="checkbox"/> No <input checked="" type="checkbox"/>		Projects grouped by score	
Total # of MF awards not yet monitored or pending review:	0	Unresolved Audit Findings Identified w/ Contract(s)		0-9:	4
SF Contract Experience <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No		Total # of MF Projects in Material Noncompliance:	0	10-19:	0
Total # of SF Contracts:	5			20-29:	0
				Total monitored with a score 0-29:	4

Completed by: James Roper      Reviewer: Patricia Murphy  
Date: 11/27/2012      Date: 12/4/2012

### Single Audit

Single audit review not applicable       Late single audit certification form (see comments)  
 Single audit requirements current       Past due single audit or unresolved single audit issue (see comments)

Reviewer: Rosy Falcon      Date: 12/5/2012

Comments (if applicable):

### Financial Administration Loan Servicing

No delinquencies found       Delinquencies found (see comments)

Reviewer: Candace Christiansen      Date: 11/30/2012

Comments (if applicable):

### Financial Administration Financial Services

No delinquencies found       Delinquencies found (See Comments)

Reviewer: Monica Guerra      Date: 12/5 /2012

Comments (if applicable):

# Applicant Evaluation

Project ID **61120001291**

Name **City of Lubbock**

City: **Lubbock**

HTC 9%  HTC 4%  HOME  BOND  HTF  NSP  ESG  Other

No Previous Participation in Texas

Members of the development team have been disbarred by HUD

### Compliance and Asset Oversight

Total # of MF awards monitored: 0

Total # of MF awards not yet monitored or pending review: 0

SF Contract Experience  Yes  No

Total # of SF Contracts: 1

#### Projects in Material Noncompliance

Yes  No

Unresolved Audit Findings Identified w/ Contract(s)

Total # of MF Projects in Material Noncompliance: 0

Projects grouped by score	0-9:	<u>0</u>
	10-19:	<u>0</u>
	20-29:	<u>0</u>

Total monitored with a score 0-29: 0

Completed by: James Roper

Reviewer: Patricia Murphy

Date: 11/14/2012

Date: 11/19/2012

#### Single Audit

Single audit review not applicable

Single audit requirements current

Late single audit certification form (see comments)

Past due single audit or unresolved single audit issue (see comments)

Reviewer: Rosy Falcon

Date: 11/20/2012

Comments (if applicable):

#### Financial Administration Loan Servicing

No delinquencies found

Delinquencies found (see comments)

Reviewer: Candace Christiansen

Date: 11/16/2012

Comments (if applicable):

#### Financial Administration Financial Services

No delinquencies found

Delinquencies found (See Comments)

Reviewer: Monica Guerra

Date: 11/19/2012

Comments (if applicable):



# Applicant Evaluation

Project ID # **61120001288**      Name **Northeast Texas Opportunities, Inc**      City: **Mount Vernon**

HTC 9%     HTC 4%     HOME     BOND     HTF     NSP     ESG     Other

No Previous Participation in Texas       Members of the development team have been disbarred by HUD

### Compliance and Asset Oversight

Total # of MF awards monitored:	0	<b>Projects in Material Noncompliance</b> Yes <input type="checkbox"/> No <input checked="" type="checkbox"/>			
Total # of MF awards not yet monitored or pending review:	0		Unresolved Audit Findings Identified w/ Contract(s)	<input type="checkbox"/>	Projects grouped by score
SF Contract Experience	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	Total # of MF Projects in Material Noncompliance:	0	Total monitored with a score 0-29:	0
Total # of SF Contracts:	2				

Completed by: James Roper      Reviewer: Patricia Murphy  
Date: 11/21/2012      Date: 12/4/2012

### Single Audit

Single audit review not applicable       **Late single audit certification form (see comments)**  
 Single audit requirements current       Past due single audit or unresolved single audit issue (see comments)

Reviewer: Rosy Falcon      Date: 11/28/2012

Comments (if applicable):

**NETO is delinquent as of 11/30/2012 when their ACF for FYE 9/30/2012 was due.**

### Financial Administration Loan Servicing

No delinquencies found       Delinquencies found (see comments)

Reviewer: Candace Christiansen      Date: 11/30/2012

Comments (if applicable):

### Financial Administration Financial Services

No delinquencies found       Delinquencies found (See Comments)

Reviewer: Monica Guerra      Date: 12/5 /2012

Comments (if applicable):

# Applicant Evaluation

Project ID # **61120001313** Name **Nueces County Community Action Ag** City: **Corpus Christie**

HTC 9%  HTC 4%  HOME  BOND  HTF  NSP  ESG  Other

No Previous Participation in Texas  Members of the development team have been disbarred by HUD

### Compliance and Asset Oversight

Total # of MF awards monitored:	4	<b>Projects in Material Noncompliance</b> Yes <input type="checkbox"/> No <input checked="" type="checkbox"/>	Projects grouped by score	0-9: 4	10-19: 0	20-29: 0
Total # of MF awards not yet monitored or pending review:	0	Unresolved Audit Findings Identified w/ Contract(s) <input type="checkbox"/>				
SF Contract Experience <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No			Total monitored with a score 0-29: 4			
Total # of SF Contracts:	1	Total # of MF Projects in Material Noncompliance: 0				

Completed by: James Roper Reviewer: Patricia Murphy  
 Date 11/15/2012 Date 11/19/2012

### Single Audit

Single audit review not applicable  Late single audit certification form (see comments)  
 Single audit requirements current  Past due single audit or unresolved single audit issue (see comments)

Reviewer: Rosy Falcon Date 11/28/2012

Comments (if applicable):  
 .

### Financial Administration Loan Servicing

No delinquencies found  Delinquencies found (see comments)

Reviewer Candace Christiansen Date 11/16/2012

Comments (if applicable):

### Financial Administration Financial Services

No delinquencies found  Delinquencies found (See Comments)

Reviewer Monica Guerra Date 11/19/2012

Comments (if applicable):

# Applicant Evaluation

Project ID # **61120001314**

Name **Panhandle Community Services**

City:

HTC 9%     HTC 4%     HOME     BOND     HTF     NSP     ESG     Other

No Previous Participation in Texas       Members of the development team have been disbarred by HUD

### Compliance and Asset Oversight

Total # of MF awards monitored: 0

Total # of MF awards not yet monitored or pending review: 0

SF Contract Experience  Yes  No

Total # of SF Contracts: 4

#### Projects in Material Noncompliance

Yes       No

Unresolved Audit Findings Identified w/ Contract(s)

Total # of MF Projects in Material Noncompliance: 0

Projects grouped by score	0-9:	<u>0</u>
	10-19:	<u>0</u>
	20-29:	<u>0</u>

Total monitored with a score 0-29: 0

Completed by: J. Taylor

Reviewer: Patricia Murphy

Date: 11/14/2012

Date: 12/4/2012

#### Single Audit

Single audit review not applicable

Late single audit certification form (see comments)

Single audit requirements current

Past due single audit or unresolved single audit issue (see comments)

Reviewer: Rosy Falcon

Date: 11/20/2012

Comments (if applicable):

#### Financial Administration Loan Servicing

No delinquencies found

Delinquencies found (see comments)

Reviewer: Candace Christiansen

Date: 11/16/2012

Comments (if applicable):

#### Financial Administration Financial Services

No delinquencies found

Delinquencies found (See Comments)

Reviewer: Monica Guerra

Date: 11/19/2012

Comments (if applicable):



Close Form



Update Tables

# Compliance Status Summary



Status Summary



Master Report

Contract/Project ID

Name

City

Region

- LIHTC 9%
- LIHTC 4%
- BOND
- HOME
- HTF
- NSP
- ESG
- Other

## Developers

Developer/Applicant	Role	Disbarred
<input type="text" value="See Organizational Chart"/>	<input type="text"/>	<input type="checkbox"/>

## Contracts/Projects Monitored by TDHCA

Program	Contract/Project ID	Contract/Project Nam	Score	SF Contract	Unresolved Contract
<input type="text" value="HOME (HBA)"/>	<input type="text" value="530046"/>	<input type="text" value="Panhandle Community Services"/>	<input type="text" value="HM"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
<input type="text" value="HOME (OCC)"/>	<input type="text" value="535017"/>	<input type="text" value="Panhandle Community Services"/>	<input type="text" value="HM"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
<input type="text" value="HOME (OCC)"/>	<input type="text" value="537067"/>	<input type="text" value="Panhandle Community Services"/>	<input type="text" value="HM"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
<input type="text" value="HOME (HBA)"/>	<input type="text" value="538015"/>	<input type="text" value="Panhandle Community Services"/>	<input type="text" value="HM"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>

## Comment

Information entered by

Date

**Approved by**

**Patricia Murphy**

**Date**

**12/4/2012**

# Applicant Evaluation

Project ID **61120001315** Name **Pecos County Community Action Age** City: **Fort Stockton**

HTC 9%  HTC 4%  HOME  BOND  HTF  NSP  ESG  Other

No Previous Participation in Texas  Members of the development team have been disbarred by HUD

### Compliance and Asset Oversight

Total # of MF awards monitored:	0	<b>Projects in Material Noncompliance</b> Yes <input type="checkbox"/> No <input checked="" type="checkbox"/>	Projects grouped by score	0-9: 0 10-19: 0 20-29: 0
Total # of MF awards not yet monitored or pending review:	0	Unresolved Audit Findings Identified w/ Contract(s) <input type="checkbox"/>		
SF Contract Experience <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No		Total # of MF Projects in Material Noncompliance: 0	Total monitored with a score 0-29:	0
Total # of SF Contracts:	0			

Completed by: James Roper Reviewer: Patricia Murphy  
Date 11/19/2012 Date 11/28/2012

### Single Audit

Single audit review not applicable  Late single audit certification form (see comments)  
 Single audit requirements current  Past due single audit or unresolved single audit issue (see comments)

Reviewer: Rosy Falcon Date 11/26/2012

Comments (if applicable):

### Financial Administration Loan Servicing

No delinquencies found  Delinquencies found (see comments)

Reviewer Candace Christiansen Date 11/27/2012

Comments (if applicable):

### Financial Administration Financial Services

No delinquencies found  Delinquencies found (See Comments)

Reviewer Monica Guerra Date 11/27/2012

Comments (if applicable):

# Applicant Evaluation

Project ID **61120001316**

Name **Rolling Plains Management Corporati** City: **Crowell**

HTC 9%  HTC 4%  HOME  BOND  HTF  NSP  ESG  Other

No Previous Participation in Texas  Members of the development team have been disbarred by HUD

### Compliance and Asset Oversight

Total # of MF awards monitored: 0

Total # of MF awards not yet monitored or pending review: 0

SF Contract Experience  Yes  No

Total # of SF Contracts: 1

<b>Projects in Material Noncompliance</b>	
Yes <input type="checkbox"/>	No <input checked="" type="checkbox"/>

Unresolved Audit Findings Identified w/ Contract(s)

Total # of MF Projects in Material Noncompliance: 0

Projects grouped by score	0-9: <u>0</u>
	10-19: <u>0</u>
	20-29: <u>0</u>

Total monitored with a score 0-29: 0

Completed by: James Roper

Reviewer: Patricia Murphy

Date 11/16/2012

Date 11/28/2012

### Single Audit

Single audit review not applicable

Single audit requirements current

Late single audit certification form (see comments)

Past due single audit or unresolved single audit issue (see comments)

Reviewer: Rosy Falcon

Date 11/26/2012

Comments (if applicable):

### Financial Administration Loan Servicing

No delinquencies found

Delinquencies found (see comments)

Reviewer Candace Christiansen

Date 11/27/2012

Comments (if applicable):

### Financial Administration Financial Services

No delinquencies found

Delinquencies found (See Comments)

Reviewer Monica Guerra

Date 11/27/2012

Comments (if applicable):

# Applicant Evaluation

Project ID **61120001292**

Name **City of San Antonio**

City: **San Antonio**

HTC 9%     HTC 4%     HOME     BOND     HTF     NSP     ESG     Other

No Previous Participation in Texas

Members of the development team have been disbarred by HUD

### Compliance and Asset Oversight

Total # of MF awards monitored: 0

Total # of MF awards not yet monitored or pending review: 0

SF Contract Experience  Yes  No

Total # of SF Contracts: 1

#### Projects in Material Noncompliance

Yes     No

Unresolved Audit Findings Identified w/ Contract(s)

Total # of MF Projects in Material Noncompliance: 0

Projects grouped by score	0-9:	<u>0</u>
	10-19:	<u>0</u>
	20-29:	<u>0</u>

Total monitored with a score 0-29: 0

Completed by: James Roper

Reviewer: Patricia Murphy

Date: 11/14/2012

Date: 11/19/2012

#### Single Audit

Single audit review not applicable

Late single audit certification form (see comments)

Single audit requirements current

Past due single audit or unresolved single audit issue (see comments)

Reviewer: Rosy Falcon

Date: 11/20/2012

Comments (if applicable):

#### Financial Administration Loan Servicing

No delinquencies found

Delinquencies found (see comments)

Reviewer: Candace Christiansen

Date: 11/16/2012

Comments (if applicable):

#### Financial Administration Financial Services

No delinquencies found

Delinquencies found (See Comments)

Reviewer: Monica Guerra

Date: 11/19/2012

Comments (if applicable):



# Applicant Evaluation

Project ID **61120001289**

Name **South Plains Community Action Assoc** City: **Levelland**

HTC 9%  HTC 4%  HOME  BOND  HTF  NSP  ESG  Other

No Previous Participation in Texas

Members of the development team have been disbarred by HUD

### Compliance and Asset Oversight

Total # of MF awards monitored: 7

Total # of MF awards not yet monitored or pending review: 1

SF Contract Experience  Yes  No

Total # of SF Contracts: 15

#### Projects in Material Noncompliance

Yes  No

Unresolved Audit Findings Identified w/ Contract(s)

Total # of MF Projects in Material Noncompliance: 0

Projects grouped by score	0-9:	<u>7</u>
	10-19:	<u>0</u>
	20-29:	<u>0</u>

Total monitored with a score 0-29: 7

Completed by: James Roper

Reviewer: Patricia Murphy

Date: 11/16/2012

Date: 11/28/2012

#### Single Audit

Single audit review not applicable

Late single audit certification form (see comments)

Single audit requirements current

Past due single audit or unresolved single audit issue (see comments)

Reviewer: Rosy Falcon

Date: 11/26/2012

Comments (if applicable):

#### Financial Administration Loan Servicing

No delinquencies found

Delinquencies found (see comments)

Reviewer: Candace Christiansen

Date: 11/27/2012

Comments (if applicable):

#### Financial Administration Financial Services

No delinquencies found

Delinquencies found (See Comments)

Reviewer: Monica Guerra

Date: 11/27/2012

Comments (if applicable):

# Applicant Evaluation

Project ID # **61120001324**

Name **South Texas Development Council**

City: **Laredo**

HTC 9%     HTC 4%     HOME     BOND     HTF     NSP     ESG     Other

No Previous Participation in Texas       Members of the development team have been disbarred by HUD

### Compliance and Asset Oversight

Total # of MF awards monitored:	0	<b>Projects in Material Noncompliance</b>		0
Total # of MF awards not yet monitored or pending review:	0	Yes <input type="checkbox"/> No <input checked="" type="checkbox"/>	Projects grouped by score	0
SF Contract Experience <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No		Unresolved Audit Findings Identified w/ Contract(s) <input type="checkbox"/>	10-19:	0
Total # of SF Contracts:	5	Total # of MF Projects in Material Noncompliance: <u>0</u>	20-29:	0
			Total monitored with a score 0-29:	0

Completed by: James Roper      Reviewer: Patricia Murphy

Date: 11/28/2012      Date: 12/4/2012

### Single Audit

<input type="checkbox"/> Single audit review not applicable	<input type="checkbox"/> Late single audit certification form (see comments)
<input checked="" type="checkbox"/> Single audit requirements current	<input type="checkbox"/> Past due single audit or unresolved single audit issue (see comments)

Reviewer: Rosy Falcon      Date: 12/5/2012

Comments (if applicable):

### Financial Administration Loan Servicing

No delinquencies found       Delinquencies found (see comments)

Reviewer: Candace Christiansen      Date: 11/30/2012

Comments (if applicable):

### Financial Administration Financial Services

No delinquencies found       Delinquencies found (See Comments)

Reviewer: Monica Guerra      Date: 12/5 /2012

Comments (if applicable):

# Applicant Evaluation

Project ID **61120001325**

Name **South East Texas Regional Planning C** City:

HTC 9%  HTC 4%  HOME  BOND  HTF  NSP  ESG  Other

No Previous Participation in Texas

Members of the development team have been disbarred by HUD

### Compliance and Asset Oversight

Total # of MF awards monitored: 0

Total # of MF awards not yet monitored or pending review: 0

SF Contract Experience  Yes  No

Total # of SF Contracts: 2

#### Projects in Material Noncompliance

Yes  No

Unresolved Audit Findings Identified w/ Contract(s)

Total # of MF Projects in Material Noncompliance: 0

Projects grouped by score	0-9:	<u>0</u>
	10-19:	<u>0</u>
	20-29:	<u>0</u>

Total monitored with a score 0-29: 0

Completed by: J. Taylor

Reviewer: Patricia Murphy

Date: 11/14/2012

Date: 11/19/2012

#### Single Audit

Single audit review not applicable

Single audit requirements current

Late single audit certification form (see comments)

Past due single audit or unresolved single audit issue (see comments)

Reviewer: Rosy Falcon

Date: 11/20/2012

Comments (if applicable):

#### Financial Administration Loan Servicing

No delinquencies found

Delinquencies found (see comments)

Reviewer: Candace Christiansen

Date: 11/16/2012

Comments (if applicable):

#### Financial Administration Financial Services

No delinquencies found

Delinquencies found (See Comments)

Reviewer: Monica Guerra

Date: 11/19/2012

Comments (if applicable):

# Applicant Evaluation

Project ID **61120001317**

Name **Texas Neighborhood Services**

City: **Weatherford**

HTC 9%     HTC 4%     HOME     BOND     HTF     NSP     ESG     Other

No Previous Participation in Texas

Members of the development team have been disbarred by HUD

### Compliance and Asset Oversight

Total # of MF awards monitored: 0

Total # of MF awards not yet monitored or pending review: 0

SF Contract Experience  Yes  No

Total # of SF Contracts: 1

#### Projects in Material Noncompliance

Yes     No

Unresolved Audit Findings Identified w/ Contract(s)

Total # of MF Projects in Material Noncompliance: 0

Projects grouped by score	0-9:	<u>0</u>
	10-19:	<u>0</u>
	20-29:	<u>0</u>

Total monitored with a score 0-29: 0

Completed by: James Roper

Reviewer: Patricia Murphy

Date: 11/28/2012

Date: 11/28/2012

### Single Audit

Single audit review not applicable

Late single audit certification form (see comments)

Single audit requirements current

Past due single audit or unresolved single audit issue (see comments)

Reviewer: Rosy Falcon

Date: 11/26/2012

Comments (if applicable):

### Financial Administration Loan Servicing

No delinquencies found

Delinquencies found (see comments)

Reviewer: Candace Christiansen

Date: 11/27/2012

Comments (if applicable):

### Financial Administration Financial Services

No delinquencies found

Delinquencies found (See Comments)

Reviewer: Monica Guerra

Date: 11/27/2012

Comments (if applicable):

# Applicant Evaluation

Project ID # **61120001318**

Name **Texoma Council of Governments**

City: **Sherman**

HTC 9%     HTC 4%     HOME     BOND     HTF     NSP     ESG     Other

No Previous Participation in Texas       Members of the development team have been disbarred by HUD

### Compliance and Asset Oversight

Total # of MF awards monitored:	0	<b>Projects in Material Noncompliance</b>		Projects grouped by score	
Total # of MF awards not yet monitored or pending review:	0	Yes <input type="checkbox"/> No <input checked="" type="checkbox"/>		0-9:	0
SF Contract Experience <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No		Unresolved Audit Findings Identified w/ Contract(s) <input type="checkbox"/>		10-19:	0
Total # of SF Contracts:	0	Total # of MF Projects in Material Noncompliance: <u>0</u>		20-29:	0
				Total monitored with a score 0-29:	0

Completed by: James Roper      Reviewer: Patricia Murphy

Date: 11/27/2012      Date: 12/4/2012

### Single Audit

<input type="checkbox"/> Single audit review not applicable	<input type="checkbox"/> Late single audit certification form (see comments)
<input checked="" type="checkbox"/> Single audit requirements current	<input type="checkbox"/> Past due single audit or unresolved single audit issue (see comments)

Reviewer: Rosy Falcon      Date: 12/5/2012

Comments (if applicable):

### Financial Administration Loan Servicing

No delinquencies found       Delinquencies found (see comments)

Reviewer: Candace Christiansen      Date: 11/30/2012

Comments (if applicable):

### Financial Administration Financial Services

No delinquencies found       Delinquencies found (See Comments)

Reviewer: Monica Guerra      Date: 12/5 /2012

Comments (if applicable):

# Applicant Evaluation

Project ID # **61120001319**

Name **Tri-County Community Action Agenc** City: **Center**

HTC 9%  HTC 4%  HOME  BOND  HTF  NSP  ESG  Other

No Previous Participation in Texas  Members of the development team have been disbarred by HUD

### Compliance and Asset Oversight

Total # of MF awards monitored: 0

Total # of MF awards not yet monitored or pending review: 0

SF Contract Experience  Yes  No

Total # of SF Contracts: 3

#### Projects in Material Noncompliance

Yes  No

Unresolved Audit Findings Identified w/ Contract(s)

Total # of MF Projects in Material Noncompliance: 0

Projects grouped by score	0-9:	<u>0</u>
	10-19:	<u>0</u>
	20-29:	<u>0</u>

Total monitored with a score 0-29: 0

Completed by: James Roper

Reviewer: Patricia Murphy

Date 11/15/2012

Date 12/6/2012

#### Single Audit

Single audit review not applicable

Late single audit certification form (see comments)

Single audit requirements current

Past due single audit or unresolved single audit issue (see comments)

Reviewer: Rosy Falcon

Date 11/20/2012

Comments (if applicable):

#### Financial Administration Loan Servicing

No delinquencies found

Delinquencies found (see comments)

Reviewer Candace Christiansen

Date 11/16/2012

Comments (if applicable):

#### Financial Administration Financial Services

No delinquencies found

Delinquencies found (See Comments)

Reviewer Monica Guerra

Date 11/19/2012

Comments (if applicable):



Close Form



Update Tables

# Compliance Status Summary



Status Summary



Master Report

Contract/Project ID

Name

City

Region

- LIHTC 9%
- LIHTC 4%
- BOND
- HOME
- HTF
- NSP
- ESG
- Other

## Developers

Developer/Applicant	Role	Disbarred
<input type="text" value="See Organizational Chart"/>	<input type="text"/>	<input type="checkbox"/>

## Contracts/Projects Monitored by TDHCA

Program	Contract/Project ID	Contract/Project Nam	Score	SF Contract	Unresolved Contract
<input type="text" value="HOME-OCC"/>	<input type="text" value="535020"/>	<input type="text" value="Tri County Community Action Age"/>	<input type="text" value="HM"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
<input type="text" value="HOME-OCC"/>	<input type="text" value="537066"/>	<input type="text" value="Tri-County Community Action Age"/>	<input type="text" value="HM"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
<input type="text" value="HOME-OCC"/>	<input type="text" value="1000855"/>	<input type="text" value="City of San Augustine"/>	<input type="text" value="HM"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>

## Comment

Information entered by

Date

Approved by

Date

# Applicant Evaluation

Project ID # **61120001326**

Name **Webb County Community Action Age** City: **Laredo**

HTC 9%     HTC 4%     HOME     BOND     HTF     NSP     ESG     Other

No Previous Participation in Texas       Members of the development team have been disbarred by HUD

### Compliance and Asset Oversight

Total # of MF awards monitored:	0	<b>Projects in Material Noncompliance</b> Yes <input type="checkbox"/> No <input checked="" type="checkbox"/>			
Total # of MF awards not yet monitored or pending review:	0		Unresolved Audit Findings Identified w/ Contract(s)	<input type="checkbox"/>	Projects grouped by score
SF Contract Experience <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No		Total # of MF Projects in Material Noncompliance:	0	Total monitored with a score 0-29:	0
Total # of SF Contracts:	0				

Completed by: <u>James Roper</u>	Reviewer: <u>Patricia Murphy</u>
Date: <u>11/28/2012</u>	Date: <u>12/4/2012</u>

### Single Audit

<input type="checkbox"/> Single audit review not applicable	<input type="checkbox"/> Late single audit certification form (see comments)
<input type="checkbox"/> Single audit requirements current	<input checked="" type="checkbox"/> <b>Past due single audit or unresolved single audit issue (see comments)</b>

Reviewer: Rosy Falcon      Date: 12/5/2012

Comments (if applicable):

**Webb County is delinquent as of 11/30/2012 when their ACF for FYE 9/30/2012 was due.**

### Financial Administration Loan Servicing

<input checked="" type="checkbox"/> No delinquencies found	<input type="checkbox"/> Delinquencies found (see comments)
--	---

Reviewer: Candace Christiansen      Date: 11/30/2012

Comments (if applicable):

### Financial Administration Financial Services

<input checked="" type="checkbox"/> No delinquencies found	<input type="checkbox"/> Delinquencies found (See Comments)
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Reviewer: Monica Guerra      Date: 12/5 /2012

Comments (if applicable):



# Applicant Evaluation

Project ID # **61120001321**

Name **West Texas Opportunities Inc**

City: **Lamesa**

HTC 9%     HTC 4%     HOME     BOND     HTF     NSP     ESG     Other

No Previous Participation in Texas       Members of the development team have been disbarred by HUD

### Compliance and Asset Oversight

Total # of MF awards monitored: 0

Total # of MF awards not yet monitored or pending review: 0

SF Contract Experience  Yes  No

Total # of SF Contracts: 1

<b>Projects in Material Noncompliance</b>	
Yes <input type="checkbox"/>	No <input checked="" type="checkbox"/>

Unresolved Audit Findings Identified w/ Contract(s)

Total # of MF Projects in Material Noncompliance: 0

Projects grouped by score	0-9: <u>0</u>
	10-19: <u>0</u>
	20-29: <u>0</u>

Total monitored with a score 0-29: 0

Completed by: James Roper

Reviewer: Patricia Murphy

Date: 11/27/2012

Date: 12/4/2012

### Single Audit

Single audit review not applicable

Late single audit certification form (see comments)

Single audit requirements current

Past due single audit or unresolved single audit issue (see comments)

Reviewer: Rosy Falcon

Date: 12/5/2012

Comments (if applicable):

### Financial Administration Loan Servicing

No delinquencies found

Delinquencies found (see comments)

Reviewer: Candace Christiansen

Date: 11/30/2012

Comments (if applicable):

### Financial Administration Financial Services

No delinquencies found

Delinquencies found (See Comments)

Reviewer: Monica Guerra

Date: 12/5 /2012

Comments (if applicable):

# Applicant Evaluation

Project ID # **61120001322**

Name **Williamson-Burnet County Opportuni** City: **Georgetown**

HTC 9%     HTC 4%     HOME     BOND     HTF     NSP     ESG     Other

No Previous Participation in Texas       Members of the development team have been disbarred by HUD

### Compliance and Asset Oversight

Total # of MF awards monitored:	2	<b>Projects in Material Noncompliance</b> Yes <input type="checkbox"/> No <input checked="" type="checkbox"/>		Projects 0-9:	2
Total # of MF awards not yet monitored or pending review:	0	Unresolved Audit Findings Identified w/ Contract(s) <input type="checkbox"/>		10-19:	0
SF Contract Experience <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No		Total # of MF Projects in Material Noncompliance: <u>0</u>		20-29:	0
Total # of SF Contracts:	1			Total monitored with a score 0-29:	2

Completed by: James Roper      Reviewer: Patricia Murphy  
Date: 11/28/2012      Date: 12/4/2012

### Single Audit

Single audit review not applicable       Late single audit certification form (see comments)  
 Single audit requirements current       Past due single audit or unresolved single audit issue (see comments)

Reviewer: Rosy Falcon      Date: 12/5/2012

Comments (if applicable):

### Financial Administration Loan Servicing

No delinquencies found       Delinquencies found (see comments)

Reviewer: Candace Christiansen      Date: 11/30/2012

Comments (if applicable):

### Financial Administration Financial Services

No delinquencies found       Delinquencies found (See Comments)

Reviewer: Monica Guerra      Date: 12/5 /2012

Comments (if applicable):

# Applicant Evaluation

Project ID **61120001293**

Name **Aspermont Small Business Developme** City:

HTC 9%  HTC 4%  HOME  BOND  HTF  NSP  ESG  Other

No Previous Participation in Texas

Members of the development team have been disbarred by HUD

### Compliance and Asset Oversight

Total # of MF awards monitored: 0

Total # of MF awards not yet monitored or pending review: 0

SF Contract Experience  Yes  No

Total # of SF Contracts: 2

#### Projects in Material Noncompliance

Yes  No

Unresolved Audit Findings Identified w/ Contract(s)

Total # of MF Projects in Material Noncompliance: 0

Projects grouped by score	0-9:	<u>0</u>
	10-19:	<u>0</u>
	20-29:	<u>0</u>

Total monitored with a score 0-29: 0

Completed by: J. Taylor

Reviewer: Patricia Murphy

Date: 11/13/2012

Date: 11/19/2012

### Single Audit

Single audit review not applicable

Single audit requirements current

Late single audit certification form (see comments)

Past due single audit or unresolved single audit issue (see comments)

Reviewer: Rosy Falcon

Date: 11/20/2012

Comments (if applicable):

### Financial Administration Loan Servicing

No delinquencies found

Delinquencies found (see comments)

Reviewer: Candace Christiansen

Date: 11/16/2012

Comments (if applicable):

### Financial Administration Financial Services

No delinquencies found

Delinquencies found (See Comments)

Reviewer: Monica Guerra

Date: 11/19/2012

Comments (if applicable):

# Applicant Evaluation

Project ID **61120001294** Name **Austin, City of, Health and Human Se** City: **Austin**

HTC 9%  HTC 4%  HOME  BOND  HTF  NSP  ESG  Other

No Previous Participation in Texas  Members of the development team have been disbarred by HUD

### Compliance and Asset Oversight

Total # of MF awards monitored:	0	<b>Projects in Material Noncompliance</b> Yes <input type="checkbox"/> No <input checked="" type="checkbox"/>	Projects grouped by score	0-9:	0
Total # of MF awards not yet monitored or pending review:	0		10-19:	0	
SF Contract Experience <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No		Unresolved Audit Findings Identified w/ Contract(s) <input type="checkbox"/>	20-29:	0	
Total # of SF Contracts:	0	Total # of MF Projects in Material Noncompliance: <u>0</u>	Total monitored with a score 0-29:	0	

Completed by: James Roper Reviewer: Patricia Murphy  
 Date 11/19/2012 Date 11/28/2012

### Single Audit

Single audit review not applicable  Late single audit certification form (see comments)  
 Single audit requirements current  Past due single audit or unresolved single audit issue (see comments)

Reviewer: Rosy Falcon Date 11/26/2012

Comments (if applicable):

### Financial Administration Loan Servicing

No delinquencies found  Delinquencies found (see comments)

Reviewer Candace Christiansen Date 11/27/2012

Comments (if applicable):

### Financial Administration Financial Services

No delinquencies found  Delinquencies found (See Comments)

Reviewer Monica Guerra Date 11/27/2012

Comments (if applicable):

# Applicant Evaluation

Project ID # **61120001290**

Name **Bee Community Action Agency**

City: **Beeville**

HTC 9%     HTC 4%     HOME     BOND     HTF     NSP     ESG     Other

No Previous Participation in Texas       Members of the development team have been disbarred by HUD

### Compliance and Asset Oversight

Total # of MF awards monitored: 0

Total # of MF awards not yet monitored or pending review: 0

SF Contract Experience  Yes  No

Total # of SF Contracts: 7

<b>Projects in Material Noncompliance</b>	
Yes <input type="checkbox"/>	No <input checked="" type="checkbox"/>

Unresolved Audit Findings Identified w/ Contract(s)

Total # of MF Projects in Material Noncompliance: 0

Projects grouped by score	0-9: <u>0</u>
	10-19: <u>0</u>
	20-29: <u>0</u>

Total monitored with a score 0-29: 0

Completed by: James Roper

Reviewer: Patricia Murphy

Date: 11/26/2012

Date: 12/4/2012

### Single Audit

Single audit review not applicable

Late single audit certification form (see comments)

Single audit requirements current

Past due single audit or unresolved single audit issue (see comments)

Reviewer: Rosy Falcon

Date: 12/5/2012

Comments (if applicable):

### Financial Administration Loan Servicing

No delinquencies found

Delinquencies found (see comments)

Reviewer: Candace Christiansen

Date: 11/30/2012

Comments (if applicable):

### Financial Administration Financial Services

No delinquencies found

Delinquencies found (See Comments)

Reviewer: Monica Guerra

Date: 12/5 /2012

Comments (if applicable):

# Applicant Evaluation

Project ID **61120001283** Name **Big Bend Community Action Committ** City: **Marfa**

- HTC 9%  
  HTC 4%  
  HOME  
  BOND  
  HTF  
  NSP  
  ESG  
 Other
- No Previous Participation in Texas  
  Members of the development team have been disbarred by HUD

<b>Compliance and Asset Oversight</b>												
Total # of MF awards monitored:	0	<b>Projects in Material Noncompliance</b>										
Total # of MF awards not yet monitored or pending review:	0	<b>Yes</b> <input type="checkbox"/> <b>No</b> <input checked="" type="checkbox"/>	<table style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 60%;">Projects grouped by score</td> <td style="width: 20%;">0-9:</td> <td style="width: 20%; text-align: center;">0</td> </tr> <tr> <td></td> <td>10-19:</td> <td style="text-align: center;">0</td> </tr> <tr> <td></td> <td>20-29:</td> <td style="text-align: center;">0</td> </tr> </table>	Projects grouped by score	0-9:	0		10-19:	0		20-29:	0
Projects grouped by score	0-9:	0										
	10-19:	0										
	20-29:	0										
SF Contract Experience <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No		Unresolved Audit Findings Identified w/ Contract(s) <input type="checkbox"/>										
Total # of SF Contracts:	8	Total # of MF Projects in Material Noncompliance: <u>0</u>	Total monitored with a score 0-29: <u>0</u>									
Completed by: <u>James Roper</u>		Reviewer: <u>Patricia Murphy</u>										
Date: <u>11/19/2012</u>		Date: <u>11/28/2012</u>										

<b>Single Audit</b>	
<input type="checkbox"/> Single audit review not applicable	<input type="checkbox"/> Late single audit certification form (see comments)
<input checked="" type="checkbox"/> Single audit requirements current	<input type="checkbox"/> Past due single audit or unresolved single audit issue (see comments)
Reviewer: <u>Rosy Falcon</u>	Date: <u>11/26/2012</u>
Comments (if applicable):	

<b>Financial Administration Loan Servicing</b>	
<input checked="" type="checkbox"/> No delinquencies found	<input type="checkbox"/> Delinquencies found (see comments)
Reviewer: <u>Candace Christiansen</u>	Date: <u>11/27/2012</u>
Comments (if applicable):	

<b>Financial Administration Financial Services</b>	
<input checked="" type="checkbox"/> No delinquencies found	<input type="checkbox"/> Delinquencies found (See Comments)
Reviewer: <u>Monica Guerra</u>	Date: <u>11/27/2012</u>
Comments (if applicable):	

# Applicant Evaluation

Project ID **61120001295**

Name **Brazos Valley Community Action Age** City:

HTC 9%  HTC 4%  HOME  BOND  HTF  NSP  ESG  Other

No Previous Participation in Texas

Members of the development team have been disbarred by HUD

### Compliance and Asset Oversight

Total # of MF awards monitored: 0

Total # of MF awards not yet monitored or pending review: 0

SF Contract Experience  Yes  No

Total # of SF Contracts: 3

#### Projects in Material Noncompliance

Yes  No

Unresolved Audit Findings Identified w/ Contract(s)

Total # of MF Projects in Material Noncompliance: 0

Projects grouped by score	0-9:	<u>0</u>
	10-19:	<u>0</u>
	20-29:	<u>0</u>

Total monitored with a score 0-29: 0

Completed by: J. Taylor

Reviewer: Patricia Murphy

Date: 11/16/2012

Date: 11/28/2012

#### Single Audit

Single audit review not applicable

Late single audit certification form (see comments)

Single audit requirements current

Past due single audit or unresolved single audit issue (see comments)

Reviewer: Rosy Falcon

Date: 11/26/2012

Comments (if applicable):

#### Financial Administration Loan Servicing

No delinquencies found

Delinquencies found (see comments)

Reviewer: Candace Christiansen

Date: 11/27/2012

Comments (if applicable):

#### Financial Administration Financial Services

No delinquencies found

Delinquencies found (See Comments)

Reviewer: Monica Guerra

Date: 11/27/2012

Comments (if applicable):

# Applicant Evaluation

Project ID # **61120001296**

Name **Central Texas Opportunities, Inc.**

City:

HTC 9%     HTC 4%     HOME     BOND     HTF     NSP     ESG     Other

No Previous Participation in Texas

Members of the development team have been disbarred by HUD

### Compliance and Asset Oversight

Total # of MF awards monitored: 0

Total # of MF awards not yet monitored or pending review: 0

SF Contract Experience  Yes  No

Total # of SF Contracts: 3

#### Projects in Material Noncompliance

Yes     No

Unresolved Audit Findings Identified w/ Contract(s)

Total # of MF Projects in Material Noncompliance: 0

Projects grouped by score	0-9:	<u>0</u>
	10-19:	<u>0</u>
	20-29:	<u>0</u>

Total monitored with a score 0-29: 0

Completed by: J. Taylor

Reviewer: Patricia Murphy

Date: 11/20/2012

Date: 11/28/2012

### Single Audit

Single audit review not applicable

Late single audit certification form (see comments)

Single audit requirements current

Past due single audit or unresolved single audit issue (see comments)

Reviewer: Rosy Falcon

Date: 12/5/2012

Comments (if applicable):

### Financial Administration Loan Servicing

No delinquencies found

Delinquencies found (see comments)

Reviewer: Candace Christiansen

Date: 11/27/2012

Comments (if applicable):

### Financial Administration Financial Services

No delinquencies found

Delinquencies found (See Comments)

Reviewer: Monica Guerra

Date: 11/27/2012

Comments (if applicable):



# Applicant Evaluation

Project ID **61120001285**

Name **Combined Community Action, Inc.**

City: **Giddings**

HTC 9%     HTC 4%     HOME     BOND     HTF     NSP     ESG     Other

No Previous Participation in Texas

Members of the development team have been disbarred by HUD

### Compliance and Asset Oversight

Total # of MF awards monitored: 2

Total # of MF awards not yet monitored or pending review: 0

SF Contract Experience  Yes  No

Total # of SF Contracts: 9

#### Projects in Material Noncompliance

Yes     No

Unresolved Audit Findings Identified w/ Contract(s)

Total # of MF Projects in Material Noncompliance: 0

Projects grouped by score	0-9:	<u>2</u>
	10-19:	<u>0</u>
	20-29:	<u>0</u>

Total monitored with a score 0-29: 2

Completed by: James Roper

Reviewer: Patricia Murphy

Date: 11/15/2012

Date: 11/20/2012

### Single Audit

Single audit review not applicable

Late single audit certification form (see comments)

Single audit requirements current

Past due single audit or unresolved single audit issue (see comments)

Reviewer: Rosy Falcon

Date: 11/26/2012

Comments (if applicable):

### Financial Administration Loan Servicing

No delinquencies found

Delinquencies found (see comments)

Reviewer: Candace Christiansen

Date: 11/27/2012

Comments (if applicable):

### Financial Administration Financial Services

No delinquencies found

Delinquencies found (See Comments)

Reviewer: Monica Guerra

Date: 11/27/2012

Comments (if applicable):

# Applicant Evaluation

Project ID **61120001297** Name **Community Action Committee of Vict** City:

HTC 9%  HTC 4%  HOME  BOND  HTF  NSP  ESG  Other

No Previous Participation in Texas  Members of the development team have been disbarred by HUD

### Compliance and Asset Oversight

Total # of MF awards monitored:	0	<b>Projects in Material Noncompliance</b> Yes <input type="checkbox"/> No <input checked="" type="checkbox"/>	Projects grouped by score	0-9: 0 10-19: 0 20-29: 0
Total # of MF awards not yet monitored or pending review:	0	Unresolved Audit Findings Identified w/ Contract(s) <input type="checkbox"/>		
SF Contract Experience <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No		Total # of MF Projects in Material Noncompliance: 0	Total monitored with a score 0-29:	0
Total # of SF Contracts:	5			

Completed by: J. Taylor Reviewer: Patricia Murphy  
Date 11/16/2012 Date 11/28/2012

### Single Audit

Single audit review not applicable  Late single audit certification form (see comments)  
 Single audit requirements current  Past due single audit or unresolved single audit issue (see comments)

Reviewer: Rosy Falcon Date 11/26/2012

Comments (if applicable):

### Financial Administration Loan Servicing

No delinquencies found  Delinquencies found (see comments)

Reviewer Candace Christiansen Date 11/27/2012

Comments (if applicable):

### Financial Administration Financial Services

No delinquencies found  Delinquencies found (See Comments)

Reviewer Monica Guerra Date 11/27/2012

Comments (if applicable):

# Applicant Evaluation

Project ID # **61120001298**

Name **Community Action Corporation of So** City: **Alice**

HTC 9%  HTC 4%  HOME  BOND  HTF  NSP  ESG  Other

No Previous Participation in Texas  Members of the development team have been disbarred by HUD

### Compliance and Asset Oversight

Total # of MF awards monitored:	2	<b>Projects in Material Noncompliance</b>		Projects grouped by score	
		<b>Yes</b> <input checked="" type="checkbox"/> <b>No</b> <input type="checkbox"/>		0-9:	1
Total # of MF awards not yet monitored or pending review:	0			10-19:	0
SF Contract Experience <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No		Unresolved Audit Findings Identified w/ Contract(s) <input type="checkbox"/>		20-29:	0
Total # of SF Contracts:	10	Total # of MF Projects in Material Noncompliance: <u>1</u>		Total monitored with a score 0-29:	1

Completed by: James Roper Reviewer: Patricia Murphy

Date 11/21/2012 Date 11/29/2012

### Single Audit

Single audit review not applicable  Late single audit certification form (see comments)

Single audit requirements current  Past due single audit or unresolved single audit issue (see comments)

Reviewer: Rosy Falcon Date 11/28/2012

Comments (if applicable):

### Financial Administration Loan Servicing

No delinquencies found  Delinquencies found (see comments)

Reviewer Candace Christiansen Date 12/4 /2012

Comments (if applicable):

### Financial Administration Financial Services

No delinquencies found  Delinquencies found (See Comments)

Reviewer Monica Guerra Date 12/5 /2012

Comments (if applicable):

# Applicant Evaluation

Project ID **61120001299**

Name **Community Action Inc, of Central Tex** City: **San Marcos**

HTC 9%  HTC 4%  HOME  BOND  HTF  NSP  ESG  Other

No Previous Participation in Texas

Members of the development team have been disbarred by HUD

### Compliance and Asset Oversight

Total # of MF awards monitored: 2

Total # of MF awards not yet monitored or pending review: 0

SF Contract Experience  Yes  No

Total # of SF Contracts: 1

#### Projects in Material Noncompliance

Yes  No

Unresolved Audit Findings Identified w/ Contract(s)

Total # of MF Projects in Material Noncompliance: 0

Projects grouped by score	0-9:	<u>2</u>
	10-19:	<u>0</u>
	20-29:	<u>0</u>

Total monitored with a score 0-29: 2

Completed by: James Roper

Reviewer: Patricia Murphy

Date: 11/19/2012

Date: 11/28/2012

#### Single Audit

Single audit review not applicable

Late single audit certification form (see comments)

Single audit requirements current

Past due single audit or unresolved single audit issue (see comments)

Reviewer: Rosy Falcon

Date: 11/26/2012

Comments (if applicable):

#### Financial Administration Loan Servicing

No delinquencies found

Delinquencies found (see comments)

Reviewer: Candace Christiansen

Date: 11/27/2012

Comments (if applicable):

#### Financial Administration Financial Services

No delinquencies found

Delinquencies found (See Comments)

Reviewer: Monica Guerra

Date: 11/27/2012

Comments (if applicable):

# Applicant Evaluation

Project ID # **61120001300**

Name **Community Action Social Services &** City:

HTC 9%  HTC 4%  HOME  BOND  HTF  NSP  ESG  Other

No Previous Participation in Texas  Members of the development team have been disbarred by HUD

### Compliance and Asset Oversight

Total # of MF awards monitored:	0	<b>Projects in Material Noncompliance</b> Yes <input type="checkbox"/> No <input checked="" type="checkbox"/>			
Total # of MF awards not yet monitored or pending review:	0	Unresolved Audit Findings Identified w/ Contract(s)	<input type="checkbox"/>	Projects grouped by score	0-9: <u>0</u> 10-19: <u>0</u> 20-29: <u>0</u>
SF Contract Experience	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	Total # of MF Projects in Material Noncompliance:	0	Total monitored with a score 0-29:	0
Total # of SF Contracts:	2				

Completed by: J. Taylor Reviewer: Patricia Murphy  
Date: 11/19/2012 Date: 12/6/2012

### Single Audit

Single audit review not applicable  **Late single audit certification form (see comments)**  
 Single audit requirements current  Past due single audit or unresolved single audit issue (see comments)

Reviewer: JR Mendoza Date: 12/6/2012

Comments (if applicable):

**CASSE is delinquent as of 11/30/2012 when their ACF for FYE 9/30/2012 was due.**

### Financial Administration Loan Servicing

No delinquencies found  Delinquencies found (see comments)

Reviewer: Candace Christiansen Date: 11/27/2012

Comments (if applicable):

### Financial Administration Financial Services

No delinquencies found  Delinquencies found (See Comments)

Reviewer: Monica Guerra Date: 11/27/2012

Comments (if applicable):

# Applicant Evaluation

Project ID # **61120001301**

Name **Community Council of South Central** City: **Seguin**

HTC 9%  HTC 4%  HOME  BOND  HTF  NSP  ESG  Other

No Previous Participation in Texas  Members of the development team have been disbarred by HUD

### Compliance and Asset Oversight

Total # of MF awards monitored:	0	<b>Projects in Material Noncompliance</b> Yes <input type="checkbox"/> No <input checked="" type="checkbox"/>	Projects grouped by score	0-9:	0
Total # of MF awards not yet monitored or pending review:	0		Unresolved Audit Findings Identified w/ Contract(s)	10-19:	0
SF Contract Experience <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No			20-29:	0	
Total # of SF Contracts:	1	Total # of MF Projects in Material Noncompliance:		Total monitored with a score 0-29:	0

Completed by: James Roper Reviewer: Patricia Murphy  
 Date 11/14/2012 Date 11/29/2012

### Single Audit

Single audit review not applicable  Late single audit certification form (see comments)  
 Single audit requirements current  Past due single audit or unresolved single audit issue (see comments)

Reviewer: Rosy Falcon Date 11/26/2012

Comments (if applicable):

### Financial Administration Loan Servicing

No delinquencies found  Delinquencies found (see comments)

Reviewer Candace Christiansen Date 11/30/2012

Comments (if applicable):

### Financial Administration Financial Services

No delinquencies found  Delinquencies found (See Comments)

Reviewer Monica Guerra Date 11/28/2012

Comments (if applicable):

# Applicant Evaluation

Project ID # **61120001303**      Name **Community Services Agency of South**      City: **Carrizo Springs**

HTC 9%     HTC 4%     HOME     BOND     HTF     NSP     ESG     Other

No Previous Participation in Texas       Members of the development team have been disbarred by HUD

### Compliance and Asset Oversight

Total # of MF awards monitored:	3	<b>Projects in Material Noncompliance</b> Yes <input type="checkbox"/> No <input checked="" type="checkbox"/>	Projects grouped by score	0-9: <u>0</u>
Total # of MF awards not yet monitored or pending review:	0		10-19: <u>3</u>	20-29: <u>0</u>
SF Contract Experience	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	Unresolved Audit Findings Identified w/ Contract(s)	<input type="checkbox"/>	
Total # of SF Contracts:	5	Total # of MF Projects in Material Noncompliance:	0	Total monitored with a score 0-29: <u>3</u>

Completed by: James Roper      Reviewer: Patricia Murphy  
 Date: 11/27/2012      Date: 11/29/2012

### Single Audit

Single audit review not applicable       Late single audit certification form (see comments)  
 Single audit requirements current       **Past due single audit or unresolved single audit issue (see comments)**

Reviewer: Rosy Falcon      Date: 12/5/2012

Comments (if applicable):

**CSA of South Texas is delinquent as of 8/30/2012 when their single audit for FYE 11/30/2011 was due**

### Financial Administration Loan Servicing

No delinquencies found       **Delinquencies found (see comments)**

Reviewer: Candace Christiansen      Date: 12/3 /2012

Comments (if applicable):

**HOME Loan# 530201001, Community Services Agency of S.Tx.: Delinquent loan amount of \$541,079.71, due 5/31/2009. Loan was referred to Asset Management - spoke to Kathryn Saar. Notice to cure is being sent out with 5 business days to resolve.**

### Financial Administration Financial Services

No delinquencies found       Delinquencies found (See Comments)

Reviewer: Monica Guerra      Date: 12/5 /2012

Comments (if applicable):

# Applicant Evaluation

Project ID **61120001286**

Name **Community Services of Northeast Tex** City:

HTC 9%  HTC 4%  HOME  BOND  HTF  NSP  ESG  Other

No Previous Participation in Texas  Members of the development team have been disbarred by HUD

### Compliance and Asset Oversight

Total # of MF awards monitored:	0	<b>Projects in Material Noncompliance</b>		Projects 0-9:	0
Total # of MF awards not yet monitored or pending review:	0	<b>Yes</b> <input type="checkbox"/>	<b>No</b> <input checked="" type="checkbox"/>	Projects grouped by score	
SF Contract Experience <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No		Unresolved Audit Findings Identified w/ Contract(s) <input type="checkbox"/>		10-19:	0
Total # of SF Contracts:	2	Total # of MF Projects in Material Noncompliance: <u>0</u>		20-29:	0
				Total monitored with a score 0-29:	0

Completed by: J. Taylor

Reviewer: Patricia Murphy

Date: 11/19/2012

Date: 11/20/2012

### Single Audit

<input type="checkbox"/> Single audit review not applicable	<input type="checkbox"/> Late single audit certification form (see comments)
<input checked="" type="checkbox"/> Single audit requirements current	<input type="checkbox"/> Past due single audit or unresolved single audit issue (see comments)

Reviewer: Rosy Falcon

Date: 11/26/2012

Comments (if applicable):

### Financial Administration Loan Servicing

<input checked="" type="checkbox"/> No delinquencies found	<input type="checkbox"/> Delinquencies found (see comments)
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Reviewer: Candace Christiansen

Date: 11/27/2012

Comments (if applicable):

### Financial Administration Financial Services

<input checked="" type="checkbox"/> No delinquencies found	<input type="checkbox"/> Delinquencies found (See Comments)
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Reviewer: Monica Guerra

Date: 11/27/2012

Comments (if applicable):



# Applicant Evaluation

Project ID # **61120001287**

Name **Community Services Inc**

City: **Corsicana**

HTC 9%     HTC 4%     HOME     BOND     HTF     NSP     ESG     Other

No Previous Participation in Texas       Members of the development team have been disbarred by HUD

### Compliance and Asset Oversight

Total # of MF awards monitored:	0	<b>Projects in Material Noncompliance</b>		0
Total # of MF awards not yet monitored or pending review:	0	Yes <input type="checkbox"/> No <input checked="" type="checkbox"/>	Projects grouped by score	0
SF Contract Experience <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No		Unresolved Audit Findings Identified w/ Contract(s) <input type="checkbox"/>	10-19:	0
Total # of SF Contracts:	0	Total # of MF Projects in Material Noncompliance: <u>0</u>	20-29:	0
			Total monitored with a score 0-29:	0

Completed by: James Roper      Reviewer: Patricia Murphy

Date: 11/26/2012      Date: 12/4/2012

### Single Audit

<input type="checkbox"/> Single audit review not applicable	<input type="checkbox"/> Late single audit certification form (see comments)
<input checked="" type="checkbox"/> Single audit requirements current	<input type="checkbox"/> Past due single audit or unresolved single audit issue (see comments)

Reviewer: Rosy Falcon      Date: 12/5/2012

Comments (if applicable):

### Financial Administration Loan Servicing

No delinquencies found       Delinquencies found (see comments)

Reviewer: Candace Christiansen      Date: 11/30/2012

Comments (if applicable):

### Financial Administration Financial Services

No delinquencies found       Delinquencies found (See Comments)

Reviewer: Monica Guerra      Date: 12/5 /2012

Comments (if applicable):

# Applicant Evaluation

Project ID **61120001304**

Name **Concho Valley Community Action Ag** City: **San Angelo**

HTC 9%  HTC 4%  HOME  BOND  HTF  NSP  ESG  Other

No Previous Participation in Texas

Members of the development team have been disbarred by HUD

### Compliance and Asset Oversight

Total # of MF awards monitored: 0

Total # of MF awards not yet monitored or pending review: 0

SF Contract Experience  Yes  No

Total # of SF Contracts: 2

#### Projects in Material Noncompliance

Yes  No

Unresolved Audit Findings Identified w/ Contract(s)

Total # of MF Projects in Material Noncompliance: 0

Projects grouped by score	0-9:	<u>0</u>
	10-19:	<u>0</u>
	20-29:	<u>0</u>

Total monitored with a score 0-29: 0

Completed by: James Roper

Reviewer: Patricia Murphy

Date: 11/16/2012

Date: 11/28/2012

#### Single Audit

Single audit review not applicable

Late single audit certification form (see comments)

Single audit requirements current

Past due single audit or unresolved single audit issue (see comments)

Reviewer: Rosy Falcon

Date: 11/26/2012

Comments (if applicable):

#### Financial Administration Loan Servicing

No delinquencies found

Delinquencies found (see comments)

Reviewer: Candace Christiansen

Date: 11/27/2012

Comments (if applicable):

#### Financial Administration Financial Services

No delinquencies found

Delinquencies found (See Comments)

Reviewer: Monica Guerra

Date: 11/27/2012

Comments (if applicable):

# Applicant Evaluation

Project ID **61120001320**

Name **Dallas Urban League**

City: **Dallas**

HTC 9%     HTC 4%     HOME     BOND     HTF     NSP     ESG     Other

No Previous Participation in Texas

Members of the development team have been disbarred by HUD

### Compliance and Asset Oversight

Total # of MF awards monitored: 1

Total # of MF awards not yet monitored or pending review: 1

SF Contract Experience  Yes  No

Total # of SF Contracts: 0

#### Projects in Material Noncompliance

Yes     No

Unresolved Audit Findings Identified w/ Contract(s)

Total # of MF Projects in Material Noncompliance: 0

Projects grouped by score	0-9:	<u>1</u>
	10-19:	<u>0</u>
	20-29:	<u>0</u>

Total monitored with a score 0-29: 1

Completed by: James Roper

Reviewer: Patricia Murphy

Date: 11/19/2012

Date: 11/28/2012

#### Single Audit

Single audit review not applicable

Late single audit certification form (see comments)

Single audit requirements current

Past due single audit or unresolved single audit issue (see comments)

Reviewer: Rosy Falcon

Date: 11/26/2012

Comments (if applicable):

#### Financial Administration Loan Servicing

No delinquencies found

Delinquencies found (see comments)

Reviewer: Candace Christiansen

Date: 11/27/2012

Comments (if applicable):

#### Financial Administration Financial Services

No delinquencies found

Delinquencies found (See Comments)

Reviewer: Monica Guerra

Date: 11/27/2012

Comments (if applicable):

# Applicant Evaluation

Project ID **61120001305** Name **Economic Action Committee of the Gu** City:

HTC 9%  HTC 4%  HOME  BOND  HTF  NSP  ESG  Other

No Previous Participation in Texas  Members of the development team have been disbarred by HUD

### Compliance and Asset Oversight

Total # of MF awards monitored:	0	<b>Projects in Material Noncompliance</b> Yes <input type="checkbox"/> No <input checked="" type="checkbox"/>	Projects grouped by score	0-9:	0
Total # of MF awards not yet monitored or pending review:	0		10-19:	0	
SF Contract Experience <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No		Unresolved Audit Findings Identified w/ Contract(s) <input type="checkbox"/>	20-29:	0	
Total # of SF Contracts:	1	Total # of MF Projects in Material Noncompliance:	0	Total monitored with a score 0-29:	0

Completed by: J. Taylor Reviewer: Patricia Murphy  
 Date 11/16/2012 Date 11/28/2012

### Single Audit

Single audit review not applicable  Late single audit certification form (see comments)  
 Single audit requirements current  Past due single audit or unresolved single audit issue (see comments)

Reviewer: Rosy Falcon Date 11/26/2012

Comments (if applicable):

Economic Action Committee of Gulf Coast is delinquent as of 9/30/2011 when their FYE 12/31/10 single audit was due.  
 Economic Action Committee of Gulf Coast is delinquent as of 9/30/2012 when their FYE 12/31/11 single audit was due.

### Financial Administration Loan Servicing

No delinquencies found  Delinquencies found (see comments)

Reviewer Candace Christiansen Date 11/27/2012

Comments (if applicable):

### Financial Administration Financial Services

No delinquencies found  Delinquencies found (See Comments)

Reviewer Monica Guerra Date 11/27/2012

Comments (if applicable):

# Applicant Evaluation

Project ID # **61120001306**

Name **Economic Opportunities Advancement** City: **Waco**

HTC 9%     HTC 4%     HOME     BOND     HTF     NSP     ESG     Other

No Previous Participation in Texas       Members of the development team have been disbarred by HUD

### Compliance and Asset Oversight

Total # of MF awards monitored: 2

Total # of MF awards not yet monitored or pending review: 0

SF Contract Experience  Yes  No

Total # of SF Contracts: 1

#### Projects in Material Noncompliance

Yes       No

Unresolved Audit Findings Identified w/ Contract(s)

Total # of MF Projects in Material Noncompliance: 0

Projects grouped by score	0-9:	<u>2</u>
	10-19:	<u>0</u>
	20-29:	<u>0</u>

Total monitored with a score 0-29: 2

Completed by: James Roper

Reviewer: Patricia Murphy

Date: 11/27/2012

Date: 12/4/2012

#### Single Audit

Single audit review not applicable

Late single audit certification form (see comments)

Single audit requirements current

Past due single audit or unresolved single audit issue (see comments)

Reviewer: Rosy Falcon

Date: 12/5/2012

Comments (if applicable):

#### Financial Administration Loan Servicing

No delinquencies found

Delinquencies found (see comments)

Reviewer: Candace Christiansen

Date: 11/30/2012

Comments (if applicable):

#### Financial Administration Financial Services

No delinquencies found

Delinquencies found (See Comments)

Reviewer: Monica Guerra

Date: 12/5 /2012

Comments (if applicable):

# Applicant Evaluation

Project ID **61120001307** Name **El Paso Community Action Program,** City: **El Paso**

HTC 9%  HTC 4%  HOME  BOND  HTF  NSP  ESG  Other

No Previous Participation in Texas  Members of the development team have been disbarred by HUD

### Compliance and Asset Oversight

Total # of MF awards monitored: 0

Total # of MF awards not yet monitored or pending review: 0

SF Contract Experience  Yes  No

Total # of SF Contracts: 2

#### Projects in Material Noncompliance

Yes  No

Unresolved Audit Findings Identified w/ Contract(s)

Total # of MF Projects in Material Noncompliance: 0

Projects grouped by score	0-9:	<u>0</u>
	10-19:	<u>0</u>
	20-29:	<u>0</u>

Total monitored with a score 0-29: 0

Completed by: James Roper

Reviewer: Patricia Murphy

Date: 11/19/2012

Date: 11/28/2012

#### Single Audit

Single audit review not applicable

Late single audit certification form (see comments)

Single audit requirements current

Past due single audit or unresolved single audit issue (see comments)

Reviewer: Rosy Falcon

Date: 11/26/2012

Comments (if applicable):

#### Financial Administration Loan Servicing

No delinquencies found

Delinquencies found (see comments)

Reviewer: Candace Christiansen

Date: 11/27/2012

Comments (if applicable):

#### Financial Administration Financial Services

No delinquencies found

Delinquencies found (See Comments)

Reviewer: Monica Guerra

Date: 11/27/2012

Comments (if applicable):

# Applicant Evaluation

Project ID **61120001308**

Name **City of Fort Worth Parks & Communi** City:

HTC 9%  HTC 4%  HOME  BOND  HTF  NSP  ESG  Other

No Previous Participation in Texas  Members of the development team have been disbarred by HUD

### Compliance and Asset Oversight

Total # of MF awards monitored:	0	<b>Projects in Material Noncompliance</b>		Projects 0-9:	0
Total # of MF awards not yet monitored or pending review:	0	<b>Yes</b> <input type="checkbox"/>	<b>No</b> <input checked="" type="checkbox"/>	Projects grouped by score	
SF Contract Experience <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No		Unresolved Audit Findings Identified w/ Contract(s) <input type="checkbox"/>		10-19:	0
Total # of SF Contracts:	0	Total # of MF Projects in Material Noncompliance: <u>0</u>		20-29:	0
				Total monitored with a score 0-29:	0

Completed by: J. Taylor

Reviewer: Patricia Murphy

Date: 11/14/2012

Date: 11/19/2012

### Single Audit

<input type="checkbox"/> Single audit review not applicable	<input type="checkbox"/> Late single audit certification form (see comments)
<input checked="" type="checkbox"/> Single audit requirements current	<input type="checkbox"/> Past due single audit or unresolved single audit issue (see comments)

Reviewer: Rosy Falcon

Date: 11/20/2012

Comments (if applicable):

### Financial Administration Loan Servicing

No delinquencies found  Delinquencies found (see comments)

Reviewer: Candace Christiansen

Date: 11/16/2012

Comments (if applicable):

### Financial Administration Financial Services

No delinquencies found  Delinquencies found (See Comments)

Reviewer: Monica Guerra

Date: 11/19/2012

Comments (if applicable):

# Applicant Evaluation

Project ID **61120001309** Name **Galveston County Community Action** City: **Galveston**

HTC 9%  HTC 4%  HOME  BOND  HTF  NSP  ESG  Other

No Previous Participation in Texas  Members of the development team have been disbarred by HUD

### Compliance and Asset Oversight

Total # of MF awards monitored:	0	<b>Projects in Material Noncompliance</b> Yes <input type="checkbox"/> No <input checked="" type="checkbox"/>	Projects	0-9:	0
Total # of MF awards not yet monitored or pending review:	0		grouped by score	10-19:	0
SF Contract Experience <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No		Unresolved Audit Findings Identified w/ Contract(s) <input type="checkbox"/>	20-29:	0	
Total # of SF Contracts:	0	Total # of MF Projects in Material Noncompliance: <u>0</u>	Total monitored with a score 0-29:	0	

Completed by: James Roper Reviewer: Patricia Murphy  
 Date 11/16/2012 Date 11/28/2012

### Single Audit

<input type="checkbox"/> Single audit review not applicable	<input type="checkbox"/> Late single audit certification form (see comments)
<input checked="" type="checkbox"/> Single audit requirements current	<input type="checkbox"/> Past due single audit or unresolved single audit issue (see comments)

Reviewer: Rosy Falcon Date 11/26/2012

Comments (if applicable):

### Financial Administration Loan Servicing

No delinquencies found  Delinquencies found (see comments)

Reviewer Candace Christiansen Date 11/27/2012

Comments (if applicable):

### Financial Administration Financial Services

No delinquencies found  Delinquencies found (See Comments)

Reviewer Monica Guerra Date 11/27/2012

Comments (if applicable):



# Applicant Evaluation

Project ID # **61120001310** Name **Greater East Texas Community Actio** City: **Nacogdoches**

HTC 9%  HTC 4%  HOME  BOND  HTF  NSP  ESG  Other

No Previous Participation in Texas  Members of the development team have been disbarred by HUD

### Compliance and Asset Oversight

Total # of MF awards monitored:	2	<b>Projects in Material Noncompliance</b> Yes <input type="checkbox"/> No <input checked="" type="checkbox"/>	Projects grouped by score	0-9:	1
Total # of MF awards not yet monitored or pending review:	1		Unresolved Audit Findings Identified w/ Contract(s)	10-19:	0
SF Contract Experience <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No		Total # of MF Projects in Material Noncompliance:	20-29:	1	
Total # of SF Contracts:	13		Total monitored with a score 0-29:	2	

Completed by: James Roper Reviewer: Patricia Murphy  
 Date: 11/26/2012 Date: 12/4/2012

### Single Audit

Single audit review not applicable  Late single audit certification form (see comments)  
 Single audit requirements current  Past due single audit or unresolved single audit issue (see comments)

Reviewer: Rosy Falcon Date: 12/5/2012

Comments (if applicable):

### Financial Administration Loan Servicing

No delinquencies found  **Delinquencies found (see comments)**

Reviewer: Candace Christiansen Date: 11/30/2012

Comments (if applicable):

Home loan# 5323183086 Community Action Nacogdoches: Delinquent submission of proof of paid taxes or tax exemption for years 2007, 2008, 2009, 2010, and 2011.

### Financial Administration Financial Services

No delinquencies found  Delinquencies found (See Comments)

Reviewer: Monica Guerra Date: 12/5 /2012

Comments (if applicable):

# Applicant Evaluation

Project ID **61120001311**

Name **Gulf Coast Community Services Assoc** City:

HTC 9%  HTC 4%  HOME  BOND  HTF  NSP  ESG  Other

No Previous Participation in Texas

Members of the development team have been disbarred by HUD

### Compliance and Asset Oversight

Total # of MF awards monitored: 0

Total # of MF awards not yet monitored or pending review: 0

SF Contract Experience  Yes  No

Total # of SF Contracts: 0

#### Projects in Material Noncompliance

Yes  No

Unresolved Audit Findings Identified w/ Contract(s)

Total # of MF Projects in Material Noncompliance: 0

Projects grouped by score	0-9:	<u>0</u>
	10-19:	<u>0</u>
	20-29:	<u>0</u>

Total monitored with a score 0-29: 0

Completed by: J. Taylor

Reviewer: Patricia Murphy

Date: 11/16/2012

Date: 11/28/2012

### Single Audit

Single audit review not applicable

Late single audit certification form (see comments)

Single audit requirements current

Past due single audit or unresolved single audit issue (see comments)

Reviewer: Rosy Falcon

Date: 11/26/2012

Comments (if applicable):

### Financial Administration Loan Servicing

No delinquencies found

Delinquencies found (see comments)

Reviewer: Candace Christiansen

Date: 11/27/2012

Comments (if applicable):

### Financial Administration Financial Services

No delinquencies found

Delinquencies found (See Comments)

Reviewer: Monica Guerra

Date: 11/27/2012

Comments (if applicable):

# Applicant Evaluation

Project ID **61120001323**

Name **County of Hidalgo Community Servic** City:

HTC 9%  HTC 4%  HOME  BOND  HTF  NSP  ESG  Other

No Previous Participation in Texas  Members of the development team have been disbarred by HUD

### Compliance and Asset Oversight

Total # of MF awards monitored: 0

Total # of MF awards not yet monitored or pending review: 0

SF Contract Experience  Yes  No

Total # of SF Contracts: 0

#### Projects in Material Noncompliance

Yes  No

Unresolved Audit Findings Identified w/ Contract(s)

Total # of MF Projects in Material Noncompliance: 0

Projects grouped by score	0-9:	<u>0</u>
	10-19:	<u>0</u>
	20-29:	<u>0</u>

Total monitored with a score 0-29: 0

Completed by: J. Taylor

Reviewer: Patricia Murphy

Date 11/19/2012

Date 11/28/2012

### Single Audit

Single audit review not applicable

Late single audit certification form (see comments)

Single audit requirements current

Past due single audit or unresolved single audit issue (see comments)

Reviewer: Rosy Falcon

Date 11/26/2012

Comments (if applicable):

### Financial Administration Loan Servicing

No delinquencies found

Delinquencies found (see comments)

Reviewer Candace Christiansen

Date 11/27/2012

Comments (if applicable):

### Financial Administration Financial Services

No delinquencies found

Delinquencies found (See Comments)

Reviewer Monica Guerra

Date 11/27/2012

Comments (if applicable):

# Applicant Evaluation

Project ID # **61120001312**

Name **Hill Country Community Action Assoc** City: **San Saba**

HTC 9%     HTC 4%     HOME     BOND     HTF     NSP     ESG     Other

No Previous Participation in Texas       Members of the development team have been disbarred by HUD

### Compliance and Asset Oversight

Total # of MF awards monitored:	4	<b>Projects in Material Noncompliance</b> Yes <input type="checkbox"/> No <input checked="" type="checkbox"/>	Projects grouped by score	0-9: 4	10-19: 0	20-29: 0
Total # of MF awards not yet monitored or pending review:	0	Unresolved Audit Findings Identified w/ Contract(s) <input type="checkbox"/>				
SF Contract Experience <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No						
Total # of SF Contracts:	5	Total # of MF Projects in Material Noncompliance: <u>0</u>	Total monitored with a score 0-29:	4		

Completed by: James Roper      Reviewer: Patricia Murphy  
 Date: 11/27/2012      Date: 12/4/2012

### Single Audit

Single audit review not applicable       Late single audit certification form (see comments)  
 Single audit requirements current       Past due single audit or unresolved single audit issue (see comments)

Reviewer: Rosy Falcon      Date: 12/5/2012

Comments (if applicable):

### Financial Administration Loan Servicing

No delinquencies found       Delinquencies found (see comments)

Reviewer: Candace Christiansen      Date: 11/30/2012

Comments (if applicable):

### Financial Administration Financial Services

No delinquencies found       Delinquencies found (See Comments)

Reviewer: Monica Guerra      Date: 12/5 /2012

Comments (if applicable):

# Applicant Evaluation

Project ID **61120001291**

Name **City of Lubbock**

City: **Lubbock**

HTC 9%     HTC 4%     HOME     BOND     HTF     NSP     ESG     Other

No Previous Participation in Texas       Members of the development team have been disbarred by HUD

### Compliance and Asset Oversight

Total # of MF awards monitored:	0	<b>Projects in Material Noncompliance</b>		Projects 0-9:	0
Total # of MF awards not yet monitored or pending review:	0	<b>Yes</b> <input type="checkbox"/>	<b>No</b> <input checked="" type="checkbox"/>	Projects grouped by score	
SF Contract Experience <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No		Unresolved Audit Findings Identified w/ Contract(s) <input type="checkbox"/>		10-19:	0
Total # of SF Contracts:	1	Total # of MF Projects in Material Noncompliance: 0		20-29:	0
				Total monitored with a score 0-29:	0

Completed by: James Roper      Reviewer: Patricia Murphy  
 Date: 11/14/2012      Date: 11/19/2012

### Single Audit

Single audit review not applicable       Late single audit certification form (see comments)  
 Single audit requirements current       Past due single audit or unresolved single audit issue (see comments)

Reviewer: Rosy Falcon      Date: 11/20/2012

Comments (if applicable):

### Financial Administration Loan Servicing

No delinquencies found       Delinquencies found (see comments)

Reviewer: Candace Christiansen      Date: 11/16/2012

Comments (if applicable):

### Financial Administration Financial Services

No delinquencies found       Delinquencies found (See Comments)

Reviewer: Monica Guerra      Date: 11/19/2012

Comments (if applicable):

# Applicant Evaluation

Project ID # **61120001288**

Name **Northeast Texas Opportunities, Inc**

City: **Mount Vernon**

HTC 9%     HTC 4%     HOME     BOND     HTF     NSP     ESG     Other

No Previous Participation in Texas

Members of the development team have been disbarred by HUD

### Compliance and Asset Oversight

Total # of MF awards monitored: 0

Total # of MF awards not yet monitored or pending review: 0

SF Contract Experience  Yes  No

Total # of SF Contracts: 2

#### Projects in Material Noncompliance

Yes     No

Unresolved Audit Findings Identified w/ Contract(s)

Total # of MF Projects in Material Noncompliance: 0

Projects grouped by score	0-9:	<u>0</u>
	10-19:	<u>0</u>
	20-29:	<u>0</u>

Total monitored with a score 0-29: 0

Completed by: James Roper

Reviewer: Patricia Murphy

Date: 11/21/2012

Date: 12/4/2012

### Single Audit

Single audit review not applicable

**Late single audit certification form (see comments)**

Single audit requirements current

Past due single audit or unresolved single audit issue (see comments)

Reviewer: Rosy Falcon

Date: 11/28/2012

Comments (if applicable):

**NETO is delinquent as of 11/30/2012 when their ACF for FYE 9/30/2012 was due.**

### Financial Administration Loan Servicing

No delinquencies found

Delinquencies found (see comments)

Reviewer: Candace Christiansen

Date: 11/30/2012

Comments (if applicable):

### Financial Administration Financial Services

No delinquencies found

Delinquencies found (See Comments)

Reviewer: Monica Guerra

Date: 12/5 /2012

Comments (if applicable):

# Applicant Evaluation

Project ID # **61120001313**      Name **Nueces County Community Action Ag**      City: **Corpus Christie**

HTC 9%       HTC 4%       HOME       BOND       HTF       NSP       ESG       Other

No Previous Participation in Texas       Members of the development team have been disbarred by HUD

### Compliance and Asset Oversight

Total # of MF awards monitored:	4	<b>Projects in Material Noncompliance</b> Yes <input type="checkbox"/> No <input checked="" type="checkbox"/>	Projects grouped by score	0-9: 4
Total # of MF awards not yet monitored or pending review:	0	Unresolved Audit Findings Identified w/ Contract(s) <input type="checkbox"/>	10-19: 0	
SF Contract Experience <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No		Total # of MF Projects in Material Noncompliance: 0	20-29: 0	
Total # of SF Contracts:	1		Total monitored with a score 0-29: 4	

Completed by: James Roper      Reviewer: Patricia Murphy  
 Date: 11/15/2012      Date: 11/19/2012

### Single Audit

Single audit review not applicable       Late single audit certification form (see comments)  
 Single audit requirements current       Past due single audit or unresolved single audit issue (see comments)

Reviewer: Rosy Falcon      Date: 11/28/2012

Comments (if applicable):  
 .

### Financial Administration Loan Servicing

No delinquencies found       Delinquencies found (see comments)

Reviewer: Candace Christiansen      Date: 11/16/2012

Comments (if applicable):

### Financial Administration Financial Services

No delinquencies found       Delinquencies found (See Comments)

Reviewer: Monica Guerra      Date: 11/19/2012

Comments (if applicable):

# Applicant Evaluation

Project ID # **61120001314**

Name **Panhandle Community Services**

City:

HTC 9%     HTC 4%     HOME     BOND     HTF     NSP     ESG     Other

No Previous Participation in Texas       Members of the development team have been disbarred by HUD

### Compliance and Asset Oversight

Total # of MF awards monitored:	0	<b>Projects in Material Noncompliance</b>		Projects grouped by score	
Total # of MF awards not yet monitored or pending review:	0	Yes <input type="checkbox"/> No <input checked="" type="checkbox"/>		0-9:	0
SF Contract Experience <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No		Unresolved Audit Findings Identified w/ Contract(s) <input type="checkbox"/>		10-19:	0
Total # of SF Contracts:	4	Total # of MF Projects in Material Noncompliance: <u>0</u>		20-29:	0
				Total monitored with a score 0-29:	0

Completed by: J. Taylor      Reviewer: Patricia Murphy

Date: 11/14/2012      Date: 12/4/2012

### Single Audit

<input type="checkbox"/> Single audit review not applicable	<input type="checkbox"/> Late single audit certification form (see comments)
<input checked="" type="checkbox"/> Single audit requirements current	<input type="checkbox"/> Past due single audit or unresolved single audit issue (see comments)

Reviewer: Rosy Falcon      Date: 11/20/2012

Comments (if applicable):

### Financial Administration Loan Servicing

No delinquencies found       Delinquencies found (see comments)

Reviewer: Candace Christiansen      Date: 11/16/2012

Comments (if applicable):

### Financial Administration Financial Services

No delinquencies found       Delinquencies found (See Comments)

Reviewer: Monica Guerra      Date: 11/19/2012

Comments (if applicable):





# Compliance Status Summary



Close Form Update Tables

Status Summary Master Report

Contract/Project ID

Name

City

Region

- LIHTC 9%
- LIHTC 4%
- BOND
- HOME
- HTF
- NSP
- ESG
- Other

## Developers

Developer/Applicant	Role	Disbarred
<input type="text" value="See Organizational Chart"/>	<input type="text"/>	<input type="checkbox"/>

## Contracts/Projects Monitored by TDHCA

Program	Contract/Project ID	Contract/Project Nam	Score	SF Contract	Unresolved Contract
<input type="text" value="HOME (HBA)"/>	<input type="text" value="530046"/>	<input type="text" value="Panhandle Community Services"/>	<input type="text" value="HM"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
<input type="text" value="HOME (OCC)"/>	<input type="text" value="535017"/>	<input type="text" value="Panhandle Community Services"/>	<input type="text" value="HM"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
<input type="text" value="HOME (OCC)"/>	<input type="text" value="537067"/>	<input type="text" value="Panhandle Community Services"/>	<input type="text" value="HM"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
<input type="text" value="HOME (HBA)"/>	<input type="text" value="538015"/>	<input type="text" value="Panhandle Community Services"/>	<input type="text" value="HM"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>

## Comment

Information entered by

Date

**Approved by**

**Patricia Murphy**

**Date**

**12/4/2012**

# Applicant Evaluation

Project ID **61120001315** Name **Pecos County Community Action Age** City: **Fort Stockton**

HTC 9%  HTC 4%  HOME  BOND  HTF  NSP  ESG  Other

No Previous Participation in Texas  Members of the development team have been disbarred by HUD

### Compliance and Asset Oversight

Total # of MF awards monitored:	0	<b>Projects in Material Noncompliance</b> Yes <input type="checkbox"/> No <input checked="" type="checkbox"/>			
Total # of MF awards not yet monitored or pending review:	0		Unresolved Audit Findings Identified w/ Contract(s)	<input type="checkbox"/>	Projects grouped by score
SF Contract Experience <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No		Total # of MF Projects in Material Noncompliance:	0	Total monitored with a score 0-29:	0
Total # of SF Contracts:	0				

Completed by: <u>James Roper</u>	Reviewer: <u>Patricia Murphy</u>
Date: <u>11/19/2012</u>	Date: <u>11/28/2012</u>

### Single Audit

<input type="checkbox"/> Single audit review not applicable	<input type="checkbox"/> Late single audit certification form (see comments)
<input checked="" type="checkbox"/> Single audit requirements current	<input type="checkbox"/> Past due single audit or unresolved single audit issue (see comments)

Reviewer: Rosy Falcon Date: 11/26/2012

Comments (if applicable):

### Financial Administration Loan Servicing

<input checked="" type="checkbox"/> No delinquencies found	<input type="checkbox"/> Delinquencies found (see comments)
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Reviewer: Candace Christiansen Date: 11/27/2012

Comments (if applicable):

### Financial Administration Financial Services

<input checked="" type="checkbox"/> No delinquencies found	<input type="checkbox"/> Delinquencies found (See Comments)
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Reviewer: Monica Guerra Date: 11/27/2012

Comments (if applicable):

# Applicant Evaluation

Project ID **61120001316**

Name **Rolling Plains Management Corporati** City: **Crowell**

HTC 9%  HTC 4%  HOME  BOND  HTF  NSP  ESG  Other

No Previous Participation in Texas  Members of the development team have been disbarred by HUD

### Compliance and Asset Oversight

Total # of MF awards monitored: 0

Total # of MF awards not yet monitored or pending review: 0

SF Contract Experience  Yes  No

Total # of SF Contracts: 1

#### Projects in Material Noncompliance

Yes  No

Unresolved Audit Findings Identified w/ Contract(s)

Total # of MF Projects in Material Noncompliance: 0

Projects grouped by score	0-9:	<u>0</u>
	10-19:	<u>0</u>
	20-29:	<u>0</u>

Total monitored with a score 0-29: 0

Completed by: James Roper

Reviewer: Patricia Murphy

Date: 11/16/2012

Date: 11/28/2012

### Single Audit

Single audit review not applicable

Late single audit certification form (see comments)

Single audit requirements current

Past due single audit or unresolved single audit issue (see comments)

Reviewer: Rosy Falcon

Date: 11/26/2012

Comments (if applicable):

### Financial Administration Loan Servicing

No delinquencies found

Delinquencies found (see comments)

Reviewer: Candace Christiansen

Date: 11/27/2012

Comments (if applicable):

### Financial Administration Financial Services

No delinquencies found

Delinquencies found (See Comments)

Reviewer: Monica Guerra

Date: 11/27/2012

Comments (if applicable):

# Applicant Evaluation

Project ID **61120001292**

Name **City of San Antonio**

City: **San Antonio**

HTC 9%     HTC 4%     HOME     BOND     HTF     NSP     ESG     Other

No Previous Participation in Texas       Members of the development team have been disbarred by HUD

### Compliance and Asset Oversight

Total # of MF awards monitored:	0	<b>Projects in Material Noncompliance</b>		Projects 0-9:	0
Total # of MF awards not yet monitored or pending review:	0	<b>Yes</b> <input type="checkbox"/>	<b>No</b> <input checked="" type="checkbox"/>	Projects grouped by score	
SF Contract Experience <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No		Unresolved Audit Findings Identified w/ Contract(s) <input type="checkbox"/>		10-19:	0
Total # of SF Contracts:	1	Total # of MF Projects in Material Noncompliance: 0		20-29:	0
		Total monitored with a score 0-29:			0

Completed by: James Roper      Reviewer: Patricia Murphy  
 Date: 11/14/2012      Date: 11/19/2012

### Single Audit

Single audit review not applicable       Late single audit certification form (see comments)  
 Single audit requirements current       Past due single audit or unresolved single audit issue (see comments)

Reviewer: Rosy Falcon      Date: 11/20/2012

Comments (if applicable):

### Financial Administration Loan Servicing

No delinquencies found       Delinquencies found (see comments)

Reviewer: Candace Christiansen      Date: 11/16/2012

Comments (if applicable):

### Financial Administration Financial Services

No delinquencies found       Delinquencies found (See Comments)

Reviewer: Monica Guerra      Date: 11/19/2012

Comments (if applicable):

# Applicant Evaluation

Project ID **61120001289**

Name **South Plains Community Action Assoc** City: **Levelland**

HTC 9%  HTC 4%  HOME  BOND  HTF  NSP  ESG  Other

No Previous Participation in Texas  Members of the development team have been disbarred by HUD

### Compliance and Asset Oversight

Total # of MF awards monitored: 7

Total # of MF awards not yet monitored or pending review: 1

SF Contract Experience  Yes  No

Total # of SF Contracts: 15

#### Projects in Material Noncompliance

Yes  No

Unresolved Audit Findings Identified w/ Contract(s)

Total # of MF Projects in Material Noncompliance: 0

Projects grouped by score	0-9:	<u>7</u>
	10-19:	<u>0</u>
	20-29:	<u>0</u>

Total monitored with a score 0-29: 7

Completed by: James Roper

Reviewer: Patricia Murphy

Date: 11/16/2012

Date: 11/28/2012

#### Single Audit

Single audit review not applicable

Late single audit certification form (see comments)

Single audit requirements current

Past due single audit or unresolved single audit issue (see comments)

Reviewer: Rosy Falcon

Date: 11/26/2012

Comments (if applicable):

#### Financial Administration Loan Servicing

No delinquencies found

Delinquencies found (see comments)

Reviewer: Candace Christiansen

Date: 11/27/2012

Comments (if applicable):

#### Financial Administration Financial Services

No delinquencies found

Delinquencies found (See Comments)

Reviewer: Monica Guerra

Date: 11/27/2012

Comments (if applicable):

# Applicant Evaluation

Project ID # **61120001324**

Name **South Texas Development Council**

City: **Laredo**

HTC 9%     HTC 4%     HOME     BOND     HTF     NSP     ESG     Other

No Previous Participation in Texas

Members of the development team have been disbarred by HUD

### Compliance and Asset Oversight

Total # of MF awards monitored: 0

Total # of MF awards not yet monitored or pending review: 0

SF Contract Experience  Yes  No

Total # of SF Contracts: 5

<b>Projects in Material Noncompliance</b>	
Yes <input type="checkbox"/>	No <input checked="" type="checkbox"/>

Unresolved Audit Findings Identified w/ Contract(s)

Total # of MF Projects in Material Noncompliance: 0

Projects grouped by score	0-9: <u>0</u>
	10-19: <u>0</u>
	20-29: <u>0</u>

Total monitored with a score 0-29: 0

Completed by: James Roper

Reviewer: Patricia Murphy

Date: 11/28/2012

Date: 12/4/2012

### Single Audit

Single audit review not applicable

Single audit requirements current

Late single audit certification form (see comments)

Past due single audit or unresolved single audit issue (see comments)

Reviewer: Rosy Falcon

Date: 12/5/2012

Comments (if applicable):

### Financial Administration Loan Servicing

No delinquencies found

Delinquencies found (see comments)

Reviewer: Candace Christiansen

Date: 11/30/2012

Comments (if applicable):

### Financial Administration Financial Services

No delinquencies found

Delinquencies found (See Comments)

Reviewer: Monica Guerra

Date: 12/5 /2012

Comments (if applicable):

# Applicant Evaluation

Project ID **61120001325**

Name **South East Texas Regional Planning C** City:

HTC 9%  HTC 4%  HOME  BOND  HTF  NSP  ESG  Other

No Previous Participation in Texas

Members of the development team have been disbarred by HUD

### Compliance and Asset Oversight

Total # of MF awards monitored: 0

Total # of MF awards not yet monitored or pending review: 0

SF Contract Experience  Yes  No

Total # of SF Contracts: 2

#### Projects in Material Noncompliance

Yes  No

Unresolved Audit Findings Identified w/ Contract(s)

Total # of MF Projects in Material Noncompliance: 0

Projects grouped by score	0-9:	<u>0</u>
	10-19:	<u>0</u>
	20-29:	<u>0</u>

Total monitored with a score 0-29: 0

Completed by: J. Taylor

Reviewer: Patricia Murphy

Date: 11/14/2012

Date: 11/19/2012

#### Single Audit

Single audit review not applicable

Single audit requirements current

Late single audit certification form (see comments)

Past due single audit or unresolved single audit issue (see comments)

Reviewer: Rosy Falcon

Date: 11/20/2012

Comments (if applicable):

#### Financial Administration Loan Servicing

No delinquencies found

Delinquencies found (see comments)

Reviewer: Candace Christiansen

Date: 11/16/2012

Comments (if applicable):

#### Financial Administration Financial Services

No delinquencies found

Delinquencies found (See Comments)

Reviewer: Monica Guerra

Date: 11/19/2012

Comments (if applicable):



# Applicant Evaluation

Project ID **61120001317**

Name **Texas Neighborhood Services**

City: **Weatherford**

HTC 9%     HTC 4%     HOME     BOND     HTF     NSP     ESG     Other

No Previous Participation in Texas

Members of the development team have been disbarred by HUD

### Compliance and Asset Oversight

Total # of MF awards monitored: 0

Total # of MF awards not yet monitored or pending review: 0

SF Contract Experience  Yes  No

Total # of SF Contracts: 1

#### Projects in Material Noncompliance

Yes     No

Unresolved Audit Findings Identified w/ Contract(s)

Total # of MF Projects in Material Noncompliance: 0

Projects grouped by score	0-9:	<u>0</u>
	10-19:	<u>0</u>
	20-29:	<u>0</u>

Total monitored with a score 0-29: 0

Completed by: James Roper

Reviewer: Patricia Murphy

Date: 11/28/2012

Date: 11/28/2012

### Single Audit

Single audit review not applicable

Single audit requirements current

Late single audit certification form (see comments)

Past due single audit or unresolved single audit issue (see comments)

Reviewer: Rosy Falcon

Date: 11/26/2012

Comments (if applicable):

### Financial Administration Loan Servicing

No delinquencies found

Delinquencies found (see comments)

Reviewer: Candace Christiansen

Date: 11/27/2012

Comments (if applicable):

### Financial Administration Financial Services

No delinquencies found

Delinquencies found (See Comments)

Reviewer: Monica Guerra

Date: 11/27/2012

Comments (if applicable):

# Applicant Evaluation

Project ID # **61120001318**

Name **Texoma Council of Governments**

City: **Sherman**

HTC 9%     HTC 4%     HOME     BOND     HTF     NSP     ESG     Other

No Previous Participation in Texas       Members of the development team have been disbarred by HUD

### Compliance and Asset Oversight

Total # of MF awards monitored:	0	<b>Projects in Material Noncompliance</b>		Projects grouped by score	
Total # of MF awards not yet monitored or pending review:	0	Yes <input type="checkbox"/> No <input checked="" type="checkbox"/>		0-9:	0
SF Contract Experience <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No		Unresolved Audit Findings Identified w/ Contract(s) <input type="checkbox"/>		10-19:	0
Total # of SF Contracts:	0	Total # of MF Projects in Material Noncompliance: <u>0</u>		20-29:	0
				Total monitored with a score 0-29:	0

Completed by: James Roper      Reviewer: Patricia Murphy  
 Date: 11/27/2012      Date: 12/4/2012

### Single Audit

Single audit review not applicable       Late single audit certification form (see comments)  
 Single audit requirements current       Past due single audit or unresolved single audit issue (see comments)

Reviewer: Rosy Falcon      Date: 12/5/2012

Comments (if applicable):

### Financial Administration Loan Servicing

No delinquencies found       Delinquencies found (see comments)

Reviewer: Candace Christiansen      Date: 11/30/2012

Comments (if applicable):

### Financial Administration Financial Services

No delinquencies found       Delinquencies found (See Comments)

Reviewer: Monica Guerra      Date: 12/5 /2012

Comments (if applicable):

# Applicant Evaluation

Project ID # **61120001319**

Name **Tri-County Community Action Agenc** City: **Center**

HTC 9%  HTC 4%  HOME  BOND  HTF  NSP  ESG  Other

No Previous Participation in Texas  Members of the development team have been disbarred by HUD

### Compliance and Asset Oversight

Total # of MF awards monitored:	0	<b>Projects in Material Noncompliance</b> Yes <input type="checkbox"/> No <input checked="" type="checkbox"/>	Projects grouped by score	0-9:	0
Total # of MF awards not yet monitored or pending review:	0	Unresolved Audit Findings Identified w/ Contract(s) <input type="checkbox"/>	10-19:		0
SF Contract Experience <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No		Total # of MF Projects in Material Noncompliance: <u>0</u>	20-29:		0
Total # of SF Contracts:	3		Total monitored with a score 0-29:		0

Completed by: James Roper Reviewer: Patricia Murphy  
 Date 11/15/2012 Date 12/6/2012

### Single Audit

Single audit review not applicable  Late single audit certification form (see comments)  
 Single audit requirements current  Past due single audit or unresolved single audit issue (see comments)

Reviewer: Rosy Falcon Date 11/20/2012

Comments (if applicable):

### Financial Administration Loan Servicing

No delinquencies found  Delinquencies found (see comments)

Reviewer Candace Christiansen Date 11/16/2012

Comments (if applicable):

### Financial Administration Financial Services

No delinquencies found  Delinquencies found (See Comments)

Reviewer Monica Guerra Date 11/19/2012

Comments (if applicable):



Close Form



Update Tables

# Compliance Status Summary



Status Summary



Master Report

Contract/Project ID

Name

City

Region

- LIHTC 9%
- LIHTC 4%
- BOND
- HOME
- HTF
- NSP
- ESG
- Other

## Developers

Developer/Applicant	Role	Disbarred
<input type="text" value="See Organizational Chart"/>	<input type="text"/>	<input type="checkbox"/>

## Contracts/Projects Monitored by TDHCA

Program	Contract/Project ID	Contract/Project Nam	Score	SF Contract	Unresolved Contract
<input type="text" value="HOME-OCC"/>	<input type="text" value="535020"/>	<input type="text" value="Tri County Community Action Age"/>	<input type="text" value="HM"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
<input type="text" value="HOME-OCC"/>	<input type="text" value="537066"/>	<input type="text" value="Tri-County Community Action Age"/>	<input type="text" value="HM"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
<input type="text" value="HOME-OCC"/>	<input type="text" value="1000855"/>	<input type="text" value="City of San Augustine"/>	<input type="text" value="HM"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>

## Comment

Information entered by

Date

Approved by

Date

# Applicant Evaluation

Project ID # **61120001326** Name **Webb County Community Action Age** City: **Laredo**

HTC 9%  HTC 4%  HOME  BOND  HTF  NSP  ESG  Other

No Previous Participation in Texas  Members of the development team have been disbarred by HUD

### Compliance and Asset Oversight

Total # of MF awards monitored:	0	<b>Projects in Material Noncompliance</b>		Projects grouped by score	
Total # of MF awards not yet monitored or pending review:	0	Yes <input type="checkbox"/> No <input checked="" type="checkbox"/>		0-9:	0
SF Contract Experience <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No		Unresolved Audit Findings Identified w/ Contract(s) <input type="checkbox"/>		10-19:	0
Total # of SF Contracts:	0	Total # of MF Projects in Material Noncompliance: <u>0</u>		20-29:	0
				Total monitored with a score 0-29:	0

Completed by: James Roper Reviewer: Patricia Murphy  
 Date: 11/28/2012 Date: 12/4/2012

### Single Audit

Single audit review not applicable  Late single audit certification form (see comments)  
 Single audit requirements current  **Past due single audit or unresolved single audit issue (see comments)**

Reviewer: Rosy Falcon Date: 12/5/2012

Comments (if applicable):

**Webb County is delinquent as of 11/30/2012 when their ACF for FYE 9/30/2012 was due.**

### Financial Administration Loan Servicing

No delinquencies found  Delinquencies found (see comments)

Reviewer: Candace Christiansen Date: 11/30/2012

Comments (if applicable):

### Financial Administration Financial Services

No delinquencies found  Delinquencies found (See Comments)

Reviewer: Monica Guerra Date: 12/5 /2012

Comments (if applicable):

# Applicant Evaluation

Project ID # **61120001321**

Name **West Texas Opportunities Inc**

City: **Lamesa**

HTC 9%     HTC 4%     HOME     BOND     HTF     NSP     ESG     Other

No Previous Participation in Texas       Members of the development team have been disbarred by HUD

### Compliance and Asset Oversight

Total # of MF awards monitored: 0

Total # of MF awards not yet monitored or pending review: 0

SF Contract Experience  Yes  No

Total # of SF Contracts: 1

#### Projects in Material Noncompliance

Yes       No

Unresolved Audit Findings Identified w/ Contract(s)

Total # of MF Projects in Material Noncompliance: 0

Projects grouped by score	0-9:	<u>0</u>
	10-19:	<u>0</u>
	20-29:	<u>0</u>

Total monitored with a score 0-29: 0

Completed by: James Roper

Reviewer: Patricia Murphy

Date: 11/27/2012

Date: 12/4/2012

#### Single Audit

Single audit review not applicable

Late single audit certification form (see comments)

Single audit requirements current

Past due single audit or unresolved single audit issue (see comments)

Reviewer: Rosy Falcon

Date: 12/5/2012

Comments (if applicable):

#### Financial Administration Loan Servicing

No delinquencies found

Delinquencies found (see comments)

Reviewer: Candace Christiansen

Date: 11/30/2012

Comments (if applicable):

#### Financial Administration Financial Services

No delinquencies found

Delinquencies found (See Comments)

Reviewer: Monica Guerra

Date: 12/5 /2012

Comments (if applicable):

# Applicant Evaluation

Project ID # **61120001322**

Name **Williamson-Burnet County Opportuni** City: **Georgetown**

HTC 9%     HTC 4%     HOME     BOND     HTF     NSP     ESG     Other

No Previous Participation in Texas       Members of the development team have been disbarred by HUD

### Compliance and Asset Oversight

Total # of MF awards monitored: 2

Total # of MF awards not yet monitored or pending review: 0

SF Contract Experience  Yes  No

Total # of SF Contracts: 1

<b>Projects in Material Noncompliance</b>	
Yes <input type="checkbox"/>	No <input checked="" type="checkbox"/>

Unresolved Audit Findings Identified w/ Contract(s)

Total # of MF Projects in Material Noncompliance: 0

Projects grouped by score	0-9: <u>2</u>
	10-19: <u>0</u>
	20-29: <u>0</u>

Total monitored with a score 0-29: 2

Completed by: James Roper

Reviewer: Patricia Murphy

Date: 11/28/2012

Date: 12/4/2012

### Single Audit

Single audit review not applicable

Late single audit certification form (see comments)

Single audit requirements current

Past due single audit or unresolved single audit issue (see comments)

Reviewer: Rosy Falcon

Date: 12/5/2012

Comments (if applicable):

### Financial Administration Loan Servicing

No delinquencies found

Delinquencies found (see comments)

Reviewer: Candace Christiansen

Date: 11/30/2012

Comments (if applicable):

### Financial Administration Financial Services

No delinquencies found

Delinquencies found (See Comments)

Reviewer: Monica Guerra

Date: 12/5 /2012

Comments (if applicable):

3b



**BOARD ACTION REQUEST**  
**COMMUNITY AFFAIRS DIVISION**  
**DECEMBER 13, 2012**

Presentation, Discussion, and Possible Action on the award of Program Year 2013 Comprehensive Energy Assistance Program (CEAP) funds

**RECOMMENDED ACTION**

**WHEREAS**, the Department has received notification from the U.S. Department of Health and Human Services (USHHS) of partial funding of fiscal year 2013 Low Income Home Energy Assistance Program (LIHEAP) funds;

**WHEREAS**, the LIHEAP Act of 1981 (42 USC §§8623-8624) allows LIHEAP funds to be utilized to provide energy assistance, low-cost weatherization assistance and other cost-effective energy-related home repair, as well as 10% for planning and administration;

**WHEREAS**, on July 26, 2012, the Board authorized a 2013 LIHEAP Plan that allocates approximately 80% of LIHEAP funds to the Comprehensive Energy Assistance Program (CEAP);

**WHEREAS**, there are 43 CEAP subrecipients that provide utility assistance to low-income Texans in all 254 counties; and

**WHEREAS**, additional funds from USHHS may be received by TDHCA for 2013 LIHEAP;

**NOW, therefore, it is hereby**

**RESOLVED**, that the awards to CEAP subrecipients for the Program Year 2013 be and are hereby approved; and

**FURTHER RESOLVED**, that subsequent 2013 LIHEAP funds received from USHHS will be similarly awarded in accordance with the approved method and formula.

**BACKGROUND**

The Department has received its 2013 allocation for the Low Income Home Energy Assistance Program (LIHEAP) totaling \$117,940,000 under the 2013 Continuing Resolutions Appropriation Act. Additionally, the Department has received \$69,861 in PY2011 CEAP Reallotment funds. Thus, total available LIHEAP allocation is \$118,009,861. Based on the allocation from the USHHS, an estimated \$13,034,139 will be awarded later in the year; the total estimated 2013 LIHEAP allocation would increase to \$131,044,000, which would reflect level funding.

LIHEAP allows for funding to pay utility bills and weatherization activities. This Board action to approve awarding \$88,481,523 represents the portion dedicated to utility assistance, as authorized in the LIHEAP Plan approved by the Board.

This action distributes the available funds to CEAP subrecipients and provides for authorization to obligate subsequent funds as released. Staff utilizes a multi-factor fund distribution formula detailed in 10 TAC Chapter 5, Community Affairs Programs, Subchapter D, Comprehensive Energy Assistance Program (CEAP) §5.403, which considers poverty, household income, and a weather factor.

Department staff requests authority to obligate the awarded 2013 LIHEAP funds and any subsequent 2013 awards for the CEAP Program by the formula after the final allocation is determined.

At this time, it is unknown what the effects of Sequestration will be on 2013 CEAP contracts. The Department will communicate any information as soon as it is known.

The recently adopted Previous Participation Rule (10 TAC, Chapter 1, Subchapter A, §1.5) includes a review of CEAP awards prior to contract execution. The review has been performed and the following entities have been identified with issues:

Agency	Issue
Community Service Agency of South Texas	Unresolved monitoring findings and Suspended Contract
N.E.T. Opportunities	Delinquent Audit Certification Form
Greater East Texas Community Action Program	Delinquent Loan Servicing Documents
Programs for Human Services Inc	Delinquent Single Audit
Neighborhood Centers Inc.	Delinquent Single Audit
Travis County Health and Human Services	Delinquent Audit Certification Form
Kleberg County Human Services	Delinquent Audit Certification Form
Panhandle Community Services	On cost reimbursement
Tri-County Community Action Inc.	On cost reimbursement
Webb County Community Action Agency	On cost reimbursement
Community Action Corporation of South Texas	Affiliated with a Housing Tax Credit property in Material Noncompliance

As written, the rule provides that staff would terminate an application for an applicant with identified issues of noncompliance and that the entity would have to request reinstatement. However, these funds are obligated based on a formula, not applications, so there is no “application” to terminate. Further, the agencies noted above receive Community Services Block Grant (CSBG) funds which are primarily used for administration of programs, including CEAP. Providing the CSBG funding but not the CEAP funding is not in the best interest of the state and would leave low income Texans without services. Since the Department staff does not believe that the criteria above would constitute cause for discontinuing the CSBG funds, staff recommends obligation of awards to these entities despite the associated issues provided

however, that certain issues such as failure to submit required single audits or unaddressed material noncompliance could trigger contract suspension.

Previous participation reviews has not been completed for Cameron and Willacy Counties Community Projects, Inc.

The recently adopted Previous Participation Rule (10 TAC, Chapter 1, Subchapter A, §1.5) states that, if the previous participation review cannot be completed prior to the Board meeting when funds will be awarded, the award will be contingent upon the requesting entity successfully clearing the previous participation review.

Applicant Evaluation forms for agencies that also receive CSBG funding are included with Item 3a of the Board book.

**2013 CEAP Allocations**

	<b>CEAP Subrecipient</b>	<b>2013 Allocation (estimate)</b>
1	Aspermont Small Business Development Council	\$613,688
2	Bee Community Action Agency	\$588,790
3	Bexar County Community and Development Services	\$5,798,489
4	Big Bend Community Action Agency	\$718,067
5	Brazos Valley Community Action Agency	\$2,903,579
6	Cameron-Willacy Counties Community Projects Inc.	\$2,674,454
7	Central Texas Opportunities	\$947,156
8	Combined Community Action	\$640,906
9	Community Action Committee of Victoria, Texas	\$1,035,187
10	Community Action Corporation of South Texas	\$823,522
11	Community Action Inc. of Central Texas	\$604,989
12	Community Council of South Central Texas	\$2,580,976
13	To be determined for Dimmit, Lasalle, and Maverick Counties	\$706,410
14	Community Services Inc	\$3,680,261
15	Community Services Northeast Texas	\$1,005,148
16	Concho Valley Community Action Agency	\$1,203,045
17	Dallas County Department of HHS	\$7,099,866
18	Economic Action Committee of the Gulf Coast	\$189,717
19	Economic Opportunities Advancement Corp. of PR XI	\$1,645,948
20	El Paso Community Action Program	\$4,011,789
21	Fort Worth Parks & Community Services	\$4,318,301
22	Galveston County Community Action Council	\$2,222,560
23	Greater East Tx Community Action Program	\$3,188,900
24	County of Hidalgo Community Services Agency	\$4,167,799
25	Hill Country Community Action Association	\$1,500,498
26	Kleberg County Human Services	\$483,162
27	Lubbock, City of, Community Development	\$1,015,302
28	Neighborhood Centers, Inc.	\$11,295,490
29	Northeast Texas Opportunities, Inc.	\$879,577
30	Nueces County Community Action Agency	\$1,382,124
31	Panhandle Community Services	\$2,385,942
32	Pecos County Community Action Agency	\$471,424
33	Programs for Human Services	\$1,801,108
34	Rolling Plains Management Corporation	\$1,970,813
35	South Plains Community Action Assoc. Inc.	\$1,142,003
36	South Texas Development Council	\$743,228
37	Texas Neighborhood Services	\$1,122,398
38	Texoma Council Of Governments	\$699,264
39	Travis County Health and Human Services	\$2,637,219
40	Tri-County Community Action Inc.	\$1,432,646
41	Webb County Community Action Agency	\$1,180,510
42	West Texas Opportunities	\$2,359,706
43	Williamson-Burnet County Opportunities, Inc.	\$609,562
	<b>Total</b>	<b>\$88,481,523</b>

# Applicant Evaluation

Project ID **CEAP0001**

Name **Travis County Health and Human Ser** City: **Austin**

HTC 9%  HTC 4%  HOME  BOND  HTF  NSP  ESG  Other

No Previous Participation in Texas  Members of the development team have been disbarred by HUD

### Compliance and Asset Oversight

Total # of MF awards monitored:	0	<b>Projects in Material Noncompliance</b>		Projects 0-9:	0
Total # of MF awards not yet monitored or pending review:	0	<b>Yes</b> <input type="checkbox"/>	<b>No</b> <input checked="" type="checkbox"/>	Projects grouped by score	
SF Contract Experience <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No		Unresolved Audit Findings Identified w/ Contract(s) <input type="checkbox"/>		10-19:	0
Total # of SF Contracts:	6	Total # of MF Projects in Material Noncompliance: 0		20-29:	0
				Total monitored with a score 0-29:	0

Completed by: James Roper Reviewer: Patricia Murphy  
 Date: 11/30/2012 Date: 12/3/2012

### Single Audit

Single audit review not applicable  **Late single audit certification form (see comments)**  
 Single audit requirements current  Past due single audit or unresolved single audit issue (see comments)

Reviewer: Rosy Falcon Date: 12/6/2012

Comments (if applicable):

Travis County is delinquent as of 11/30/2012 when their ACF for FYE 9/30/2012 was due

### Financial Administration Loan Servicing

No delinquencies found  Delinquencies found (see comments)

Reviewer: Candace Christiansen Date: 12/4 /2012

Comments (if applicable):

### Financial Administration Financial Services

No delinquencies found  Delinquencies found (See Comments)

Reviewer: Monica Guerra Date: 12/6 /2012

Comments (if applicable):

# Applicant Evaluation

Project ID **CEAP0002**

Name **Bexar County Department of Commu** City:

HTC 9%  HTC 4%  HOME  BOND  HTF  NSP  ESG  Other

No Previous Participation in Texas  Members of the development team have been disbarred by HUD

### Compliance and Asset Oversight

Total # of MF awards monitored:	0	<b>Projects in Material Noncompliance</b>		Projects 0-9:	0
Total # of MF awards not yet monitored or pending review:	0	<b>Yes</b> <input type="checkbox"/>	<b>No</b> <input checked="" type="checkbox"/>	Projects grouped by score	
SF Contract Experience <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No		Unresolved Audit Findings Identified w/ Contract(s) <input type="checkbox"/>		10-19:	0
Total # of SF Contracts:	0	Total # of MF Projects in Material Noncompliance: 0		20-29:	0
				Total monitored with a score 0-29:	0

Completed by: J. Taylor

Reviewer: Patricia Murphy

Date: 12/5/2012

Date: 12/6/2012

### Single Audit

<input type="checkbox"/> Single audit review not applicable	<input type="checkbox"/> Late single audit certification form (see comments)
<input checked="" type="checkbox"/> Single audit requirements current	<input type="checkbox"/> Past due single audit or unresolved single audit issue (see comments)

Reviewer: Rosy Falcon

Date: 12/6/2012

Comments (if applicable):

### Financial Administration Loan Servicing

No delinquencies found  Delinquencies found (see comments)

Reviewer: Candace Christiansen

Date: 12/6/2012

Comments (if applicable):

### Financial Administration Financial Services

No delinquencies found  Delinquencies found (See Comments)

Reviewer: Monica Guerra

Date: 12/6/2012

Comments (if applicable):

# Applicant Evaluation

Project ID **CEAP0003**

Name **Programs for Human Services Inc.**

City:

HTC 9%     HTC 4%     HOME     BOND     HTF     NSP     ESG     Other

No Previous Participation in Texas

Members of the development team have been disbarred by HUD

### Compliance and Asset Oversight

Total # of MF awards monitored: 0

Total # of MF awards not yet monitored or pending review: 0

SF Contract Experience  Yes  No

Total # of SF Contracts: 2

#### Projects in Material Noncompliance

Yes     No

Unresolved Audit Findings Identified w/ Contract(s)

Total # of MF Projects in Material Noncompliance: 0

Projects grouped by score	0-9:	<u>0</u>
	10-19:	<u>0</u>
	20-29:	<u>0</u>

Total monitored with a score 0-29: 0

Completed by: James Roper

Reviewer: Patricia Murphy

Date: 12/3/2012

Date: 12/3/2012

### Single Audit

Single audit review not applicable

Late single audit certification form (see comments)

Single audit requirements current

**Past due single audit or unresolved single audit issue (see comments)**

Reviewer: Rosy Falcon

Date: 12/5/2012

Comments (if applicable):

PHS is delinquent as of 6/30/2012 when their Single Audit for FYE 9/30/2011 was due.

### Financial Administration Loan Servicing

No delinquencies found

Delinquencies found (see comments)

Reviewer: Candace Christiansen

Date: 12/4 /2012

Comments (if applicable):

### Financial Administration Financial Services

No delinquencies found

Delinquencies found (See Comments)

Reviewer: Monica Guerra

Date: 12/6 /2012

Comments (if applicable):

# Applicant Evaluation

Project ID **CEAP0004**

Name **Neighborhood Centers Inc.**

City:

HTC 9%     HTC 4%     HOME     BOND     HTF     NSP     ESG     Other

No Previous Participation in Texas       Members of the development team have been disbarred by HUD

### Compliance and Asset Oversight

Total # of MF awards monitored: 0

Total # of MF awards not yet monitored or pending review: 0

SF Contract Experience  Yes  No

Total # of SF Contracts: 0

#### Projects in Material Noncompliance

Yes       No

Unresolved Audit Findings Identified w/ Contract(s)

Total # of MF Projects in Material Noncompliance: 0

Projects grouped by score	0-9:	<u>0</u>
	10-19:	<u>0</u>
	20-29:	<u>0</u>

Total monitored with a score 0-29: 0

Completed by: J. Taylor

Reviewer: Patricia Murphy

Date: 12/5/2012

Date: 12/6/2012

### Single Audit

Single audit review not applicable

Late single audit certification form (see comments)

Single audit requirements current

**Past due single audit or unresolved single audit issue (see comments)**

Reviewer: Rosy Falcon

Date: 12/6/2012

Comments (if applicable):

Sheltering Arms Senior Services (now Neighborhood Centers inc.) is delinquent as of 9/30/2012 when their Single Audit for FYE 12/31/2011 was due.

### Financial Administration Loan Servicing

No delinquencies found

Delinquencies found (see comments)

Reviewer: Candace Christiansen

Date: 12/6/2012

Comments (if applicable):

### Financial Administration Financial Services

No delinquencies found

Delinquencies found (See Comments)

Reviewer: Monica Guerra

Date: 12/6/2012

Comments (if applicable):



# Applicant Evaluation

Project ID **CEAP0005**

Name **Kleberg County Human Services**

City:

HTC 9%     HTC 4%     HOME     BOND     HTF     NSP     ESG     Other

No Previous Participation in Texas       Members of the development team have been disbarred by HUD

### Compliance and Asset Oversight

Total # of MF awards monitored: 0

Total # of MF awards not yet monitored or pending review: 0

SF Contract Experience  Yes  No

Total # of SF Contracts: 0

<b>Projects in Material Noncompliance</b>	
Yes <input type="checkbox"/>	No <input checked="" type="checkbox"/>

Unresolved Audit Findings Identified w/ Contract(s)

Total # of MF Projects in Material Noncompliance: 0

Projects grouped by score	0-9: <u>0</u>
	10-19: <u>0</u>
	20-29: <u>0</u>

Total monitored with a score 0-29: 0

Completed by: James Roper

Reviewer: Patricia Murphy

Date: 11/30/2012

Date: 12/3/2012

### Single Audit

Single audit review not applicable

**Late single audit certification form (see comments)**

Single audit requirements current

Past due single audit or unresolved single audit issue (see comments)

Reviewer: Rosy Falcon

Date: 12/6/2012

Comments (if applicable):

Kleberg county is delinquent as of 11/30/2012 when their ACF for FYE 9/30/2012 was due.

### Financial Administration Loan Servicing

No delinquencies found

Delinquencies found (see comments)

Reviewer: Candace Christiansen

Date: 12/4 /2012

Comments (if applicable):

### Financial Administration Financial Services

No delinquencies found

Delinquencies found (See Comments)

Reviewer: Monica Guerra

Date: 12/6 /2012

Comments (if applicable):

# Applicant Evaluation

Project ID **CEAP0007**

Name **Dallas County Health and Human Ser** City: **Dallas**

HTC 9%  HTC 4%  HOME  BOND  HTF  NSP  ESG  Other

No Previous Participation in Texas  Members of the development team have been disbarred by HUD

### Compliance and Asset Oversight

Total # of MF awards monitored: 0

Total # of MF awards not yet monitored or pending review: 0

SF Contract Experience  Yes  No

Total # of SF Contracts: 1

#### Projects in Material Noncompliance

Yes  No

Unresolved Audit Findings Identified w/ Contract(s)

Total # of MF Projects in Material Noncompliance: 0

Projects grouped by score	0-9:	<u>0</u>
	10-19:	<u>0</u>
	20-29:	<u>0</u>

Total monitored with a score 0-29: 0

Completed by: James Roper

Reviewer: Patricia Murphy

Date: 12/6/2012

Date: 12/6/2012

#### Single Audit

Single audit review not applicable

Late single audit certification form (see comments)

Single audit requirements current

Past due single audit or unresolved single audit issue (see comments)

Reviewer: Rosy Falcon

Date: 12/6/2012

Comments (if applicable):

#### Financial Administration Loan Servicing

No delinquencies found

Delinquencies found (see comments)

Reviewer: Candace Christiansen

Date: 12/6/2012

Comments (if applicable):

#### Financial Administration Financial Services

No delinquencies found

Delinquencies found (See Comments)

Reviewer: Monica Guerra

Date: 12/6/2012

Comments (if applicable):

# Applicant Evaluation

Project ID **CEAP0001**

Name **Travis County Health and Human Ser** City: **Austin**

HTC 9%  HTC 4%  HOME  BOND  HTF  NSP  ESG  Other

No Previous Participation in Texas  Members of the development team have been disbarred by HUD

### Compliance and Asset Oversight

Total # of MF awards monitored:	0	<b>Projects in Material Noncompliance</b>		Projects 0-9:	0
Total # of MF awards not yet monitored or pending review:	0	<b>Yes</b> <input type="checkbox"/>	<b>No</b> <input checked="" type="checkbox"/>	Projects grouped by score	
SF Contract Experience <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No		Unresolved Audit Findings Identified w/ Contract(s) <input type="checkbox"/>		10-19:	0
Total # of SF Contracts:	6	Total # of MF Projects in Material Noncompliance: 0		20-29:	0
				Total monitored with a score 0-29:	0

Completed by: James Roper Reviewer: Patricia Murphy  
 Date 11/30/2012 Date 12/3/2012

### Single Audit

Single audit review not applicable  **Late single audit certification form (see comments)**  
 Single audit requirements current  Past due single audit or unresolved single audit issue (see comments)

Reviewer: Rosy Falcon Date 12/6/2012

Comments (if applicable):

Travis County is delinquent as of 11/30/2012 when their ACF for FYE 9/30/2012 was due

### Financial Administration Loan Servicing

No delinquencies found  Delinquencies found (see comments)

Reviewer Candace Christiansen Date 12/4 /2012

Comments (if applicable):

### Financial Administration Financial Services

No delinquencies found  Delinquencies found (See Comments)

Reviewer Monica Guerra Date 12/6 /2012

Comments (if applicable):

# Applicant Evaluation

Project ID **CEAP0002**

Name **Bexar County Department of Commu** City:

HTC 9%  HTC 4%  HOME  BOND  HTF  NSP  ESG  Other

No Previous Participation in Texas  Members of the development team have been disbarred by HUD

<b>Compliance and Asset Oversight</b>			
Total # of MF awards monitored:	0	<b>Projects in Material Noncompliance</b>	
Total # of MF awards not yet monitored or pending review:	0	<b>Yes</b> <input type="checkbox"/> <b>No</b> <input checked="" type="checkbox"/>	Projects grouped by score
SF Contract Experience <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No		Unresolved Audit Findings Identified w/ Contract(s) <input type="checkbox"/>	0-9: 0 10-19: 0 20-29: 0
Total # of SF Contracts:	0	Total # of MF Projects in Material Noncompliance: 0	Total monitored with a score 0-29: 0
Completed by: <u>J. Taylor</u>		Reviewer: <u>Patricia Murphy</u>	
Date: <u>12/5/2012</u>		Date: <u>12/6/2012</u>	

<b>Single Audit</b>	
<input type="checkbox"/> Single audit review not applicable	<input type="checkbox"/> Late single audit certification form (see comments)
<input checked="" type="checkbox"/> Single audit requirements current	<input type="checkbox"/> Past due single audit or unresolved single audit issue (see comments)
Reviewer: <u>Rosy Falcon</u>	Date: <u>12/6/2012</u>
Comments (if applicable):	

<b>Financial Administration Loan Servicing</b>	
<input checked="" type="checkbox"/> No delinquencies found	<input type="checkbox"/> Delinquencies found (see comments)
Reviewer: <u>Candace Christiansen</u>	Date: <u>12/6 /2012</u>
Comments (if applicable):	

<b>Financial Administration Financial Services</b>	
<input checked="" type="checkbox"/> No delinquencies found	<input type="checkbox"/> Delinquencies found (See Comments)
Reviewer: <u>Monica Guerra</u>	Date: <u>12/6 /2012</u>
Comments (if applicable):	

# Applicant Evaluation

Project ID **CEAP0003**

Name **Programs for Human Services Inc.**

City:

HTC 9%     HTC 4%     HOME     BOND     HTF     NSP     ESG     Other

No Previous Participation in Texas

Members of the development team have been disbarred by HUD

### Compliance and Asset Oversight

Total # of MF awards monitored: 0

Total # of MF awards not yet monitored or pending review: 0

SF Contract Experience  Yes  No

Total # of SF Contracts: 2

#### Projects in Material Noncompliance

Yes     No

Unresolved Audit Findings Identified w/ Contract(s)

Total # of MF Projects in Material Noncompliance: 0

Projects grouped by score	0-9:	<u>0</u>
	10-19:	<u>0</u>
	20-29:	<u>0</u>

Total monitored with a score 0-29: 0

Completed by: James Roper

Reviewer: Patricia Murphy

Date: 12/3/2012

Date: 12/3/2012

### Single Audit

Single audit review not applicable

Late single audit certification form (see comments)

Single audit requirements current

**Past due single audit or unresolved single audit issue (see comments)**

Reviewer: Rosy Falcon

Date: 12/5/2012

Comments (if applicable):

PHS is delinquent as of 6/30/2012 when their Single Audit for FYE 9/30/2011 was due.

### Financial Administration Loan Servicing

No delinquencies found

Delinquencies found (see comments)

Reviewer: Candace Christiansen

Date: 12/4 /2012

Comments (if applicable):

### Financial Administration Financial Services

No delinquencies found

Delinquencies found (See Comments)

Reviewer: Monica Guerra

Date: 12/6 /2012

Comments (if applicable):

# Applicant Evaluation

Project ID **CEAP0004**

Name **Neighborhood Centers Inc.**

City:

HTC 9%     HTC 4%     HOME     BOND     HTF     NSP     ESG     Other

No Previous Participation in Texas       Members of the development team have been disbarred by HUD

### Compliance and Asset Oversight

Total # of MF awards monitored: 0

Total # of MF awards not yet monitored or pending review: 0

SF Contract Experience  Yes  No

Total # of SF Contracts: 0

#### Projects in Material Noncompliance

Yes       No

Unresolved Audit Findings Identified w/ Contract(s)

Total # of MF Projects in Material Noncompliance: 0

Projects grouped by score	0-9:	<u>0</u>
	10-19:	<u>0</u>
	20-29:	<u>0</u>

Total monitored with a score 0-29: 0

Completed by: J. Taylor

Reviewer: Patricia Murphy

Date: 12/5/2012

Date: 12/6/2012

### Single Audit

Single audit review not applicable

Late single audit certification form (see comments)

Single audit requirements current

**Past due single audit or unresolved single audit issue (see comments)**

Reviewer: Rosy Falcon

Date: 12/6/2012

Comments (if applicable):

Sheltering Arms Senior Services (now Neighborhood Centers inc.) is delinquent as of 9/30/2012 when their Single Audit for FYE 12/31/2011 was due.

### Financial Administration Loan Servicing

No delinquencies found

Delinquencies found (see comments)

Reviewer: Candace Christiansen

Date: 12/6/2012

Comments (if applicable):

### Financial Administration Financial Services

No delinquencies found

Delinquencies found (See Comments)

Reviewer: Monica Guerra

Date: 12/6/2012

Comments (if applicable):

# Applicant Evaluation

Project ID **CEAP0005**

Name **Kleberg County Human Services**

City:

HTC 9%     HTC 4%     HOME     BOND     HTF     NSP     ESG     Other

No Previous Participation in Texas

Members of the development team have been disbarred by HUD

### Compliance and Asset Oversight

Total # of MF awards monitored: 0

Total # of MF awards not yet monitored or pending review: 0

SF Contract Experience  Yes  No

Total # of SF Contracts: 0

#### Projects in Material Noncompliance

Yes     No

Unresolved Audit Findings Identified w/ Contract(s)

Total # of MF Projects in Material Noncompliance: 0

Projects grouped by score	0-9: <u>0</u>
	10-19: <u>0</u>
	20-29: <u>0</u>

Total monitored with a score 0-29: 0

Completed by: James Roper

Reviewer: Patricia Murphy

Date: 11/30/2012

Date: 12/3/2012

### Single Audit

Single audit review not applicable

**Late single audit certification form (see comments)**

Single audit requirements current

Past due single audit or unresolved single audit issue (see comments)

Reviewer: Rosy Falcon

Date: 12/6/2012

Comments (if applicable):

Kleberg county is delinquent as of 11/30/2012 when their ACF for FYE 9/30/2012 was due.

### Financial Administration Loan Servicing

No delinquencies found

Delinquencies found (see comments)

Reviewer: Candace Christiansen

Date: 12/4 /2012

Comments (if applicable):

### Financial Administration Financial Services

No delinquencies found

Delinquencies found (See Comments)

Reviewer: Monica Guerra

Date: 12/6 /2012

Comments (if applicable):

# Applicant Evaluation

Project ID **CEAP0007**

Name **Dallas County Health and Human Ser** City: **Dallas**

HTC 9%  HTC 4%  HOME  BOND  HTF  NSP  ESG  Other

No Previous Participation in Texas  Members of the development team have been disbarred by HUD

### Compliance and Asset Oversight

Total # of MF awards monitored: 0

Total # of MF awards not yet monitored or pending review: 0

SF Contract Experience  Yes  No

Total # of SF Contracts: 1

#### Projects in Material Noncompliance

Yes  No

Unresolved Audit Findings Identified w/ Contract(s)

Total # of MF Projects in Material Noncompliance: 0

Projects grouped by score	0-9:	<u>0</u>
	10-19:	<u>0</u>
	20-29:	<u>0</u>

Total monitored with a score 0-29: 0

Completed by: James Roper

Reviewer: Patricia Murphy

Date: 12/6/2012

Date: 12/6/2012

#### Single Audit

Single audit review not applicable

Late single audit certification form (see comments)

Single audit requirements current

Past due single audit or unresolved single audit issue (see comments)

Reviewer: Rosy Falcon

Date: 12/6/2012

Comments (if applicable):

#### Financial Administration Loan Servicing

No delinquencies found

Delinquencies found (see comments)

Reviewer: Candace Christiansen

Date: 12/6 /2012

Comments (if applicable):

#### Financial Administration Financial Services

No delinquencies found

Delinquencies found (See Comments)

Reviewer: Monica Guerra

Date: 12/6 /2012

Comments (if applicable):



4

**BOARD ACTION REQUEST**  
**MULTIFAMILY FINANCE DIVISION**  
**DECEMBER 13, 2012**

Presentation, Discussion, and Possible Action to adopt a process for receipt and review of certain HOME Multifamily Development Program (MFD) applications prior to execution of a grant agreement with HUD for such funds

**RECOMMENDED ACTION**

**WHEREAS**, the demand for HOME funds for MFD continues to increase and the Department's supply of HOME funds for such activities is expected to be significantly less for 2013 than in many prior years;

**WHEREAS**, the Department anticipates that it may not have sufficient HOME funds from prior program years to create a Notice of Funding Availability (NOFA) sufficient enough to make HOME funds available to all potentially eligible applicants for Department HOME funds who are also seeking competitive housing tax credits in the 2013 competitive housing tax credit cycle;

**WHEREAS**, the Department expects to receive and execute a grant agreement for additional HOME funds with HUD after March 1, 2013, but prior to July 31, 2013 and anticipates that approximately \$9,471,008 in general set-aside and \$3,642,695 in Community Housing Development Organization (CHDO) set-aside funds would be made available in a NOFA for Direct Loans for MFD applications subsequent to any grant agreement execution;

**WHEREAS**, HOME funds can serve as an effective source of gap or primary debt financing for housing tax credit transactions;

**WHEREAS**, the Board has determined that by providing for the acceptance of certain types of applications for 2013 HOME MFD funds prior to the Department formally executing a grant agreement for the 2013 allocation of HOME funds with HUD and prior to issuance of any NOFA for such funds, competitive tax credit applicants will be given the opportunity to move forward with their larger development funding plans, subject to the stipulation that the receipt and amounts of such 2013 HOME funds, the execution of the requisite grant agreement, and the finalization of the policies that will govern the issuance of any NOFA, and the actual issuance of any such NOFA are not settled or certain at the present time and will not be settled and certain as these preliminary financing plans and applications are developed and that all actions are subject to ad contingent upon availability of funds;

**NOW, therefore, it is hereby,**

**RESOLVED**, that the Board confirms that the Department will accept applications for HOME MFD funds prior to the time that it actually receives

confirmation that it will receive those funds, knows the amount of those funds, and develops policies for and approves the issuance of a NOFA for such funds, pursuant to the attached process for accepting and processing HOME MFD applications layered with competitive housing tax credits attached hereto as Exhibit A and incorporated by reference;

### **BACKGROUND**

On September 30, 2012, the acceptance period for applications under the HOME 2012-13 MFD NOFA closed. The NOFA made available just over \$37 million in HOME funds for multifamily activities, one of the largest amounts made available by the Department in a single multifamily NOFA. The funds included 2012 grant funds as well as funds consolidated from deobligated contracts, program income, and from prior NOFAs. The Department received a significant number of applications. The Department is completing the program reviews for the final applications received and expects to award these funds over the next couple of Board meetings. Staff does not expect that any of these funds will remain available to carry forward to a 2013 NOFA

The vast majority of the funds were layered with tax credit transactions, which staff believes is the most effective way to produce multifamily units with HOME funds while managing the long term risk associated with HOME funds. While staff only expects the demand for HOME funds to increase as the 9% fixed applicable percentage expires and the viability of tax exempt bond transactions continues to rely on low interest sources of gap financing. However, the supply of HOME funds is diminishing. At its peak, the annual HOME allocation for the Department was just over \$42 million and for 2013 the allocation has been reduced by approximately 38% to \$24 million. Local HOME allocations have experienced similar reductions. Additionally, staff expects less reprogramming of deobligated funds as commitments and expenditures of the HOME single family activities continues to improve under the reservation system.

For the first year in recent history, staff believes that no funds will be available to release a 2013 MFD NOFA in time for the 2013 competitive housing tax credit cycle. If the past several years are an accurate indicator, the Department will likely not receive and execute a 2013 grant agreement with HUD in order to make the 2013 HOME allocation available in a NOFA until at least May 2013.

The purpose of this Board resolution is to provide a path for 2013 competitive housing tax credit applications to apply for funding that staff expects to receive prior to approval of the 2013 competitive tax credit awards in late July 2013. Any such awards for HOME funds will be contingent upon actual receipt of the funding from HUD. The following is a summary of the applicable constraints for any applications received prior to the Board's approval of the actual NOFA upon execution of the HUD grant agreement.

- Only applications also applying simultaneously for competitive housing tax credits in the 2013 housing tax credit cycle will be accepted;
- The maximum request is \$1,000,000;
- All of the Department's rules related to HOME MFD funds shall apply;
- All such applications must be received by 5:00pm CST on March 1, 2013;

- All such applications must be compliant with the requirements reflected in the Multifamily Applications Procedures Manual;
- Applications will be prioritized on a first-come, first-serve basis except as follows:
  - o All such applications will be subordinate in priority to any applications during the period that funds are regionally allocated, not to exceed 60 days;
  - o At least \$5 million in funds under the General Set-Aside may be reserved for applications layered with 4% housing tax credits;
- Applications will only be accepted for funding development in non-Participating Jurisdictions consistent with §2306.111(c)(1);
- Due to the highly competitive nature of the tax credit program, the Board shall not entertain waivers of the Department's rules related to lien position or repayment for Direct Loans;
- Applications will be considered to have applied under the Board approved NOFA and all additional requirements reflected in the approved NOFA will apply;
- Only 25% of the requested HOME funds may be incurred before February 1, 2013 and
- All applicants must sign an acknowledgement, to be drafted by staff, in which the applicant accepts the risk associated with applying for the funds before the funding has been made available in a NOFA and understands that such funds may never materialize, and that all actions are subject to and contingent upon availability of funds.

Based on current information from HUD, staff expects to program following amounts in a 2013 MFD NOFA subject to the HOME allocation being the amount same as the 2012 allocation:

- CHDO Set-Aside: \$3,642,695
- General Set-Aside: \$9,471,008

## **Exhibit A**

### **2013 HOME Multifamily Development Program (MFP) Application Acceptance and Processing Guidelines prior to Executed Grant Agreement with HUD**

Pursuant to actions approved the Texas Department of Housing and Community Affairs' (TDHCA) Governing Board, the following policy shall prescribe the process and guidelines Department staff will adhere to when accepting and processing 2013 HOME Multifamily applications for funds. Only applications that simultaneously apply for competitive housing tax credits in the 2013 competitive housing tax credit cycle will be accepted under the provisions of this resolution and prior to publication of any NOFAs regarding such funds; and

The Department reserves the right to append to this resolution and make funds available on a broader basis or subject to other restrictions as may be approved by the Board.

Any applicant applying in accordance with the conditions of this resolution may not, at this time, request an award that exceeds \$1,000,000 in Department HOME funds. However, the Board maintains complete authority to determine the policies and terms of any subsequent NOFA that may ultimately be issued, including the possibility, depending on the amount of HOME funding ultimately made available, that the \$1,000,000 cap may be revisited and adjusted upward or downward, as deemed appropriate.

Any applicant applying in accordance with the conditions of this resolution may only submit one application and may only apply under one set-aside;

Any applicant applying in accordance with the conditions of this resolution will be subject to all Department rules and requirements applicable to HOME MFD funds or Direct Loans including the requirements of the Multifamily Programs Application Procedures Manual.

The term NOFA as used in the rules and procedures manual shall be consistent with this resolution.

Any application applying in accordance with the conditions of this resolution must be received by March 1, 2013, with the exception that the third party reports may be received at a later date as allowed for competitive housing tax credit applications.

Any application applying in accordance with the conditions of this resolution shall be prioritized based on the date it is received by the Department with all applications for development in an area scoring a 5 or 7 on the Opportunity Index (10 TAC §11.9(c)(4)) receiving priority regardless of their received date. All such applications shall be subordinate in priority to any applications received during a period of time, not to exceed 60 days, wherein the funds may be regionally allocated.

The Department intends to make available, up to \$5,000,000 in any such NOFA under the general set-aside to be reserved solely for applications layered with 4% housing tax credits.

Any application applying in accordance with the conditions of this resolution must be for development in a non-Participating Jurisdiction to meet the 95% requirement in Texas Government Code §2306.111(c)(1).

Due to the highly competitive nature of the tax credit program and access to limited HOME funding, the Board will not entertain waivers of the Department's rules in 10 TAC §10.307 related to lien position and repayment of Direct Loans.

Applications received under this resolution will be deemed, upon approval of a 2013 MFD NOFA, to have been received under said NOFA for funds made available in said NOFA.

No Board action to approve an award to any application for HOME funds shall occur prior to execution of a grant agreement with HUD for such funds, Board approval or authorization of any NOFA for such funds, and completion of the regional allocation period of such funds.

Each applicant must acknowledge that it is solely responsible for addressing the fact that in applying for funds that may never materialize or may otherwise not be made available in a NOFA, the applicant may need to alter their financing plans if sufficient HOME funds are not available. Applicants must further acknowledge that no rights or remedies are created by this process, that the process may be changed by the Board, and that all actions are subject to and contingent upon availability of funds.

Program staff will develop and incorporate into the application an appropriate form of acknowledgement of the contingent nature of these applications.

5

**BOARD ACTION REQUEST**  
**NEIGHBORHOOD STABILIZATION PROGRAM**  
**DECEMBER 13, 2012**

Presentation, Discussion, and Possible Action to authorize emergency action by the Executive Director as necessary for adherence to deadlines established by law for NSP1 and NSP3

**RECOMMENDED ACTION**

**WHEREAS**, the deadlines imposed by federal regulations for expenditure of NSP1 and NSP3 funds are quickly approaching and any funds not timely expended may be lost to the State of Texas; and

**WHEREAS**, this Board has, through previous actions, established clear policy as to how the Neighborhood Stabilization Program is to be administered, and it is the clear and express policy of this Board that the Department, to the fullest extent possible, compliantly utilize all available funding under the Neighborhood Stabilization Program for the benefit of the State of Texas;

**NOW, therefore, it is hereby**

**RESOLVED**, that the Executive Director and his designees be and they hereby are authorized, empowered, and directed, for and on behalf of the Board and the Department, to take any such actions as may be required to assure timely, compliant expenditure of NSP1 and NSP3 funds.

**BACKGROUND**

The Neighborhood Stabilization Program (NSP) is a HUD-funded program authorized by HR3221, the "Housing and Economic Recovery Act of 2008" (HERA), as a supplemental allocation to the Community Development Block Grant (CDBG) Program through an amendment to the existing State of Texas 2008 CDBG Action Plan. The NSP3 allocation of funds is provided under Section 1497 of the Wall Street Reform and Consumer Protection Act of 2010 (Pub. L. 111-203, approved July 21, 2010) (Dodd-Frank Act). The purpose of the program is to redevelop into affordable housing, or acquire and hold, abandoned and foreclosed properties in areas that are documented to have the greatest need for arresting declining property values as a result of excessive foreclosures.

NSP regulations impose a 48-month expenditure deadline on all NSP Grantees. NSP3 includes a 36-month expenditure requirement for 50% of grant funds. For TDHCA, the expenditure deadlines fall on March 3, 2013, and March 7, 2013, respectively. Any funds that have not been expended by the deadlines are potentially subject to recapture by HUD. Due to the very short timeframe available in



which to expend the NSP funds and time requirements inherent in bringing actions to the Governing Board for approval, approval is requested to authorize emergency action by the Executive Director.

Actions under this authorization may take the form of award of funds to new entities under the current NSP-PI or NSP3 NOFAs, increase of existing contracts by more than 25%, extension of contracts by addition of Land Banking or other activities, or other actions within the policies previously established by the Board.

The requested approval extends only to those actions necessary to expend NSP funds under these extraordinary circumstances, and will expire at the expenditure deadline. The Executive Director will consult with the Chair prior to taking action, and the Governing Board will be provided with interim reports at each meeting while this authority is in effect and a final report of all actions at the April 11, 2013 meeting.