

# BOARD BOOK OF SEPTEMBER 8, 2016



**J. Paul Ozer, Chair**  
**Juan Muñoz, Vice-Chair**  
**Leslie Bingham Escareño, Member**  
**T. Tolbert Chisum, Member**  
**Tom H. Gann, Member**  
**J. B. Goodwin, Member**

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

**A G E N D A**  
**9:00 AM**  
**September 8, 2016**

**John H. Reagan Building**  
**JHR 140, 105 W 15<sup>th</sup> Street**  
**Austin, Texas**

**CALL TO ORDER**

**ROLL CALL**

**CERTIFICATION OF QUORUM**

**J. Paul Oxer, 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 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. Action may be taken on any item on this agenda, regardless of how designated.

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

**EXECUTIVE**

- a) Board Meeting Minutes summaries for the meetings of July 14, 2016, and July 28, 2016

**J. Beau Eccles**  
Board Secretary

**TEXAS HOMEOWNERSHIP PROGRAM**

- b) Presentation, Discussion, and Possible Action on the Single Family Mortgage Loan and Mortgage Credit Certificate ("MCC") Programs Participating Lender Lists

**Cathy Gutierrez**  
Director

**MULTIFAMILY FINANCE**

- c) Presentation, Discussion, and Possible Action on Determination Notice for Housing Tax Credits with another Issuer

**Marni Holloway**  
Director

16418	Pathways at Georgian Manor	Austin
16419	Pathways at Manchaca Village	Austin
16420	Pathways at North Loop	Austin
16421	Pathways at Northgate	Austin
16422	Pathways at Shadowbend Ridge	Austin
16423	Plano Artist's Lofts	Plano

- d) Presentation, Discussion, and Possible Action on Inducement Resolution No. 17-001 for Multifamily Housing Revenue Bonds Regarding Authorization for Filing Applications for Private Activity Bond Authority on the 2016 Waiting List for Arborstone Apartments

- e) Presentation, Discussion, and Possible Action on Inducement Resolution No. 17-002 for Multifamily Housing Revenue Bonds Regarding Authorization for Filing Applications for Private Activity Bond Authority on the 2016 Waiting List for Sunrise Orchard Apartments

- f) Presentation, Discussion, and Possible Action on Reinstatement of Determination Notice for Housing Tax Credits with another Issuer

15416 Woodland Christian Towers

Houston

**811 PROGRAM**

- g) Presentation, Discussion, and Possible Action on Program Guidelines for Existing Developments participating in the Section 811 Project Rental Assistance Program

**Spencer Duran**  
Manager, 811 Program

**ASSET MANAGEMENT**

- h) Presentation, Discussion and Possible Action regarding Material Amendment to the Housing Tax Credit Land Use Restriction Agreement (LURA)

**Raquel Morales**  
Director

95039 Dayton Park Apartments

Houston

99151 Treymore at Eastfield

Dallas

**COMMUNITY AFFAIRS**

- i) Presentation, Discussion, and Possible Action on Reallocation of Unexpended 2015 Comprehensive Energy Assistance Program (“CEAP”) funds

**Michael DeYoung**  
Director

**CONSENT AGENDA REPORT ITEMS**

**ITEM 2: THE BOARD ACCEPTS THE FOLLOWING REPORTS:**

- a) TDHCA Outreach Activities, August 2016
- b) Report Regarding a Request for Proposal (“RFP”) for a Master Servicer for the Department’s Single Family Mortgage Purchase Program, including the Texas First Time Homebuyer Program, the My First Texas Home Program, and other homebuyer programs implemented by the Department

**Michael Lyttle**  
Chief, External Affairs

**Monica Galuski**  
Director, Bond Finance

**ACTION ITEMS**

**ITEM 3: REPORTS**

Report, Discussion, and Possible Action on the Underwriting Analysis and Recommendations for Application #16057, Silverleaf at Mason, Mason

**Brent Stewart**  
Director, Real Estate  
Analysis

**ITEM 4: BOND FINANCE**

- a) Presentation, Discussion, and Possible Action on Resolution No. 17-003 Approving a Servicing Agreement, Escrow Agreement, Amended Program Guidelines, Master Mortgage Origination Agreement, Master Loan Participation Agreement and Amendment to Master Trade Confirmation in Connection with the Department’s Single Family Mortgage Purchase Program; Authorizing the Execution of Documents and Instruments Relating to the Foregoing, Making Certain Findings and Determinations in Connection Therewith, and Containing Other Provisions Relating to the Subject
- b) Presentation, Discussion, and Possible Action on Resolution No. 17-004 Approving an Advances Agreement and Escrow Agreement; Authorizing the Execution of Documents and Instruments Relating Thereto; Making Certain Findings and Determinations in Connection Therewith; and Containing Other Provisions Relating to the Subject
- c) Presentation, Discussion, and Possible Action on Resolution No. 17-005 Authorizing the Issuance and Delivery of Texas Department of Housing and Community Affairs Series 2016 Issuer Note; Approving the Form and Substance of Related Documents; Authorizing the Execution of Documents and Instruments Necessary or Convenient to Carry Out the Purposes of this Resolution; and Containing Other Provisions Relating to the Subject

**Monica Galuski**  
Director

**ITEM 5: RULES**

- a) Presentation, Discussion, and Possible Action on proposed repeals of 10 TAC Chapter 10 Subchapter A, concerning General Information and Definitions, Subchapter B, concerning Site and Development Requirements and Restrictions, Subchapter C, concerning Application Submission Requirements, Ineligibility Criteria, Board

**Marni Holloway**  
Director, Multifamily  
Finance

Decisions and Waiver of Rules for Applications, and Subchapter G, concerning Fee Schedule, Appeals and Other Provisions, and a proposed new 10 TAC Chapter 10 Subchapter A, concerning General Information and Definitions, Subchapter B, concerning Site and Development Requirements and Restrictions, Subchapter C, concerning Application Submission Requirements, Ineligibility Criteria, Board Decisions and Waiver of Rules for Applications, and Subchapter G, concerning Fee Schedule, Appeals and Other Provisions, and directing their publication for public comment in the *Texas Register*

- b) Presentation, Discussion, and Possible Action on the proposed repeal of 10 TAC Chapter 11 concerning the Housing Tax Credit Program Qualified Allocation Plan, and a proposed new 10 TAC Chapter 11 concerning the Housing Tax Credit Program Qualified Allocation Plan, and directing its publication for public comment in the *Texas Register*
- c) Presentation, Discussion, and Possible Action on the proposed repeal of 10 TAC Chapter 10 Subchapter D concerning Underwriting and Loan Policy and a proposed new 10 TAC Chapter 10 Subchapter D and directing their publication for public comment in the *Texas Register*

**Brent Stewart**  
Director, Real Estate  
Analysis

#### **ITEM 6: MULTIFAMILY FINANCE**

- a) Presentation, Discussion, and Possible Action on an Award of Direct Loan Funds  
16504 Gaston Place Accessible Apartments Austin
- b) Presentation, Discussion and Possible Action on the 2016 State of Texas National Housing Trust Fund Allocation Plan

**Andrew Sinnott**  
Loan Program  
Administrator

#### **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):

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;
3. Pursuant to Tex. Gov't Code §551.071(2) for the purpose of seeking the advice of its attorney about a 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; including seeking legal advice in connection with a posted agenda item;
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.

**J. Paul Oxeer**  
Chairman

##### **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 and 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 Michael Lyttle, 512-475-4542, TDHCA, 221 East 11<sup>th</sup> Street, Austin, Texas 78701, and request the information.

If you would like to follow actions taken by the Governing Board during this meeting, please follow TDHCA

account (@tdhca) on Twitter.

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 three (3) days before the meeting so that appropriate arrangements can be made.

Non-English speaking individuals who require interpreters for this meeting should contact Elena Peinado, 512-475-3814, at least three (3) days before the meeting so that appropriate arrangements can be made.

Personas que hablan español y requieren un intérprete, favor de llamar a Elena Peinado al siguiente número 512-475-3814 por lo menos tres días antes de la junta para hacer los preparativos apropiados.

**NOTICE AS TO HANDGUN PROHIBITION DURING THE OPEN MEETING OF A GOVERNMENTAL ENTITY IN THIS ROOM ON THIS DATE:**

Pursuant to Section 30.06, Penal Code (trespass by license holder with a concealed handgun), a person licensed under Subchapter H, Chapter 411, Government Code (handgun licensing law), may not enter this property with a concealed handgun.

De acuerdo con la sección 30.06 del código penal (ingreso sin autorización de un titular de una licencia con una pistola oculta), una persona con licencia según el subcapítulo h, capítulo 411, código del gobierno (ley sobre licencias para portar pistolas), no puede ingresar a esta propiedad con una pistola oculta.

Pursuant to Section 30.07, Penal Code (trespass by license holder with an openly carried handgun), a person licensed under Subchapter H, Chapter 411, Government Code (handgun licensing law), may not enter this property with a handgun that is carried openly.

De acuerdo con la sección 30.07 del código penal (ingreso sin autorización de un titular de una licencia con una pistola a la vista), una persona con licencia según el subcapítulo h, capítulo 411, código del gobierno (ley sobre licencias para portar pistolas), no puede ingresar a esta propiedad con una pistola a la vista.

**NONE OF THESE RESTRICTIONS EXTEND BEYOND THIS ROOM ON THIS DATE AND DURING THE MEETING OF THE GOVERNING BOARD OF THE TEXAS DEPARTMENT OF HOUSING AND COMMUNITY AFFAIRS**

# CONSENT AGENDA

1a

BOARD ACTION REQUEST  
BOARD SECRETARY  
SEPTEMBER 8, 2016

Presentation, Discussion, and Possible Action on Board Meeting Minutes Summaries for July 14, 2016, and July 28, 2016

RECOMMENDED ACTION

Approve the Board Meeting Minutes Summaries for July 14, 2016, and July 28, 2016

RESOLVED, that the Board Meeting Minutes Summaries for July 14, 2016, and July 28, 2016, are hereby approved as presented.



Texas Department of Housing and Community Affairs Governing Board  
Board Meeting Minutes Summary  
July 14, 2016

On Thursday, the fourteenth day of July 2016, at 9:00 a.m., the regular monthly meeting of the Governing Board ("Board") of the Texas Department of Housing and Community Affairs ("TDHCA" or the "Department") was held in Room JHR 140, John H. Reagan Building, 105 W. 15<sup>th</sup> Street, Austin, Texas.

The following members, constituting a quorum, were present and voting:

- J. Paul Oxer
- Dr. Juan Muñoz
- Leslie Bingham Escareño
- Tom H. Gann
- JB Goodwin

J. Paul Oxer served as Chair, and James "Beau" Eccles served as secretary.

1) The Board unanimously approved the Consent Agenda as amended by a technical correction provided on Item 1(c) – Presentation, Discussion, and Possible Action on Determination Notices for Housing Tax Credits with another Issuer for #16409 Sansom Ridge Apartments, Sansom Park; #16415 Songhai at Westgate Apartments, Austin; and #16416 Fairway Landings at Plum Creek, Kyle – and removal of Item 1(d) – Presentation, Discussion, and Possible Action on Inducement Resolution No. 16-019 for Multifamily Housing Revenue Bonds Regarding Authorization for Filing Applications for Private Activity Bond Authority on the 2016 Waiting List for Sunrise Orchard Apartments.

2) Action Item 3 – Presentation, Discussion, and Possible Action regarding the Legislative Appropriations Request for State Fiscal Years 2018-19 – was presented by Michael Lyttle, TDHCA Chief of External Affairs, with additional information from Tim Irvine, TDHCA Executive Director. Following public comment (listed below), the Board unanimously approved staff recommendation to approve and submit the document.

- Eric Samuels, Texas Homeless Network, testified in opposition to staff recommendation
- Beaman Floyd, Texas Habitat for Humanity, testified with comments regarding funding for the Texas Bootstrap Loan Program
- Charlie Duncan, Texas Low Income Housing Information Service, testified in opposition to staff recommendation

3) Action Item 4 – Presentation, Discussion and Possible Action regarding Waiver and Material Amendment to Housing Tax Credit Application #15306 Altura Heights, Houston – was presented by Raquel Morales, TDHCA Director of Asset Management, with additional information from Mr. Irvine and James "Beau" Eccles, TDHCA General Counsel. Following public comment (listed below), the Board unanimously approved staff recommendation to approve the material amendment request and unanimously denied staff recommendation to deny the waiver request, thus, granting the applicant's waiver request.

- Diana McIver, DMA Development, provided comments on the agenda item

4) Action Item 5 – Presentation, Discussion, and Possible Action on Timely Filed Scoring Appeals under the Department's 2016 Emergency Solutions Grant ("ESG") Program Notice of Funding Availability ("NOFA") for TX-607COD City of Denton, and TX-607SCL Lubbock Regional MHMR Center DBA StarCare Specialty Health System-VetStar Program – was presented by Naomi Trejo, TDHCA Coordinator for Homelessness Programs and Policy, with additional information from Megan Sylvester, TDHCA Federal Compliance Counsel. Consideration of the Lubbock appeal did not occur as this part of the agenda item was pulled. Following public comment (listed below), the Board unanimously approved staff recommendation to deny the Denton appeal.

- Dr. Alonso Peterson, Giving Hope Incorporated, testified in opposition to staff recommendation

5) Action Item 6(a) – Report and Possible Action regarding Third Party Requests for Administrative Deficiency for #16118 The Standard on the Creek, Houston; and #16380 Sierra Vista, Lopezville CDP – was presented by Marni Holloway, TDHCA Director of Multifamily Finance, with additional information from Mr. Irvine and Mr. Eccles. The Board heard the report and following public comment (listed below), took no action.

- The Honorable Harold V. Dutton, Jr., State Representative for Texas House District 142, testified in opposition to staff determination re: #16118 The Standard on the Creek
- Guy Rankin, representing the Honorable Garnet F. Coleman, State Representative for Texas House District 147, testified with general comments advocating for the Board to be consistent in its rulings
- Donna Rickenbacker, Marquis Development, testified in opposition to staff determination re: #16118 The Standard on the Creek
- Brad Forslund, Churchill Residential, testified in opposition to staff determination re: #16118 The Standard on the Creek
- Matthew Vrugink (#16118 applicant), Ojala Holdings, testified in support of staff determination re: #16118 The Standard on the Creek
- Cynthia Bast, Locke Lord and representing #16118 applicant, testified in support of staff determination re: #16118 The Standard on the Creek
- Ann Lott, Inclusive Communities Housing Development Corporation, testified in support of staff determination re: #16118 The Standard on the Creek
- Clay Likover (#16118 applicant), Ojala Holdings, testified in support of staff determination re: #16118 The Standard on the Creek
- Curtis Smith, representing the Honorable Terry Canales, State Representative for Texas House District 40, testified in support of staff determination re: #16380 Sierra Vista
- Barry Palmer, Coats Rose, testified in opposition to staff determination re: #16380 Sierra Vista
- Tamea Dula, Coats Rose, testified in opposition to staff determination re: #16380 Sierra Vista
- Henry Flores (#16380 applicant), testified in support of staff determination re: #16380 Sierra Vista
- Cynthia Bast, Locke Lord and representing #16380 applicant, testified in support of staff determination re: #16380 Sierra Vista
- Toby Williams (#16380 applicant), testified in support of staff determination re: #16380 Sierra Vista
- Sarah Anderson, S. Anderson Consulting, testified in opposition to staff determination re: #16380 Sierra Vista
- Donna Rickenbacker, Marquis Development, testified in opposition to staff determination re: #16380 Sierra Vista

- Michael Lyttle, TDHCA Chief of External Affairs, read a letter into the record from the Honorable Juan "Chuy" Hinojosa, State Senator, Texas Senate District 20, in support of staff determination re: #16380 Sierra Vista

6) At 12:16 p.m. the Board went into Executive Session and reconvened in open session at 1:42 p.m. No action was taken in or as a result of Executive Session.

7) Chairman Oxer used discretion as board chair to take the following action item out of order: Action Item 6(f) – Presentation, Discussion and Possible Action on the draft 2016 State of Texas National Housing Trust Fund Allocation Plan and directing that it be published in the Texas Register. The item was presented by Andrew Sinnott, TDHCA Loan Programs Administrator. The Board unanimously approved staff recommendation to publish the draft plan.

8) Action Item 6(b) – Presentation, Discussion, and Possible Action on Timely Filed Scoring Notice Appeals under the Department's Multifamily Program Rules for #16387 Cantabria Estates Apartments, Brownsville – was presented by Ms. Holloway. Following public comment (listed below), the Board unanimously approved staff recommendation to deny the appeal.

- Toni Jackson, attorney representing applicant, testified in opposition to staff recommendation
- Sunny Philip, South Texas Collaborative for Housing Development, testified in opposition to staff recommendation
- Tracey Fine, National Church Residences, testified in support of staff recommendation

9) Action Item 6(c) – Presentation, Discussion and Possible Action on Staff Determinations regarding 10 TAC §10.101(a)(3) related to Undesirable Site Features and 10 TAC §10.101(a)(4) related to Applicant Disclosure of Undesirable Neighborhood Characteristics for #16200 Kirby Park Villas, San Angelo; and #16274 Rockview Manor, Fort Hancock – was presented by Ms. Holloway with additional information from Mr. Irvine and Mr. Gouris. Following public comment (listed below), the Board voted unanimously to deny staff's recommendation to make #16200 and #16274 ineligible, thus making both applications eligible.

- Cynthia Bast, Locke Lord and representing the applicant for #16200, testified in opposition to staff recommendation
- Michael Osbourn, Kaw Valley Engineering, provided comment regarding the environmental study conducted for the #16200 application
- Craig Meyers, San Angelo resident, provided comment on general neighborhood characteristics as they relate to the #16200 application
- Bob Salas, City of San Angelo, testified in opposition to staff recommendation regarding the #16200 application
- Paul Holden, Zimmerman Properties, testified in opposition to staff recommendation regarding the #16200 application
- Peggy Henderson, TDHCA staff, read into the record registered opinion from Jason Modglin of State Representative Drew Darby's office in opposition to staff recommendation regarding the #16200 application
- Ms. Bast, Locke Lord and representing the applicant for #16274, testified in opposition to staff recommendation
- Roy Lopez, representing the applicant for #16274, testified in opposition to staff recommendation
- Bobby Bowling, Tropicana Development, testified in support of staff recommendation

- Robbye Meyer, representing the applicant, testified in opposition to staff recommendation for #16274

10) Action Item 6(d) – Presentation, Discussion and Possible Action on Staff Determinations regarding Application Disclosures under 10 TAC §10.101(a)(4) related to Applicant Disclosure of Undesirable Neighborhood Characteristics for #16108 Timber Ridge Apartments, Chandler; #16214 Heritage Pines, Texarkana; #16237 Hawks Landing, Iowa Park; #16246 Gala at Four Corners, Four Corners; #16251 Provision at Clodine Road, Houston; and #16317 Blue Line Lofts, Rowlett – was presented by Sharon Gamble, TDHCA Competitive HTC Program Administrator. The Board unanimously approved staff recommendation on the determinations making the applications eligible.

11) Action Item 6(e) – Staff will present a summary of Determinations under 10 TAC §11.10 of the 2016 Qualified Allocation Plan related to #16130 Cottages at San Saba, San Saba; and #16168 Stonebridge of Whitehouse, Whitehouse – was presented by Ms. Gamble. The Board listened to the summary and took no further action.

12) The following public comment was made on matters other than items for which there were posted agenda items:

- Barry Kahn, Hettig/Kahn Companies, provided comment regarding high opportunity points in the competitive tax credit program as they related to education and areas of revitalization

Except as noted otherwise, all materials presented to and reports made to the Board were approved, adopted, and accepted. These minutes constitute a summary of actions taken. The full transcript of the meeting, reflecting who made motions, offered seconds, etc., questions and responses, and details of comments, is retained by TDHCA as an official record of the meeting.

There being no further business to come before the Board, the meeting adjourned at 3:40 p.m. The next meeting is set for Thursday, July 28, 2016.

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Secretary

Approved:

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Chair

Texas Department of Housing and Community Affairs Governing Board  
Board Meeting Minutes Summary  
July 28, 2016

On Thursday, the twenty-eighth day of July 2016, at 9:00 a.m., the regular meeting of the Governing Board ("Board") of the Texas Department of Housing and Community Affairs ("TDHCA" or the "Department") was held in Room JHR 140, John H. Reagan Building, 105 W. 15<sup>th</sup> Street, Austin, Texas.

The following members, constituting a quorum, were present and voting:

- J. Paul Oxer
- T. Tolbert Chisum
- Leslie Bingham Escareño
- Tom H. Gann

J. Paul Oxer served as Chair, and James "Beau" Eccles, TDHCA General Counsel, served as secretary.

1) The Board unanimously approved the Consent Agenda as amended by technical corrections provided on items: 1(b) Presentation, Discussion, and Possible Action regarding the adoption of an Agreed Final Order concerning Avalon Apartments (HTC 91036/CMTS 954); and 1(k) Presentation, Discussion, and Possible Action on Approval of the Federal Fiscal Year 2017 Low Income Home Energy Assistance Program ("LIHEAP") Application and State Plan for submission to the U.S. Department of Health and Human Services ("USHHS") and Approval of the Associated 2017 LIHEAP Awards

2) Action Item 1(m) – Presentation, Discussion, and Possible Action on Conditional Program Year ("PY") 2016 Emergency Solutions Grants ("ESG") Program Awards – was presented by Michael DeYoung, TDHCA Director of Community Affairs, with additional information from Brooke Boston, TDHCA Deputy Executive Director, and Megan Sylvester, TDHCA Legal Division. Following public comment (listed below), the Board unanimously approved staff recommendation to issue the awards pending receipt of a grant letter from the U.S. Department of Housing and Urban Development.

- Michael Lyttle, TDHCA Chief of External Affairs, read a letter into the record from the Honorable Jane Nelson, State Senator, Senate District 12, asking TDHCA to give full consideration to the ESG application submitted by the City of Denton
- Sharell Clay, Giving Hope, Inc., provided testimony requesting available ESG funds for her organization
- Kathy Reece, Denton citizen, provided testimony regarding how the benefits of the ESG program

3) Action Item 3(a) – Report on the meeting of the Audit Committee – was presented by Mark Scott, TDHCA Director of Internal Audit. The Board heard the report and took no action.

4) Action Item 3(b) – Internal Audit Report 16-001 "Sources and Uses" – was presented by Mr. Scott. The Board heard the report and took no action.

5) Action Item 4 – Presentation and Update Regarding the Selection of the Master Servicer for Single Family Homeownership Programs implemented through the Texas Homeownership Division, including the Texas First Time Homebuyer Program, the My First Texas Home Program, and Other Single Family

Programs, as applicable – was presented by Monica Galuski, TDHCA Director of Bond Finance. The Board heard the update and took no action.

6) Action Item 5 – Presentation, Discussion, and Possible Action on Timely Filed Underwriting Appeals under the Department’s Multifamily Program Rules for #16057 Silverleaf at Mason, Mason; and #16274 Rockview Manor, Fort Hancock – were pulled from the agenda and not heard.

7) Chairman Oxer exercised his discretion regarding order of items taken up to bring up Action Item 6(d) – Presentation, Discussion, and Possible Action Regarding the Issuance of Multifamily Housing Revenue Bonds (Gateway at Hutchins Apartments) Series 2016 Resolution No. 16-022 and Determination Notice of Housing Tax Credits. The item was presented by Marni Holloway, TDHCA Director of Multifamily Finance. The Board unanimously approved staff recommendation to issue the bonds and credits for the proposed development.

8) Chairman Oxer exercised his discretion regarding order of items taken up to bring up Action Item 6(e) – Presentation, Discussion, and Possible Action Regarding the Issuance of Multifamily Housing Revenue Bonds (Mercantile Apartments) Series 2016 Resolution No. 16-023 and Determination Notice of Housing Tax Credits. The item was presented by Ms. Holloway with additional information from Tim Irvine, TDHCA Executive Director. Following public comment (listed below), the Board unanimously approved an amended staff recommendation to issue the bonds and credits for the proposed development.

- Deb Guerrero, NRP Group, testified in support of staff recommendation

9) Chairman Oxer exercised his discretion regarding order of items taken up to bring up Action Item 6(a) – Presentation, Discussion, and Possible Action on Timely Filed Scoring Notice Appeals under the Department’s Multifamily Program Rules for #16011 Homestead Prairie Senior Apartments, Ponder. The item was presented by Sharon Gamble, TDHCA Administrator of the Competitive Housing Tax Credit Program, with additional information from Mr. Irvine and Mr. Eccles. Following public comment (listed below), the Board unanimously approved staff recommendation to deny the appeal.

- Sallie Burchett, Structure Development, testified in opposition to staff recommendation

10) Action Item 6(b) – Presentation, Discussion, and Possible Action on Timely Filed Scoring Notice Appeals under the Department’s Multifamily Program Rules for #16218 Sphinx at Sims Bayou, Houston – was presented by Ms. Gamble. Following public comment (listed below), the Board unanimously approved staff recommendation to deny the appeal.

- Rick Sims, #16218 applicant, testified in opposition to staff recommendation

11) Action Item 6(c) – Presentation, Discussion, and Possible Action on Timely Filed Scoring Notice Appeals under the Department’s Multifamily Program Rules for #16319 The Residence at Coulter, Amarillo – was presented by Ms. Gamble with additional information from Mr. Irvine and Mr. Eccles. Following public comment (listed below) and Executive Session (listed below in this summary as #12), the Board unanimously approved staff recommendation to deny the appeal.

- Frank Ainsa, OPG Coulter Partners, testified in opposition to staff recommendation
- Mr. Lyttle read a letter into the record from the Honorable John T. Smithee, State Representative, House District 86, which expressed opposition to staff recommendation

- Cynthia Bast, Locke Lord attorney representing applicant #16370 The Villas, testified in support of staff recommendation

12) At 10:33 a.m. the Board went into Executive Session and reconvened in open session at 11:24 a.m. No action was taken in Executive Session.

13) Action Item 6(f) – Presentation, Discussion, and Possible Action regarding Awards of Direct Loan funds from the 2016-1 Multifamily Direct Loan Notice of Funding Availability to 9% Housing Tax Credit Layered Applications – was presented by Ms. Holloway. The Board unanimously approved the staff recommended list of awards.

14) Action Item 6(g) – Presentation, Discussion, and Possible Action regarding Awards from the 2016 State Housing Credit Ceiling and Approval of the Waiting List for the 2016 Housing Tax Credit Application Round – was presented by Ms. Gamble. Following public comment (listed below), the Board unanimously approved the staff recommended list of awards and wait list with conditions.

- Mr. Lyttle read into the record a letter from the Honorable Abel Herrero, State Representative, House District 34, regarding the staff recommended list of awards and wait list
- Matt Carpenter, Fall Creek HOA, testified in opposition to staff recommendation regarding applicant #16118 The Standard on the Creek
- Cynthia Bast, Locke Lord attorney representing applicant #16098 Parkdale Villas, provided comments regarding terms and conditions associated with staff recommendation
- Stan W. Steele testified in opposition to staff recommendation regarding applicant #16223 Magnolia Gardens
- Dalton Lytle testified in opposition to staff recommendation regarding applicant #16223 Magnolia Gardens
- Rachelle Androwski testified in opposition to staff recommendation regarding applicant #16223 Magnolia Gardens
- James Combs testified in opposition to staff recommendation regarding applicant #16223 Magnolia Gardens
- Chris Richardson testified in opposition to staff recommendation regarding applicant #16223 Magnolia Gardens
- Joelle Franklin testified in opposition to staff recommendation regarding applicant #16223 Magnolia Gardens
- Terri Roeber, TDHCA Legal Division, provided the name of three individuals registering in opposition to staff recommendation regarding applicant #16223 Magnolia Gardens: Gregory Nimick, Rochelle Richardson, and Hader Zaydi.

Except as noted otherwise, all materials presented to and reports made to the Board were approved, adopted, and accepted. These minutes constitute a summary of actions taken. The full transcript of the meeting, reflecting who made motions, offered seconds, etc., questions and responses, and details of comments, is retained by TDHCA as an official record of the meeting.

There being no further business to come before the Board, the meeting adjourned at 12:58 p.m. The next meeting is set for Thursday, August 25, 2016.

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Secretary

Approved:

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Chair



1b

**BOARD ACTION REQUEST**

**TEXAS HOMEOWNERSHIP DIVISION**

**SEPTEMBER 8, 2016**

Presentation, Discussion, and Possible Action on the Single Family Mortgage Loan and Mortgage Credit Certificate (“MCC”) Programs Participating Lender Lists.

**RECOMMENDED ACTION**

**WHEREAS**, pursuant to Tex. Gov’t Code §2306.149, the Board has the specific duty and power to compile a list of approved mortgage lenders; and

**WHEREAS**, the Department has compiled a Participating Lender List for the Single Family Mortgage Loan and MCC Programs;

**Now, therefore, it is hereby**

**RESOLVED**, that the attached Participating Lender List is approved for use in conjunction with the Single Family Mortgage Loan and MCC Programs.

**BACKGROUND**

Attached is the current Participating Lender List for both the Single Family Mortgage Loan and MCC Programs. The process to request to become a Participating Lender is open, ongoing, and non-competitive. New mortgage lenders are able to submit documentation for consideration at any time. To date, 156 lending institutions providing mortgage options throughout the state have signed documents to participate in one or both of the programs. Of the list below, 19 are new participants to the program.

In an effort to maintain a well trained and knowledgeable lender network, online lender trainings are available year round on demand by our program administrator on any current mortgage loan program to any existing and/or new participating lender. Additionally, Department staff conducts webinars or on-site lender trainings upon request.

In accordance with ex. Gov’t Code §2306.149, staff is requesting the Board approve a list of mortgage lenders for use in conjunction with the Single Family Mortgage Loan and MCC Program(s).

<b>Approved Lenders</b>	<b>Program(s)</b>
Academy Mortgage Corporation	MFTH/MCC
Affiliated Bank	MFTH/MCC
Affiliated Mortgage Company	MCC
Amarillo National Bank	MCC
AMCAP Mortgage LLC dba Gold Financial Services	MFTH/MCC
AMEC (American Mortgage & Equity Consultants, Inc.)*	MCC
Amegy Bank	MFTH
American Financial Network, Inc.	MFTH/MCC
American Midwest Bank	MFTH
American Southwest Mortgage	MCC
Americas Choice Home Loans	MCC
AmeriPro Funding, Inc.	MFTH/MCC
Annie-Mac Home Mortgage (Am Neighborhood Mtg Acceptance Co.)	MFTH/MCC
ARK-LA-TEX Financial Services, LLC – dba Benchmark Mortgage	MFTH/MCC
Aspire Financial, Inc. dba Texas Lending	MFTH/MCC
BancorpSouth Bank	MFTH
Bank of America	MCC
Bank of Oklahoma dba Bank of Texas	MCC
Bay Equity LLC	MFTH/MCC
Bridgeview Mortgage LLC	MFTH/MCC
Broker Solutions Inc., dba New American Funding	MFTH/MCC
CalCon Mutual Mortgage, LLC dba OneTrust Home Loans *	MFTH/MCC
Caliber Home Loans, Inc	MFTH/MCC
Capstar Lending, LLC	MFTH/MCC
Castle & Cooke Mortgage, LLC.	MFTH/MCC
Cendera Funding, Inc.	MFTH/MCC
City Bank Mortgage	MCC
Citywide Home Loans	MFTH/MCC
CLM Mortgage, LLC *	MCC
CMG Mortgage, INC DBA CMG Financial	MFTH/MCC
Colonial National Mortgage , a Division of Colonial Savings, F.A.	MFTH/MCC
Commonwealth Mortgage of Texas, LP *	MCC
Compass Mortgage, Inc.	MCC
Cornerstone Home Lending, Inc.	MFTH/MCC
Counselors Mortgage Corp	MFTH/MCC
Crestmark Mortgage Company, Ltd. *	MFTH/MCC
CrossCountry Mortgage, Inc. *	MFTH/MCC
DHI Mortgage Co., Ltd.	MFTH/MCC
Diamond Residential Mortgage Corp.	MFTH
Elite Financing Group, LLC.	MCC
Envoy Mortgage, Ltd	MFTH/MCC
Everett Financial, Inc., dba Supreme Lending	MFTH/MCC
Fairway Independent Mortgage Corp	MFTH/MCC

<b>Approved Lenders</b>	<b>Program(s)</b>
Fidelity Bank	MFTH
Finance of America Mortgage, LLC *	MFTH/MCC
First American Mortgage	MCC
First California Mortgage DBA FirstCal	MFTH/MCC
First Choice Loan Services, Inc.	MFTH/MCC
First Community Bank	MFTH/MCC
First Continental Mortgage, LTD.	MFTH/MCC
First National Bank – El Paso	MFTH
First National Bank of Trenton	MCC
FNBT dba First Community Mortgage	TMP/MCC
Gardner Financial Services, Ltd. dba Legacy Mutual Mortgage	TMP/MCC
Gateway Mortgage Group, LLC	MFTH/MCC
GenEquity Mortgage, Inc.	MFTH
Georgetown Mortgage, LLC	MFTH/MCC
Global Advisory Group, Inc. dba Mortgage Advisory Group	MFTH
Gold Star Mortgage Financial Group *	MCC
Great Plains National Bank	MCC
GSF Mortgage Corporation	MFTH
Guild Mortgage Company	MFTH/MCC
Hamilton Group Funding, Inc	MFTH/MCC
Hancock Mortgage	MFTH
Highlands Residential Mortgage	MFTH/MCC
Home Community Mortgage LLC	MFTH/MCC
HomeBridge Financial Services, Inc.	MCC
Hometruster Mortgage Company	MFTH/MCC
Homeway Mortgage	MCC
Homewood Mortgage, LLC	MCC
Houstonian Mortgage Group, Inc.	MFTH/MCC
IberiaBank Mortgage Company	MCC
IHS Mortgage, LLC	MCC
Infinity Mortgage Holdings, LLC *	MCC
Integrity First Financial Group, Inc. *	MFTH/MCC
InterLinc Mortgage Services, LLC	MFTH/MCC
International City Mortgage, Inc.	MFTH/MCC
JP Morgan Chase	MCC
K. Hovnanian American Mortgage, LLC.	MFTH/MCC
LeaderOne Financial Corp.	MFTH/MCC
Liberty Bank and Trust Co.	MCC
Liberty Mortgage (Wendeburg Interests)	MCC
Loan Simple Inc.	MFTH/MCC
LoanDepot LLC dba iMortgage	MFTH/MCC
LoanStar Home Loans, LLC dba LoanStar Home Lending	MFTH/MCC
MI Financial Corporation	MFTH/MCC
Mid America Mortgage, Inc.	MFTH/MCC

<b>Approved Lenders</b>	<b>Program(s)</b>
Mission Mortgage of Texas, Inc.	MFTH/MCC
MLD Mortgage, Inc. DBA The Money Store	MCC
Mortgage Financial Services, LLC.	MFTH/MCC
Mortgage Pros, Inc	MCC
Mortgage Services, Inc.	MCC
Mountain West *	MFTH/MCC
Movement Mortgage, LLC	MFTH
Nations Reliable Lending	MFTH/MCC
Nationstar Mortgage, LLC	MFTH/MCC
Network Funding, L.P.	MFTH/MCC
New Penn Financial, LLC	MFTH/MCC
Northstar Bank of Texas	MFTH/MCC
Oak Mortgage Group	MFTH/MCC
On Q Financial, Inc.	MFTH/MCC
Open Mortgage, LLC	MFTH/MCC
Pacific Union Financial, LLC. *	MFTH/MCC
Paramount Residential Mortgage Group (PRMG)	MFTH/MCC
Patriot Bank Mortgage, Inc.	MCC
Pioneer Bank	MFTH
PNC Mortgage	MCC
Precious Realty & Mortgage, LLC *	MCC
Premier Nationwide Lending (NTFN, Inc.)	MFTH/MCC
Primary Residential Mortgage	MFTH/MCC
PrimeLending	MFTH/MCC
PrimeWest Mortgage Corp.	MFTH/MCC
Prodigy, Inc. *	MCC
Prospect Mortgage	MCC
Pulte Mortgage LLC	MFTH/MCC
RANLife, Inc.	MCC
Republic State Mortgage Company	MFTH/MCC
Residential Bancorp	MFTH/MCC
RMC Mortgage Corporation	MCC
Rocky Mountain Mortgage Company	MFTH
Security American Mortgage	MCC
Security National Mortgage Company	MFTH/MCC
Sente Mortgage	MFTH/MCC
SFMC, LP dba Service First Mortgage Co	MFTH/MCC
Southwest Funding, LP	MCC
SSBT Mortgage Group, LLC *	MFTH
Standard Pacific Mortgage, Inc.	MCC
Stearns Lending, Inc.	MFTH
Stonegate Mortgage Corp	MFTH
Success Mortgage Partners, Inc.	MFTH/MCC
SWBC Mortgage Corporation	MFTH/MCC

<b>Approved Lenders</b>	<b>Program(s)</b>
Texas Bank Financial dba Texas Bank Mortgage Co.	MFTH/MCC
Texas Loan Star Bank	MFTH
The Home Lending Group	MFTH/MCC
The Lending Partners, LLC	MFTH/MCC
Top One Mortgage LLC	MCC
Town Square Mortgage & Investments, Inc. dba Town Square Financial	MCC
Tri-State Mortgage Company	MFTH/MCC
TXL Mortgage Corporation	MFTH/MCC
Universal American Mortgage Company	MFTH/MCC
US Bank Home Mortgage	MFTH
Venta Financial Group Inc dba Alterra Mortgage	MFTH/MCC
Veterans United Home Loans *	MCC
Victorian Finance, LLC	MCC
Vision One Mortgage, Inc.	MFTH
W.J. Bradley Mortgage Capital	MFTH/MCC
Wallick & Volk, Inc. *	MFTH/MCC
Wells Fargo Home Mortgage	MFTH/MCC
WestStar Bank *	MFTH
Weststar Mortgage Corporation	MCC
Whitney Bank	MFTH/MCC
Willow Bend Mortgage	MFTH/MCC
Wintrust Mortgage	MFTH
Wolfe Financial, Inc. dba Integrity Mortgage Group	MCC
Woodside Mortgage Corporation *	MCC
WR Starkey Mortgage, LLP	MFTH/MCC

\* Approved within last 12 months

MFTH - My First Texas Home (Single Family Loan Program)

MCC - Texas Mortgage Credit Certificate Program

1c

**THE FOLLOWING ITEMS HAVE  
BEEN PULLED FROM THE  
AGENDA**

<b>16418</b>	<b>Pathways at Georgian Manor</b>	<b>Austin</b>
<b>16419</b>	<b>Pathways at Manchaca Village</b>	<b>Austin</b>
<b>16420</b>	<b>Pathways at North Loop</b>	<b>Austin</b>
<b>16421</b>	<b>Pathways at Northgate</b>	<b>Austin</b>
<b>16422</b>	<b>Pathways at Shadowbend Ridge</b>	<b>Austin</b>



**BOARD ACTION REQUEST**  
**MULTIFAMILY FINANCE DIVISION**  
**SEPTEMBER 8, 2016**

Presentation, Discussion, and Possible Action on a Determination Notice for Housing Tax Credits with another Issuer (#16423 Plano Artist's Lofts, Plano)

**RECOMMENDED ACTION**

**WHEREAS**, a 4% Housing Tax Credit application for Plano Artist's Lofts, sponsored by the Plano Housing Corporation and Rise Residential Construction, was submitted to the Department on April 21, 2016;

**WHEREAS**, the Certificate of Reservation from the Texas Bond Review Board ("BRB") was issued on May 3, 2016, and will expire on September 30, 2016; and

**WHEREAS**, the proposed issuer of the bonds is the Plano Public Facilities Corporation;

**NOW, therefore, it is hereby**

**RESOLVED**, that the issuance of a Determination Notice of \$1,050,953 in 4% 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 Plano Artist's Lofts is hereby approved as presented to this meeting.

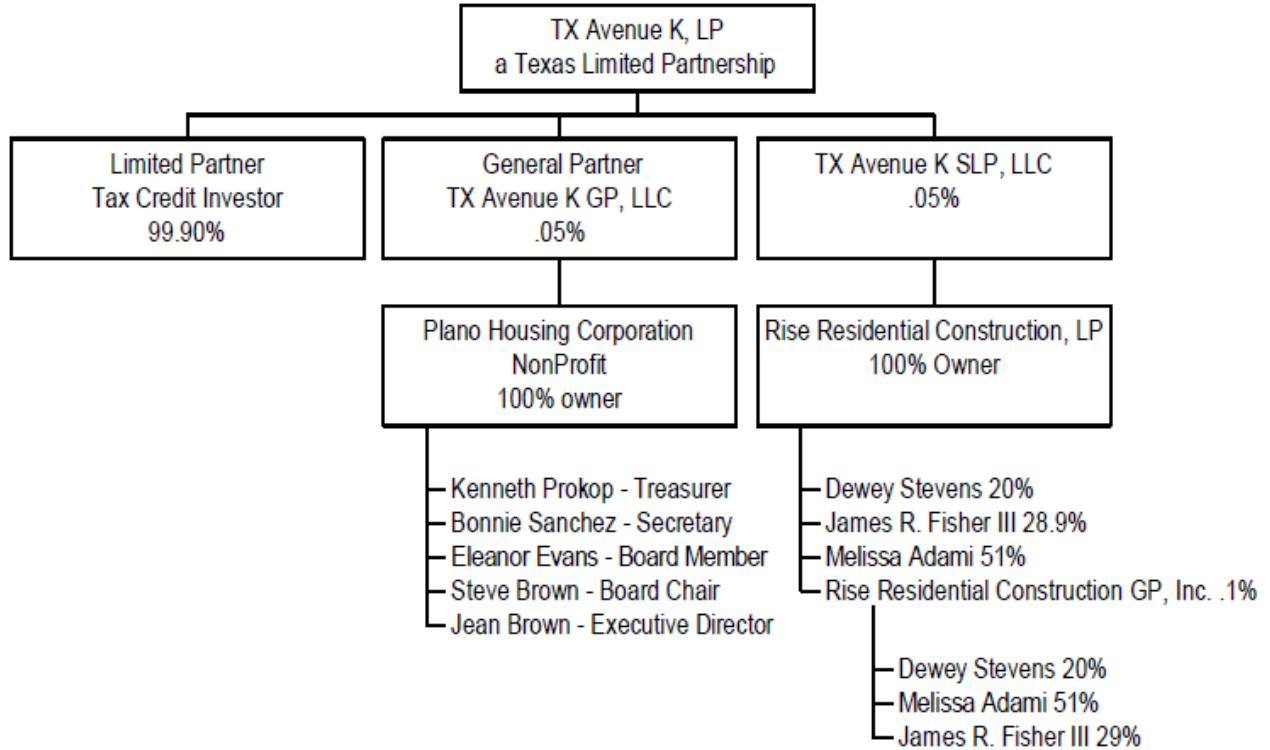
**BACKGROUND**

*General Information:* Plano Artist's Lofts, proposed to be located at Avenue G and 13<sup>th</sup> and 14<sup>th</sup> Street Connector in Plano, Collin County, involves the new construction of 220 units, 176 of which will be rent and income restricted at 60% of Area Median Family Income. The remaining 44 units will be at market rate with no rent and income restrictions. The development will serve the general population but will not be available for general use as the applicant intends to market the property to artists and is currently zoned appropriately. Proposed to be located in downtown Plano, the development is proposed to be four-story, urban infill with structured parking. There will be live work spaces designed for use by working artists and the site plan reflects areas for displays of art by local artists, residents and non-residents. The census tract (0319.00) has a median household income of \$40,851, is in the third quartile, and has a poverty rate of 37.10%.

*Organizational Structure and Previous Participation:* The Borrower is TX Avenue K, L.P., and includes the entities and principals as illustrated in Exhibit A. The applicant is considered a Medium Category 1 portfolio and the previous participation was deemed acceptable by EARAC on August 29, 2016 without further review or discussion. EARAC also reviewed the proposed financing and the underwriting report, and recommends issuance of a Determination Notice.

*Public Comment:* There have been no letters of support or opposition received by the Department.

EXHIBIT A

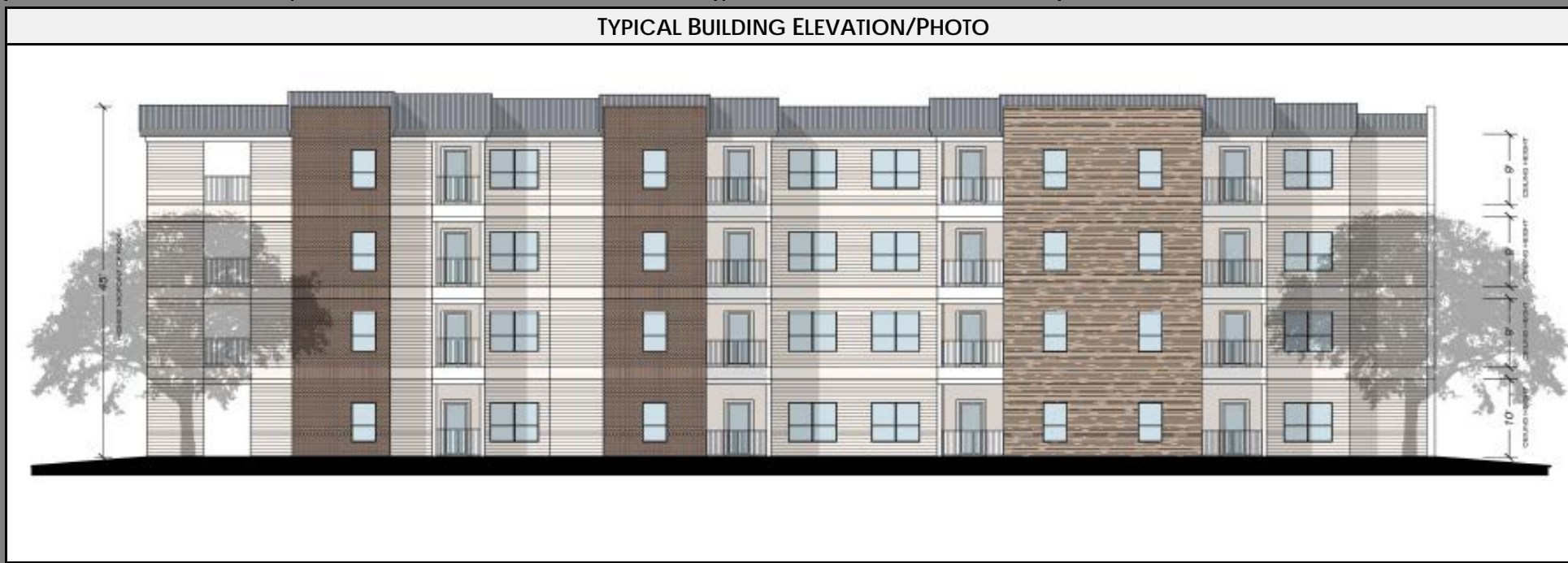


# APPLICATION SUMMARY

PROPERTY IDENTIFICATION	
Application #	16423
Development	Plano Artist Lofts
City / County	Plano / Collin
Region/Area	3 / Urban
Population	General
Set-Aside	General
Activity	New Construction

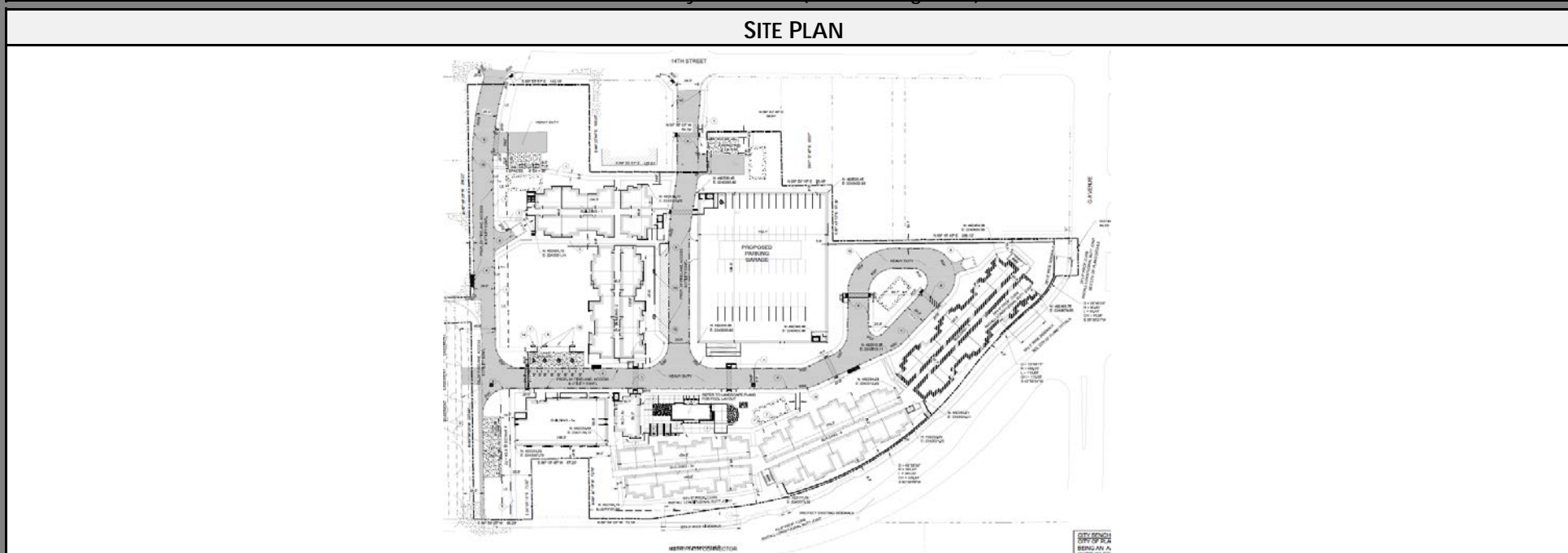
RECOMMENDATION					
TDHCA Program	Request	Approved			
LIHTC (4% Credit)	\$1,078,928	\$1,050,953	\$4,777/Unit	\$1.06	
	Amount	Rate	Amort	Term	Lien
Private Activity Bonds					
MDLP (Repayable)					
MDLP (Non-Repayable)					
CHDO Expenses					

KEY PRINCIPAL / SPONSOR		
General Partner(s)		
Plano Housing Corporation - Jean Brown		
Rise Residential - Melissa Adami		
Developer(s)		
Plano Housing Corporation - Jean Brown		
Rise Residential - Melissa Adami		
Related-Parties	Contractor - Yes	Seller - No



UNIT DISTRIBUTION			INCOME DISTRIBUTION		
# Beds	# Units	% Total	Income	# Units	% Total
Eff	32	15%	30%	-	0%
1	104	47%	40%	-	0%
2	68	31%	50%	-	0%
3	16	7%	60%	176	80%
4	-	0%	MR	44	20%
<b>TOTAL</b>	<b>220</b>	<b>100%</b>	<b>TOTAL</b>	<b>220</b>	<b>100%</b>

PRO FORMA FEASIBILITY INDICATORS			
Pro Forma Underwritten		TDHCA's Pro Forma	
Debt Coverage	1.15	Expense Ratio	44.2%
Breakeven Occ.	85.8%	Breakeven Rent	\$814
Average Rent	\$881	B/E Rent Margin	\$67
Property Taxes	\$574/unit	Exemption/PILOT	50%
Total Expense	\$4,489/unit	Controllable	\$2,972/unit



MARKET FEASIBILITY INDICATORS			
Gross Capture Rate (10% Maximum)			7.2%
Highest Unit Capture Rate	35%	1 BR/60%	84
Dominant Unit Cap. Rate	35%	1 BR/60%	84
Premiums (↑60% Rents)	Yes		\$359/Avg.
Rent Assisted Units	19		9% Total Units

DEVELOPMENT COST SUMMARY			
Costs Underwritten		Applicant's Costs	
Avg. Unit Size	790 SF	Density	39.4/acre
Acquisition		\$15K/unit	\$3,250K
Building Cost	\$99.29/SF	\$78K/unit	\$17,264K
Hard Cost		\$98K/unit	\$21,580K
Total Cost		\$161K/unit	\$35,501K
Developer Fee	\$4,000K	(96% Deferred)	Paid Year: 15
Contractor Fee	\$3,021K	30% Boost	Yes



DEBT (Must Pay)					CASH FLOW DEBT / GRANT FUNDS					EQUITY / DEFERRED FEES		
Source	Term	Rate	Amount	DCR	Source	Term	Rate	Amount	DCR	Source	Amount	
IBC Bank	17/35	4.18%	\$19,900,000	1.15						42 Equity or other investor	\$11,178,051	
City TIF= Infrastructure (PHC Loan)	35/	1.00%	\$600,000	1.15						Deferred Developer Fee	\$3,823,324	
<b>TOTAL DEBT (Must Pay)</b>			#####		<b>CASH FLOW DEBT / GRANTS</b>				\$0		<b>TOTAL EQUITY SOURCES</b>	\$15,001,375
											<b>TOTAL DEBT SOURCES</b>	\$20,500,000
											<b>TOTAL CAPITALIZATION</b>	\$35,501,375

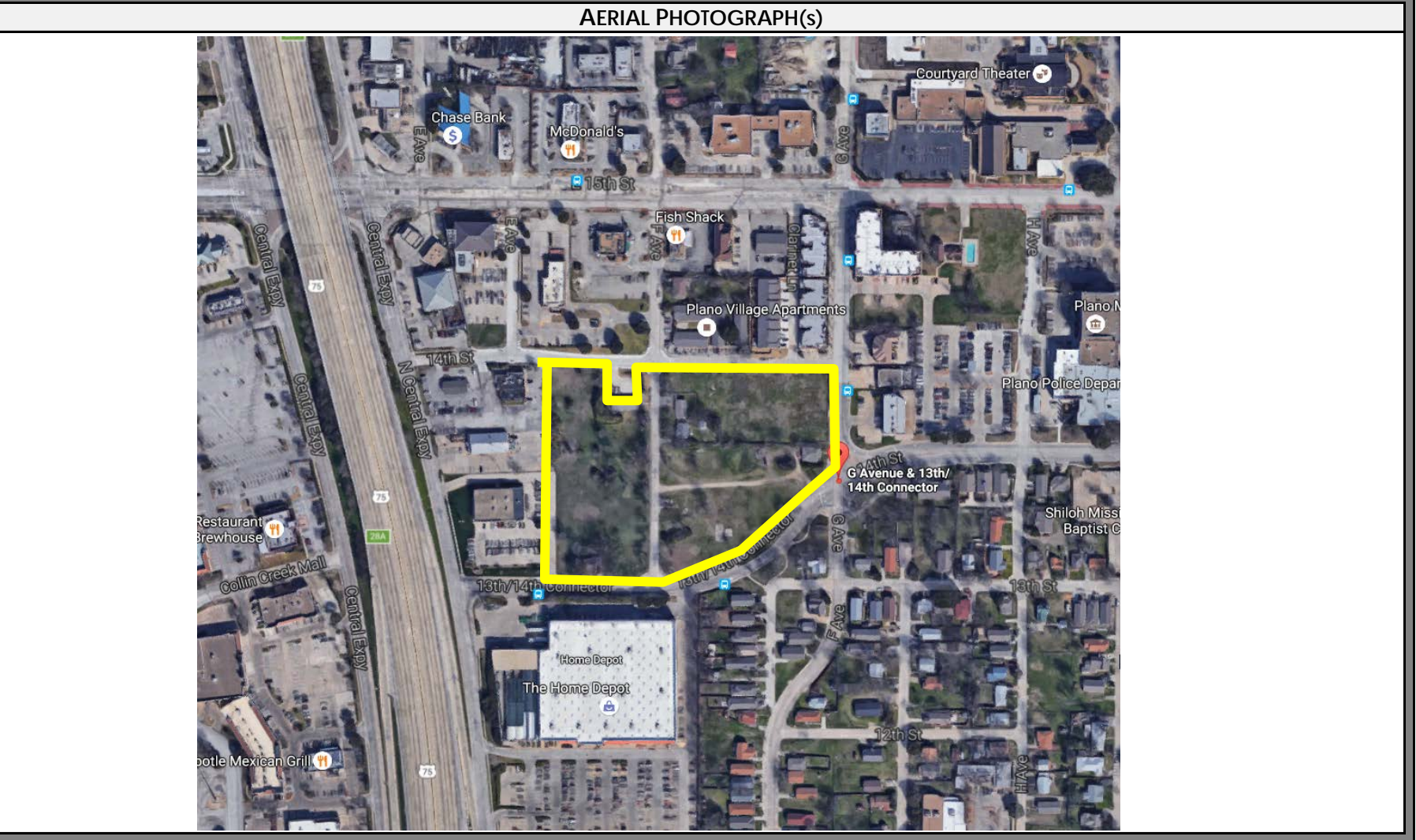
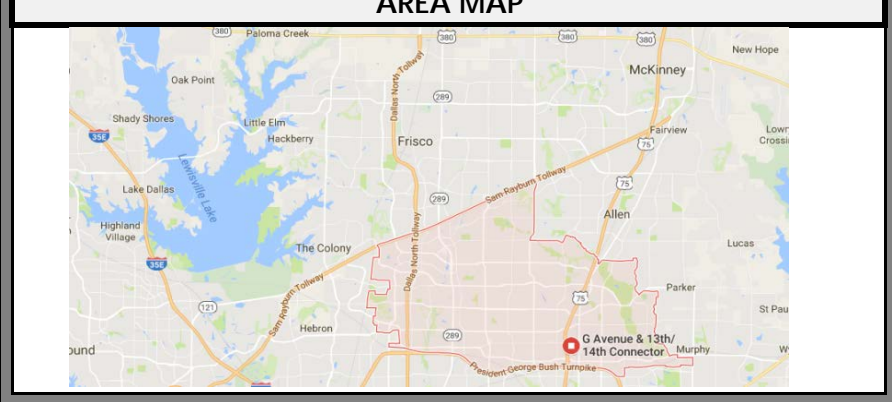
**CONDITIONS**

- 1 Receipt and acceptance before Determination Notice:
  - Documentation of creation of the TIF and commitment of the TIF funds.
- 2 Documentation at Cost Certification clearing environmental issues identified in the ESA report, specifically:
  - Documentation be provided that recommendations of the ESA Provider regarding asbestos, mold, lead based paint and lead in drinking water have been followed and executed before and during construction.
- 3 Receipt and acceptance by Cost Certification:
  - a: Documentation that any management fee in excess of 4% of EGI will be subordinate to debt service.
  - b: Fully executed HAP contract.

Should any terms of the proposed capital structure change or if there are material changes to the overall development plan or costs, the analysis must be re-evaluated and adjustment to the credit allocation and/or terms of other TDHCA funds may be warranted.

BOND RESERVATION / ISSUER	
Issuer	Plano Public Facility Corporation
Expiration Date	9/30/2016
Bond Amount	\$20,000,000
BRB Priority	2
Expected Close	TBD
Bond Structure	Freddie Mac TEL

RISK PROFILE	
STRENGTHS/MITIGATING FACTORS	
▫	Experienced Developer/Owner
▫	High area occupancy
WEAKNESSES/RISKS	
▫	Market rent exposure
▫	Understated contingency
▫	Break even rent
▫	1.15 DCR



1d

**BOARD ACTION REQUEST**  
**MULTIFAMILY FINANCE DIVISION**  
**SEPTEMBER 8, 2016**

Presentation, Discussion, and Possible Action on Inducement Resolution No. 17-001 for Multifamily Housing Revenue Bonds Regarding Authorization for Filing Applications for Private Activity Bond Authority on the 2016 Waiting List for Arborstone Apartments

**RECOMMENDED ACTION**

**WHEREAS**, a bond pre-application for Arborstone Apartments, sponsored by Dalcour Holdings, LLC, was submitted to the Department for consideration of an inducement resolution;

**WHEREAS**, pursuant to 10 TAC §10.101(a)(4) of the Uniform Multifamily Rules related to Undesirable Neighborhood Characteristics, applicants are required to disclose the existence of certain characteristics of a proposed development site and can do so at the time of pre-application or full application;

**WHEREAS**, the applicant disclosed the presence of such characteristics, specifically that one of the schools located in the attendance zone of the development did not achieve a 2015 Met Standing rating by the Texas Education Agency (“TEA”);

**WHEREAS**, while the aforementioned undesirable characteristic was disclosed at pre-application, staff will conduct further review, present findings and make a recommendation as to eligibility of the application under 10 TAC §10.101(a)(4) of the Uniform Multifamily Rules at the time of consideration for an award of Housing Tax Credits and issuance of Private Activity Bonds;

**WHEREAS**, the applicant also disclosed the possibility of some accessibility issues associated with the property, including the size of the storage closet doors and the steep grading of the topography and how that impacts accessible routes throughout the property; however, because staff does not have the information necessary in order to thoroughly evaluate potential issues associated with this, no action with respect to accessibility issues is part of this Board approval;

**WHEREAS**, Board approval of the inducement resolution is the first step in the application process for a multifamily bond issuance by the Department; and

**WHEREAS**, the inducement allows staff to submit an application to the Bond Review Board (“BRB”) to await a Certificate of Reservation.

**NOW, therefore, it is hereby**

**RESOLVED**, the Inducement Resolution No. 17-001 to proceed with the application submission to the BRB for possible receipt of State Volume Cap issuance authority from the

2016 Private Activity Bond Program for Arborstone Apartments (#16610) is hereby approved in the form presented to this meeting.

### **BACKGROUND**

The BRB administers the state's annual private activity bond authority for the State of Texas. The Department is an issuer of Private Activity Bonds and is required to induce an application for bonds prior to the submission to the BRB. Approval of the inducement resolution does not constitute approval of the Development but merely allows the Applicant the opportunity to move into the full application phase of the process. Once the application receives a Certificate of Reservation, the Applicant has 150 days to close on the private activity bonds.

During the 150-day process, the Department will review the complete application for compliance with the Department's Rules, including but not limited to a determination on site eligibility due to one of the schools in the attendance zone not achieving the 2015 Met Standard rating and compliance with the Department's accessibility rules in Chapter 1, Subchapter B. Staff will also underwrite the transaction and determine financial feasibility in accordance with the Real Estate Analysis Rules. The Department will schedule and conduct a public hearing, and the complete application, including a transcript from the hearing, will then be presented to the Board for a decision on the issuance of bonds as well as a determination on the amount of housing tax credits anticipated to be allocated to the development.

Each year, the State of Texas is notified of the cap on the amount of private activity tax exempt revenue bonds that may be issued within the state. Approximately \$604 million is set aside for multifamily until August 15<sup>th</sup> for the 2016 program year, after which all sub-ceilings collapse and volume cap is available on a first come first served basis. This Inducement would reserve approximately \$35,500,000 million in state volume cap.

The Arborstone Apartments is an existing development located at 6500 South Cockrell Hill Road in Dallas, Dallas County, and would include the acquisition and rehabilitation of 536 units serving the general population. This transaction is proposed to be Priority 3 with all of the units rent and income restricted at 60% of the Area Median Family Income. Preliminary information submitted in the pre-application reflects approximately \$28,000 per unit in rehabilitation costs. While a component of the proposed rehabilitation will include bringing the development into compliance with accessibility requirements, the applicant disclosed the possibility of some accessibility issues associated with the property, including the size of the storage closet doors and the steep grading of the topography and how that impacts accessible routes throughout the property. Because staff does not have the information necessary in order to thoroughly evaluate the potential issues no action with respect to accessibility issues is part of this Board approval.

The Department has not received any letters of support or opposition for this development.

## RESOLUTION NO. 17-001

RESOLUTION DECLARING INTENT TO ISSUE MULTIFAMILY REVENUE BONDS WITH RESPECT TO RESIDENTIAL RENTAL DEVELOPMENTS; AUTHORIZING THE FILING OF ONE OR MORE APPLICATIONS FOR ALLOCATION OF PRIVATE ACTIVITY BONDS WITH THE TEXAS BOND REVIEW BOARD; AND AUTHORIZING OTHER ACTION RELATED THERETO

WHEREAS, the Texas Department of Housing and Community Affairs (the “Department”) has been duly created and organized pursuant to and in accordance with the provisions of Chapter 2306, Texas Government Code, as amended, (the “Act”) for the purpose, among others, of providing a means of financing the costs of residential ownership, development and rehabilitation that will provide decent, safe, and affordable living environments for persons and families of low, very low and extremely low income and families of moderate income (all as defined in the Act); and

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

WHEREAS, it is proposed that the Department issue its revenue bonds in one or more series for the purpose of providing financing for the multifamily residential rental developments (the “Developments”) more fully described in Exhibit A attached hereto. The ownership of the Developments as more fully described in Exhibit A will consist of the applicable ownership entity and its principals or a related person (the “Owners”) within the meaning of the Internal Revenue Code of 1986, as amended (the “Code”); and

WHEREAS, the Owners have made not more than 60 days prior to the date hereof, payments with respect to the Developments and expect to make additional payments in the future and desire that they be reimbursed for such payments and other costs associated with the Developments from the proceeds of tax-exempt and taxable obligations to be issued by the Department subsequent to the date hereof; and

WHEREAS, the Owners have indicated their willingness to enter into contractual arrangements with the Department providing assurance satisfactory to the Department that the requirements of the Act and the Department will be satisfied and that the Developments will satisfy State law, Section 142(d) and other applicable Sections of the Code and Treasury Regulations; and

WHEREAS, the Department desires to reimburse the Owners for the costs associated with the Developments listed on Exhibit A attached hereto, but solely from and to the extent, if any, of the proceeds of tax-exempt and taxable obligations to be issued in one or more series to be issued subsequent to the date hereof; and



WHEREAS, at the request of the Owners, the Department reasonably expects to incur debt in the form of tax-exempt and taxable obligations for purposes of paying the costs of the Developments described on Exhibit A attached hereto; and

WHEREAS, in connection with the proposed issuance of the Bonds (defined below), the Department, as issuer of the Bonds, is required to submit for the Developments one or more Applications for Allocation of Private Activity Bonds or Applications for Carryforward for Private Activity Bonds (the “Application”) with the Texas Bond Review Board (the “Bond Review Board”) with respect to the tax-exempt Bonds to qualify for the Bond Review Board’s Allocation Program in connection with the Bond Review Board’s authority to administer the allocation of the authority of the State to issue private activity bonds; and

WHEREAS, the Governing Board of the Department (the “Board”) has determined to declare its intent to issue its multifamily revenue bonds for the purpose of providing funds to the Owners to finance the Developments on the terms and conditions hereinafter set forth; NOW, THEREFORE,

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

## ARTICLE 1

### OFFICIAL INTENT; APPROVAL OF CERTAIN ACTIONS

Section 1.1. Authorization of Issue. The Department declares its intent to issue its Multifamily Housing Revenue Bonds (the “Bonds”) in one or more series and in amounts estimated to be sufficient to (a) fund a loan or loans to the Owners to provide financing for the respective Developments in an aggregate principal amount not to exceed those amounts, corresponding to the Developments, set forth in Exhibit A; (b) fund a reserve fund with respect to the Bonds if needed; and (c) pay certain costs incurred in connection with the issuance of the Bonds. Such Bonds will be issued as qualified residential rental development bonds. Final approval of the Department to issue the Bonds shall be subject to: (i) the review by the Department’s credit underwriters for financial feasibility; (ii) review by the Department’s staff and legal counsel of compliance with federal income tax regulations and State law requirements regarding tenancy in the respective Development; (iii) approval by the Bond Review Board, if required; (iv) approval by the Attorney General of the State of Texas (the “Attorney General”); (v) satisfaction of the Board that the respective Development meets the Department’s public policy criteria; and (vi) the ability of the Department to issue such Bonds in compliance with all federal and State laws applicable to the issuance of such Bonds.

Section 1.2. Terms of Bonds. The proposed Bonds shall be issuable only as fully registered bonds in authorized denominations to be determined by the Department; shall bear interest at a rate or rates to be determined by the Department; shall mature at a time to be determined by the Department but in no event later than 40 years after the date of issuance; and shall be subject to prior redemption upon such terms and conditions as may be determined by the Department.

Section 1.3. Reimbursement. The Department reasonably expects to reimburse the Owners for all costs that have been or will be paid subsequent to the date that is 60 days prior to the date hereof in connection with the acquisition of real property and construction of its Development and listed on Exhibit A attached hereto (“Costs of the Developments”) from the proceeds of the Bonds, in an amount which is reasonably estimated to be sufficient: (a) to fund a loan to provide financing for the acquisition and construction or rehabilitation of its Development, including reimbursing the applicable Owner for all

costs that have been or will be paid subsequent to the date that is 60 days prior to the date hereof in connection with the acquisition and construction or rehabilitation of the Developments; (b) to fund any reserves that may be required for the benefit of the holders of the Bonds; and (c) to pay certain costs incurred in connection with the issuance of the Bonds.

Section 1.4. Principal Amount. Based on representations of the Owners, the Department reasonably expects that the maximum principal amount of debt issued to reimburse the Owners for the Costs of the Developments will not exceed the amount set forth in Exhibit A which corresponds to the applicable Development.

Section 1.5. Limited Obligations. The Owners may commence with the acquisition and construction or rehabilitation of the Developments, which Developments will be in furtherance of the public purposes of the Department as aforesaid. On or prior to the issuance of the Bonds, each Owner will enter into a loan agreement, on terms agreed to by the parties, on an installment payment basis with the Department under which the Department will make a loan to the applicable Owner for the purpose of reimbursing the Owner for the Costs of the Development and the Owner will make installment payments sufficient to pay the principal of and any premium and interest on the applicable Bonds. The proposed Bonds shall be special, limited obligations of the Department payable solely by the Department from or in connection with its loan or loans to the Owner to provide financing for its Development, and from such other revenues, receipts and resources of the Department as may be expressly pledged by the Department to secure the payment of the Bonds.

Section 1.6. The Developments. Substantially all of the proceeds of the Bonds shall be used to finance the Developments, which are to be occupied entirely by Eligible Tenants, as determined by the Department, and which are to be occupied partially by persons and families of low income such that the requirements of Section 142(d) of the Code are met for the period required by the Code.

Section 1.7. Payment of Bonds. The payment of the principal of and any premium and interest on the Bonds shall be made solely from moneys realized from the loan of the proceeds of the Bonds to reimburse the Owners for costs of its Development.

Section 1.8. Costs of Developments. The Costs of the Developments may include any cost of acquiring, constructing, reconstructing, improving, installing and expanding the Developments. Without limiting the generality of the foregoing, the Costs of the Developments shall specifically include the cost of the acquisition of all land, rights-of-way, property rights, easements and interests, the cost of all machinery and equipment, financing charges, inventory, raw materials and other supplies, research and development costs, interest prior to and during construction and for one year after completion of construction whether or not capitalized, necessary reserve funds, the cost of estimates and of engineering and legal services, plans, specifications, surveys, estimates of cost and of revenue, other expenses necessary or incident to determining the feasibility and practicability of acquiring, constructing, reconstructing, improving and expanding the Developments, administrative expenses and such other expenses as may be necessary or incident to the acquisition, construction, reconstruction, improvement and expansion of the Developments, the placing of the Developments in operation and that satisfy the Code and the Act. The Owners shall be responsible for and pay any costs of its Development incurred by it prior to issuance of the Bonds and will pay all costs of its Development which are not or cannot be paid or reimbursed from the proceeds of the Bonds.

Section 1.9. No Commitment to Issue Bonds. Neither the Owners nor any other party is entitled to rely on this Resolution as a commitment to issue the Bonds and to loan funds, and the Department reserves the right not to issue the Bonds either with or without cause and with or without

notice, and in such event the Department shall not be subject to any liability or damages of any nature. Neither the Owners nor any one claiming by, through or under the Owners shall have any claim against the Department whatsoever as a result of any decision by the Department not to issue the Bonds.

Section 1.10. Conditions Precedent. The issuance of the Bonds following final approval by the Board shall be further subject to, among other things: (a) the execution by the Owners and the Department of contractual arrangements, on terms agreed to by the parties, providing assurance satisfactory to the Department that all requirements of the Act will be satisfied and that the Development will satisfy the requirements of Section 142(d) of the Code (except for portions to be financed with taxable bonds); (b) the receipt of an opinion from Bracewell LLP or other nationally recognized bond counsel acceptable to the Department (“Bond Counsel”), substantially to the effect that the interest on the tax-exempt Bonds is excludable from gross income for federal income tax purposes under existing law; and (c) receipt of the approval of the Bond Review Board, if required, and the Attorney General.

Section 1.11. Authorization to Proceed. The Board hereby authorizes staff, Bond Counsel and other consultants to proceed with preparation of the Developments’ necessary review and legal documentation for the filing of one or more Applications and the issuance of the Bonds, subject to satisfaction of the conditions specified in this Resolution. The Board further authorizes staff, Bond Counsel and other consultants to re-submit an Application that was withdrawn by an Owner.

Section 1.12. Related Persons. The Department acknowledges that financing of all or any part of the Developments may be undertaken by any company or partnership that is a “related person” to the respective Owner within the meaning of the Code and applicable regulations promulgated pursuant thereto, including any entity controlled by or affiliated with the Owners.

Section 1.13. Declaration of Official Intent. This Resolution constitutes the Department’s official intent for expenditures on Costs of the Developments which will be reimbursed out of the issuance of the Bonds within the meaning of Sections 1.142-4(b) and 1.150-2, Title 26, Code of Federal Regulations, as amended, and applicable rulings of the Internal Revenue Service thereunder, to the end that the Bonds issued to reimburse Costs of the Developments may qualify for the exemption provisions of Section 142 of the Code, and that the interest on the Bonds (except for any taxable Bonds) will therefore be excludable from the gross incomes of the holders thereof under the provisions of Section 103(a)(1) of the Code.

Section 1.14. Execution and Delivery of Documents. The Authorized Representatives named in this Resolution are each hereby authorized to execute and deliver all Applications, certificates, documents, instruments, letters, notices, written requests and other papers, whether or not mentioned herein, as may be necessary or convenient to carry out or assist in carrying out the purposes of this Resolution.

Section 1.15. Authorized Representatives. The following persons are hereby named as Authorized Representatives of the Department for purposes of executing, attesting, affixing the Department’s seal to, and delivering the documents and instruments and taking the other actions referred to in this Article 1: the Chair or Vice Chair of the Board, the Executive Director of the Department, the Deputy Executive Director of Asset Analysis and Management of the Department, the Director of Bond Finance of the Department, the Director of Texas Homeownership of the Department, the Director of Multifamily Finance of the Department, and the Secretary or any Assistant Secretary to the Board. Such persons are referred to herein collectively as the “Authorized Representatives.” Any one of the Authorized Representatives is authorized to act individually as set forth in this Resolution.

## ARTICLE 2

### CERTAIN FINDINGS AND DETERMINATIONS

Section 2.1. Certain Findings Regarding Developments and Owners. The Board finds that:

- (a) the Developments are necessary to provide decent, safe and sanitary housing at rentals that individuals or families of low and very low income and families of moderate income can afford;
- (b) the Owners will supply, in their Development, well-planned and well-designed housing for individuals or families of low and very low income and families of moderate income;
- (c) the Owners are financially responsible;
- (d) the financing of the Developments is a public purpose and will provide a public benefit;  
and
- (e) the Developments will be undertaken within the authority granted by the Act to the Department and the Owners.

Section 2.2. No Indebtedness of Certain Entities. The Board hereby finds, determines, recites and declares that the Bonds shall not constitute an indebtedness, liability, general, special or moral obligation or pledge or loan of the faith or credit or taxing power of the State, the Department or any other political subdivision or municipal or political corporation or governmental unit, nor shall the Bonds ever be deemed to be an obligation or agreement of any officer, director, agent or employee of the Department in his or her individual capacity, and none of such persons shall be subject to any personal liability by reason of the issuance of the Bonds. The Bonds will be a special limited obligation of the Department payable solely from amounts pledged for that purpose under the financing documents.

Section 2.3. Certain Findings with Respect to the Bonds. The Board hereby finds, determines, recites and declares that the issuance of the Bonds to provide financing for the Developments will promote the public purposes set forth in the Act, including, without limitation, assisting persons and families of low and very low income and families of moderate income to obtain decent, safe and sanitary housing at rentals they can afford.

## ARTICLE 3

### GENERAL PROVISIONS

Section 3.1. Books and Records. The Board hereby directs this Resolution to be made a part of the Department's books and records that are available for inspection by the general public.

Section 3.2. Notice of Meeting. This Resolution was considered and adopted at a meeting of the Board that was noticed, convened, and conducted in full compliance with the Texas Open Meetings Act, Chapter 551 of the Texas Government Code, and with §2306.032 of the Texas Government Code, regarding meetings of the Board.

Section 3.3. Effective Date. This Resolution shall be in full force and effect from and upon its adoption.

*[Execution page follows]*

PASSED AND APPROVED this 8<sup>th</sup> day of September, 2016.

[SEAL]

By: \_\_\_\_\_  
Chair, Governing Board

ATTEST:

\_\_\_\_\_  
Secretary to the Governing Board

*Signature Page to Inducement Resolution*

**EXHIBIT “A”**

Description of the Owner and the Development

Project Name	Owner	Principals	Amount Not to Exceed
Arborstone Apartments	Dalcor Arborstone, Ltd., a Texas limited partnership	General Partner: Dalcor Arborstone GP, LLC, a Texas limited liability company	\$35,500,000
Costs: Acquisition/rehabilitation of a 536-unit affordable, multifamily housing development known as Arborstone Apartments, located at 6500 South Cockrell Hill, Dallas, Texas 75236.			

1e

**BOARD ACTION REQUEST**  
**MULTIFAMILY FINANCE DIVISION**  
**SEPTEMBER 8, 2016**

Presentation, Discussion, and Possible Action on Inducement Resolution No. 17-002 for Multifamily Housing Revenue Bonds Regarding Authorization for Filing Applications for Private Activity Bond Authority on the 2016 Waiting List for Sunrise Orchard Apartments

**RECOMMENDED ACTION**

**WHEREAS**, an inducement resolution for Sunrise Orchard Apartments was previously approved at the Board meeting of June 30, 2015, and a Certificate of Reservation was issued by the Bond Review Board (“BRB”) on February 11, 2016, with a bond delivery deadline of June 5, 2016;

**WHEREAS**, a full application was submitted and is currently under review by the Department and the Certificate of Reservation has been withdrawn;

**WHEREAS**, due to increases in the construction cost bids, an increase to the requested maximum bond amount, the length of time passed since the original inducement, and a change to the general partner entity, the inducement resolution is being updated;

**WHEREAS**, approval of the inducement will allow staff to submit an application to the BRB for the issuance of another Certificate of Reservation;

**WHEREAS**, pursuant to 10 TAC §10.101(a)(4) of the Uniform Multifamily Rules related to Undesirable Neighborhood Characteristics, applicants are required to disclose the existence of certain characteristics of a proposed development site;

**WHEREAS**, the applicant disclosed the presence of such characteristics, specifically that two of the schools located in the attendance zone of the development did not achieve a 2015 Met Standing rating by the Texas Education Agency (“TEA”) and the rate of Part I violent crimes exceeds the threshold allowed in the rule; and

**WHEREAS**, while the aforementioned undesirable characteristic have been disclosed, staff is still in the process of assessing the documentation provided relative to acceptable mitigation and will present its findings and make a recommendation as to eligibility of the application under 10 TAC §10.101(a)(4) of the Uniform Multifamily Rules at the time of consideration for an award of Housing Tax Credits and issuance of Private Activity Bonds.

**NOW, therefore, it is hereby**

**RESOLVED**, that based on the forgoing, the Inducement Resolution No. 17-002 to proceed with the application submission to the BRB for possible receipt of State Volume Cap issuance authority from the 2016 Private Activity Bond Program for Sunrise Orchard Apartments (#16601) is hereby approved in the form presented to this meeting.



## **BACKGROUND**

The BRB administers the state's annual private activity bond authority for the State of Texas. The Department is an issuer of Private Activity Bonds and is required to induce an application for bonds prior to the submission to the BRB for a reservation of volume cap. Approval of the inducement resolution will allow staff to submit an application to the BRB for the issuance of another Certificate of Reservation and allow the application to continue to move forward in the review process. Once the Certificate of Reservation is issued the Applicant will have 150 days to close on the private activity bond financing.

The full application was submitted on January 19, 2016; staff has completed the initial program review and the application is currently under review by Real Estate Analysis. Staff has conducted the public hearing and the bond financing documents are currently under review by the financing participants. Sunrise Orchard includes multiple funding sources, including HOME funds from both Harris County and the City of Houston. There have been some delays associated with finalizing the requirements under those funding sources, including delays associated with the construction bids that would impact the funding sources involved and required an increase to the maximum bond amount requested in the resolution. There has also been a name change to the general partner entity. Considering the length of time since the original inducement resolution was approved and considering the changes that have occurred, staff is requesting that the inducement resolution be updated. Upon approval of the updated inducement resolution staff will submit the application to the BRB for another Certificate of Reservation that will include a 150-day closing deadline.

Staff anticipates bringing the full application, along with the final bond resolution, to the Board meeting on October 13, 2016, along with a determination on site eligibility due to one of the schools in the attendance zone not achieving the 2015 Met Standard rating and the instances of Part I violent crimes, which exceeds the threshold allowed under the rule. When the full application was originally submitted the middle school and high school did not achieve the Met Standard rating for 2015. With the recent release of the 2016 Accountability Ratings by TEA, the high school did achieve the required rating; however, the middle school did not, making it two years of Improvement Required. Staff has been in communication with the applicant on the information necessary that could constitute sufficient mitigation and they are working on obtaining such documentation. As it relates to crime, the proposed site is located in a census tract that has a Part I violent crime rate of 27.74 per 1,000 persons annually. The applicant initially provided a list of programs currently being implemented by the Houston Police Department to combat crime in the area; however, staff is still working with the applicant on additional information that could be submitted to address how those programs have had an effect on the current crime rate or something to suggest that, because of the programs in place, the crime rate is expected to decrease by the time the proposed development places into service. As a result, the undesirable neighborhood characteristics remain unresolved and result in a determination of ineligibility at this time while the applicant pursues the information requested by staff.

The inducement resolution is requesting authority to reserve \$5,800,000 in state volume cap. Sunrise Orchard is proposed to be located at approximately 5200 Sunrise Road in Houston, Harris County, and will include the new construction of 52 units of supportive housing, serving homeless young adults ages 18-24 which may include youth aging out of foster care. This transaction is proposed to be Priority 3 with all of the units rent and income restricted at 50% of the Area Median Family Income. It is also anticipated there will be supportive housing vouchers from the Houston Housing Authority that covers all of the units.

The Department has received support letters from Dwight Boykins, Houston City Council Member for District D, Adrian Garcia, Former Harris County Sheriff, the Salvation Army, and the Foundation for Teen

Health/Baylor College of Medicine Teen Health Clinics. The Department has not received any letters of opposition.

## RESOLUTION NO. 17-002

### RESOLUTION DECLARING INTENT TO ISSUE MULTIFAMILY REVENUE BONDS WITH RESPECT TO RESIDENTIAL RENTAL DEVELOPMENTS; AUTHORIZING THE FILING OF ONE OR MORE APPLICATIONS FOR ALLOCATION OF PRIVATE ACTIVITY BONDS WITH THE TEXAS BOND REVIEW BOARD; AND AUTHORIZING OTHER ACTION RELATED THERETO

WHEREAS, the Texas Department of Housing and Community Affairs (the “Department”) has been duly created and organized pursuant to and in accordance with the provisions of Chapter 2306, Texas Government Code, as amended, (the “Act”) for the purpose, among others, of providing a means of financing the costs of residential ownership, development and rehabilitation that will provide decent, safe, and affordable living environments for persons and families of low, very low and extremely low income and families of moderate income (all as defined in the Act); and

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

WHEREAS, it is proposed that the Department issue its revenue bonds in one or more series for the purpose of providing financing for the multifamily residential rental developments (the “Developments”) more fully described in Exhibit A attached hereto. The ownership of the Developments as more fully described in Exhibit A will consist of the applicable ownership entity and its principals or a related person (the “Owners”) within the meaning of the Internal Revenue Code of 1986, as amended (the “Code”); and

WHEREAS, the Owners have made payments with respect to the Developments and expect to make additional payments in the future and desire that they be reimbursed for such payments and other costs associated with the Developments from the proceeds of tax-exempt and taxable obligations to be issued by the Department subsequent to the date hereof; and

WHEREAS, the Owners have indicated their willingness to enter into contractual arrangements with the Department providing assurance satisfactory to the Department that the requirements of the Act and the Department will be satisfied and that the Developments will satisfy State law, Section 142(d) and other applicable Sections of the Code and Treasury Regulations; and

WHEREAS, the Department desires to reimburse the Owners for the costs associated with the Developments listed on Exhibit A attached hereto, but solely from and to the extent, if any, of the proceeds of tax-exempt and taxable obligations to be issued in one or more series to be issued subsequent to the date hereof; and

WHEREAS, at the request of the Owners, the Department reasonably expects to incur debt in the form of tax-exempt and taxable obligations for purposes of paying the costs of the Developments described on Exhibit A attached hereto; and

WHEREAS, in connection with the proposed issuance of the Bonds (defined below), the Department, as issuer of the Bonds, is required to submit for the Developments one or more Applications for Allocation of Private Activity Bonds or Applications for Carryforward for Private Activity Bonds (the "Application") with the Texas Bond Review Board (the "Bond Review Board") with respect to the tax-exempt Bonds to qualify for the Bond Review Board's Allocation Program in connection with the Bond Review Board's authority to administer the allocation of the authority of the State to issue private activity bonds; and

WHEREAS, the Governing Board of the Department (the "Board") approved Resolution 15-020 on June 30, 2015 (the "Original Resolution") declaring its intent to issue its multifamily revenue bonds for the purpose of providing funds to the Owners to finance the Developments on the terms and conditions hereinafter set forth and has determined to approve subsequent changes to the general partner of the Owner and to the principal amount of Bonds (hereinafter defined), each as described in Exhibit A; NOW, THEREFORE,

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

## ARTICLE 1

### OFFICIAL INTENT; APPROVAL OF CERTAIN ACTIONS

Section 1.1 Authorization of Issue. The Department declares its intent to issue its Multifamily Housing Revenue Bonds (the "Bonds") in one or more series and in amounts estimated to be sufficient to (a) fund a loan or loans to the Owners to provide financing for the respective Developments in an aggregate principal amount not to exceed those amounts, corresponding to the Developments, set forth in Exhibit A; (b) fund a reserve fund with respect to the Bonds if needed; and (c) pay certain costs incurred in connection with the issuance of the Bonds. Such Bonds will be issued as qualified residential rental development bonds. Final approval of the Department to issue the Bonds shall be subject to: (i) the review by the Department's credit underwriters for financial feasibility; (ii) review by the Department's staff and legal counsel of compliance with federal income tax regulations and State law requirements regarding tenancy in the respective Development; (iii) approval by the Bond Review Board, if required; (iv) approval by the Attorney General of the State of Texas (the "Attorney General"); (v) satisfaction of the Board that the respective Development meets the Department's public policy criteria; and (vi) the ability of the Department to issue such Bonds in compliance with all federal and State laws applicable to the issuance of such Bonds.

Section 1.2 Terms of Bonds. The proposed Bonds shall be issuable only as fully registered bonds in authorized denominations to be determined by the Department; shall bear interest at a rate or rates to be determined by the Department; shall mature at a time to be determined by the Department but in no event later than 40 years after the date of issuance; and shall be subject to prior redemption upon such terms and conditions as may be determined by the Department.

Section 1.3 Reimbursement. The Department reasonably expects to reimburse the Owners for all costs that have been or will be paid subsequent to the date that is 60 days prior to the date of the Original Resolution in connection with the acquisition of real property and construction of its Development and listed on Exhibit A attached hereto ("Costs of the Developments") from the proceeds of the Bonds, in an amount which is reasonably estimated to be sufficient: (a) to fund a loan to provide financing for the acquisition and construction or rehabilitation of its Development, including reimbursing the applicable Owner for all costs that have been or will be paid subsequent to the date that is 60 days prior to the date of the Original Resolution in connection with the acquisition and construction or

rehabilitation of the Developments; (b) to fund any reserves that may be required for the benefit of the holders of the Bonds; and (c) to pay certain costs incurred in connection with the issuance of the Bonds.

Section 1.4 Principal Amount. Based on representations of the Owners, the Department reasonably expects that the maximum principal amount of debt issued to reimburse the Owners for the Costs of the Developments will not exceed the amount set forth in Exhibit A which corresponds to the applicable Development.

Section 1.5 Limited Obligations. The Owners may commence with the acquisition and construction or rehabilitation of the Developments, which Developments will be in furtherance of the public purposes of the Department as aforesaid. On or prior to the issuance of the Bonds, each Owner will enter into a loan agreement, on terms agreed to by the parties, on an installment payment basis with the Department under which the Department will make a loan to the applicable Owner for the purpose of reimbursing the Owner for the Costs of the Development and the Owner will make installment payments sufficient to pay the principal of and any premium and interest on the applicable Bonds. The proposed Bonds shall be special, limited obligations of the Department payable solely by the Department from or in connection with its loan or loans to the Owner to provide financing for its Development, and from such other revenues, receipts and resources of the Department as may be expressly pledged by the Department to secure the payment of the Bonds.

Section 1.6 The Developments. Substantially all of the proceeds of the Bonds shall be used to finance the Developments, which are to be occupied entirely by Eligible Tenants, as determined by the Department, and which are to be occupied partially by persons and families of low income such that the requirements of Section 142(d) of the Code are met for the period required by the Code.

Section 1.7 Payment of Bonds. The payment of the principal of and any premium and interest on the Bonds shall be made solely from moneys realized from the loan of the proceeds of the Bonds to reimburse the Owners for costs of its Development.

Section 1.8 Costs of Developments. The Costs of the Developments may include any cost of acquiring, constructing, reconstructing, improving, installing and expanding the Developments. Without limiting the generality of the foregoing, the Costs of the Developments shall specifically include the cost of the acquisition of all land, rights-of-way, property rights, easements and interests, the cost of all machinery and equipment, financing charges, inventory, raw materials and other supplies, research and development costs, interest prior to and during construction and for one year after completion of construction whether or not capitalized, necessary reserve funds, the cost of estimates and of engineering and legal services, plans, specifications, surveys, estimates of cost and of revenue, other expenses necessary or incident to determining the feasibility and practicability of acquiring, constructing, reconstructing, improving and expanding the Developments, administrative expenses and such other expenses as may be necessary or incident to the acquisition, construction, reconstruction, improvement and expansion of the Developments, the placing of the Developments in operation and that satisfy the Code and the Act. The Owners shall be responsible for and pay any costs of its Development incurred by it prior to issuance of the Bonds and will pay all costs of its Development which are not or cannot be paid or reimbursed from the proceeds of the Bonds.

Section 1.9 No Commitment to Issue Bonds. Neither the Owners nor any other party is entitled to rely on this Resolution as a commitment to issue the Bonds and to loan funds, and the Department reserves the right not to issue the Bonds either with or without cause and with or without notice, and in such event the Department shall not be subject to any liability or damages of any nature. Neither the Owners nor any one claiming by, through or under the Owners shall have any claim against the Department whatsoever as a result of any decision by the Department not to issue the Bonds.

Section 1.10 Conditions Precedent. The issuance of the Bonds following final approval by the Board shall be further subject to, among other things: (a) the execution by the Owners and the Department of contractual arrangements, on terms agreed to by the parties, providing assurance satisfactory to the Department that all requirements of the Act will be satisfied and that the Development will satisfy the requirements of Section 142(d) of the Code (except for portions to be financed with taxable bonds); (b) the receipt of an opinion from Bracewell LLP or other nationally recognized bond counsel acceptable to the Department (“Bond Counsel”), substantially to the effect that the interest on the tax-exempt Bonds is excludable from gross income for federal income tax purposes under existing law; and (c) receipt of the approval of the Bond Review Board, if required, and the Attorney General.

Section 1.11 Authorization to Proceed. The Board hereby authorizes staff, Bond Counsel and other consultants to proceed with preparation of the Developments’ necessary review and legal documentation for the filing of one or more Applications and the issuance of the Bonds, subject to satisfaction of the conditions specified in this Resolution. The Board further authorizes staff, Bond Counsel and other consultants to re-submit an Application that was withdrawn by an Owner.

Section 1.12 Related Persons. The Department acknowledges that financing of all or any part of the Developments may be undertaken by any company or partnership that is a “related person” to the respective Owner within the meaning of the Code and applicable regulations promulgated pursuant thereto, including any entity controlled by or affiliated with the Owners.

Section 1.13 Declaration of Official Intent. The Original Resolution and this Resolution constitute the Department’s official intent for expenditures on Costs of the Developments which will be reimbursed out of the issuance of the Bonds within the meaning of Sections 1.142-4(b) and 1.150-2, Title 26, Code of Federal Regulations, as amended, and applicable rulings of the Internal Revenue Service thereunder, to the end that the Bonds issued to reimburse Costs of the Developments may qualify for the exemption provisions of Section 142 of the Code, and that the interest on the Bonds (except for any taxable Bonds) will therefore be excludable from the gross incomes of the holders thereof under the provisions of Section 103(a)(1) of the Code.

Section 1.14 Execution and Delivery of Documents. The Authorized Representatives named in this Resolution are each hereby authorized to execute and deliver all Applications, certificates, documents, instruments, letters, notices, written requests and other papers, whether or not mentioned herein, as may be necessary or convenient to carry out or assist in carrying out the purposes of this Resolution.

Section 1.15 Authorized Representatives. The following persons are hereby named as Authorized Representatives of the Department for purposes of executing, attesting, affixing the Department’s seal to, and delivering the documents and instruments and taking the other actions referred to in this Article 1: the Chair or Vice Chair of the Board, the Executive Director of the Department, the Deputy Executive Director of Asset Analysis and Management of the Department, the Director of Bond Finance of the Department, the Director of Texas Homeownership of the Department, the Director of Multifamily Finance of the Department, and the Secretary or any Assistant Secretary to the Board. Such persons are referred to herein collectively as the “Authorized Representatives.” Any one of the Authorized Representatives is authorized to act individually as set forth in this Resolution.

## ARTICLE 2

### CERTAIN FINDINGS AND DETERMINATIONS

Section 2.1 Certain Findings Regarding Developments and Owners. The Board finds that:

- (a) the Developments are necessary to provide decent, safe and sanitary housing at rentals that individuals or families of low and very low income and families of moderate income can afford;
- (b) the Owners will supply, in their Development, well-planned and well-designed housing for individuals or families of low and very low income and families of moderate income;
- (c) the Owners are financially responsible;
- (d) the financing of the Developments is a public purpose and will provide a public benefit; and
- (e) the Developments will be undertaken within the authority granted by the Act to the Department and the Owners.

Section 2.2 No Indebtedness of Certain Entities. The Board hereby finds, determines, recites and declares that the Bonds shall not constitute an indebtedness, liability, general, special or moral obligation or pledge or loan of the faith or credit or taxing power of the State, the Department or any other political subdivision or municipal or political corporation or governmental unit, nor shall the Bonds ever be deemed to be an obligation or agreement of any officer, director, agent or employee of the Department in his or her individual capacity, and none of such persons shall be subject to any personal liability by reason of the issuance of the Bonds. The Bonds will be a special limited obligation of the Department payable solely from amounts pledged for that purpose under the financing documents.

Section 2.3 Certain Findings with Respect to the Bonds. The Board hereby finds, determines, recites and declares that the issuance of the Bonds to provide financing for the Developments will promote the public purposes set forth in the Act, including, without limitation, assisting persons and families of low and very low income and families of moderate income to obtain decent, safe and sanitary housing at rentals they can afford.

### ARTICLE 3

#### GENERAL PROVISIONS

Section 3.1 Books and Records. The Board hereby directs this Resolution to be made a part of the Department's books and records that are available for inspection by the general public.

Section 3.2 Notice of Meeting. This Resolution was considered and adopted at a meeting of the Board that was noticed, convened, and conducted in full compliance with the Texas Open Meetings Act, Chapter 551 of the Texas Government Code, and with §2306.032 of the Texas Government Code, regarding meetings of the Board.

Section 3.3 Effective Date. This Resolution shall be in full force and effect from and upon its adoption.

PASSED AND APPROVED this 8<sup>th</sup> day of September, 2016.

[SEAL]

By: \_\_\_\_\_  
Chair, Governing Board

ATTEST:

\_\_\_\_\_  
Secretary to the Governing Board

*Signature Page to Inducement Resolution*



EXHIBIT "A"

Description of the Owner and the Development

Project Name	Owner	Principals	Amount Not to Exceed
Sunrise Orchard Apartments	Sunrise Orchard, LP, a Texas limited partnership	General Partner: Sunrise Orchard GP, LLC, a Texas limited liability company	\$5,800,000.00
Costs: Construction of a 52-unit affordable, multifamily housing development to be known as Sunrise Orchard Apartments, to be located at 5300 Sunrise Road, Houston, Harris County, TX 77021.			

January 14, 2015

Manuel Lopez, President/CEO  
Tejano Center for Community Concerns  
2950 Broadway Street  
Houston, Texas 77017

RE: Sunrise Orchard Apartments  
Permanent Supportive Housing

As a long-time supporter of Tejano Center's efforts to assist children in transition, I am pleased to support the proposed development of permanent supportive housing to assist homeless young adults, including those "aging out" of foster care. I understand the development will be located at 5300 Sunrise Road and will include 52 one and two bedroom apartments with community spaces that include a teaching kitchen, library, computers, and edible gardens. Easy accessibility to the new METRORail Purple Line will allow young adults to easily access educational and job training opportunities.

This long neglected population deserves a fighting chance and is certain to receive it at Tejano Center's Sunrise Orchard Apartments.

If you need any additional information please free to contact my office at 713-755-9563.

Thank you,



Adrian Garcia, Sheriff  
Harris County



DOING  
THE MOST  
GOOD™

Major Chris Flanagan, *Area Commander*  
Major Sandy Flanagan, *Coordinator of Women's Ministries*  
Gerald Eckert, *Director Social Services*

November 10, 2014

Mr. Manuel Lopez  
President/ CEO  
Tejano Center for Community Concerns, Inc.  
2950 Broadway Street  
Houston, Texas 77017

RE: Permanent Supportive Housing, Transitional Aged Youth  
Sunrise Orchard Apartments, 5300 Sunrise Road

Mr. Lopez,

The Salvation Army is a non-profit organization dedicated to meeting the needs of the homeless and has been working with the Tejano Center for Community Concerns as a partner in the development of 5300 Sunrise Road to help serve homeless Transitional Aged Youth who are between the ages of 18-25. Furthermore, The Salvation Army is committed to providing on-site Supportive Services in order to enhance each resident's ability to maintain stability in housing and to foster mental, emotional and physical wellness. These services may include: case management, drug and alcohol counseling, wellness services, life skills training, social activities, crisis intervention and support, support groups, education classes, and transportation.

The Salvation Army will continue to work with Tejano Center as a partner in the development and welcomes any questions regarding this matter. Please feel free to reach me at (713) 658-9205 extension 77078.

Sincerely,



Gerald Eckert, MSW  
Social Services Director

The Salvation Army Social Services  
2202 Main Street • Houston, TX 77002 • 713-658-9205/phone • 713-658-9206/fax  
www.SalvationArmyHouston.org • www.facebook.com/SalvationArmyHouston • 1-800-725-2769/donation line

"...there is no reward equal to that of doing the most good to the most people in the most need." -Evangeline Booth



CARING FOR THEIR FUTURE BY CARING FOR THEM NOW

## Board of Directors

Peggy Smith, *President*  
Elise Wilkinson, *Secretary*  
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Dr. Michelle Jordan  
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Brian Raines  
Samara Salman  
Leslie Sharp  
Reshonda Smith  
June Waggoner  
Chip Werlein  
Phyllis Williams  
Dr. Geri Wood  
Clarease Yates  
Brittany Zucker  
Sherri Zucker

Anne Van Horn, *Executive Director*

November 1, 2014

To Whom It May Concern,

The Tejano Center for Community Concern (TCCC) has a 40-year commitment to the Houston community which makes them well suited to expand the housing opportunities for young people aging out of foster care.

As partners with the Tejano Center for Community Concern, the Foundation for Teen Health and the Baylor College of Medicine Teen Health Clinics offer our enthusiastic support to this endeavor. We have a more than our own 40-year history of providing comprehensive medical care and social services to young men and women ages 13 to 25. Through our collaboration with TCCC we have opened a clinic on the campus of the TCCC, which is conveniently located to the site for the expanded housing development. Our mutual goals encourage this teen and young adult population to understand their responsibilities and to give them the tools to make good decisions, Teens and young adults are an often eclipsed segment of our population and it is important for the overall health of our community to give help them to be mentally and physically prepared to make the right choices in life.

We believe providing housing in a culturally sensitive and age appropriate environment with multiple layers of service and service providers, like the Baylor College of Medicine Teen Health Clinic, will secure the future for this population and enhance the quality of life for Houston.

I respectfully request you consider becoming part of this much-needed project by granting the TCCC funding request. It would be an honor for the Foundation for Teen Health and the Baylor College of Medicine Teen Health Clinic to be part of the growth of the TCCC to provide this invaluable service to the indigent young people of Houston.

Kindest Regards,

Anne Van Horn  
Executive Director  
Foundation for Teen Health  
Community Outreach Director  
Baylor College of Medicine Teen Health Clinic

## Baylor Teen Health Clinic

1504 Ben Taub Loop | Houston, Texas 77030  
713.873.3601 | 713.873.3608 fax  
[www.foundationforteenhealth.org](http://www.foundationforteenhealth.org)



DWIGHT BOYKINS  
Houston City Council Member, District D

January 20, 2015

Mr. Manuel Lopez, President/CEO  
Tejano Center for Community Concerns  
2950 Broadway Street  
Houston, Texas 77017

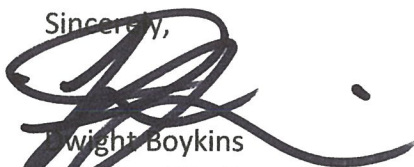
RE: Sunrise Orchard Apartments  
Permanent Supportive Housing

Dear Mr. Lopez –

As the City Council Member for District D, it is my goal to ensure that the needs of my constituents are met and that I and my office can be of service to those who are most vulnerable within our community. I have reviewed the information and proposal from Tejano Center for Community Concerns, a long time service provider within District D, for the development of permanent supportive housing to assist homeless young adults, including those “aging out” of foster care. I understand the development will be located at 5300 Sunrise Road and will include 52 one and two bedroom apartments with edible gardens and community spaces that will be open to neighborhood residents. Easy accessibility to the new METRO Purple Line will allow young adults to easily access educational and job training opportunities. After speaking with several constituents groups, I offer my support to the development of this project. This long neglected population deserves a fighting chance and is certain to receive it at Tejano Center’s Sunrise Orchard Apartments.

If you have any additional questions, please feel free to contact my office at (832) 393 – 3001.

Sincerely,



Dwight Boykins  
Houston City Council  
District D

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**BOARD ACTION REQUEST**  
**MULTIFAMILY FINANCE DIVISION**  
**SEPTEMBER 8, 2016**

Presentation, Discussion, and Possible Action on Reinstatement of Determination Notice for Housing Tax Credits with another Issuer (#15416 Woodland Christian Towers, Houston)

**RECOMMENDED ACTION**

**WHEREAS**, Woodland Christian Towers was originally awarded an allocation of Housing Tax Credits at the Board meeting of November 12, 2015;

**WHEREAS**, following Board approval the applicant received an additional Certificate of Reservation from the Bond Review Board (“BRB”) which required the Determination Notice be reinstated, which occurred at the Board meeting of January 28, 2016;

**WHEREAS**, two Carryforward Designation Certificates were issued and will expire on December 31, 2017, and December 31, 2018;

**WHEREAS**, according to the Applicant, unforeseen delays caused by the construction bidding process required by Harris County meant they were not be able to close by the March 12, 2016, deadline associated with the Determination Notice approved by the board on January 28, 2016; and

**WHEREAS**, after consideration of the revised financing exhibits based on updated costs, the Executive Award Review Advisory Committee (“EARAC”) recommends the issuance of a new Determination Notice, with the original conditions of the award intact, unless previously satisfied, along with a condition that closing occur within 60 days (on or before November 8, 2016).

**NOW, therefore, it is hereby**

**RESOLVED**, that the issuance of a Determination Notice of \$613,801 in 4% 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 Woodland Christian Towers is hereby approved as presented to this meeting; and

**FURTHER RESOLVED**, that provided the Applicant has not closed on the bond financing on or before November 8, 2016, the Board authorizes EARAC to approve or deny extension of the Determination Notice date subject to an updated previous participation review, if necessary.

**BACKGROUND**

*General Information:* Woodland Christian Towers involves the rehabilitation and acquisition of an existing development, originally constructed in 1971, located at 600 East Tidwell Road in Houston, Harris County

an area that does not have a zoning ordinance. The development has 127 units, all of which will be rent and income restricted at 60% of Area Median Family Income. The census tract (2205.00) has a median household income of \$18,380, is in the fourth quartile, and has a poverty rate of 32%.

Woodland Christian Towers received a Carryforward Designation in the amount of \$8,000,000 from the BRB in December 2014. The application was originally approved by the Board on November 12, 2015, and included a condition that closing occur within 120 days (March 12, 2016). Staff became aware shortly thereafter that a subsequent reservation of volume cap was issued for Woodland Christian Towers for an additional \$2,000,000. Since it was determined that this additional amount of bond volume cap was necessary for financial feasibility and not contemplated in the original Determination Notice, staff presented, and the Board approved the reinstatement of the Determination Notice on January 28, 2016.

While the original Determination Notice had been executed and all required fees had been paid to the Department the Applicant had yet to close on the bond financing. Through conversations with the applicant, it was evident that they were not going to be able to close by the March 12, 2016, deadline because of the lengthy bidding process required by Harris County and unforeseen by the applicant. Between November 2015 and April 2016 two bidding processes for a General Contractor occurred. In May 2016, a final selection was made and pre-construction meetings were held to ensure the construction process goes smoothly and eliminate any potential scope or coordination issues. The final total development costs reflected an increase of \$1,897,129 compared to what was reflected in the Department's original underwriting. A re-evaluation of the increase in costs resulted in a change to the credit amount from \$560,932 to \$613,801. The transaction is progressing towards a closing on October 3, 2016. A final commitment from Freddie Mac was issued on August 18, 2016, and Harris County Housing Finance Corporation and City of Houston final approvals occurred August 31, 2016, and will occur on September 14, 2016, respectively.

*Organizational Structure and Previous Participation:* The Borrower is Woodland Towers, LP. The general partner is WCT Housing, LLC, of which the sole member is Woodland Christian Towers, Inc., a nonprofit organization which includes the following board members and officers: Don Stump, Mark Anderson, Kathleen Mertz, John Rodenberg, Shannon Williams, Ed Gomez, Cletis Young, Jacqueline Williams and Lavonna DeJesus. The applicant is considered a small Category 1 portfolio and the previous participation was deemed acceptable by EARAC without further review or discussion.

EARAC recommends approval of the issuance of a new Determination Notice that supersedes any previously issued Determination Notices and that it be conditioned upon closing occurring within 60 days (November 8, 2016).



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BOARD ACTION REQUEST  
SECTION 811 PROJECT RENTAL ASSISTANCE PROGRAM  
SEPTEMBER 8, 2016

Presentation, Discussion, and Possible Action on Program Guidelines for Existing Developments participating in the Section 811 Project Rental Assistance Program

RECOMMENDED ACTION

WHEREAS, the Texas Department of Housing and Community Affairs (the "Department") has been awarded two grants totaling \$24,342,000 from the U.S. Department of Housing and Urban Development ("HUD") for the Section 811 Project Rental Assistance Program ("811 Program");

WHEREAS, participation in the 811 Program has been encouraged through scoring in the Qualified Allocation Plan ("QAP") in the past and is proposed to be included as a threshold item in the 2017 QAP and that participation will include the use, when possible, of an Existing Development by the Applicant;

WHEREAS, a set of criteria called the Program Guidelines for Existing Developments was developed by staff and approved by the Board on November 13, 2014, to ensure that only high-quality existing properties participate in the 811 Program; and

WHEREAS, staff is now requesting Board approval of an updated set of Program Guidelines for Existing Developments;

NOW, therefore, it is hereby

RESOLVED, the Department is authorized to use the "Program Guidelines for Existing Developments Participating in the Section 811 Project Rental Assistance Program" for multifamily applicants and for other qualified development owners as provided herein; and

FURTHER RESOLVED, the Department is authorized to make non-substantive and technical changes to the Section 811 Program Guidelines for Existing Developments, and any additional changes necessary to provide consistency with federal laws, regulations, and guidance, as they may be amended from time to time provided, however, that nothing herein shall be construed to give staff authority to impose conditions contrary to state law existing now or henceforth in effect.

BACKGROUND

To provide options to development owners seeking to participate in the State's Section 811 Program, and to more quickly create housing options for qualified persons with disabilities who are in need of affordable, accessible and integrated housing, staff had developed a mechanism for 9% Housing Tax Credit Applicants to participate in the 811 Program by committing an existing development rather than placing the units in the development for which the credits are being applied.

In addition, the Department has released a Request for Applications for owners of existing eligible multifamily developments to participate in the program, even if they are not seeking an award from a Multifamily Development program administered by the program. The criteria to be considered for approving Existing Developments for participation in the 811 Program are the same whether as part of an application for Housing Tax Credits or not.

On November 14, 2014, the Board first approved Guidelines for Existing Developments in the 811 Program. Those Guidelines were developed with input from the disability and development communities and have been used to screen existing developments to date. Staff is not recommending significant changes to this criteria, but is bringing this item to the Board to both get permission to make several minor adjustments and to reaffirm the Board's support.

As part of the process of considering revisions, staff considered the results of a survey conducted by the Texas Health and Human Services Commission in July 2016. The survey gathered information on individual's location preferences from the six entities that contract to provide relocation services to individuals leaving nursing facilities and other institutions under the Money Follows the Person Demonstration, which are one of the Section 811 Target Populations. The survey results indicated that individuals who transition from an institutional setting to housing in the community are looking for one-bedroom, ground floor units in developments that are physically accessible to people with disabilities, and that are located near reliable, regular public transportation, and are sited near community amenities. These survey results echo the input considered at the time the guidelines were originally drafted. The Program Guidelines for Existing Developments appeared to be effective in the 2015 Tax Credit cycle at bringing in existing properties that satisfy the preferences of this Target Population as shown in the following results.

In the 2015 Tax Credit cycle, eight existing developments were associated with Applications that received a commitment generating 92 units for the 811 Program.

- Seven of eight developments contain one bedroom units
- Seven of eight developments were funded by the Department in 2002 or more recently (developed under requirements of Section 504)
- Six of eight developments are within a half mile of a bus stop
- The developments are generally located close to community amenities

Staff will be presenting these proposed changes to the Disability Advisory Workgroup on September 2, 2016. The Department is proposing the following criteria for Program Guidelines for Existing Developments:

Current Guideline Requirements with Proposed Changes (as applicable)

Requirement	Background on Original Requirement	Proposed Change
If the Development received an award (tax credit, direct loan, etc.) under a TDHCA administered program, it must have been in or after 2002	TDHCA began requiring properties to comply with Section 504 of the Rehabilitation Act of 1973 in 2002.	None.
The Development has at least 5 housing units	HUD Requirement.	None.
The Development must provide and be eligible for all of the units required for that 2016 QAP application. The 811 units cannot be placed in more than one Development per 2016 application	TDHCA Requirement: 10 Units, for the majority of developments is below the state and federal integration rule while also preventing the RACs having to be spread across so many properties that the program becomes unwieldy.	Replace with: "The Approved Existing Development must commit at least 10 units to the Section 811 PRA Program." (This allows more than one <u>Application</u> to possibly include the same existing development)
The Development is in one of the program Metropolitan Statistical Areas ("MSAs");	TDHCA Requirement: Properties must be located in eligible areas.	None.
During the 6 months prior to application submission, the Development maintained at least 85 percent physical occupancy for a period of at least 3 consecutive months (or the Development has not placed in service yet or has placed in service within the last 12 months)	TDHCA Requirement: Ensure properties that are in-demand participate in the program.	None.
The Development had a UPCS score of at least 80 on its most recent TDHCA inspection, REAC inspection, or has not yet had a UPCS inspection	TDHCA Requirement: Ensure properties with excessive physical deficiencies cannot participate in the program.	The Development had a UPCS score of at least 80 on its most recent TDHCA inspection, REAC inspection <u>and all UPCS compliance issues that can be corrected have been resolved</u> ; or has not yet had a UPCS inspection
The Development is not ineligible under §10.101(a)(3) and (4) of the 2016 Uniform Multifamily Rules	TDHCA Requirement: Eliminates properties in close proximity to Undesirable Site Features, which would make them ineligible for the LIHTC Program. Eliminates properties that have a Development Site containing Undesirable	Will update 2016 to 2017 and make citation changes as needed

	Neighborhood Characteristics.	
The Development is operating in accordance with the accessibility requirements of Section 504, the Rehabilitation Act of 1973 (29 U.S.C. Section 794), as specified under 24 C.F.R. Part 8, Subpart C or operating under the 2010 ADA standards with the exceptions listed in "Nondiscrimination on the Basis of Disability in Federally Assisted Programs and Activities" Federal Register 79 FR 29671;	HUD requirement: Articulates some disability-specific requirements. Included in the applicant certification. Ensures participating properties meet physical accessibility standards and operate in accordance with laws designed to preserve the rights of people with disabilities.	None.
The Development is not Transitional Housing as defined in the 2016 TDHCA Uniform Multifamily Rules	HUD requirement: The program requires a 12 month lease.	Will update 2016 to 2017.
The Development is not an Elderly Limitation Development or Elderly Preference property	HUD requirement: Properties cannot place additional limitations that exceed the 811 PRA Program for all units.	All Development types would be eligible to participate, but Elderly deals would be limited to 18% of 811 units. <sup>1</sup>
The Development agrees to provide at no cost to the tenant accessible transportation when the Property Management Office is open, such as cab vouchers or a specialized van on-site, to a bus or other public transit stop; or the Development is within a quarter mile of a bus or other public transit stop.	TDHCA requirement: program decision to ensure transit proximity.	None.

<sup>1</sup> The Department is still seeking guidance on whether 811 units may be in a Development that qualifies for a Housing for Older Person Act exemption where 80% of the units have a one person 55 or older.

## Program Guidelines for Existing Developments Participating in the Section 811 Project Rental Assistance Program

### **Description of Section 811 Program**

The Section 811 Project Rental Assistance (“PRA”) Program creates affordable housing, through project based rental assistance, for extremely low-income persons with disabilities linked with long term services through a partnership between the Texas Department of Housing and Community Affairs (“TDHCA”), and the State Medicaid Agency, the Texas Health and Human Services Commission (“HHSC”).

### **Purpose**

The following are Program Guidelines for Existing Developments Participating in the Section 811 PRA Program. These are not guidelines for Developments being proposed as part of a 2017 Competitive HTC Application. Those Developments must meet the guidelines established in the 2017 QAP and Multifamily Rules.

Existing Developments are those where all of the units have been placed in service or are expected to be placed in service on or before December 31, 2018, and that are part of that Applicant’s or an Affiliate’s existing portfolio. The following outlines the program guidelines for these existing Developments. However, in addition to these requirements, a Development must meet all HUD and TDHCA requirements for participation in the Section 811 PRA Program. TDHCA will make the final determination if a property meets the requirements of these Program Guidelines; however, the Applicant is responsible for understanding and complying with the requirements of the Section 811 PRA program.

### **Program Requirements**

The Development is required to comply with all program guidelines created by the Department and HUD and the Development Owner must execute all required documents, including a Property Agreement, Rental Assistance Contract, and Use Agreement.

### **Eligible Existing Developments**

Eligible Existing Developments must meet all of the following requirements:

- The Development received an award (tax credit, direct loan, etc.) under a TDHCA administered program in or after 2002;
- The Development has at least 5 housing units;
- The Approved Existing Development must commit at least 10 units to the Section 811 PRA Program;
- The Development is in one of the participating Metropolitan Statistical Areas (“MSAs”);

- During the 6 months prior to application submission, the Development maintained at least 85 percent physical occupancy for a period of at least 3 consecutive months (or the Development has not placed in service yet or has placed in service within the last 12 months);
- The Development had a UPCS score of at least 80 on its most recent TDHCA, REAC inspection and all UPCS compliance issues that can be corrected have been resolved, or the Development has not yet had a UPCS inspection;
- The Development is not ineligible under §10.101(a)(3) and (4) of the 2017 Uniform Multifamily Rules;
- The Development is operating in accordance with the accessibility requirements of Section 504, the Rehabilitation Act of 1973 (29 U.S.C. Section 794), as specified under 24 C.F.R. Part 8, Subpart C or operating under the 2010 ADA standards with the exceptions listed in "Nondiscrimination on the Basis of Disability in Federally Assisted Programs and Activities" Federal Register 79 FR 29671;
- The Development is not Transitional Housing as defined in the 2017 Uniform Multifamily Rules; and
- All Development types are eligible to participate (except Transitional Housing as stated above), but Elderly Developments are limited to containing a maximum of 18% Section 811 PRA units.

In addition, Existing Properties must meet one of the two following requirements:

- The Development agrees to provide at no cost to the tenant accessible transportation when the Property Management Office is open, such as cab vouchers or a specialized van on-site, to a bus or other public transit stop; or
- The Development is within a quarter mile of a bus or other public transit stop.

### **Unit Requirements**

Failure for a unit to meet these requirements does not make the entire Development ineligible, rather only those units.

- Units in the Development are not eligible for Section 811 assistance if they have an existing project-based or operating housing subsidy attached to them or if they have received any form of long-term operating subsidy within the last six months prior to receiving Section 811 Rental Assistance Payments.
- Units with an existing 62 and up age restriction are not eligible.
- Units with an existing use restriction for persons with disabilities are not eligible.

### **Unit Integration Requirements**

- Section 811 PRA units must be dispersed throughout the Development.
- Developments cannot exceed the integration requirements of TDHCA and HUD. The table below illustrates the maximum number of units a Development can set aside (restrict), or have an occupancy preference for persons with disabilities, including Section 811 PRA units.

Section 811 PRA Integration Rule Table

<b>Development Size</b>	<b>HUD 811 Integration Rule</b>	<b>TDHCA Integration Rule*</b>	<b>Most Restrictive (what is required)</b>
Small Housing Developments (Less than 50 Units)	25%	36%	25%
Large Housing Developments (50 or More Units) and Elderly Developments of any size	25%	18%	18%

**\*Properties that are exempt from TDHCA Integrated Housing Rule (such as housing for special needs) are not exempt from HUD’s Integration Requirements of 25%.**

**Program Availability**

The Section 811 PRA Program will provide units within the following Metropolitan Statistical Areas in the state:

- Austin-Round Rock-San Marcos
- Brownsville-Harlingen
- Corpus Christi
- Dallas-Fort Worth-Arlington
- El Paso
- Houston-Sugar Land-Baytown
- McAllen-Edinburg-Mission
- San Antonio-New Braunfels



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**BOARD ACTION REQUEST**

**ASSET MANAGEMENT**

**SEPTEMBER 8, 2016**

Presentation, Discussion, and Possible Action to approve a material amendment to the Housing Tax Credit (“HTC”) Land Use Restriction Agreement (“LURA”) for Dayton Park Apartments (HTC #95039)

**RECOMMENDED ACTION**

**WHEREAS**, Dayton Park Apartments (the “Development”) received an award of 9% Housing Tax Credits in 1995 to construct 50 multifamily units in Dayton;

**WHEREAS**, the tax credit application for the Development received points and/or other preferences for having a Historically Underutilized Business (“HUB”), namely Investors Management Corp. (“IMC”), participate in the ownership of the Development;

**WHEREAS**, the LURA for the Development requires that throughout the Compliance Period, unless otherwise permitted by the Department, the HUB shall remain the Managing General Partner or remain as the controlling owner of the Managing General Partner, and must maintain regular, continuous, and substantial participation in the development, operation and ownership of the Development;

**WHEREAS**, the Development is within the extended Compliance Period, as defined in the LURA;

**WHEREAS**, the General Partner has entered into a purchase and sale agreement to sell the General Partner’s ownership interest in the Partnership;

**WHEREAS**, the Development Owner requests approval to amend the LURA for the Development to eliminate the HUB requirement; and

**WHEREAS**, 10 TAC §10.406(g) allows for a HUB general partner to sell its interest to a non-HUB general partner as long as the LURA does not require such continual ownership or a material LURA amendments is approved, and the Owner has complied with the procedural amendment requirements in 10 TAC §10.405(b) to place this request before the Board;

**NOW, therefore, it is hereby**

**RESOLVED**, that the material LURA amendment for Dayton Park Apartments is approved, as presented to this meeting and the Executive Director and his designees are hereby, authorized, empowered, and directed to take all necessary action to effectuate the foregoing.

## **BACKGROUND**

The Development was approved in 1995 to construct 50 multifamily units in Dayton (Liberty County). The LURA for the Development has a 40-year Extended Use Period, including a 25-year extended Compliance Period. On June 27, 2016, the Development Owner, through their attorney, requested approval of the elimination of the requirement for the HUB to remain as the controlling owner of the Managing General Partner and to maintain regular, continuous, and substantial participation in the development and operation of the Development.

The June 27, 2016, letter of request serves to notify the Department of a two-step change in ownership for the Development and also for Dayton Park Ventures II, Ltd. ("Dayton II"). First, the owner of the first phase (Dayton I) will merge with the owner of the second phase (Dayton II) in order to facilitate a refinance into one common transaction. Both Dayton I and Dayton II target the same population, have the same property management agent, share a leasing office, community building, and amenities and have been operated together since construction completion. Upon conclusion of the merger, both developments will be owned by the Dayton I partnership, Dayton Park Ventures, Ltd.

The original General Partner was formed with joint ownership by Hettig/Kahn Holdings, Inc. ("Hettig") and Investors Management Corp. ("IMC"), the latter of which is designated as a HUB and maintains a strong business relationship with Hettig. Hettig has entered into a purchase contract with the NHP Foundation ("NHP") and its affiliates to sell the General Partner's and Limited Partner's ownership interest. With no business affiliation to the incoming parties, IMC has concluded it would be in its best economic interest to agree to the sale of the General Partner's ownership interest as a party to the purchase contract. A subsidiary of Hettig will remain in a non-controlling role in the new ownership structure in order to enable the Development to obtain HUD financing once the transfer is complete.

Following the merger, NHP proposes to simultaneously purchase 100% interest in the General Partner and Limited Partner of the merged, surviving entity pursuant to a Purchase and Sale Agreement dated May 26, 2016. NHP has created a new entity, ACT Dayton Park, LLC, that is the proposed new General Partner. A.C.T. Affordable Housing, Inc. ("A.C.T.") is a nonprofit organization and the sole member of the proposed new General Partner.

The request for approval for the change in the ownership structure cannot be approved until the LURA amendment to remove HUB requirement is approved. IMC, the selling HUB, is acting of its own volition in choosing to agree to the sale of the General Partner's interest to NHP. The participation of IMC as the HUB with regard to the Property has been substantive and meaningful, and will continue to be so until the sale of the General Partner's interest.

Pursuant to 10 TAC §10.405(b)(4), the Owner notified the tenants, lenders, investors and State and local public officials, and held a public hearing on July 12, 2016. No public comment about the amendment was made. The Owner has complied with the material LURA amendment and notification requirements under the Department's rule at Tex. Gov't Code §2306.6712 and 10 TAC §10.405(b).

Staff recommends approval of the material LURA amendment to eliminate the requirement for participation of a HUB in the ownership structure and operation of the Development.

**Investors Affordable Housing Corp.**  
5325 KATY FREEWAY, SUITE ONE  
HOUSTON, TX 77007

June 27, 2016

**VIA HAND DELIVERY**

Lucy Trevino  
Texas Department of Housing and Community Affairs  
221 East 11th Street  
Austin, Texas 78701-2410

Re: Dayton Park Apartments (Phase I) (the "**Property**")  
TDHCA File No. 95039

Dear Lucy:

Investors Affordable Housing Corp. is the General Partner (herein so called) of Dayton Park Ventures, Ltd. (the "**Partnership**") which is the owner of the Property. This letter constitutes notice of an ownership transfer in accordance with Section 10.406(e) of the Uniform Multifamily Rules (the "**Rules**") and a request for a material LURA amendment in accordance with Section 10.405(b) of the Rules. Specifically, the LURA for this Property requires ownership participation by an historically underutilized business (a "**HUB**"). The General Partner, acting on behalf of the Partnership, requests elimination of that requirement for the reasons set forth below.

**Background Information**

The General Partner was originally formed with joint ownership by Hettig/Kahn Holdings, Inc. ("**Hettig**") and Investors Management Corp. ("**IMC**"), the latter of which is designated as a HUB and maintains a strong business relationship with Hettig. Hettig, seeking to obtain the full economic value of its ownership interest in the Property, has entered or will enter into a purchase contract (the "**Contract**") with The NHP Foundation ("**NHP**"), and its affiliates, to sell the General Partner's ownership interest in the Partnership. With no business affiliation to the incoming parties, IMC has concluded it would be in its best economic interest to agree to the sale of the General Partner's ownership interest as a party to the Contract.

**Request**

Based upon recent changes to Section 10.406(e) of the Rules, the General Partner requests that TDHCA remove the HUB requirement from its LURA thereby allowing NHP, through its subsidiary, to take ownership control of the Partnership. In accordance with the Rules:

- (1) IMC, as the selling HUB, acted of its own volition in choosing to agree to the sale of the General Partner's interest to NHP. IMC was not removed from its position. If verification is required from IMC, that can be obtained.

- (2) The participation of IMC as the HUB with regard to the Property is substantive and meaningful, and will continue to be so until the sale of the General Partner's interest. TDHCA is well-familiar with IMC and the way in which it has actively participated when owning properties for multiple years.

**LURA Amendment**

In accordance with Section 10.405(b) of the Rules, the General Partner is delivering a fee in the amount of \$2500. In addition, the General Partner commits to hold a public hearing, as required by the Rules, and to notify all residents, investors, lenders, and appropriate elected officials. Drafts of the public hearing notices are attached for your consideration. Upon approval from TDHCA, the General Partner will proceed to set a date and time for the Public Hearing and will provide TDHCA with evidence that the notice has been delivered and the hearing has been conducted. With that, the General Partner requests staff recommendation, in support of this request, to be considered at the July 28, 2016 TDHCA Board meeting.

Thank you very much for your assistance. Please do not hesitate to contact us if you require any additional information.

Sincerely,

Investors Affordable Housing Corp.

By:



Darlene Guidry, President

Attachments

cc: Raquel Morales  
*TDHCA w/ encl.*

Barry Kahn  
*Hettig w/encl.*

Cynthia L. Bast  
*Hettig Counsel w/encl.*



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Cynthia L. Bast  
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Direct Fax: 512-391-4707  
cbast@lockelord.com

June 27, 2016

**VIA HAND DELIVERY**

Lucy Trevino  
Texas Department of Housing and Community Affairs  
221 East 11th Street  
Austin, Texas 78701-2410

Re: Dayton Park Apartments (the "**Property**")  
TDHCA File No. 95039

Dear Lucy:

We represent Dayton Park Ventures, Ltd., a Texas limited partnership (the "**Phase I Partnership**"), which is the owner of the Property. Currently, the Partnership consists of Investors Affordable Housing Corp. (the "**GP**"), as general partner, and John E. Hettig and W. Barry Kahn (collectively, "**Hettig-Kahn**"), as limited partners. This letter serves to notify the Department of a two-step change in ownership for the Partnership and Dayton Park Ventures II, Ltd., a Texas limited partnership (the "**Phase II Partnership**"), both of which are recipients of low-income housing tax credits from the Department.

First, pursuant to the correspondence letter dated March 8, 2016 attached hereto as Exhibit A, the Phase II Partnership with merge with the Phase I Partnership, contributing its ownership in Dayton Park Phase II Apartments to the Phase I Partnership (the "**Merger**"). The timing for the Merger remains to be determined. Per our previous correspondence, we will notify the Department upon completion of the Merger. Following the Merger, The NHP Foundation ("**NHP**") proposes to purchase the general partner and limited partner interest in the Phase I Partnership (the surviving partnership) pursuant to a Purchase and Sale Agreement dated May 26, 2016 (the "**Purchase Agreement**"). A subsidiary of Hettig-Kahn will remain in a non-controlling role of the Phase I Partnership in order to enable the Phase I Partnership to obtain HUD financing once the transfer is complete. The purpose of this letter is to request approval for NHP's acquisition of the partnership interests in the Phase I Partnership following the Merger.

On behalf of the Partnership, we are submitting this letter, the enclosed change of ownership application and associated \$500.00 filing fee to seek the Department's approval for change of ownership described herein. We are submitting a similar change of ownership application for the Phase II Partnership, per the Department's instruction.

Per the Department's change of ownership requirements, we have enclosed the following documentation:

**Tab 1. Letter of Explanation. Provided above.**

Atlanta | Austin | Boston | Chicago | Dallas | Hartford | Hong Kong | Houston | Istanbul | London | Los Angeles | Miami | Morristown | New Orleans | New York  
| Orange County | Providence | Sacramento | San Francisco | Stamford | Tokyo | Washington DC | West Palm Beach

AUS:0053143/00018:648182v1

- Tab 2.**            **IRS Forms 8609.** Enclosed.
- Tab 3.**            **Recorded Land Use Restrictive Agreement.** Enclosed is the Declaration of Land Use Restrictive Covenants for Low-Income Housing Credits ("**LURA**") to which the Property is subject.
- Tab 4.**            **Agreements Among Parties to Transfer.** Enclosed is the Purchase Agreement.
- Tab 5.**            **Owner Certification Form.** Enclosed.
- Tab 6.**            **Ownership Transfer Information Form.** Enclosed.
- Tab 7.**            **Property Manager Replacement Information Form.** Not applicable.
- Tab 8.**            **Certificate of Tenant Notification.** Enclosed along with a copy of the tenant notification letter dated May 24, 2016.
- Tab 9.**            **Organizational Charts.** Enclosed are the organizational charts that evidence the existing ownership structure, the post-Merger ownership structure and the proposed ownership structure following the acquisition by NHP of the Phase I Partnership.
- Tab 10.**           **Organizational Documents.** Enclosed are the following organizational documents: Certificate of Formation and EIN of ACT Dayton Park, LLC, the proposed NHP general partner; Articles of Incorporation, Bylaws, and IRS 501(c)(3) determination letter of A.C.T. Affordable Housing, Inc., the sole member of the proposed NHP general partner; Certificate of Formation and EIN of ACT DP Investor, LLC, the proposed NHP limited partner; Articles of Incorporation, Amended and Restated Bylaws, and IRS 501(c)(3) determination letter of NHP, the sole member of the NHP limited partner.
- Tab 11.**           **Financial Information.** Enclosed are the financial statements of A.C.T. Affordable Housing, Inc. and NHP. ACT Dayton Park, LLC and ACT DP Investor, LLC are newly formed entities and therefore do not financial statements separate from those of their sole members.
- Tab 12.**           **Authorization to Release Credit Information.** Enclosed.
- Tab 13.**           **List of Organizations and Principals.** Enclosed.
- Tab 14.**           **Uniform Previous Participation Form.** Enclosed.
- Tab 15.**           **Credit Limit Certification Form.** Enclosed.
- Exhibit 1.**        **Right of First Refusal.** Not applicable.
- Exhibit 2.**        **Historically Underutilized Business.** In conjunction with this ownership transfer request, the Phase I Partnership is submitting a LURA amendment request to remove the HUB restriction therein.



Ms. Lucy Trevino  
Texas Department of Housing and Community Affairs  
June 27, 2016

**Exhibit 3.**     **Nonprofit Joint Venture.** Not applicable.

**Exhibit 4.**     **Nonprofit Set-Aside.** Not applicable.

**Exhibit 5.**     **Nonprofit Participation.** Enclosed.

**Exhibit 6.**     **Status of Compliance.** Enclosed is a compliance monitoring report dated May 12, 2016. Corrective action is underway.

**Exhibit 7.**     **Experience.** Enclosed is an information pamphlet from NHP regarding their experience in the affordable housing industry.

Thank you very much for your assistance. Please do not hesitate to contact me if you require any additional information.

Sincerely,



Cynthia L. Bast

cc:     W. Barry Kahn (*via email*)  
       John Hoffer (*via email*)

**Exhibit A**



600 Congress, Suite 2200  
Austin, TX 78701  
Telephone: 512-305-4700  
Fax: 512-305-4800  
www.lockelord.com

Cynthia L. Bast  
Direct Telephone: 512-305-4707  
Direct Fax: 512-391-4707  
cbast@lockelord.com

March 8, 2016

*Via E-mail*

Tom J. Gouris  
Deputy Executive Director  
Texas Department of Housing and Community Affairs  
221 East 11th Street  
Austin, TX 78711-3941

Re: Dayton Park Apartments Phases I and II in Dayton  
TDHCA Nos.: 95039 and 98019

Dear Tom:

This letter is intended to provide notice of a restructuring with respect to ownership of the Developments referenced above. Dayton Park Ventures, Ltd. ("**Dayton I Partnership**") is the owner of the first phase of the Dayton Park Apartments, which contains 50 units and is restricted by a Declaration of Land Use Restrictive Covenants for Low-Income Housing Credits dated November 24, 1997 (the "**Phase I LURA**"). The Phase I LURA encumbers approximately 7.38 acres of land and the associated improvements ("**Dayton I**"). The general partner of Dayton I Partnership is Investors Affordable Housing Corp., which qualifies as a HUB.

Dayton Park Ventures II, Ltd. ("**Dayton II Partnership**") is the owner of the second phase of the Dayton Park Apartments, which contains 52 units and is restricted by a Declaration of Land Use Restrictive Covenants for Low-Income Housing Credits dated October 27, 2000 (the "**Phase II LURA**"). The Phase II LURA encumbers approximately 6.034 acres of land and the associated improvements ("**Dayton II**"). The general partner of Dayton II Partnership is Investors Affordable Housing II Corp., which qualifies as a HUB.

Dayton I and Dayton II serve the same target population and have been operated together since completion of construction. They are served by the same property management agent and share a leasing office, community building, swimming pools, basketball courts, and picnic areas.

Each of Dayton I and Dayton II has reached the end of its 15-year Compliance Period. John Hettig and Barry Kahn, who are affiliates of each general partner, bought out the investor limited partner's interest in Dayton I Partnership and are in the process of doing the same for Dayton II Partnership. The Principals of these two properties propose to refinance them in one common transaction. Refinancing both properties in one transaction will provide the owner with savings, which can inure to the benefit of the properties and their residents. In addition, the combined properties are eligible for a grant of CDBG Disaster Round 2 funds exceeding \$1,000,000, which will be used for new roofs, A410 HVACs for the units, replacement of windows to dual pane, and other renovation items. This financing needs to go to one recipient.

Accordingly, we propose to merge Dayton II Partnership into Dayton I Partnership, with Dayton I Partnership being the surviving entity in the merger. Upon conclusion of the merger, Dayton I Partnership would still be the same entity, with the same EIN. The result of the merger would be that Dayton I Partnership would own both Dayton I and Dayton II. Dayton I Partnership would continue to comply with all of the requirements of the Phase I LURA and the Phase II LURA, including the HUB requirements. We do not see any provisions in TDHCA's Rules that require the Agency's consent for this merger to take place. An organizational chart, showing the ownership of Dayton I Partnership following the merger, is attached for your information.

If there are any questions about this notification, we trust you will contact us.

Sincerely,



Cynthia L. Bast

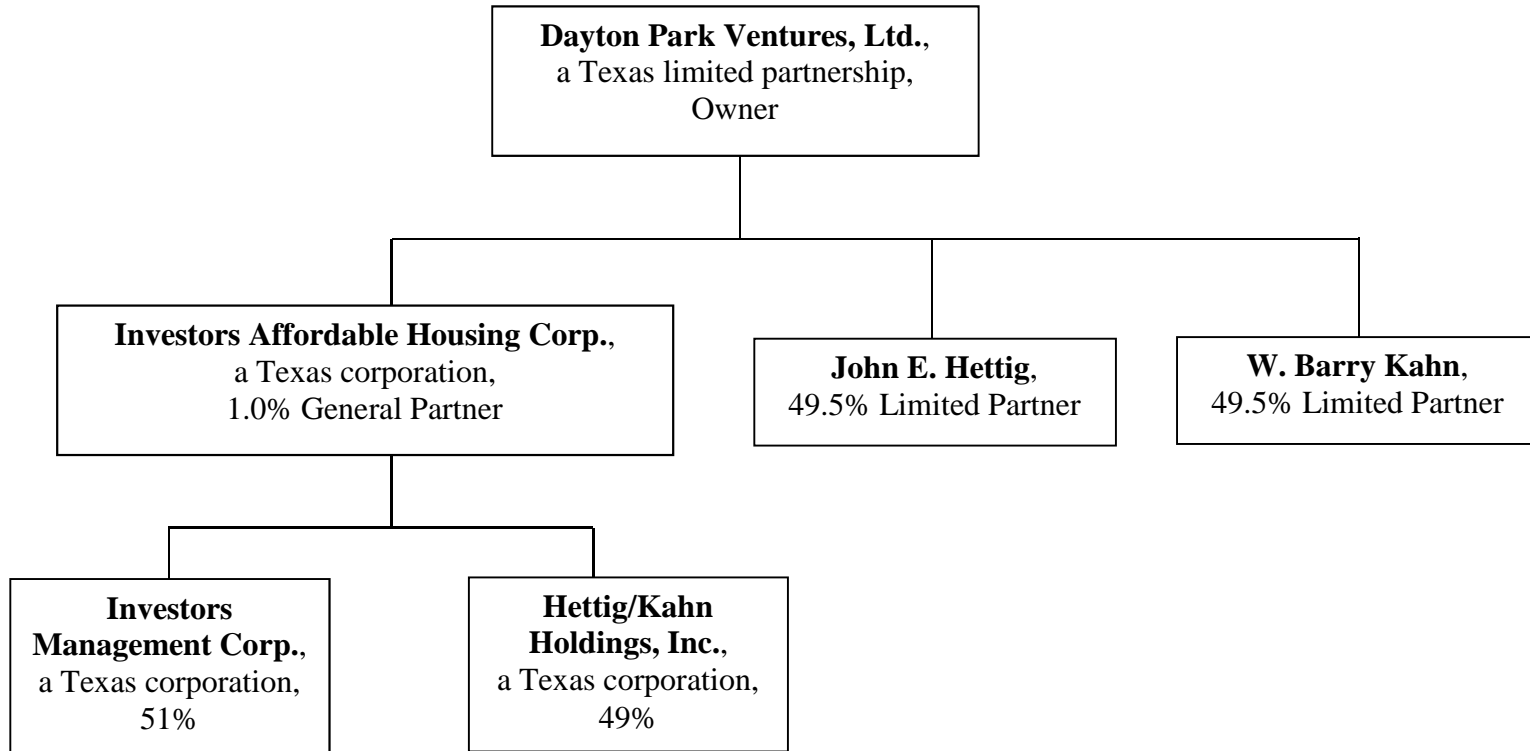
CLB/bsh

cc: *VIA E-mail*

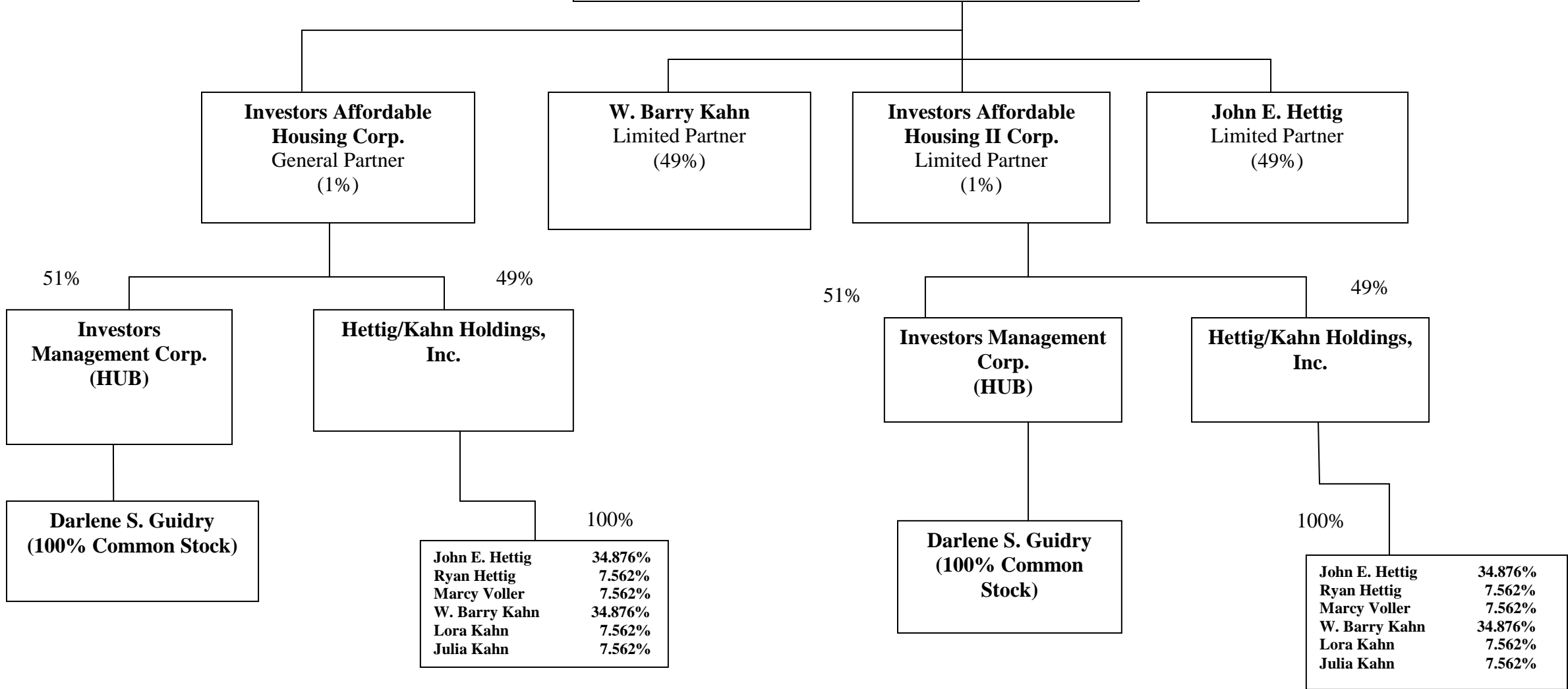
Raquel Morales  
Lucy Trevino  
TDHCA

W. Barry Kahn

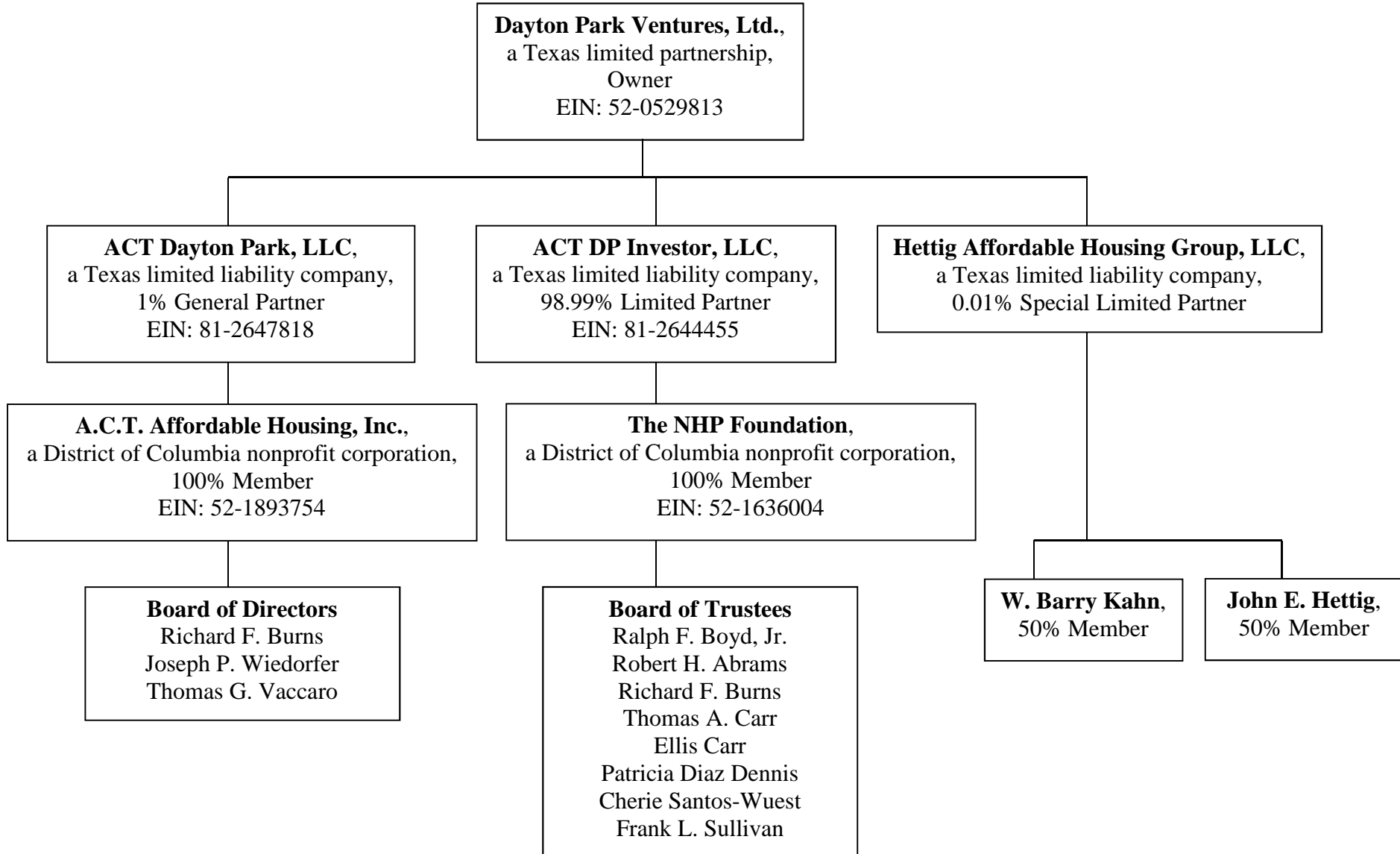
**Dayton Park Apartments (Phase I)  
Current Organizational Chart**



**DAYTON PARK VENTURES, LTD.**  
**ORGANIZATIONAL CHART**



**Dayton Park Apartments (Combined Phases I & II)  
Proposed Organizational Chart**



**Dayton Park Ventures, Ltd**  
5325 KATY FREEWAY, SUITE ONE  
HOUSTON, TX 77007

July 6, 2016

Dear Resident:

The Dayton Park Apartments (Phase I) are owned by Dayton Park Ventures, Ltd. (the "**Owner**"). In order to help finance the construction and development of the property, the Owner received federal funding through the Texas Department of Housing and Community Affairs (the "**Department**") (Phone: 512-475-3800; Website: [www.tdhca.state.tx.us](http://www.tdhca.state.tx.us)).

The Owner is structured with Investors Affordable Housing Corp. ("**GP**") as the managing general partner, and Investors Management Corp. ("**IMC**") is the managing member of the GP. IMC is certified by the State of Texas as a Historically Underutilized Business (a "**HUB**"). A contractual restriction imposed by TDHCA mandated that a HUB participate in the ownership of the property for a designated period of time. The Owner and the GP have decided to change the ownership of the property by transferring the GP prior to the expiration of this mandatory period. Therefore, the Owner is requesting TDHCA approval (i) to change the GP to ACT Dayton Park, LLC and (ii) to remove the ongoing HUB requirement from its contract to facilitate that process.

In making its decision whether to approve the Owner's request, the Department considers the opinions and views of the members of the community. Accordingly, there will be a public meeting to discuss this matter. This meeting will take place at the management office/clubhouse on Tuesday, July 12, 2016 at 11:00 a.m.

Please note that we are required by law to provide you this notice. This proposal would not affect the management of the property, your current lease agreement, your rent payment, or your security deposit. You will *not* be required to move out of your home or take any other action because of this change. If the Department approves the Owner's request, the property will not change at all from its current form.

We appreciate that this is your home and we invite you to attend and give your input on this proposal.

Sincerely,

Dayton Park Ventures, Ltd.

By: Investors Affordable Housing Corp.

By:

  
Darlene Guidry, President



**Dayton Park Ventures, Ltd**  
5325 KATY FREEWAY, SUITE ONE  
HOUSTON, TX 77007

July 6, 2016

Senator Robert Nichols  
329 Neches Street  
Jacksonville TX 75766

Dear Senator Nichols:

Dayton Park Ventures, Ltd. (the "**Owner**") is the owner of Dayton Park Apartments (Phase I) (the "**Community**") which is located at 4490 North Cleveland Street, Dayton, Texas 77535. In order to help finance the construction and development of the Community, the Owner received federal funding through the Texas Department of Housing and Community Affairs (the "**Department**").

The Owner is structured with Investors Affordable Housing Corp. ("**GP**") as the managing general partner, and Investors Management Corp. ("**IMC**") is the managing member of the GP. IMC is certified by the State of Texas as a Historically Underutilized Business (a "**HUB**"). A contractual restriction imposed by TDHCA mandated that a HUB participate in the ownership of the property for a designated period of time. The Owner and the GP have decided to change the ownership of the property by transferring the GP prior to the expiration of this mandatory period. Therefore, the Owner is requesting TDHCA approval (i) to change the GP to ACT Dayton Park, LLC and (ii) to remove the ongoing HUB requirement from its contract to facilitate that process.

In making its decision whether to approve the Owner's request, the Department considers the opinions and views of the members of the community and its elected officials. Accordingly, there will be a public meeting to discuss this matter. This meeting will take place at the management office/clubhouse on Tuesday, July 12, 2016 at 11:00 a.m.

We invite you or one of your staff to attend and give your input on this proposal.

Sincerely,

Dayton Park Ventures, Ltd.

By: Investors Affordable Housing Corp.

By:



Darlene Guidry, President

**Dayton Park Ventures, Ltd**  
5325 KATY FREEWAY, SUITE ONE  
HOUSTON, TX 77007

July 6, 2016

Representative John C. Otto  
P. O. Box 965  
Dayton TX 77535

Dear Representative John C. Otto:

Dayton Park Ventures, Ltd. (the “**Owner**”) is the owner of Dayton Park Apartments (Phase I) (the “**Community**”) which is located at 4490 North Cleveland Street, Dayton, Texas 77535. In order to help finance the construction and development of the Community, the Owner received federal funding through the Texas Department of Housing and Community Affairs (the “**Department**”).

The Owner is structured with Investors Affordable Housing Corp. (“**GP**”) as the managing general partner, and Investors Management Corp. (“**IMC**”) is the managing member of the GP. IMC is certified by the State of Texas as a Historically Underutilized Business (a “**HUB**”). A contractual restriction imposed by TDHCA mandated that a HUB participate in the ownership of the property for a designated period of time. The Owner and the GP have decided to change the ownership of the property by transferring the GP prior to the expiration of this mandatory period. Therefore, the Owner is requesting TDHCA approval (i) to change the GP to ACT Dayton Park, LLC and (ii) to remove the ongoing HUB requirement from its contract to facilitate that process.

In making its decision whether to approve the Owner’s request, the Department considers the opinions and views of the members of the community and its elected officials. Accordingly, there will be a public meeting to discuss this matter. This meeting will take place at the management office/clubhouse on Tuesday, July 12, 2016 at 11:00 a.m.

We invite you or one of your staff to attend and give your input on this proposal.

Sincerely,

Dayton Park Ventures, Ltd.

By: Investors Affordable Housing Corp.

By:



Darlene Guidry, President

**Dayton Park Ventures, Ltd**  
5325 KATY FREEWAY, SUITE ONE  
HOUSTON, TX 77007

July 6, 2016

Mayor Jeff Lambright  
117 Cook Street  
Dayton TX 77535

Dear Mayor Lambright:

Dayton Park Ventures, Ltd. (the “**Owner**”) is the owner of Dayton Park Apartments (Phase I) (the “**Community**”) which is located at 4490 North Cleveland Street, Dayton, Texas 77535. In order to help finance the construction and development of the Community, the Owner received federal funding through the Texas Department of Housing and Community Affairs (the “**Department**”).

The Owner is structured with Investors Affordable Housing Corp. (“**GP**”) as the managing general partner, and Investors Management Corp. (“**IMC**”) is the managing member of the GP. IMC is certified by the State of Texas as a Historically Underutilized Business (a “**HUB**”). A contractual restriction imposed by TDHCA mandated that a HUB participate in the ownership of the property for a designated period of time. The Owner and the GP have decided to change the ownership of the property by transferring the GP prior to the expiration of this mandatory period. Therefore, the Owner is requesting TDHCA approval (i) to change the GP to ACT Dayton Park, LLC and (ii) to remove the ongoing HUB requirement from its contract to facilitate that process.

In making its decision whether to approve the Owner’s request, the Department considers the opinions and views of the members of the community and its elected officials. Accordingly, there will be a public meeting to discuss this matter. This meeting will take place at the management office/clubhouse on Tuesday, July 12, 2016 at 11:00 a.m.

We invite you or one of your staff to attend and give your input on this proposal.

Sincerely,

Dayton Park Ventures, Ltd.

By: Investors Affordable Housing Corp.

By:



Darlene Guidry, President

**Dayton Park Ventures, Ltd**  
5325 KATY FREEWAY, SUITE ONE  
HOUSTON, TX 77007

July 6, 2016

LMN Mortgage Fund I, Ltd.  
5325 Katy Freeway, Suite One  
Houston, TX 77007

To Whom It May Concern:

Dayton Park Ventures, Ltd. (the “**Owner**”) is the owner of Dayton Park Apartments (Phase I) (the “**Community**”) which is located at 4490 North Cleveland Street, Dayton, Texas 77535. In order to help finance the construction and development of the Community, the Owner received federal funding through the Texas Department of Housing and Community Affairs (the “**Department**”).

The Owner is structured with Investors Affordable Housing Corp. (“**GP**”) as the managing general partner, and Investors Management Corp. (“**IMC**”) is the managing member of the GP. IMC is certified by the State of Texas as a Historically Underutilized Business (a “**HUB**”). A contractual restriction imposed by TDHCA mandated that a HUB participate in the ownership of the property for a designated period of time. The Owner and the GP have decided to change the ownership of the property by transferring the GP prior to the expiration of this mandatory period. Therefore, the Owner is requesting TDHCA approval (i) to change the GP to ACT Dayton Park, LLC and (ii) to remove the ongoing HUB requirement from its contract to facilitate that process.

In making its decision whether to approve the Owner’s request, the Department considers the opinions and views of the members of the community, its elected officials, and the Owner’s other financing partners. Accordingly, there will be a public meeting to discuss this matter. This meeting will take place at the management office/clubhouse on Tuesday, July 12, 2016 at 11:00 a.m.

We invite you to attend and give your input on this proposal.

Sincerely,

Dayton Park Ventures, Ltd.

By: Investors Affordable Housing Corp.

By:



Darlene Guidry, President

Dayton Park Venture Public Hearing  
July 12, 2014  
Sign In Sheet

Denis Richard	602
<del>Kerry Abbott</del>	404

MEETING HELD BY W. BARRY KAPLAN



**BOARD ACTION REQUEST**  
**ASSET MANAGEMENT DIVISION**  
**SEPTEMBER 8, 2016**

Presentation, Discussion, and Possible Action to approve a material amendment to the Housing Tax Credit Land Use Restriction Agreement (“LURA”) for Treymore at Eastfield (# 99151)

**RECOMMENDED ACTION**

**WHEREAS**, Treymore at Eastfield (the “Development”) received an award of 9% Housing Tax Credits in 1999 to construct 196 multifamily units in Dallas;

**WHEREAS**, the tax credit application for the Development received points and/or other preferences for agreeing to provide a Right of First Refusal (“ROFR”) to purchase the Development;

**WHEREAS**, the LURA for the Development requires a two-year Right of First Refusal (“ROFR”) period;

**WHEREAS**, in Spring 2015 the Texas Legislature amended Tex. Gov’t Code §2306.6725 and §2306.6726 to allow, among other things, for a 180-day ROFR period and to permit a Qualified Entity to purchase a property under ROFR, and define a Qualified Entity to mean an entity described by, or an entity controlled by an entity described by, §42(i)(7)(A), Internal Revenue Code of 1986;

**WHEREAS**, the Development Owner requests to amend the LURA to incorporate changes made to Tex. Gov’t Code §2306.6725 and §2306.6726; and

**WHEREAS**, 10 TAC §10.405(b)(2) allows for an owner to request a material LURA amendment, and the Owner has complied with the procedural amendment requirements in 10 TAC §10.405(b) to place this request before the Board;

**NOW, therefore, it is hereby**

**RESOLVED**, that the material LURA amendment for Treymore at Eastfield is approved, as presented to this meeting and the Executive Director and his designees are hereby, authorized, empowered, and directed to take all necessary action to effectuate the foregoing.

**BACKGROUND**

Treymore at Eastfield was approved in 1999 for the new construction of 196 multifamily units in Dallas. In a letter dated July 18, 2016, the Owner (Carleton La Prada, Ltd.- Printice L. Gary) requested approval to amend the LURA related to the ROFR provision. The current LURA for the Development requires the Development Owner to provide a two-year ROFR to sell the Development based on a set order of priority to a community housing development organization (as defined for purposes of the federal HOME Investment Partnership Program at 24 CFR Part 92), to a qualified nonprofit organization (as defined in

Internal Revenue Code §42(h)(5)(C)), or to a tenant organization if at any time after the fifteenth year of the Compliance Period the owner decides to sell the property.

In 2015, the Texas Legislature passed HB 3576 which amended Tex. Gov't Code §2306.6725 to allow for a 180-day ROFR period and §2306.6726 to allow for a Qualified Entity to purchase a development under a ROFR provision of the LURA and satisfy the ROFR requirement. Additionally, §2306.6726, as amended by HB 3576, defines Qualified Entity to mean an entity described by, or an entity controlled by an entity described by, §42(i)(7)(A) of the Internal Revenue Code of 1986. The Department's 2016 Post Award and Asset Management Requirements implemented administrative procedures to allow a Development Owner to conform to the new ROFR provisions described in the amended statute.

The Development Owner must comply with the amendment and notification requirements under the Department's rule at Tex. Gov't Code §2306.6712 and 10 TAC §10.405(b). The Development Owner is scheduled to hold a public hearing on the matter on August 26, 2016, at 3:00 pm at the Development's management office/clubhouse. Should any negative public comment be provided at the public hearing, this board action item will be pulled from the Consent Agenda and results of the public hearing will be presented verbally at the Board meeting.

Staff recommends approval of the amendment, subject to no negative public comment received, to amend the LURA to incorporate changes made to Tex. Gov't Code §2306.6725 and §2306.6726 related to ROFR.



**Carleton-La Prada, Ltd.**  
5485 Belt Line Road, Suite 300  
Dallas, Texas 75254

August 9, 2016

Mr. Kent Bedell  
Texas Department of Housing and Community Affairs  
221 East 11<sup>th</sup> Street, Austin, Texas 78701-2410

Re: TDHCA #99151 – Treymore at Eastfield (the “**Property**”)

Dear Kent:

The undersigned, Carleton-La Prada, Ltd., a Texas limited partnership (the “**Partnership**”), the owner of the Property, submits this letter requesting a material amendment to the LURA in accordance with Section 10.405(b) of the Rules.

In 2015, Texas Government Code Section 2306.6725 was amended to allow for a 180-day Right of First Refusal (“**ROFR**”) period. The LURA for this Property currently requires a two-year ROFR period. Section 10.405(b)(2)(F) of the Rules allows for a LURA amendment in order to conform a ROFR period to the period described in Section 2306.6725. Therefore the Partnership requests a LURA amendment to eliminate the two-year ROFR period and replace it with the 180-day ROFR period.

In accordance with Section 10.405(b) of the Rules, the Partnership is delivering a fee in the amount of \$2,500. In addition, the Partnership commits to hold a public hearing as required by the Rules and to notify all residents, investors, lenders and appropriate state and local elected officials. Drafts of the public hearing notices are attached for your review. Upon approval from TDHCA, the Partnership will proceed to set a date and time for the Public Hearing and will provide TDHCA with evidence that the notice was delivered and the hearing was conducted. The Partnership hereby requests staff recommendation in support of this request to be considered at the September 8, 2016 TDHCA Board Meeting.


Thank you for your consideration of this request. Please contact us if there is any further information needed.

Sincerely,

Carleton La Prada, Ltd.,  
a Texas limited partnership

By: Carleton GPI, Inc.,  
a Texas corporation,  
its General Partner

By:

  
Printice L. Gary – President

8/9/16  
Date



**Carleton-La Prada, Ltd.**

5485 Belt Line Road, Suite 300  
Dallas, Texas 75254

August 9, 2016

Dear Resident:

Treymore at Eastfield (the "**Community**") is owned by Carleton-LaPrada, Ltd. (the "**Owner**"). In order to help finance the construction and development of the Community, the Owner received federal funding through the Texas Department of Housing and Community Affairs (the "**Department**") (Phone: (512) 475-3800; Website: [www.tdhca.state.tx.us](http://www.tdhca.state.tx.us)).

A contractual restriction imposed by the Department mandates that if the Owner decides to sell the Community at a certain time, the Owner will offer the Community for sale to a non-profit organization or a tenant organization for a period of up to two years. To be consistent with a change in Texas law, the Owner is requesting Department approval to change the two-year period to a 180-day period.

In making its decision whether to approve Owner's request, the Department considers the opinions and views of the members of the Community. Accordingly, there will be a public meeting to discuss this matter. This meeting will take place at the Community's management office/clubhouse on Friday, August 26, 2016 at 3:00 p.m. The public hearing is your opportunity to discuss the amendment request and voice your concern regarding the LURA amendment to eliminate the two-year ROFR period and replace it with the 180-day ROFR period. Information obtained from this meeting will be submitted for consideration by the TDHCA Board at their September 8, 2016 meeting.

Please note that this proposal would not affect your current lease agreement, your rent payment, or your security deposit. You would not be required to move out of your home or take any other action because of this change. If the Department approves Owner's request, the Community will not change at all from its current form.

We appreciate that Treymore Eastfield is your home and we invite you to attend and give your input on this proposal.

Thank you for choosing Treymore at Eastfield as your home.

Sincerely,

Carleton-La Prada, Ltd.  
A Texas limited partnership

By: Carleton GPI, Inc.,  
a Texas corporation,  
its General Partner

By:

\_\_\_\_\_  
Printice L. Gary, President

\_\_\_\_\_  
Date

**Carleton-La Prada, Ltd.**

5485 Belt Line Road, Suite 300  
Dallas, Texas 75254

August 9, 2016

Elected Official  
Office  
Fax/Email

Dear:

Treymore at Eastfield (the "**Community**") is owned by Carleton-LaPrada, Ltd. (the "**Owner**") which is located at 5485 Belt Line Road, Suite 300, Dallas, Texas 75254. In order to help finance the construction and development of the Community, the Owner received federal funding through the Texas Department of Housing and Community Affairs (the "**Department**")

A contractual restriction imposed by the Department mandates that if the Owner decides to sell the Community at a certain time, the Owner will offer the Community for sale to a non-profit organization or a tenant organization for a period of up to two years. To be consistent with a change in Texas law, the Owner is requesting Department approval to change the two-year period to a 180-day period.

In making its decision whether to approve Owner's request, the Department considers the opinions and views of the members of the Community and its elected representatives. Accordingly, there will be a public meeting to discuss this matter. This meeting will take place at the Community's management office/clubhouse on Friday, August 26, 2016 at 3:00 p.m.

We invite you or one of your staff to attend and give your input on this proposal.

Sincerely,

Carleton-La Prada, Ltd.  
A Texas limited partnership

By: Carleton GPI, Inc.,  
a Texas corporation,  
its General Partner

By:

\_\_\_\_\_  
Printice L. Gary, President

\_\_\_\_\_  
Date

**Carleton-La Prada, Ltd.**

5485 Belt Line Road, Suite 300  
Dallas, Texas 75254

August 9, 2016

Investor/Lender  
Office  
Fax/Email

Dear:

Treymore at Eastfield (the "**Community**") is owned by Carleton-LaPrada, Ltd. (the "**Owner**") which is located at 5485 Belt Line Road, Suite 300, Dallas, Texas 75254. In order to help finance the construction and development of the Community, the Owner received federal funding through the Texas Department of Housing and Community Affairs (the "**Department**")

A contractual restriction imposed by the Department mandates that if the Owner decides to sell the Community at a certain time, the Owner will offer the Community for sale to a non-profit organization or a tenant organization for a period of up to two years. To be consistent with a change in Texas law, the Owner is requesting Department approval to change the two-year period to a 180-day period.

In making its decision whether to approve Owner's request, the Department considers the opinions and views of the members of the Community and its elected representatives. Accordingly, there will be a public meeting to discuss this matter. This meeting will take place at the Community's management office/clubhouse on Friday, August 26, 2016 at 3:00 p.m.

We invite you or one of your staff to attend and give your input on this proposal.

Sincerely,

Carleton-La Prada, Ltd.  
A Texas limited partnership

By: Carleton GPI, Inc.,  
a Texas corporation,  
its General Partner

By:

\_\_\_\_\_  
Printice L. Gary, President

\_\_\_\_\_  
Date

**1i**

**BOARD ACTION REQUEST**  
**COMMUNITY AFFAIRS DIVISION**  
**SEPTEMBER 8, 2016**

Presentation, Discussion, and Possible Action on Reallocation of Unexpended 2015 Comprehensive Energy Assistance Program ("CEAP") funds

RECOMMENDED ACTION

WHEREAS, the existing contracts for 2015 CEAP Subrecipients are expected to possibly have up to approximately \$2,000,000 in aggregate unspent balances of 2015 CEAP contract funds, subject to final determination as final reports are submitted;

WHEREAS, these 2015 CEAP funds must be expended by September 30, 2016; and in spite of such a short expenditure timeline, one or more existing CEAP Subrecipients have indicated their willingness and ability to expend these funds on eligible uses by the deadline;

WHEREAS, these are funds that have been contractually left unexpended by the designated network Subrecipient and therefore, do not trigger the notification requirements in Tex. Gov't Code §2105; and

WHEREAS, the Department desires to make every effort to not return federal funds, but to spend those CEAP funds on Texas eligible households if possible;

NOW, therefore, it is hereby

RESOLVED, that staff is authorized to reallocate 2015 CEAP unspent balances in an estimated amount of up to \$2,000,000 to one or more existing CEAP providers who have fully expended their 2015 CEAP contracts, have the ability to expend such 2015 CEAP unspent balances by September 30, 2016, and were approved for their Previous Participation Review in July 2016 by the Executive Award Review and Advisory Committee ("EARAC").

BACKGROUND

This year, as the 2015 CEAP contracts reach their close out period in September 2016, some Subrecipients are anticipated to have not fully expended their contract amount. Those unspent balances are required to be federally expended by September 30, 2016, or they will be lost to the State. While an estimate only at this time, staff expects that this number will be up to as much as \$2,000,000.

In spite of the very short turnaround time, some CEAP providers who fully expended their 2015 funds and are currently utilizing 2016 CEAP funds, are in a position to possibly accept these unspent balances and expend them within the timeline. Staff will not bring an award (for EARAC approval) to any entity that does not have acceptable PPR approval from EARAC for the most recent CEAP contract review (most 2017 CEAP awards were approved by EARAC in July 2016), who are currently delinquent in their Single Audit, or who have uncorrected monitoring findings that are beyond the corrective action period. Staff is requesting that it be authorized to identify those Subrecipients in a position to absorb those unspent funds and award them those funds so that they can be expended on eligible Texas households, and not lost to the state.

2a



## TDHCA Outreach Activities, August 2016

*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*

Event	Location	Date	Division	Purpose
Lender Training/Houston Assoc. of Realtors	Houston	August 1	Homeownership	Training
Draft 2016 National Housing Trust Fund Allocation Plan*	Austin	August 4	Multifamily Finance, Housing Resource Center	Public Hearing
Webinar/2016 Emergency Solutions Grant Program Implementation #1	Austin	August 8	Community Affairs	Training
Texas Network of Youth Services Annual Conference	Houston	August 9	Housing Resource Center	Sponsor, Presentation
Webinar/2016 Emergency Solutions Grant Program Implementation #2	Austin	August 9	Community Affairs	Training
Webinar/ Emergency Solutions Grant Program Implementation #3	Austin	August 10	Community Affairs	Training
Webinar/ Emergency Solutions Grant Program Income Eligibility	Austin	August 17	Community Affairs	Training
Texas Statewide Homebuyer Education Program/Training the Trainer	Houston	August 22	Homeownership	Training
Roundtable/2017 QAP Planning Project	Austin	August 24	Multifamily Finance	Roundtable Hearing
National Assoc. of Hispanic Real Estate Professionals Realtor/Lender Event	San Antonio	August 24	Homeownership	Participant
Homebuyer Fair	Grand Prairie	August 27	Homeownership	Exhibitor
Conference Call/Section 811 Presentation to Statewide Housing Navigator	Austin	August 31	Fair Housing, Data Mgt, & Reporting	Participant

*\* Staff also accepted comment for both the Draft Substantially Amended 2015-2019 State of Texas Consolidated Plan and Draft Substantially Amended 2016 One-Year Action Plan at this bearing.*

## Internet Postings of Note, August 2016

*A list of new or noteworthy documents posted to the Department's website*

**Compliance: Utility Allowance Questionnaire** — updated form for use by owners of properties financed by the Department requesting to switch utility allowance methodologies when submitting an allowance for annual review:

[www.tdhca.state.tx.us/pmcomp/utility-allowance.htm](http://www.tdhca.state.tx.us/pmcomp/utility-allowance.htm)

**Report of Finding and Recommendations of the Housing and Health Services Coordination Council** — required for submission to the Governor and Legislative Budget Board not later than August 1 of each even-numbered year:

[www.tdhca.state.tx.us/hhsc/biennial-plans.htm](http://www.tdhca.state.tx.us/hhsc/biennial-plans.htm)

**Emergency Solutions Grant Program: Monthly Performance and Expenditure Reports** — updated financial and performance documents required for submission by ESG lead agencies:

[www.tdhca.state.tx.us/community-affairs/esgp/guidance-solutions.htm](http://www.tdhca.state.tx.us/community-affairs/esgp/guidance-solutions.htm)

**Community Affairs: Procurement Frequently Asked Questions** — *answering program questions most often asked of staff by subrecipients specific to procurement issues:*

[www.tdhca.state.tx.us/community-affairs/procurement/index.htm](http://www.tdhca.state.tx.us/community-affairs/procurement/index.htm)

**Legislative Appropriations Request 2018-2019** — *representing the Department's formal request for funding and which includes quantitative information such as projected performance, projected costs, and methods of financing:*

[www.tdhca.state.tx.us/finan.htm](http://www.tdhca.state.tx.us/finan.htm)

**Draft Allocation Plan for National Housing Trust Fund** — *detailing the amount of funding the state anticipates receiving and range of activities it may undertake, including the estimated amount benefiting extremely low-income households:*

[www.tdhca.state.tx.us/multifamily/home/index.htm](http://www.tdhca.state.tx.us/multifamily/home/index.htm)

**Phase 2/Amy Young Barrier Removal Program Reservation System: August 2016** — *detailing funds remaining in each Service Region's rural and urban subregions, which will be combined into one balance of funds per region:*

[www.tdhca.state.tx.us/htf/single-family/amy-young.htm](http://www.tdhca.state.tx.us/htf/single-family/amy-young.htm)

**Emergency Solutions Grants Program Webinar Training Video Archive: 2016 ESG Contract Implementation** — *providing a program overview and training on topics that include environmental requirements, participant eligibility, eligible activities, the monitoring process, and fair housing topics:*

[www.tdhca.state.tx.us/community-affairs/esgp/video-library.htm](http://www.tdhca.state.tx.us/community-affairs/esgp/video-library.htm)

**TDHCA Purchasing: No Bid Contracts List** — *updated list of no-bid contracts held by the Department in response to Governor Abbott's call for increased transparency with respect to state contracts:*

[www.tdhca.state.tx.us/purchasing/vendors.htm](http://www.tdhca.state.tx.us/purchasing/vendors.htm)

**2016-1 Multifamily Direct Loan NOFA Application Log: August 2016** — *detailing applications submitted to the Department seeking loan funds for the development of affordable rental housing, listed by set-aside and subregion:*

[www.tdhca.state.tx.us/multifamily/home/index.htm](http://www.tdhca.state.tx.us/multifamily/home/index.htm)

**4% HTC/Bond Status Log: August 2016** — *listing applicants seeking bond financing through either the Department or local issuers by region, development name, construction type, target population, bond reservation amount, etc:*

[www.tdhca.state.tx.us/multifamily/housing-tax-credits-4pct/index.htm](http://www.tdhca.state.tx.us/multifamily/housing-tax-credits-4pct/index.htm);

[www.tdhca.state.tx.us/multifamily/bond/index.htm](http://www.tdhca.state.tx.us/multifamily/bond/index.htm)

**2016 State of Texas Consolidated Plan Annual Performance Report: Reporting on Program Year 2015** — *providing an assessment of the state's progress towards meeting stated goals and objectives for the HOME, ESG, CDBG, and HOPWA programs:*

[www.tdhca.state.tx.us/housing-center/pubs-plans.htm](http://www.tdhca.state.tx.us/housing-center/pubs-plans.htm)

**2016 State of Texas One Year Action Plan** — *reporting on the intended use of funds received from HUD regarding the State's administration of the HOME, ESG, CDBG, and HOPWA programs:*

[www.tdhca.state.tx.us/housing-center/pubs-plans.htm](http://www.tdhca.state.tx.us/housing-center/pubs-plans.htm)



2b

BOARD REPORT ITEM

BOND FINANCE DIVISION

SEPTEMBER 8, 2016

Report Regarding a Request for Proposal (“RFP”) for a Master Servicer for the Department’s Single Family Mortgage Purchase Program, including the Texas First Time Homebuyer Program, the My First Texas Home Program, and other homebuyer programs implemented by the Department.

BACKGROUND

Through its Single Family Mortgage Purchase Program, the Texas Department of Housing and Community Affairs (the “Department”) provides financing to low and moderate income homebuyers. Participating lenders originate mortgage loans, which are sold to a servicer (the “Master Servicer”). In addition to general loan servicing duties, the Master Servicer is responsible for securing commitments from Ginnie Mae, Fannie Mae, and/or Freddie Mac, reviewing program documents and loan files, monthly reporting on processing timelines and delinquencies, purchasing and pooling loans, and issuing and delivering mortgage-backed securities (“MBS”).

On April 1, 2016, the Department issued an RFP for firms interested in serving as Master Servicer to the Department; the RFP had a submission deadline of April 29, 2016. Proposals were received from two respondents, U.S. Bank National Association (“US Bank”), the Department’s current Master Servicer, and Idaho Housing and Finance Association (“Idaho HFA”).

The structure proposed by US Bank was the same as the Department’s current structure. US Bank would make an up-front payment to the Department for the right to service the loans, would purchase the loans from participating lenders, pool into mortgage-backed securities (“MBS”), and deliver the MBS as instructed by the Department. The up-front payment made by US Bank to the Department would be concurrent with MBS settlement. The Department would have no ongoing interest in the mortgage loans.

The structure proposed by Idaho HFA did not provide an up-front payment to the Department for the right to service the loans. Idaho HFA would purchase mortgage loans from participating lenders; the Department would purchase the loans from Idaho HFA, and Idaho HFA would repurchase the loans for pooling into an MBS, to be delivered as instructed by the Department. Idaho HFA would retain a portion of the monthly servicing fee as its compensation for servicing the mortgage loans; the remainder of the servicing fee would be paid to the Department. The Department would receive ongoing revenue from the mortgage loans for the life of the loans.

There were also programmatic differences between the proposals, primarily with respect to program overlays and mortgage loan processing times. The review was extensive; a team of Department staff evaluated the economics (including liquidity requirements), the feasibility of the proposals, and programmatic differences, and selected Idaho HFA as Master Servicer.

Idaho HFA will serve as Master Servicer to the Department effective October 1, 2016. The term of the award will be one year with the ability to renew and extend for one year per renewal for a maximum of three consecutive renewal years. US Bank will continue to serve as Master Servicer for loans previously purchased, as well as loans in the pipeline reserved prior to October 1, 2016.

# **ACTION ITEMS**

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**TO BE POSTED NOT LATER THAN THE  
THIRD DAY BEFORE THE DATE OF  
THE MEETING**

4a

BOARD ACTION REQUEST

BOND FINANCE DIVISION

SEPTEMBER 8, 2016

Presentation, Discussion, and Possible Action on Resolution No. 17-003 Approving a Servicing Agreement, Escrow Agreement, Amended Program Guidelines, Master Mortgage Origination Agreement, Master Loan Participation Agreement and Amendment to Master Trade Confirmation in Connection with the Department's Single Family Mortgage Purchase Program; Authorizing the Execution of Documents and Instruments Relating to the Foregoing, Making Certain Findings and Determinations in Connection Therewith, and Containing Other Provisions Relating to the Subject.

RECOMMENDED ACTION

See attached resolution.

BACKGROUND

On August 15, 2016, the Texas Department of Housing and Community Affairs (the "Department") selected the Idaho Housing and Finance Association ("Idaho HFA") as Master Servicer for the Department's Single Family Mortgage Purchase Program. Idaho HFA will be the Department's Master Servicer effective October 1, 2016, requiring the execution of agreements, guidelines, and various documents, some of which will be newly drafted, while others need modifications to change the reference to Master Servicer to Idaho HFA.

Required documents include:

- Mortgage Acquisition, Pooling and Servicing Agreement (the "Servicing Agreement"). The Servicing Agreement establishes the relationship between the Department and Idaho HFA with respect to the representations and responsibilities of each party, including compensation, timelines, standards, requirements, and other aspects related to the purchase, pooling, and servicing of the Department's mortgage loans.
- Escrow Agreement. The Department will deposit up to \$2,000,000 in an escrow account to be held by Texas Treasury Safekeeping Trust Company as security provided to Idaho HFA. This account is expected to be funded by amounts available in the Taxable Mortgage Program General Fund, the Bond Programs Costs of Issuance Account, and other funds available for such purpose, including the release of funds on deposit in the existing escrow agreement established for US Bank.
- Master Mortgage Origination Agreement (the "MOA"). The MOA is the primary agreement between the Department and participating lenders. The existing MOA will be modified to reflect Idaho HFA as the Master Servicer, and to make related changes as necessary.

- Program Guidelines. The Program Guidelines provide lenders, realtors, and other interested parties with the specific details of the Department's program and requirements, including eligibility requirements for participation by lenders, the definition of eligible borrowers (including relevant income limits), eligible residences (including relevant purchase price limits), and other relevant program information. The existing Program Guidelines will be modified to reflect Idaho HFA as the Master Servicer, and to make related changes as necessary.
- Master Loan Participation Agreement (the "Participation Agreement"). The Participation Agreement governs the terms and requirements related to the Department's purchase and Idaho HFA's repurchase of mortgage loans originated under the Department's program, such loans to be pooled into MBS after repurchase by Idaho HFA.
- Master Trade Confirmation. The Master Trade Confirmation is the primary agreement between the Department and Hilltop Securities, the Department's TBA Provider, and will be amended to reflect Idaho HFA as the Department's Master Servicer.

The above-listed documents are the primary documents that will require execution prior to the October 1, 2016, effective date of Idaho HFA as the Department's Master Servicer. Additional, ancillary documents may be required, and may be executed by Authorized Representatives named in the attached Resolution No. 17-003.

Staff recommends approval.



**RESOLUTION NO. 17-003**

RESOLUTION APPROVING A SERVICING AGREEMENT, ESCROW AGREEMENT, AMENDED PROGRAM GUIDELINES, MASTER MORTGAGE ORIGINATION AGREEMENT, MASTER LOAN PARTICIPATION AGREEMENT AND AMENDMENT TO MASTER TRADE CONFIRMATION IN CONNECTION WITH THE DEPARTMENT'S SINGLE FAMILY MORTGAGE PURCHASE PROGRAM; AUTHORIZING THE EXECUTION OF DOCUMENTS AND INSTRUMENTS RELATING TO THE FOREGOING; MAKING CERTAIN FINDINGS AND DETERMINATIONS IN CONNECTION THEREWITH; AND CONTAINING OTHER PROVISIONS RELATING TO THE SUBJECT

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

WHEREAS, the Act authorizes the Department (a) to purchase notes and other obligations evidencing loans or interest in loans for individuals and families of low and very low income and families of moderate income and (b) to sell, at public or private sale, with or without public bidding, a mortgage or other obligation held by the Department; and

WHEREAS, the Department has a single family mortgage purchase program (the "Program") to fund all or a portion of the Department's single family loan production; and

WHEREAS, the Governing Board desires to authorize the execution and delivery of a Mortgage Acquisition, Pooling and Servicing Agreement in substantially the form attached hereto (the "Servicing Agreement") setting forth the terms under which Idaho Housing and Finance Association (the "Servicer") will review, acquire, package and service the mortgage loans to be originated under the Program (the "Mortgage Loans"); and

WHEREAS, the Governing Board desires to authorize the execution and delivery of an Escrow Agreement with the Texas Treasury Safekeeping Trust Company and the Servicer in substantially the form attached hereto (the "Escrow Agreement"); and

WHEREAS, the Governing Board desires to authorize the execution and delivery of the Master Mortgage Origination Agreement in substantially the form attached hereto (the "Master MOA") in connection with the acceptance of new lenders to the Program; and

WHEREAS, the Governing Board desires to approve the revised Program Guidelines in substantially the form attached hereto (the "Amended Program Guidelines") setting forth the general terms of the Program and the Mortgage Loans; and

WHEREAS, the Governing Board desires to authorize the execution and delivery of the Master Loan Participation Agreement with the Servicer in substantially the form attached hereto (the "Participation Agreement"); and

WHEREAS, the Governing Board desires to authorize the execution and delivery of the First Amendment to Master Trade Confirmation with Hilltop Securities Inc. ("Hilltop") in substantially the form attached hereto (the "First Amendment"); and

WHEREAS, the Governing Board desires to approve the forms of the Servicing Agreement, the Escrow Agreement, the Master MOA, the Amended Program Guidelines, the Participation Agreement and the First Amendment, the execution and delivery of such documents and the taking of such other actions as may be necessary or convenient to carry out the purposes of this Resolution;

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

## ARTICLE 1

### APPROVAL OF DOCUMENTS AND CERTAIN ACTIONS

Section 1.1 Approval, Execution and Delivery of Servicing Agreement. The form and substance of the Servicing Agreement are hereby approved and the Authorized Representatives each are hereby authorized to execute the Servicing Agreement and to deliver the Servicing Agreement to the Servicer.

Section 1.2 Approval, Execution and Delivery of Escrow Agreement. The form and substance of the Escrow Agreement are hereby approved and the Authorized Representatives each are hereby authorized to execute the Escrow Agreements and to deliver the Escrow Agreement to the Servicer and the Trust Company; provided that the maximum amount of cash and securities authorized for deposit under the Escrow Agreement is \$2,000,000.

Section 1.3 Approval, Execution and Delivery of Master MOA. The form and substance of the Master MOA are hereby approved and the Authorized Representatives each are hereby authorized to execute the Master MOA and to deliver the Master MOA to new lenders in the Program.

Section 1.4 Approval of Amended Program Guidelines. The form and substance of the Program Guidelines are hereby approved and the Department is authorized to distribute the Program Guidelines to mortgage lenders.

Section 1.5 Approval, Execution and Delivery of Participation Agreement. The form and substance of the Participation Agreement are hereby approved and the Authorized Representatives each are hereby authorized to execute the Participation Agreement and to deliver the Participation Agreement to the Servicer.

Section 1.6 Approval, Execution and Delivery of First Amendment. The form and substance of the First Amendment are hereby approved and the Authorized Representatives each are hereby authorized to execute the First Amendment and to deliver the First Amendment to Hilltop.

Section 1.7 Execution and Delivery of Other Documents. The Authorized Representatives are each hereby authorized to execute and deliver all agreements, certificates, contracts, documents, instruments, releases, financing statements, letters of instruction, notices, written requests and other papers, whether or not mentioned herein, as may be necessary or convenient to carry out or assist in carrying out the purposes of this Resolution.

Section 1.8 Power to Revise Form of Documents. Notwithstanding any other provision of this Resolution, the authorized representatives of the Department named in this Resolution each are hereby authorized to make or approve such revisions in the form of the documents attached hereto as exhibits as, in the judgment of such authorized representative, may be necessary or convenient to carry out or assist in carrying out the purposes of this Resolution, such approval to be evidenced by the execution of such documents by an Authorized Representative.

Section 1.9 Exhibits Incorporated Herein. All of the terms and provisions of each of the documents listed below as an exhibit shall be and are hereby incorporated into and made a part of this Resolution for all purposes:

- Exhibit A - Servicing Agreement
- Exhibit B - Escrow Agreements
- Exhibit C - Master MOA
- Exhibit D - Amended Program Guidelines
- Exhibit E - Participation Agreement
- Exhibit F - First Amendment

Section 1.10 Authorized Representatives. The following persons are hereby named as authorized representatives of the Department for purposes of executing, attesting, affixing the Department's seal to, and delivering the documents and instruments and taking the other actions referred to in this Article 1: the Chair or Vice Chair of the Governing Board, the Executive Director of the Department, the Chief Financial Officer of the Department, the Director of Bond Finance of the Department, the Director of Texas Homeownership of the Department, the Director of Multifamily Finance of the Department, and the Secretary or any Assistant Secretary to the Governing Board. Such persons are referred to herein collectively as the "Authorized Representatives."

Section 1.11 Ratifying Other Actions. All other actions taken or to be taken by the Executive Director and the Department's staff in connection with the Program are hereby ratified and confirmed.

## ARTICLE 2

### GENERAL PROVISIONS

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

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

PASSED AND APPROVED this 8th day of September, 2016.

/s/ J. Paul Oxe  
Chair, Governing Board

ATTEST:

/s/ James B. Eccles  
Secretary to the Governing Board

(SEAL)

4b

BOARD ACTION REQUEST

BOND FINANCE DIVISION

SEPTEMBER 8, 2016

Presentation, Discussion, and Possible Action on Resolution No. 17-004 Approving an Advances Agreement and Escrow Agreement; Authorizing the Execution of Documents and Instruments Relating Thereto; Making Certain Findings and Determinations in Connection Therewith; and Containing Other Provisions Relating to the Subject.

RECOMMENDED ACTION

See attached resolution.

BACKGROUND

At the Board meeting of July 14, 2016, staff provided a Report on Recent Bond Finance activity, which included an update on discussions with the Federal Home Loan Bank of Dallas (the "FHLB") regarding various FHLB loan and investment products and the potential applicability to the Department's single family programs, particularly short-term borrowing or liquidity products.

On August 15, 2016, the Texas Department of Housing and Community Affairs (the "Department") selected the Idaho Housing and Finance Association ("Idaho HFA") as Master Servicer for the Department's single family mortgage purchase program. Idaho HFA's servicing structure requires the purchase of program mortgage loans by the Department, and subsequent repurchase of those loans by the Idaho HFA, prior to pooling the loans into a mortgage-backed security ("MBS").

Staff worked with the Department's Financial Advisor, George K. Baum, to determine the most cost effective way to fund the purchase of program loans by the Department. The short-term nature of the liquidity required and the ability to pledge the mortgage loans as collateral made FHLB the most cost effective option for the Department. Specifically, the Department will be able to borrow at short-term rates from FHLB through an Advances and Security Agreement (the "Advances Agreement"). Collateral for advances under the Advances Agreement will consist of the mortgage loans purchased by the Department, plus additional collateral deposited to an escrow fund. The escrow fund deposit is expected to be funded in an amount not to exceed \$5 million and may be funded with cash and/or mortgage-backed securities available for such purpose. Sources for funding the escrow may include reductions to existing escrow accounts, funds available in the Supplemental Bond Contingency Reserve Fund, the Taxable Mortgage Program General Fund, the Bond Programs Costs of Issuance Account, and other funds available for such purpose. Borrowings, or advances, will occur almost daily and will be used to purchase mortgage loans within one to two business days after purchase from lenders by the Master Servicer. The Department will earn the spread between the net mortgage payments (and accruals) on the mortgages, and the short-term borrowing rate paid to FHLB. With each MBS settlement, the Department will repay advances related to the mortgage loans underlying the related MBS.

The maximum aggregate principal amount available for advances under the Advances Agreement is \$75 million. This amount takes into account the overlap in mortgage loans that have been purchased but not yet pooled, and mortgage loans that have been submitted for pooling, but for which MBS settlement has not yet occurred.

**RESOLUTION NO. 17-004**

RESOLUTION APPROVING ADVANCES AGREEMENT AND ESCROW AGREEMENT; AUTHORIZING THE EXECUTION OF DOCUMENTS AND INSTRUMENTS RELATING THERETO; MAKING CERTAIN FINDINGS AND DETERMINATIONS IN CONNECTION THEREWITH; AND CONTAINING OTHER PROVISIONS RELATING TO THE SUBJECT

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

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

WHEREAS, in order to implement the various phases of the Department's single family mortgage purchase program (the "Program") by providing funds to make and acquire qualifying mortgage loans (including participations therein) through the purchase of mortgage-backed securities ("Mortgage Certificates") issued and guaranteed by Fannie Mae, the Federal Home Loan Mortgage Corporation or the Government National Mortgage Association (referred to herein as "Mortgage Loans"), the Department anticipates that it will issue bonds pursuant to any or all of the following: (i) the Residential Mortgage Revenue Bond Trust Indenture dated as of November 1, 1987, between the Department, as successor to the Texas Housing Agency (the "Agency"), and The Bank of New York Mellon Trust Company, N.A., as successor trustee, as supplemented and amended (the "RMRB Indenture"), (ii) the Single Family Mortgage Revenue Bond Trust Indenture dated as of October 1, 1980, between the Department, as successor to the Agency, and The Bank of New York Mellon Trust Company, N.A., as successor trustee, as supplemented and amended (the "Single Family Indenture"), and (iii) a new trust indenture under which the bonds will be rated in one of the four highest rating categories for a long-term debt instrument; and

WHEREAS, pursuant to Chapter 1371, Texas Government Code, as amended ("Chapter 1371"), the Department is authorized to enter into "credit agreements" as defined in Chapter 1371; and

WHEREAS, the Governing Board desires to authorize the execution and delivery of an Advances and Security Agreement in substantially the form attached hereto (including the letter agreement thereto, the "Advances Agreement") with the Federal Home Loan Bank of Dallas ("FHLB"), to provide funds to assist the Department's servicer for the Program in the purchase of Mortgage Loans from the participating lenders in the Program; and

WHEREAS, the Governing Board has determined that the Advances Agreement is a "credit agreement" under Section 1371.001 of the Texas Government Code, as amended; and



WHEREAS, to provide security for the Advances Agreement, the Governing Board desires to authorize the execution and delivery of an Escrow Agreement in substantially the form attached hereto (the "Escrow Agreement") with FHLB and the Texas Treasury Safekeeping Trust Company (the "Trust Company"); and

WHEREAS, the Governing Board desires to approve the form of the Advances Agreement and the Escrow Agreement and the execution and delivery thereof and the taking of such other actions as may be necessary or convenient to carry out the purposes of this Resolution;

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

## ARTICLE I

### APPROVAL OF DOCUMENTS AND CERTAIN ACTIONS

Section 1.1--Authority to Approve Certain Terms of Advances Agreement. The Authorized Representatives are hereby authorized and empowered, in accordance with Chapter 1371, to fix and determine the terms of the Advances Agreement, all of which determinations shall be conclusively evidenced by the execution and delivery by the Executive Director or the Chief of Agency Administration of the Department of the Advances Agreement; provided, however, that: (a) the aggregate principal amount available for "Advances" (as such term is defined in the Advances Agreement) shall not exceed \$75,000,000; (b) the Advances Agreement shall terminate as specified therein; (c) the interest rate for any particular Advance shall not exceed the maximum rate permitted by applicable law; (d) the source of payment of and the security for the Department's obligations under the Advances Agreement shall be as specified therein; and (e) the duration of the authority to enter into the Advances Agreement shall not extend beyond September 7, 2017, provided that the authority to determine the interest rate for any particular Advance shall extend for the term of the Advances Agreement.

Section 1.2--Approval, Execution and Delivery of Advances Agreement. The form and substance of the Advances Agreement are hereby approved and the Authorized Representatives each are hereby authorized to execute the Advances Agreement and deliver the Advances Agreement to FHLB.

Section 1.3--Approval, Execution and Delivery of Escrow Agreement. The form and substance of the Escrow Agreement are hereby approved and the Authorized Representatives each are hereby authorized to execute the Escrow Agreement and to deliver the Escrow Agreement to FHLB and the Trust Company; provided that the maximum amount of cash and securities authorized for deposit under the Escrow Agreement is \$5,000,000.

Section 1.4--FHLB Requirements for Mortgage Loans. As required by FHLB, during the term of the Advances Agreement all Mortgage Loans shall comply with the requirements of Section 142(d) or Section 143(f) of the Internal Revenue Code of 1986, as amended.

Section 1.5--Execution and Delivery of Other Documents. The Authorized Representatives are each hereby authorized to execute and deliver all agreements, certificates, contracts, documents, instruments, releases, financing statements, letters of instruction, notices, written requests and other papers, whether or not mentioned herein, as may be necessary or convenient to carry out or assist in carrying out the purposes of this Resolution.

Section 1.6--Power to Revise Form of Documents. Notwithstanding any other provision of this Resolution, the Authorized Representatives each are hereby authorized to make or approve such revisions in the form of the documents attached hereto as exhibits as, in the judgment of such Authorized Representative, may be necessary or convenient to carry out or assist in carrying out the purposes of this Resolution, such approval to be evidenced by the execution of such documents by the Authorized Representatives.

Section 1.7--Exhibits Incorporated Herein. All of the terms and provisions of each of the documents listed below as an exhibit shall be and are hereby incorporated into and made a part of this Resolution for all purposes:

- Exhibit A - Advances Agreement
- Exhibit B - Escrow Agreement

Section 1.8--Authorized Representatives. The following persons and each of them are hereby named as authorized representatives of the Department for purposes of executing, attesting, affixing the Department's seal to, and delivering the documents and instruments and taking the other actions referred to in this Article I: the Chair or Vice Chair of the Governing Board, the Executive Director of the Department, the Chief Financial Officer of the Department, the Director of Bond Finance of the Department, the Director of Texas Homeownership of the Department, the Director of Multifamily Finance of the Department, and the Secretary or any Assistant Secretary to the Governing Board. Such persons are referred to herein collectively as the "Authorized Representatives." Any one of the Authorized Persons is authorized to act individually as set forth in this Resolution.

Section 1.9--Submission to the Attorney General of Texas. The Board hereby authorizes the submission to the Attorney General of Texas, for his approval, of a transcript of the legal proceedings relating to the authorization of the Advances Agreement.

Section 1.10--Ratifying Other Actions. All other actions taken or to be taken by the Executive Director and the Department's staff in connection with the Advances Agreement are hereby ratified and confirmed.

Section 1.11--Board Determination. The Governing Board hereby determines that the Advances Agreement is a "credit agreement" under Section 1371.001 of the Texas Government Code, as amended.

## ARTICLE II GENERAL PROVISIONS

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

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

\* \* \*

PASSED AND APPROVED this 8th day of September, 2016.

/s/ J. Paul Oxe  
Chair, Governing Board

ATTEST:

/s/ James B. Eccles  
Secretary to the Governing Board

(SEAL)

4c

BOARD ACTION REQUEST

BOND FINANCE DIVISION

SEPTEMBER 8, 2016

Presentation, Discussion, and Possible Action on Resolution No. 17-005 Authorizing the Issuance and Delivery of Texas Department of Housing and Community Affairs Series 2016 Issuer Note; Approving the Form and Substance of Related Documents; Authorizing the Execution of Documents and Instruments Necessary or Convenient to Carry Out the Purposes of this Resolution; and Containing Other Provisions Relating to the Subject.

RECOMMENDED ACTION

See attached resolution.

BACKGROUND

The Texas Department of Housing and Community Affairs (the "Department") provides down payment and closing cost assistance ("DPA") for all mortgage loans originated through the Department's single family mortgage purchase program. DPA loans are 0% interest, non-amortizing second mortgages with a 30-year term and are due on sale or refinance. Since October 2012, the Department has provided almost \$37 million in DPA. Because DPA is repaid at sale or refinance, the ability to recycle funds used for DPA is, in the short run, limited. As such, the Department regularly analyzes available DPA funding sources in order to continue to make DPA available through the Department's single family home ownership programs.

Staff has been working with the Department's bond counsel and financial advisor, and with Woodforest National Bank (the "Bank") and its counsel, to reach agreement on the terms related to a loan of \$10 million to be used by the Department to make DPA loans. This loan will be in the form of a note, issued pursuant to a loan agreement between the Department and the Bank. Below is a summary of the primary terms of the note:

Loan Amount:	\$10,000,000
Loan/Note Rate:	1% per annum
Loan/Note Term:	Ten (10) years
Payments:	All principal and interest due at maturity; payment of interest is deferred until maturity, but is not compounded.
Collateral:	Subordinate interest in the Residential Mortgage Revenue Bond ("RMRB") Indenture
Prepayment:	The Department has the right to prepay the outstanding principal balance of the loan/note in full or in part without penalty at any time

The Department will repay the loan/note with funds available from the operation of its single family programs, including surplus revenues released from any of the Department's three single family indentures (RMRB, Single Family, and Collateralized Home Mortgage Revenue Bonds), and/or other available funds.

The costs associated with the issuance of the 2016 Issuer Note are not expected to exceed \$110,000 and will be paid from funds available in the TMP General Fund, the Bond Programs COI account, and or other single-family related funds available for such purpose.

## RESOLUTION NO. 17-005

RESOLUTION AUTHORIZING THE ISSUANCE AND DELIVERY OF TEXAS DEPARTMENT OF HOUSING AND COMMUNITY AFFAIRS SERIES 2016 ISSUER NOTE; APPROVING THE FORM AND SUBSTANCE OF RELATED DOCUMENTS; AUTHORIZING THE EXECUTION OF DOCUMENTS AND INSTRUMENTS NECESSARY OR CONVENIENT TO CARRY OUT THE PURPOSES OF THIS RESOLUTION; AND CONTAINING OTHER PROVISIONS RELATING TO THE SUBJECT

WHEREAS, the Texas Department of Housing and Community Affairs (the "Department") has been duly created and organized pursuant to and in accordance with the provisions of Chapter 2306, Texas Government Code (the "Act"), as amended from time to time, for the purpose of providing for the housing needs of individuals and families of low, very low, and extremely low income and families of moderate income (as described in the Act as determined by the Governing Board of the Department (the "Governing Board") from time to time) at prices they can afford; and

WHEREAS, the Act authorizes the Department to issue revenue bonds, including notes, to provide money to make and acquire mortgage loans or participations therein; and

WHEREAS, the Governing Board has determined to authorize the issuance of a series of the Department's revenue bonds to be known as its Series 2016 Issuer Note (the "Issuer Note") pursuant to a Loan Agreement (the "Loan Agreement") between the Department and Woodforest National Bank (the "Bank") for the purpose of providing funds to make and acquire second lien mortgage loans to qualifying borrowers in the Department's single family mortgage purchase program in order to provide down payment assistance to such borrowers; and

WHEREAS, the Governing Board desires to authorize the execution and delivery of the Loan Agreement in substantially the form attached hereto; and

WHEREAS, the Governing Board desires to authorize the execution and delivery of the Paying Agent/Registrar Agreement (the "Paying Agent/Registrar Agreement") with the Bank in substantially the form attached hereto; and

WHEREAS, the Governing Board desires to approve the forms of the Loan Agreement and the Paying Agent/Registrar Agreement in order to find the form and substance of such documents to be satisfactory and proper and the recitals contained therein to be true, correct and complete; and has determined to further its programs in accordance with such documents by authorizing the issuance of the Issuer Note, the execution and delivery of such documents and the taking of such other actions as may be necessary or convenient to carry out the purposes of this Resolution;

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

### ARTICLE 1 ISSUANCE OF ISSUER NOTE; APPROVAL OF DOCUMENTS

Section 1.1 Issuance, Execution and Delivery of the Issuer Note. The issuance of the Issuer Note is hereby authorized, all under and in accordance with the Loan Agreement, and that, upon execution and delivery of the Loan Agreement, the Authorized Representatives are each hereby authorized to execute, attest and affix the Department's seal to the Issuer Note and to deliver the Issuer Note to the Attorney General of Texas (the "Attorney General") for approval and the Comptroller of Public Accounts of the State of Texas (the "Comptroller") for registration, and thereafter to deliver the Issuer Note to the Bank.

Section 1.2 Approval, Execution and Delivery of the Loan Agreement. The form and substance of the Loan Agreement are hereby approved and the Authorized Representatives are each hereby authorized to execute the Loan Agreement, and to deliver the Loan Agreement to the Bank.

Section 1.3 Approval, Execution and Delivery of the Paying Agent/Registrar Agreement. The form and substance of the Paying Agent/Registrar Agreement are hereby approved and the Authorized Representatives are each hereby authorized to execute the Paying Agent/Registrar Agreement, and to deliver the Paying Agent/Registrar Agreement to the Bank.

Section 1.4 Execution and Delivery of Other Documents. The Authorized Representatives are each hereby authorized to execute, attest, affix the Department's seal to and deliver such other agreements, advance commitment agreements, assignments, bonds, certificates, contracts, documents, instruments, releases, financing statements, letters of instruction, notices of acceptance, written requests and other papers, whether or not mentioned herein, as may be necessary or convenient to carry out or assist in carrying out the purposes of this Resolution and the Loan Agreement.

Section 1.5 Power to Revise Form of Documents. Notwithstanding any other provision of this Resolution, the Authorized Representatives are each hereby authorized to make or approve such revisions in the form of the documents attached hereto as exhibits as, in the judgment of such Authorized Representative, may be necessary or convenient to carry out or assist in carrying out the purposes of this Resolution, such approval to be evidenced by the execution of such documents by the Authorized Representatives.

Section 1.6 Exhibit Incorporated Herein. All of the terms and provisions of the documents listed below as exhibits shall be and are hereby incorporated into and made a part of this Resolution for all purposes:

- Exhibit A – Loan Agreement
- Exhibit B – Paying Agent/Registrar Agreement

Section 1.7 Authorized Representatives. The following persons and each of them are hereby named as authorized representatives of the Department for purposes of executing, attesting, affixing the Department's seal to, and delivering the documents and instruments and taking the other actions referred to in this Article 1: the Chair or Vice Chair of the Governing Board, the Executive Director of the Department, the Chief Financial Officer of the Department, the Director of Bond Finance of the Department, the Director of Multifamily Finance of the Department, the Director of Texas Homeownership of the Department and the Secretary or any Assistant Secretary to the Governing Board. Such persons are referred to herein collectively as the "Authorized Representatives." Any one of the Authorized Persons is authorized to act individually as set forth in this Resolution.

Section 1.8 Costs of Issuance. The use of Department funds in an amount not to exceed \$110,000 to pay costs of issuance of the Issuer Note is hereby authorized and approved.

## **ARTICLE 2**

### **APPROVAL AND RATIFICATION OF CERTAIN ACTIONS**

Section 2.1 Submission to the Attorney General of Texas. The Governing Board hereby approves the submission by the Department's Bond Counsel to the Attorney General of Texas, for his approval, of a transcript of the legal proceedings relating to the issuance, sale and delivery of the Issuer Note.

Section 2.2 Certification of the Minutes and Records. The Secretary and any Assistant Secretary to the Governing Board are hereby authorized to certify and authenticate minutes and other records on behalf of the Department for the issuance of the Issuer Note and all other Department activities.

Section 2.3 Ratifying Other Actions. That all other actions taken or to be taken by the Executive Director and the Department's staff in connection with the issuance of the Issuer Note and refunding of the Refunded Bonds are hereby ratified and confirmed.



**ARTICLE 3**  
**GENERAL PROVISIONS**

Section 3.1 Limited Obligation. The Issuer Note and the interest thereon shall be a limited obligation of the Department payable solely from the amounts pledged under the Loan Agreement to secure payment of the Issuer Note, and under no circumstances shall the Issuer Note be payable from any other revenues, funds, assets or income of the Department.

Section 3.2 Non-Governmental Obligations. The Issuer Note shall not be and does not create or constitute in any way an obligation, a debt or a liability of the State of Texas or create or constitute a pledge, giving or lending of the faith or credit or taxing power of the State of Texas.

Section 3.3 Purposes of Resolution. The Governing Board has expressly determined and hereby confirms that the issuance of the Issuer Note and the furtherance of the purposes contemplated by this Resolution accomplish a valid public purpose of the Department by providing for the housing needs of individuals and families of low, very low and extremely low income and families of moderate income in the State of Texas.

Section 3.4 Notice of Meeting. This Resolution was considered and adopted at a meeting of the Governing Board that was noticed, convened, and conducted in full compliance with the Texas Open Meetings Act, Chapter 551 of the Texas Government Code, and with § 2306.032 of the Texas Government Code, regarding meetings of the Governing Board.

Section 3.5 Effective Date. That this Resolution shall be in full force and effect from and upon its adoption.

*[Execution page follows]*

PASSED AND APPROVED this 18th day of September, 2016.

/s/ J. Paul Oxe  
Chair, Governing Board

ATTEST:

/s/ James B. Eccles  
Secretary to the Governing Board

(SEAL)

5a

**TO BE POSTED NOT LATER THAN THE  
THIRD DAY BEFORE THE DATE OF  
THE MEETING**

5b

**TO BE POSTED NOT LATER THAN THE  
THIRD DAY BEFORE THE DATE OF  
THE MEETING**

5c

**TO BE POSTED NOT LATER THAN THE  
THIRD DAY BEFORE THE DATE OF  
THE MEETING**



6a

**BOARD ACTION REQUEST**  
**MULTIFAMILY FINANCE DIVISION**  
**SEPTEMBER 8, 2016**

Presentation, Discussion, and Possible Action regarding an Award of Direct Loan Funds

**RECOMMENDED ACTION**

**WHEREAS**, the Department has received a total of 30 applications for Multifamily Direct Loan funds under the 2016-1 Multifamily Direct Loan Notice of Funding Availability (“NOFA”);

**WHEREAS**, \$5,321,436 in Direct Loan funds under the General Set-Aside (“Set-Aside”) have been awarded under the NOFA to date and \$7,551,316 remains available under the Set-Aside to award to eligible applications; and

**WHEREAS**, Application #16504 is requesting \$1,050,000 in Direct Loan funds for Gaston Place Accessible Apartments and is a Third Priority development that has received complete reviews for compliance with program and underwriting requirements;

**NOW, therefore, it is hereby**

**RESOLVED**, that an award of \$1,050,000 in Direct Loan funds from the NOFA for Gaston Place Accessible Apartments is hereby approved in the form presented at this meeting and the Executive Director and his designees are hereby, authorized, empowered, and directed to take all necessary action to effectuate the foregoing and

**FURTHER RESOLVED**, that the Board’s approval is conditioned upon satisfaction of all conditions of underwriting and completion of any other reviews required to ensure compliance with the applicable rules and requirements.

**BACKGROUND**

On November 12, 2015, the Board approved the 2016-1 Multifamily Direct Loan NOFA with \$23,109,096 of combined HOME and TCAP Repayment funds (up to \$3,000,000 in the Deferred Forgivable Loan Set-Aside, \$4,000,000 in the 4% Housing Tax Credit-Layered New Construction Set Aside, \$3,236,344 in the CHDO Set-Aside, and \$12,872,752 in the General Set-Aside).

At the Board Meeting of July 28, 2016, \$5,321,436 in Direct Loan funds under the General Set-Aside were awarded to the following 9% Housing Tax Credit layered applications:

<b>2016-1 MF Direct Loan General Loan Set-Aside: \$12,872,572</b>			
<i>Application Number</i>	<i>Development Name</i>	<i>Awarded/Recommended Amount</i>	<i>Application Received Date</i>
16108	Timber Ridge Apartments	\$ 500,000	4/1/2016
16113	The Village at Main	\$ 227,400	4/1/2016
16116	The Cottages at Main	\$ 229,036	4/1/2016
16322	The Residence at Autumn Sage	\$ 1,025,000	4/1/2016
16169	Havens of Hutto	\$ 1,200,000	4/1/2016
16164	Saralita Senior Village	\$ 1,140,000	4/14/2016
<b>TOTAL</b>		<b>\$ 5,321,436</b>	

Currently, \$7,551,316 is available in the General Set-aside from which to make this award to application #16504.

The complete recommended applications and award amounts are outlined in the attached Award Recommendations log.

Gaston Place Accessible Apartments will be constructed on approximately one acre of unused land that is currently owned by the Housing Authority of the City of Austin, adjacent to Gaston Place, a Housing Authority property that serves elderly households. The site is located just north of the Mueller development in northeast Austin, an area that has seen a rapid increase in neighborhood amenities and services as well as dramatically rising property values. The applicant – Accessible Housing Austin! – while being awarded under the General Set-Aside, intends to make all units accessible or adaptable in order to accommodate more than the minimum 5% of units required by 2010 ADA standards with exceptions listed in "Nondiscrimination on the Basis of Disability in Federally Assisted Programs and Activities" *Federal Register 79 FR 29671*. A maximum of six units (25%) will be reserved for persons with disabilities, while the other 21 units (75%) will not be restricted in any way beyond the income and rent limits. As required by the City of Austin's HOME investment in this development, all units are restricted to households at 50% AMI or below, with three of the 27 units targeting deeper affordability at 30% AMI or less. All 27 units in the development will be restricted under TDHCA's Land Use Restriction Agreement as well as the City of Austin's restrictive covenant.

In addition to the \$2,192,055 in HOME funds from the City of Austin, the applicant was able to secure grant funding from several sources totaling \$781,260. Staff plans on funding this \$1,050,000 Direct Loan award with TCAP Repayment Funds as a repayable loan at 3% interest, amortized over 30 years with a term of 30 years.

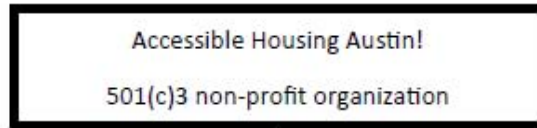
As required in section 4 of the 2016-1 NOFA, the Department's Governing Board must establish a hard closing deadline at the time of award. As such, staff recommends that closing on all sources of funds must occur no later than January 31, 2017. With TCAP Repayment Funds being utilized for this transaction, the Development will be subject to all requirements for HOME Match-Eligible units as a result of the Department considering the interest rate differential between 3% and the market interest rate to be HOME Match.

This application has been underwritten and determined to meet the Real Estate Analysis rules and requirements and has received a previous participation review.

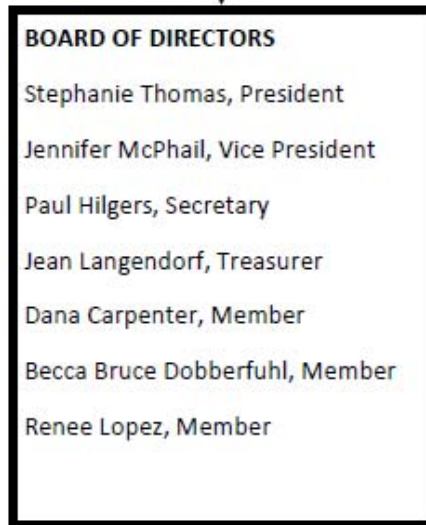
*Organizational Structure and Previous Participation:* The Applicant is Accessible Housing Austin and includes entities and principals as indicated in the organization chart below. At the time of the Previous Participation Review, the applicant was a Category 1 portfolio. EARAC recommends approval.

*Public Comment:* No public comment was received.

## ORGANIZATIONAL CHART



Isabelle Headrick, Exec. Director

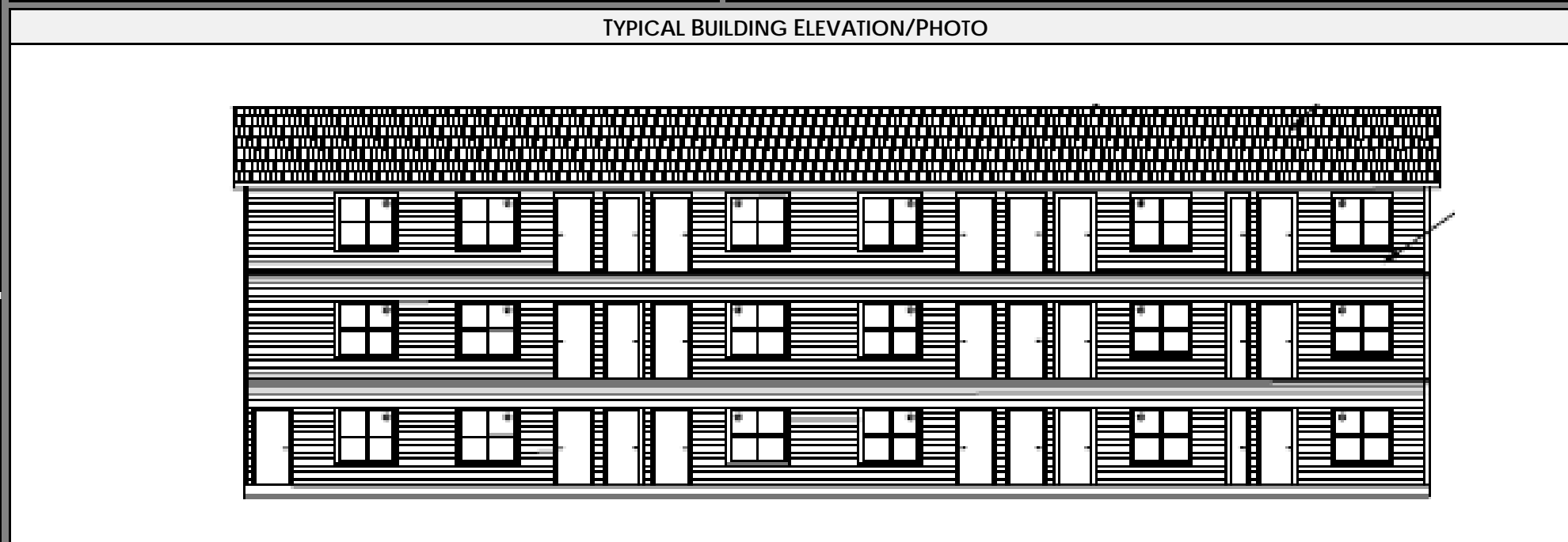


# APPLICATION SUMMARY

PROPERTY IDENTIFICATION	
Application #	16504
Development	Gaston Place Accessible Apartments
City / County	Austin / Travis
Region/Area	7 / Urban
Population	Supportive Housing
Set-Aside	General
Activity	New Construction

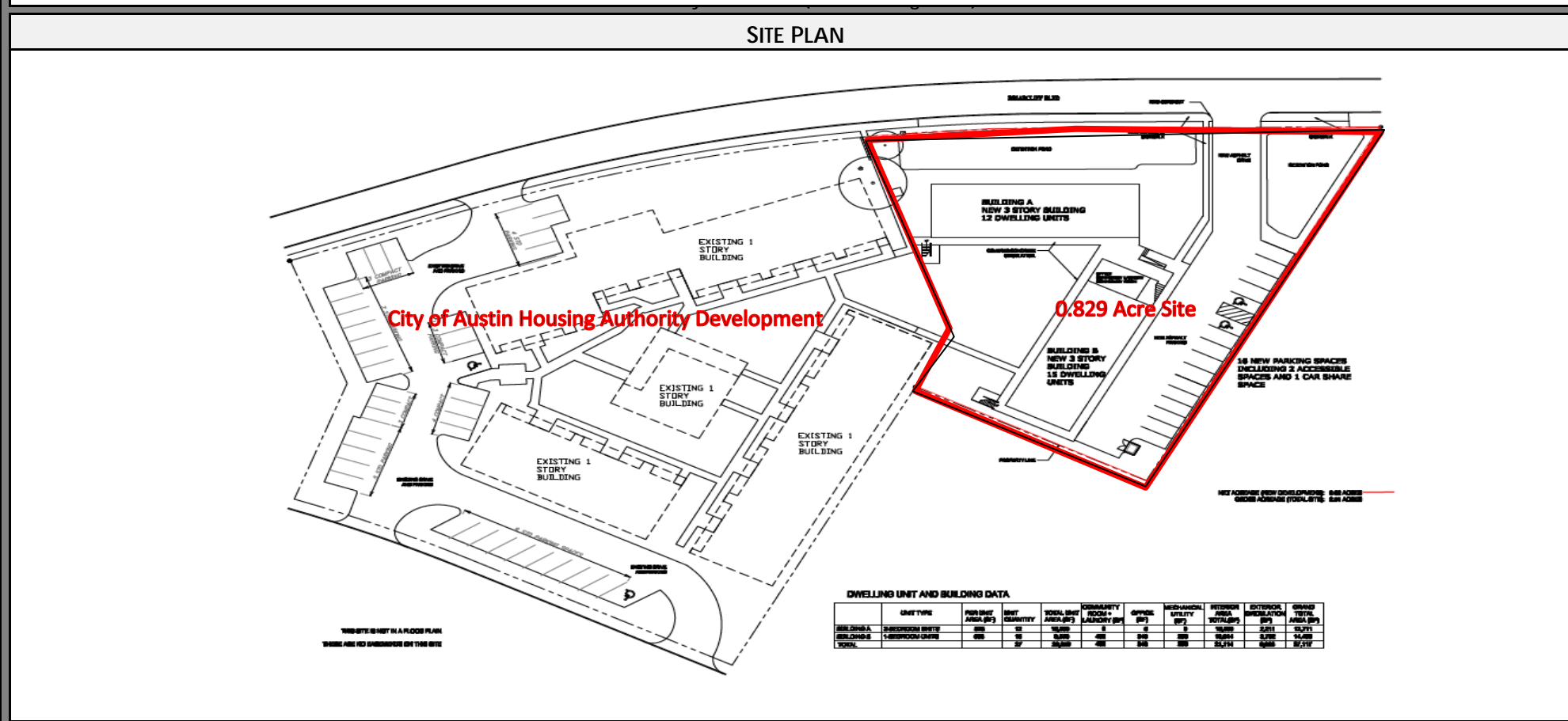
RECOMMENDATION						
TDHCA Program	Request	Approved				
LIHTC (4% Credit)	\$0					\$0.00
		Amount	Rate	Amort	Term	Lien
Private Activity Bonds						
MDLP (Repayable)	\$1,050,000	3.00%	30	30	1st	
MDLP (Non-Repayable)						
CHDO Expenses						

KEY PRINCIPALS / SPONSORS		
Accessible Housing Austin!		
Isabelle Headrick, Jean Langendorf, Paul Hilgers		
Related-Parties	Contractor - TBD	Seller - No



UNIT DISTRIBUTION			INCOME DISTRIBUTION		
# Beds	# Units	% Total	Income	# Units	% Total
Eff	-	0%	30%	3	0%
1	15	56%	40%	-	0%
2	12	44%	50%	24	0%
3	-	0%	60%	-	0%
4	-	0%	MR	-	0%
<b>TOTAL</b>	<b>27</b>	<b>100%</b>	<b>TOTAL</b>	<b>27</b>	<b>0%</b>

PRO FORMA FEASIBILITY INDICATORS			
Pro Forma Underwritten		TDHCA's Pro Forma	
Debt Coverage	1.34	Expense Ratio	60.9%
Breakeven Occ.	83.4%	Breakeven Rent	\$535
Average Rent	\$595	B/E Rent Margin	\$60
Property Taxes	\$297/unit	Exemption/PILOT	50%
Total Expense	\$4,086/unit	Controllable	\$2,792/unit



MARKET FEASIBILITY INDICATORS			
Gross Capture Rate (30% Maximum)			0.8%
Highest Unit Capture Rate	2%	2 BR/50%	11
Dominant Unit Cap. Rate	1%	0%	13
Premiums (160% Rents)			
Rent Assisted Units	27	100% Total Units	

DEVELOPMENT COST SUMMARY			
Costs Underwritten		Applicant's Costs	
Avg. Unit Size	743 SF	Density	32.6/acre
Acquisition	\$00K/unit		\$2K
Building Cost	\$112.01/SF	\$83K/unit	\$2,248K
Hard Cost		\$107K/unit	\$2,888K
Total Cost		\$159K/unit	\$4,299K
Developer Fee	\$552K	(50% Deferred)	Paid Year: 14
Contractor Fee	\$420K	30% Boost	No

DWELLING UNIT AND BUILDING DATA										
BUILDING	UNIT TYPE	PER UNIT AREA (SQ FT)	UNIT COUNT	TOTAL UNIT AREA (SQ FT)	COMMUNITY ROOM + LAUNDRY (SQ FT)	OFFICE (SQ FT)	RECREATION (SQ FT)	STORAGE (SQ FT)	STAIRS (SQ FT)	GRAND TOTAL AREA (SQ FT)
BUILDING A	3-BR/50%	800	15	12,000	0	0	0	0	0	12,000
BUILDING B	2-BR/50%	700	12	8,400	0	0	0	0	0	8,400
BUILDING C	1-BR/50%	600	12	7,200	0	0	0	0	0	7,200
<b>TOTAL</b>			<b>39</b>	<b>27,600</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>27,600</b>




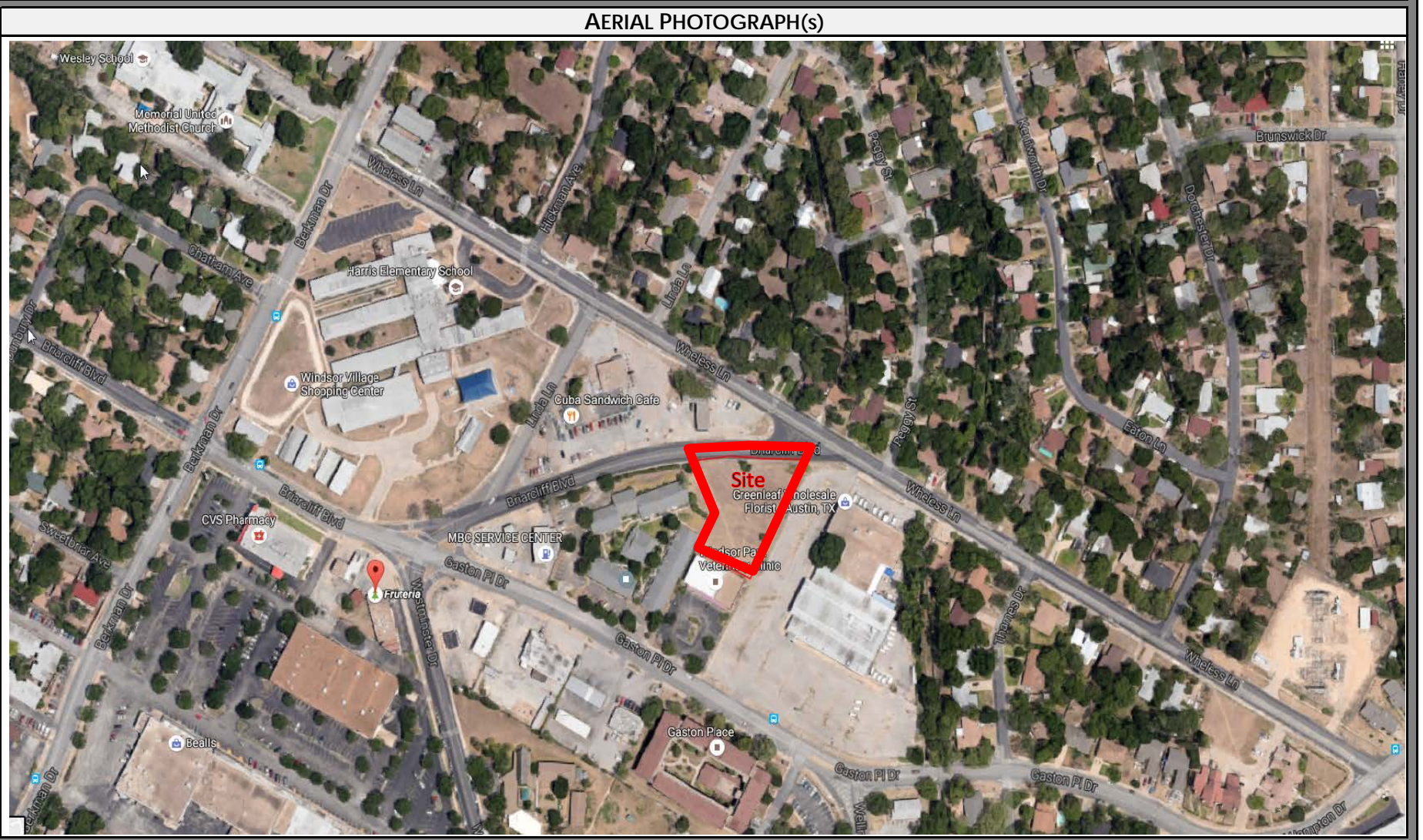
Must Pay Debt					CASH FLOW DEBT / GRANT FUNDS					EQUITY / DEFERRED FEES	
Source	Term	Rate	Amount	DCR	Source	Term	Rate	Amount	DCR	Source	Amount
TDHCA	30/30	3.00%	\$1,050,000	1.34	Meadows Foundation	0/0	0.00%	\$250,000	1.34	Accessible Housing Austin!	\$276,051
					Lola Wright Foundation	0/0	0.00%	\$50,000	1.34		
					Austin Community Foundation	0/0	0.00%	\$35,000	1.34		
					Federal Home Loan Bank	0/0	0.00%	\$189,000	1.34		
					AHA! Fundraising	0/0	0.00%	\$200,000	1.34		
					Austin Housing Finance Corp	0/0	0.00%	\$2,192,055	1.34		
					Austin Housing Finance Corp	0/0	0.00%	\$27,260	1.34	<b>TOTAL EQUITY SOURCES</b>	\$276,051
					Austin Housing Finance Corp	0/0	0.00%	\$30,000	1.34	<b>TOTAL DEBT SOURCES</b>	\$4,023,315
<b>TOTAL DEBT (Must Pay)</b>			<b>\$1,050,000</b>		<b>CASH FLOW DEBT/GRANTS/DEFERRED FORGIVABLE DEBT</b>			<b>\$2,973,315</b>		<b>TOTAL CAPITALIZATION</b>	\$4,299,366

**CONDITIONS**

- 1 Receipt and acceptance before Direct Loan Closing
  - a: Documentation that commitments of approval of all proposed sources (or comparable alternative sources) of financing stated in application have been received.
  - b: Updated term sheets with substantially final terms from all lenders and grant providers.
  - c: Certification from Architect that parking spaces being provided meets city and county code.
  - d: A letter from an attorney indentifying the statutory basis for the proposed property tax exemption on the land and improvements and indicating that the exemption is reasonably achievable, subject to appraisal district review.
  - e: Substantially final construction contract with Schedule of Values, documentation of Site Plan approval and approved building permits.
  - f: Documentation of final approval or execution of the proposed Unified Plan of Parking Agreement between Applicant and the City of Austin by Loan Closing.
  - g: Documentation of an approved TDHCA Compliance Division accessibility site plan review, to include but not limited to required parking spaces.

Should any terms of the proposed capital structure change or if there are material changes to the overall development plan or costs, the analysis must be re-evaluated and adjustment to the credit allocation and/or terms of other TDHCA funds may be warranted.

RISK PROFILE	
STRENGTHS/MITIGATING FACTORS	
Development is primarily designed to accommodate	
Development has multiple grants provided for funding	
Low gross and unit capture rates	
WEAKNESSES/RISKS	
None	





**2016-1 Multifamily Direct Loan Program - Application Log - August 31, 2016**  
**Applications submitted under 2016-1 Multifamily Direct Loan Notice of Funding Availability published in the Texas Register on 12/25/2015**

The following data was compiled using information submitted by each applicant. While this data has been reviewed or verified by the Department, errors may still be present. Those reviewing the log are advised to use caution in reaching any definitive conclusions based on this information alone. Applicants are encouraged to review 10 TAC §111.1(b) and 10.2(b) concerning Due Diligence and Applicant Responsibility. This log will be updated periodically as staff completes application reviews and as more applications are received. Applicants that identify an error in the log should contact Andrew Sinnott at andrew.sinnott@tdhca.state.tx.us as soon as possible. Identification of an error early does not guarantee that the error can be addressed administratively.

Applications sorted by date received.

Defered Forgivable Loan														Total Set Aside Funding Level: \$3,000,000
TDHCA Application #	Property Name	Property City	Property County	Region	Housing Activity <sup>1</sup>	Multifamily Direct Loan Request	Underwritten/Recommended Amount	Target Population	Total Units	MF Direct Loan Units	Layering <sup>2</sup>	Date Received <sup>3</sup>	Comments	
16500	Bluebonnett Studios	Austin	Travis	7	NC	\$ 590,000	\$ 590,000	Supportive Housing	107	11	9%	1/4/2016	Recommended for award 4/28/16	
16501	Garden Terrace Phase III	Austin	Travis	7	NC	\$ 1,000,000	\$ 1,000,000	Supportive Housing	20	20		1/4/2016	Recommended for award 5/26/16	
16405	New Hope Housing at Harrisburg	Houston	Harris	6	NC	\$ 607,698	\$ 607,698	Supportive Housing	175	11	4%	1/4/2016	Recommended for award 2/25/16	
16406	New Hope Housing at Reed	Houston	Harris	6	NC	\$ 660,000	\$ 660,000	Supportive Housing	187	11	4%	1/4/2016	Recommended for award 6/30/16	
16503	Works at Pleasant Valley Phase II	Austin	Travis	7	NC	\$ 850,000		Supportive Housing	29	29		1/5/2016	Under Review	
16510	Live Oak Trails	Austin	Travis	7	NC	\$ 1,000,000		Supportive Housing	58	10	9%	8/3/2016	Under Review	
<b>Total Defered Forgivable Loan Amount Requested / Recommended</b>						<b>\$ 4,707,698</b>	<b>\$ 2,857,698</b>	<b>Total Units</b>	<b>576</b>	<b>92</b>				

CHDO (HOME funds only)														Total Set Aside Funding Level: \$3,236,344
TDHCA#	Property Name	Property City	Property County	Region	Housing Activity <sup>1</sup>	Multifamily Direct Loan Request	Underwritten/Recommended Amount	Target Population	Total Units	MF Direct Loan Units	Layering <sup>2</sup>	Date Received <sup>3</sup>	Comments	
16196	Merritt Starlight	Wimberley	Hays	7	NC	\$ 2,000,000		Elderly Limitation	80	34	9%	4/1/2016	Under Review	
16185	Merritt Heritage	Georgetown	Williamson	7	NC	\$ 2,000,000	\$ 2,000,000	Elderly Limitation	244	34	9%	4/1/2016	Recommended for award 7/28/16	
16210	Merritt Monument	Midland	Midland	12	NC	\$ 2,000,000		General	104	34	9%	4/1/2016	Under Review	
16505	Blakemoor Manor	Kaufman	Kaufman	3	NC			Elderly Limitation	80	34		4/4/2016	Terminated	
16508	AYUDA Apartments	San Elizario	El Paso	13	NC			General	24	24		5/31/2016	Terminated	
16509	ABC Apartments	Anthony	El Paso	13	NC			General	26	26		5/31/2016	Terminated	
<b>Total CHDO Amount Requested / Recommended</b>						<b>\$ 6,000,000</b>	<b>\$ 2,000,000</b>	<b>Total Units</b>	<b>558</b>	<b>186</b>				

4% HTC Layered New Construction														Total Set Aside Funding Level: \$4,000,000
TDHCA#	Property Name	Property City	Property County	Region	Housing Activity <sup>1</sup>	Multifamily Direct Loan Request	Underwritten/Recommended Amount	Target Population	Total Units	MF Direct Loan Units	Layering <sup>2</sup>	Date Received <sup>3</sup>	Comments	
16400	Acme Road Apartments	San Antonio	Bexar	9	NC	\$ 2,000,000	\$ 2,000,000	General	324	28	4%	1/19/2016	Recommended for award 6/30/16	
16408	Broadmoor Apartments	Fort Worth	Tarrant	3	NC	\$ 2,000,000		General	324	35	4%	2/4/2016	Under Review	
16441	Primrose Village Apartments	Weslaco	Hidalgo	11	NC	\$ 2,000,000		General	242	21	4%	8/26/2016	Under Review	
<b>Total 4% HTC Layered New Construction Amount Requested / Recommended</b>						<b>\$ 6,000,000</b>	<b>\$ 2,000,000</b>	<b>Total Units</b>	<b>890</b>	<b>84</b>				

General														Total Set Aside Funding Level: \$12,872,752
TDHCA#	Property Name	Property City	Property County	Region	Housing Activity <sup>1</sup>	Multifamily Direct Loan Request	Underwritten/Recommended Amount	Target Population	Total Units	MF Direct Loan Units	Layering <sup>2</sup>	Date Received <sup>3</sup>	Comments	
16403	Cross Creek Apartments	Austin	Travis	7	R	\$ 1,000,000		General	200	20	4%	2/9/2016	Under Review	
16502	Freedoms Path at Kerrville	Kerrville	Kerr	9	NC	\$ 980,000		Supportive Housing	49	13	9%	3/4/2016	Under Review	
16108	Timber Ridge Apartments	Chandler	Henderson	4	R	\$ 500,000	\$ 500,000	Elderly Preference	44	13	9%	4/1/2016	Recommended for award 7/28/16	
16113	The Village at Main	Bullard	Smith	4	R	\$ 500,000	\$ 227,400	General	24	7	9%	4/1/2016	Recommended for award 7/28/16	
16116	The Cottages at Main	Bullard	Smith	4	R	\$ 500,000	\$ 229,036	Elderly Preference	24	7	9%	4/1/2016	Recommended for award 7/28/16	
16322	The Residence at Autumn Sage	Abilene	Taylor	2	NC	\$ 1,025,000	\$ 1,025,000	Elderly Limitation	35	11	9%	4/1/2016	Recommended for award 7/28/16	
16169	Havens of Hutto	Hutto	Williamson	7	NC	\$ 1,550,000	\$ 1,200,000	Elderly Limitation	70	16	9%	4/1/2016	Recommended for award 7/28/16	
16115	The Reserve at Dry Creek	Hewitt	McLennan	8	NC	\$ 1,000,000	\$ 1,000,000	Elderly Limitation	113	18	9%	4/1/2016	Recommended for award 7/28/16	
16011	Homestead Prairie Senior Apartments	Ponder	Denton	3	NC	\$ 1,000,000		Elderly Limitation	53	14	9%	4/1/2016	Under Review	
16260	Churchill at Golden Triangle Community	Fort Worth	Tarrant	3	NC	\$ 1,500,000		General	118	15	9%	4/1/2016	Not Prioritized for Review	
16184	Reserve at Hagan	Whitehouse	Smith	4	NC	\$ 1,000,000		General	72	9	9%	4/1/2016	Not Prioritized for Review	
16213	Villas on Flint	Wolforth	Lubbock	1	NC	\$ 1,000,000		Elderly Limitation	60	17	9%	4/1/2016	Not Prioritized for Review	
16319	The Residence at Coulter	Amarillo	Randall	1	NC	\$ 975,000		Elderly Limitation	119	11	9%	4/1/2016	Not Prioritized for Review	
16164	Saralita Senior Village	Kerrville	Kerr	9	NC	\$ 1,140,000	\$ 1,140,000	Elderly Limitation	36	16	9%	4/14/2016	Recommended for award 7/28/16	
16504	Gaston Place Accessible Apartments	Austin	Travis	7	NC	\$ 1,050,000	\$ 1,050,000	General	27	27		5/23/2016	To be recommended for award 9/8/16	
<b>Total General Amount Requested / Recommended</b>						<b>\$ 14,720,000</b>	<b>\$ 6,371,436</b>	<b>Total Units</b>	<b>1,044</b>	<b>214</b>				

1 = Housing Activity: New Construction-NC, Rehabilitation-R

2 = Layering of Other Department Funds: 9%-9% Competitive Tax Credits, 4%-4% Tax Credit Program

3 = Date Received: The date that the application, all required 3rd Party Reports, Application Fees (if applicable), and Certificate of Reservation (if applicable) were received.



6b

**BOARD ACTION REQUEST**  
**MULTIFAMILY FINANCE DIVISION**  
**SEPTEMBER 8, 2016**

Presentation, Discussion and Possible Action on the 2016 State of Texas National Housing Trust Fund Allocation Plan

**RECOMMENDED ACTION**

**WHEREAS**, on January 30, 2015, the U.S. Department of Housing and Urban Development (“HUD”) published an interim rule for the National Housing Trust Fund (“NHTF”) for states to implement the program;

**WHEREAS**, the Department is designated as the state agency responsible for the administration of funds provided through NHTF;

**WHEREAS**, on May 5, 2016, HUD published the formula allocation amounts for NHTF, followed by guidance on how to submit the Allocation Plan;

**WHEREAS**, in addition to the Allocation Plan, HUD requires that Substantial Amendments be made to both the State of Texas 2015-2019 Consolidated Plan and the 2016 One Year Action Plan (“OYAP”), to include NHTF activities;

**WHEREAS**, in July 2016, the Department developed the draft 2016 State of Texas NHTF Allocation Plan, draft Substantially Amended 2015-2019 Consolidated Plan, and Draft Substantially Amended 2016 OYAP, which reported on the intended use of NHTF funds received by the State of Texas from HUD for Program Year (“PY”) 2016, beginning on February 1, 2016, and ending on January 31, 2017; and

**WHEREAS**, public comment on the draft 2016 State of Texas NHTF Allocation plan, draft Substantially Amended 2015-2019 Consolidated Plan, and draft Substantially Amended 2016 OYAP was received through August 15, 2016, in accordance with the Department’s HUD approved Citizen Participation Plan;

**NOW, therefore, it is hereby**

**RESOLVED**, that the 2016 State of Texas NHTF Allocation Plan, Substantially Amended 2015-2019 Consolidated Plan, and Substantially Amended 2016 OYAP, in the form presented to this meeting, is hereby approved for submission to HUD for their approval.

**BACKGROUND**

The Texas Department of Housing and Community Affairs (“TDHCA” or the “Department”) prepared the draft 2016 State of Texas NHTF Allocation Plan (“Plan”) in July 2016 in accordance with 24 CFR §91.320, which included a Substantially Amended 2015-2019

Consolidated Plan and a Draft Substantially Amended 2016 OYAP. The draft Plan was published in the *Texas Register* and public comment was received through August 15, 2016. The Department received several comments from several nonprofit organizations who may be impacted by the Plan. Generally, the comments pertained more to detailed specifics that are addressed in the Department's Rules and Notices of Funding Availability. At the Plan level, the Department is seeking to maximize flexibility without getting into a level of detail that can be addressed in the public comment process for Rule changes, thereby allowing the Department to move forward without the possibility of future substantial amendments to the various HUD required plans. Reasoned responses to these comments, and the comments themselves, are located behind this Board item. No changes were made to the Plan as a result of comments received.

The Plan reflected the intended uses of NHTF funds received by the State of Texas from HUD for Program Year 2016. The Program Year began on February 1, 2016, and ends on January 31, 2017. The Plan also illustrates the State's strategies in addressing the priority needs and specific goals and objectives identified in the 2015-2019 State of Texas Consolidated Plan and 2016 OYAP.

The Plan to be approved by the Board for submission to HUD can be found online on the Housing Resource Center website at <http://www.tdhca.state.tx.us/housing-center/pubs-drafts.htm> or on TDHCA's Multifamily Direct Loan website at: <http://www.tdhca.state.tx.us/multifamily/home/index.htm>.

Upon approval by the Board, the Plan and all other required amendments and attachments will be submitted to HUD electronically. Once HUD approves the Plan, they will send the Department the Grant Agreement for \$4,778,364 in NHTF funding.

**Attachment A:**

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## 2016 NHTF Allocation Plan Public Comment Summary and Reasoned Responses

Once the posting for the Draft 2016 State of Texas National Housing Trust Fund (“NHTF”) Allocation Plan, draft Substantially Amended 2015-2019 Consolidated Plan, and Draft Substantially Amended 2016 OYAP (the “Plan”) was submitted to the *Texas Register*, the Public Comment period was open from July 15, 2016, through August 15, 2016, and a public hearing was held on August 4, 2016, in Austin, TX. The State received comments from the following five organizations: Coastal Bend Center for Independent Living, Texas Low Income Housing Information Service, Dallas Area Habitat for Humanity, Accessible Housing Austin, and Texas Association of Community Development Corporations. A summary of the comments received and reasoned responses are provided below.

1. Two comments requested that at least half or some portion of the units created with NHTF funding should serve extremely low income people who do not have rental vouchers.

Staff response: Staff agrees and as such this priority was addressed in the 2016-1 Multifamily Direct Loan Notice of Funding Availability (“NOFA”) and will be addressed again in the 2017-1 NOFA and/or 2017 Uniform Multifamily Rules and Direct Loan rules that take into account NHTF funding. No changes were made to the Plan as a result of this comment.

2. Two comments noted that supportive services should not be required for either households to occupy a property assisted with NHTF or for a development to receive NHTF funding. One commenter noted that there are a lot of people who are extremely low income who need housing but they don’t necessarily need services. Another commenter noted that attaching services to housing may have negative consequences whereby if a person loses his/her housing, he/she would lose their services as well. Additionally, the commenter stated, that households living in NHTF funded developments should have the right to bring their own services.

Staff response: The Department agrees and the Plan did not require services being tied to housing. Staff will affirm that policy as it drafts the 2017-1 NOFA and/or 2017 Uniform Multifamily Rules and Direct Loan rules that take into account NHTF funding. No changes were made to the Plan as a result of this comment.

3. Four comments asked staff to consider making the application process for NHTF funding more accessible to smaller mission-driven nonprofits. A sub-comment within this comment stated that threshold requirements for NHTF should be different than the tax credit program, thereby making NHTF funds available to developers of smaller rental housing developments. The reasons for making this consideration, commenters noted, include encouraging diversity, allowing nonprofits who really wants to serve the deepest levels of income to serve those households,

and decreasing the cost of applying for organizations whose purpose is to serve extremely low income households.

Staff response: Staff will address this comment as it drafts the 2017-1 NOFA and/or 2017 Uniform Multifamily Rules and Direct Loan rules that take into account NHTF funding. No changes were made to the Plan as a result of this comment.

4. Three comments stated that the NOFA should be open for public comment if more granular details will be addressed in that or a similar document.

Staff response: Staff will open the draft 2017-1 NOFA and/or 2017 Uniform Multifamily Rules and Direct Loan rules for public comment this fall. No changes were made to the Plan as a result of this comment.

5. Two comments requested that the minimum length of affordability requirement stated in the draft Allocation Plan be extended beyond 30 years.

Staff response: Staff will address this comment as it drafts the 2017-1 NOFA and/or 2017 Uniform Multifamily Rules and Direct Loan rules that take into account NHTF funding. No changes were made to the Plan as a result of this comment.

6. Two comments requested that households at 15% or 20% AMI be targeted through NHTF funds rather than simply 30% AMI households.

Staff response: Staff will address this comment as it drafts the 2017-1 NOFA and/or 2017 Uniform Multifamily Rules and Direct Loan rules that take into account NHTF funding. No changes were made to the Plan as a result of this comment.

7. One comment stressed the importance of new affordability rather than replacing, repairing, or expanding existing units.

Staff responses: Staff will address this comment as it drafts the 2017-1 NOFA and/or 2017 Uniform Multifamily Rules and Direct Loan rules that take into account NHTF funding. No changes were made to the Plan as a result of this comment.

8. One comment requested that 10% of the units be designed to be mobility accessible and 4% of the units be designed to be vision and sensory accessible as a requirement for NHTF funding.

Staff responses: Staff will address this comment as it drafts the 2017-1 NOFA and/or 2017 Uniform Multifamily Rules, Direct Loan rules, and 10 TAC Chapter 1, Subchapter B, that take into account NHTF funding. No changes were made to the Plan as a result of this comment.

9. One comment requested that NHTF funds be made available for homeownership.

Staff responses: TDHCA may develop a homebuyer program for NHTF in the future, but that use is not contemplated for the 2016 Allocation Plan. If there is sufficient funding and demand in the future to implement an NHTF Homebuyer program, the State will develop the required provisions at that time and submit them for approval. No changes were made to the Plan as a result of this comment.

## **Public Comments Submitted**

*Coastal Bend Center for Independent Living*

*Texas Low Income Housing Information Service*

*Dallas Area Habitat for Humanity*

*Accessible Housing Austin*

*Texas Association of Community Development Corporations*





## Coastal Bend Center for Independent Living

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1537 Seventh Street • Corpus Christi, Texas 78404  
361.883.8461 (TTY) • Toll Free: 877.988.1999  
Fax: 361.883.4820 • [www.cbcil.org](http://www.cbcil.org)

Tim Irvine, Executive Director  
Marni Holloway, Director of Multifamily Finance  
Texas Department of Housing and Community Affairs  
221 East 11<sup>th</sup> Street  
Austin, TX 78701

August 15, 2016

Dear Mr. Irvine and Ms. Holloway:

Thank you for the opportunity to provide input on the recommendations for Texas' allocation of National Housing Trust Fund (NHTF) dollars. This funding represents a long-awaited opportunity to provide housing for the lowest-income Texans, those most in need and many of whom would be eligible for housing subsidies through vouchers, if vouchers were available.

I represent the Coastal Bend Center for Independent living in the Corpus Christi area, Accessible Housing Resources, Inc., a small non-profit affordable housing developer, and the Housing Navigator initiative through the Aging and Disability Resource Center of the Coastal Bend. As an advocate for affordable, accessible and integrated housing for individuals with disabilities, my signature is also on the letter provided to you by the Texas Low Income Information Service on behalf of homeless and disability advocates and a subsequent letter from disability housing advocate colleagues. Based on the draft under consideration by TDHCA, my comments are as follows:

1. **At least half of the units created with NHTF funding should serve extremely low income people who do NOT have rental vouchers.** According to the National Low Income Housing Coalition (NLIHC), there is a deficit of 595,231 units affordable and available to extremely low income Texans, inclusive of a DEFICIT FAMILY INCOME, which is approximately the same as an individual on social security income.<sup>1</sup> The people in this income category in the Coastal Bend who are unable to access any form of housing vouchers are the hundreds of individuals with disabilities in institutions who cannot leave because of the lack of housing that is affordable, accessible, integrated and available to them when needed.

The NHTF was created to expand the inventory of housing for individual households defined as Extremely Low Income (ELI). The funds should be concentrated in this area of housing support. The creative use of operating assistance and cross-subsidization through integrating ELI units with other units that offer higher net operating incomes is one acceptable strategy. The NLIHC document entitled "Funding Strategies for Developing and

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<sup>1</sup> National Low Income Housing Coalition, *The Gap: The Affordable Housing Gap Analysis 2016*. Retrieved from: [http://nlihc.org/sites/default/files/Gap-Report\\_print.pdf](http://nlihc.org/sites/default/files/Gap-Report_print.pdf).

Operating Extremely Low Income Housing" lays out some additional approaches.

**2. Services should NOT be required for a project or units to receive NHTF funding for the following reasons:**

- a) Of the hundreds of thousands of Texans at Extremely Low Income needing housing, the majority either do not require services or are independent consumers of whatever services they require. Their need for housing is not and should not be predicated upon services provision;
- b) Attaching services to housing may have negative consequences for persons with disabilities: if a person loses her housing, she loses her services as well, and vice versa;
- c) Individuals should have the right to bring or secure their own services and supports, or not. And, like all renters, have the responsibility to adhere to lease requirements;
- d) Providing services and housing together creates a substantial risk of violation of privacy for the tenant. Landlords should neither request nor be privy to the specific nature of a person's disability;
- e) Individuals with disabilities exiting institutions to communities under Money Follows the Person (MFP) and Promoting Independence (PI) have benefit of services from Managed Care Organizations, Relocation Specialists, Centers for Independent Living and/or Aging & Disability Centers, that provide supports for community living.

**3. Developments should be more flexible to reflect the uniqueness of the program.** This could include encouraging diversity, such as supporting small, mission-driven developer participation by altering the experience factor that favors large developers. Extra points should be given to projects that lower physical and systemic barriers to housing. NHTF-funded projects that go above and beyond Fair Housing accessibility requirements to accessible, affordable, INTEGRATED projects:

- a) In addition to complying with Fair Housing, Section 504, and other applicable laws, 10% of the units in the entire project should be accessible for people with mobility disabilities and 4% for people with vision & sensory disabilities;
- b) In accordance with federal integration standards, no more than 25% of units within each multi-family (5+ units) project should be set aside for people with disabilities with no exceptions for supportive housing projects which risk segregating people with disabilities;
- c) Single family (1-4 units) scattered-site projects should be considered integrated as long as they are not in a segregated subdivision or development.

The National Housing Trust Funds present the opportunity to create more units serving the lowest-income Texans, removing as many barriers as possible to access those units, providing rental housing for extremely low-income housing-insecure Texans with the greatest need.

Sincerely,

Judy Telge  
Coastal Bend Center for Independent Living, AAA-ADRC Housing Navigator,  
Accessible Housing Resources, Inc.



August 2, 2016

Tim Irvine, Executive Director  
Tom Gouris, Deputy Executive Director for Housing Programs  
Marni Holloway, Director of Multifamily Finance  
Texas Department of Housing and Community Affairs  
221 East 11<sup>th</sup> Street, Austin, TX 78701

Mr. Irvine, Mr. Gouris and Ms. Holloway:

In April, we joined a coalition of advocates and housing providers with recommendations for how TDHCA could take advantage of the rare opportunity presented by the National Housing Trust Fund and best serve the low income Texans most in need of affordable housing. We have serious concerns that the agency's recently-released draft allocation plan does not provide a clear path toward those goals and, if implemented, would fail to live up to the Trust Fund's potential.

The utter inaccessibility of TDHCA's draft makes public input on Trust Fund allocation very difficult, and is unusual for a state housing agency. Advocates and housing providers met for weeks prior to the TDHCA roundtables to come to consensus regarding what priorities should be in the plan and we are disappointed that this Action Plan does not adequately reflect those priorities. Ed Gramlich, a policy expert at the National Low Income Housing Coalition who has reviewed Trust Fund allocation plans from state agencies around the country, wrote that he found the TDHCA draft "vague and confusing...not informative and repetitive."

Moreover, it appears from the vague nature of the draft that TDHCA intends for much of the rulemaking for the Trust Fund to come not via this allocation plan, but instead through the agency's Notice of Funding Availability. The NOFA is not required to be submitted for public comment, and given the inaccessible and incomplete nature of the draft, it appears very possible that the Trust Fund allocation plan could be implemented without meaningful input from the public.

This would be an unacceptable result for the first new funding program for ELI housing in decades. We appreciate the department's concerns with long-term financial viability and at the same time want to ensure the state takes full advantage of this opportunity to address Texas' chronic shortage of affordable housing for the most vulnerable Texans. We ask to meet with you regarding recommendations we have made that are not adopted into the next draft or NOFA, and ask that the NOFA process be opened to the public in order to forge the best NOFA possible.

With input from NLIHC's Ed Gramlich, we submit the following comments on the TDHCA draft:

**New affordability:** The draft states that "highest priority in the evaluation of applications will be the creation of new units serving ELI households that would not otherwise exist." This language could be very useful in ensuring that the Trust Fund expands affordability, increasing the total number of units for ELI households rather than replacing, repairing or expanding existing units. The requirement that any Trust Fund-aided activity, including the refinancing of development debt, must be undertaken in a manner that produces additional affordability should be reiterated and strengthened throughout the draft.



Unfortunately, *the draft does not explicitly address affordability*. As we noted in our recommendations, the greatest need in Texas is for households with income below 15 percent of AMI, yet the draft does not mention creating units affordable to this population. By not including extra points for applications serving those below 15 percent, the draft plan misses a critical opportunity to reduce our state's affordable housing gap.

**Length of affordability:** We recommended that the state would get the most from its NHTF allocation by requiring that units created with Trust Fund dollars be affordable for ELI households for 50 years. While we were pleased to see the draft plan state that “applications that propose a longer affordability period could have a scoring advantage,” it does not specify what that advantage would be nor what requirements or incentives would be provided to lengthen the affordability of Trust Fund units. Without those details, it is unlikely that the Trust Fund will result in affordable units for longer than 30 years.

**Diversify development:** The draft promises that the “NHTF Program awards loans to for-profit and nonprofit multifamily developers” but offers no solutions for the high barriers to funding access for small, mission-driven developers who are well-suited to serve ELI households. By maintaining the TDHCA Experience Requirement for all applicants, the allocation plan will inappropriately award significant points to large developers by inflating what should simply be a threshold requirement, greatly disadvantaging small mission-driven organizations.

Current developer experience requirements are prohibitive to participation by CHDOs and small, mission-driven non-profits – those who are most deeply committed to serving ELI households and who may be able to achieve integration through the scale of their projects.

We believe some of these requirements are unnecessary and recommend that TDHCA ease such requirements for small, mission-driven developers. The extra, unnecessary expense increases the cost of the project and, again, is prohibitive to smaller organizations and mission-driven non-profits serving the lowest-income Texans – the very people that the National Housing Trust Fund is designed to serve.

**Prioritization:** The draft plan implies that certain features, such as “the needs of extremely low income households” or an affordability period greater than the minimum 30 years, could be prioritized or might score higher in competition for NHTF funds. But an explicit, consistent set of priorities, such as an articulated point system, is not offered. Moreover, the plan indicates that Trust Fund awards will be limited to several segments of the ELI population but does not list or name these beneficiaries, instead referring readers to “AP-25” of the 2016 Annual Action Plan but providing no link to that document.

Rather than limit awards to undefined segments of the ELI population, our recommendations laid out one clear strategy for prioritization: To provide housing opportunity to the most underserved households, the allocation plan should prioritize projects that will serve and set rents affordable for those under 15 percent AMI. In order to best serve this group, the plan could also award extra points to projects that lower physical and systemic barriers to housing, including proof of employment, credit checks, services and case management as a condition of tenancy, limited criminal history and more

**Transparency:** That the draft plan does not articulate or provide a link to its list of target populations is an example of the document's overall lack of accessibility to the public. Only the 2015 Annual Action Plan is listed on TDHCA's “Plans and Records” webpage, and though a keyword search reveals the 2016 Annual Action Plan, one would need to know that “AP-25” means “Allocation Priorities.” Even then, over five pages, AP-25 discusses a very broad range of more than 15 population characteristics prioritized



**Texas Low Income Housing  
Information Service**

1800 West Sixth Street  
Austin, TX 78703-4795

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texashousing.org

by the agency. Despite the Trust Fund draft stating that population preferences will be chosen, it is impossible for the public to know which groups will be given preference.

We hope that our comments are given serious consideration and that we will be able to continue to provide sorely-needed public input throughout the NOFA process and the implementation of this critical program.

Sincerely,

Karen Paup, co-director  
Texas Low Income Housing Information Service

## Andrew Sinnott

**From:** Elizabeth Yevich  
**Sent:** Tuesday, July 26, 2016 4:36 PM  
**To:** Andrew Sinnott; Marni Holloway  
**Cc:** Cate Tracz  
**Subject:** FW: Public Comment Regarding Draft National Housing Trust Fund Allocation Program

Andrew and Marni,

Please see public comment below received today for NTHF.

All public comment on NHTF received via TDHCA's 'info@' email which HRC monitors will be forwarded to you both and also saved in the **NHTF shared folder**: [Q:\HRC\\_Shared\NHTF\Public Comment Received](Q:\HRC_Shared\NHTF\Public Comment Received)

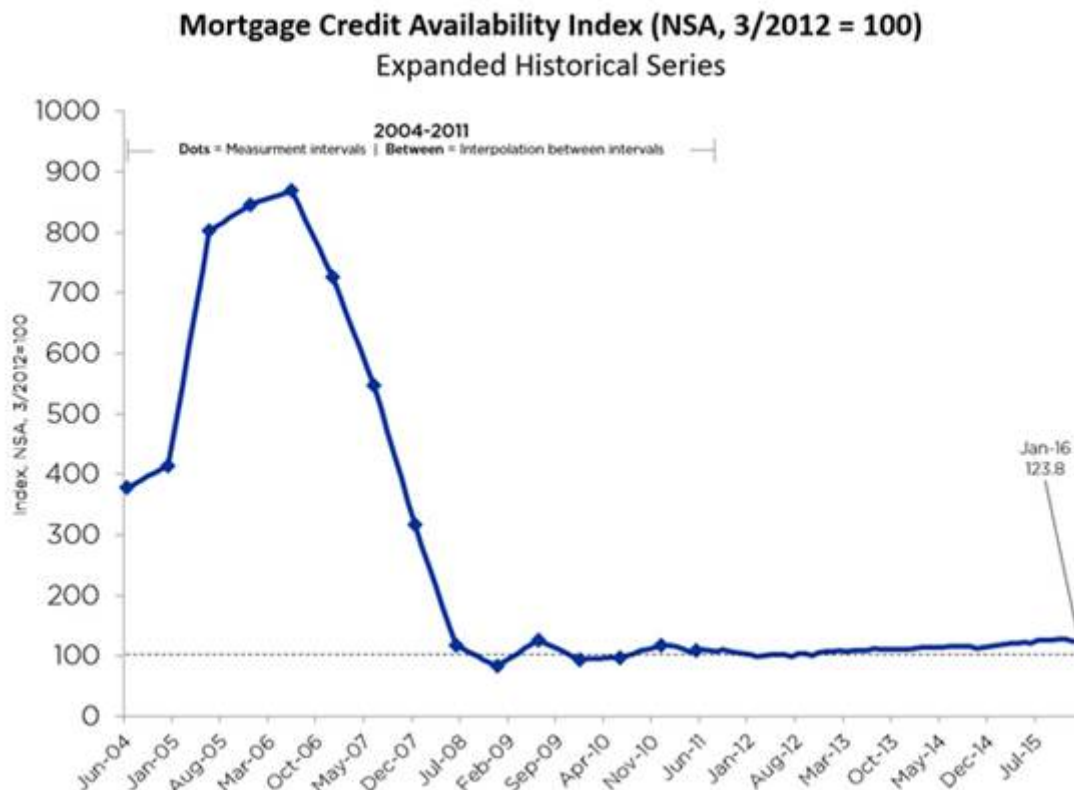
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**From:** Kristen Schulz [<mailto:kschulz@dallas-habitat.org>]  
**Sent:** Tuesday, July 26, 2016 3:51 PM  
**To:** info  
**Subject:** Public Comment Regarding Draft National Housing Trust Fund Allocation Program

Dear TDHCA,

Please modify the National Housing Trust Fund Allocation Program to use the full 10% permitted to support homeownership. Several Habitat affiliates throughout Texas provide first-time homeownership options to very-low income households and could potentially invest these funds to increase asset wealth and stability through homeownership. Increasing homeownership should be one of the goals of the HTF program because there are two alarming trends causing a housing affordability crunch: lack of mortgage credit availability and increasing rental costs.

**a. Lack of Mortgage Credit Availability**



Bankers Association [Mortgage Credit Availability Index](#) (as of February 5, 2016)

Mortgage

In many communities throughout Texas, low-and moderate-income households are unable to access mortgages. Although the housing market has recovered from the depths of the foreclosure crisis, unfortunately the same cannot be said for the mortgage market. According to a study published by the Urban Institute:[1]

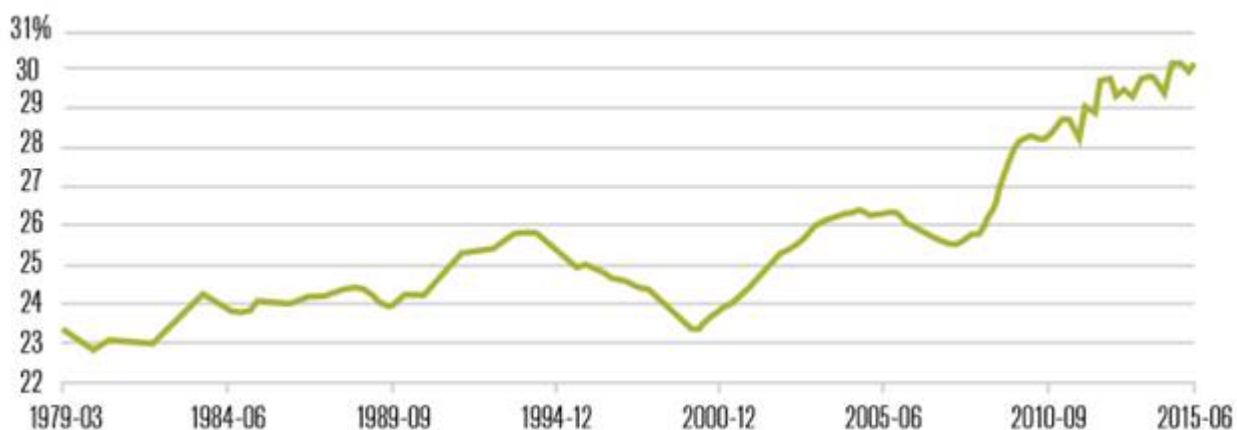
Borrowers with anything less than pristine credit have a hard time getting a mortgage today. Mortgage credit is much tighter than it was at the peak of the housing bubble in 2005 and 2006, as is both expected and appropriate. But credit is also significantly tighter than it was in 2001, before the housing crisis. Today's lenders are simply not originating loans for borrowers with less than perfect credit.

That study calculated that in 2013 alone, there were over 1.25 million mortgages that would have been made if the “cautious standards of 2001, rather than the severe standards of 2013 had been in place.” These missing mortgages mean that many hard working Texas families are not able to achieve the American Dream of investing in their communities and owning their own homes. This lack of access to credit denies them the many benefits of homeownership: building wealth, improving childhood outcomes, enhancing neighborhoods, and providing economic benefits to the community. Habitat affiliates provide access to credit to many households that are not serviced by the private mortgage market and the HTF should invest in successful homeownership programs to the greatest extent allowed.

### **b. Rising Rental Costs**

The housing difficulties are only compounded by the simultaneous increase in rent as a share of income. “Rental costs now comprise the largest share of income in modern U.S. history”:[2]

■ U.S. Rent as Share of Income



Investing 10% of the HTC in a homeownership program would help insulate some families from rising rental costs while allowing them to build asset wealth.

[1] Laure Goodman, Jun Zhu, and Taz George, “The Impact of Tight Credit Standards on 2009-2013 Lending,” Urban Institute Housing Finance Policy Brief, (April 2015) available at: [www.urban.org](http://www.urban.org).

2 Joel Kotin, Wendell Cox, Mark Schill, & Ali Modarres, “Building Cities for People,” Chapman University Center for Demographics and Policy, (2015) available [here](#).

Thank you for considering these comments.

-Kristen Schulz



**Kristen Schulz**  
DIRECTOR OF PUBLIC POLICY

Dallas Area Habitat for Humanity

E-mail: [kschulz@dallas-habitat.org](mailto:kschulz@dallas-habitat.org)

Tel: 214-678-2332

Fax: 214-678-2380

Website: [www.dallasareahabitat.org](http://www.dallasareahabitat.org)

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<sup>[1]</sup> Laure Goodman, Jun Zhu, and Taz George, "The Impact of Tight Credit Standards on 2009-2013 Lending," Urban Institute Housing Finance Policy Brief, (April 2015) available at: [www.urban.org](http://www.urban.org).

<sup>[2]</sup> Joel Kotin, Wendell Cox, Mark Schill, & Ali Modarres, "Building Cities for People," Chapman University Center for Demographics and Policy, (2015) available [here](#).



**National Housing Trust Fund  
Public Hearing Transcript**

TEXAS DEPARTMENT OF HOUSING AND COMMUNITY AFFAIRS

PUBLIC HEARING

ON

DRAFT 2016  
NATIONAL HOUSING TRUST FUND  
ALLOCATION PLAN

Stephen F. Austin Building  
Room 170  
1700 N. Congress  
Austin, Texas

Thursday,  
August 4, 2016  
1:42 p.m.

BEFORE:

MARNI HOLLOWAY, Director  
Multifamily Finance

*ON THE RECORD REPORTING*  
*(512) 450-0342*

I N D E X

<u>SPEAKER</u>	<u>PAGE</u>
Isabelle Headrick	4
Matt Hull	9

P R O C E E D I N G S

MS. HOLLOWAY: Good afternoon. Let the record show it is 1:42 p.m. My name is Marni Holloway. I am here to conduct a hear on behalf of the Texas Department of Housing and Community Affairs.

The Department's mission is to administer its assigned programs efficiently, transparently and lawfully, and to invest its resources strategically and develop high quality affordable housing which allows Texas communities to thrive. Through our rental housing programs, the Department encourages the new construction or rehabilitation of high quality housing, primarily through private developers. These developments benefit Texans by providing qualified families and individuals with safe, affordable housing.

The Department is conducting this hearing in order to receive comment on the National Housing Trust Fund Allocation Plan draft. This public hearing is being held in Austin in Room 170 of the Stephen F. Austin Building.

All comment that you provide today will be recorded and a transcript of that comment will be presented to the Department's Board prior to action on the final National Housing Trust Fund Allocation Plan. If you wish to speak but haven't completed a witness affirmation form, please be

sure and complete one and hand it to me during this meeting.

Also, if you do not wish to speak but would like to provide written comment, your witness affirmation form may also serve as comment and will be included in the public comment presented to the Department's Board.

If you have not signed in, please do so, so the Department will have a record of attendance for this meeting.

When you come to the podium, please state your name clearly for the record. You must come to the microphone to speak. Each person will be given as long as you need to make your comments.

Are there any questions before I begin?

(No response.)

MS. HOLLOWAY: Our first speaker is Isabelle Headrick.

MS. HEADRICK: Good afternoon. My name is Isabelle Headrick. I'm the executive director of Accessible Housing Austin. We're a nonprofit that provides affordable, accessible, integrated housing for people with disabilities here in Austin. I'm also on the board of the National Low Income Housing Coalition which is the premier affordable housing national organization that has been behind the National Housing Trust Fund implementation and actually getting it passed and all of that for the past several decades

actually, so I'm very proud to serve on that board, and I'm here to talk to you about the National Housing Trust Fund.

I have so many things to say, I don't know if I'm going to hit all of my points, but I'm here wearing a couple of different hats. One is to speak on behalf of a coalition of disability and homeless advocates who came together to advocate for certain points relating to the trust fund, and also to represent disability advocates within that group, not contradicting any of those points.

I want to start out by saying that even though this is a very small amount of money and we're not going to get a lot of money up front the first year, there is a possibility that this money will grow over time. There is advocacy at the federal level to grow the National Housing Trust Fund, and this is a really important opportunity for the State of Texas, and I really hope that the Department takes this opportunity very seriously and uses it in a way that's different than the Tax Credit Program, doesn't just fold it into multifamily but actually uses it in some ways that can be maybe more creative and solve some problems that aren't currently being solved.

And right now we know that there is a huge amount of housing need for people who are not just extremely low income, but around 15 percent MSI and below, and that

represents a lot of the population with disabilities and a lot of the population dealing with homelessness issues and housing instability, and so this is an opportunity to really dive deep into those numbers and try to address housing needs for those people, and especially for the thousands and thousands, probably tens of thousands of Texas who don't have any sort of rental assistance, any kind of voucher. So I really urge the Department to take this opportunity very seriously and think about what we can do with it that would be different and exciting and new and not just folded into the regular multifamily.

The disability advocates are particularly concerned about people who don't have any voucher assistance because that is a lot of the population of their colleagues and themselves, actually, people who don't have any kind of housing vouchers. And I realize we have to balance this for source of income protection, but I'm pretty convinced that we can find a way to do that, to provide for people who do have vouchers, not discriminate against them, but at the same time reach out to those people who don't have any kinds of vouchers.

And I feel like the housing project that I've been developing is an example of how we can try to do that through cross-subsidization. Even with small projects I think it's

possible to try to reach really deep affordability levels for people without vouchers, especially if they're integrated, and of course, we do integrated housing, so I think that actually meets two concerns at the same time.

I also want to on behalf of disability advocates talk about the need to have housing and services provided separately. Some people need services and housing. Most of those people, it's actually better for them to have those being provided by two different providers, so if you lose your services, you don't lose your housing, and if you lose your housing, you don't lose your services.

And I actually think the 811 Program is a great example of what you guys have done to have a formula by which people can have services but their housing isn't dependent on those services, and so they have choice, they have opportunity, and obviously that doesn't overlap with National Housing Trust Fund. But I think that's a great example of what you guys have done to keep those two things separate in people's lives so that they don't run the risk of losing one if they lose the other. And that's something that the disability community is very strongly in favor of keeping those things separate.

Also, not making service eligibility a requirement for housing. There are a lot of people who are extremely



low income who need housing but they don't necessarily need services or they don't need the kind of services that are being provided by Medicaid. And so for them, they still need the housing, they're still housing insecure, they're still very vulnerable, but maybe services isn't what they need. And so giving them an opportunity to also have housing I think is really important.

So finally, I want to hit the point of how, as a small nonprofit developer, it's very prohibitive, it's prohibitively expensive and difficult to apply for any kind of multifamily housing. And I know there are a lot of reasons why you have the policies you do, and some of them you have no choice about, but I think there are certain things that could be tweaked to make it more accessible for the smaller mission-driven nonprofits, those of us who really want to serve the deepest levels of income depth, to make that possible.

And I'll be submitting more written comments about that and our coalition is submitting that. But I just want you to be aware that it would be great if the National Housing Trust Fund, which is not subject to all the same rules as tax credits and everything, really could be a source of funding that, for example, that nonprofits in the city of Austin who have really great projects that are meeting those needs, that

they could access that funding as well. So I realize that that is complicated to manage but I think it should be possible. And also, it should be possible to be used for single family and scattered site type of housing that is really serving those. So please do think about ways that we can sort of unhook this from the rest of the tax credit process, maybe.

And finally, what you guys presented in the materials so far has been fairly vague, it's not really clear how you're going to get what the objectives are. And so I think since it looks like most of this is going to be hashed out in the NOFA, it would be really good if the public would have an opportunity to comment on the NOFA as well, so that we can really see how is this going to work and is this going to achieve the goals that we are advocating for.

Thank you very much. I appreciate your time.

MS. HOLLOWAY: Thank you for your comments.

MR. HULL: I'm Matt Hull with the Texas Association of CDCs. We represent about 120 nonprofits across the state, and agree with everything that Isabelle said and want to thank her for her work on this issue.

Our members are concerned about the draft for many of the reasons that she said. I think they were expecting a little bit more concrete direction in the plan so that they

would have a better idea. As Isabelle said, it's very vague, it's very open-ended, it has a lot of prioritization, maybe this, this and this but not a lot of concrete things being said in it. There's the concern that the NOFA when it comes out will provide that guidance and there's not a public comment period around that, and so just want to reiterate what Isabelle said about having some public comment around the NOFA, given that this is a new source of funding.

Decoupling it from the Tax Credit Program. In the plan that was presented it says it can be used with other programs, but reading between the lines, it seems like it's very heavily tied to the Tax Credit Program. The issue around smaller nonprofits, the way we read the plan is they would have to have the experience requirements of a tax credit developer in order to be able to apply for the funding which is 150 units. Small, community-based nonprofits that don't have that experience but who can effectively serve people through rental properties need to be able to access this funding because they're typically going to be the ones to serve families that are below 30 percent, so any way to help enable that.

But then I think in general the advocates, at least the people I've talked to, have really just two or three kind of overriding concerns. One is around the length of

affordability. I think you heard from groups at two meetings, one here in Austin, one in Houston, about desiring a longer affordability period, up to 50 years even, I think that was kind of a lot of the recommendations. And I think the plan as it was presented just has it limited to 30 years.

And then income targeting. The plan as it's presented really doesn't discuss income targeting, and the advocates at both meetings, there was a fairly overriding and strong consensus to try to target it to families at or below 15 percent as opposed to just the otherwise minimum of 30 percent AMFI.

I think those are some of the big concerns that you'll be hearing in public comment. TACDC, we agree with those comments and want to do whatever we can to help work through this to get it to a place where more people can use it around the state and it not be tied necessarily to tax credit units.

Happy to answer any questions.

MS. HOLLOWAY: Thank you for your comments.

The National Housing Trust Fund Allocation Plan draft is posted to the Department's public comment website page located on the TDHCA website. Written and emailed comments outside of this meeting are also encouraged. Such comments must be submitted by 6:00 p.m. Austin local time

on August 15, 2016.

Thank you for your participation. Public participation is very important to the Department. All comment being provided today has been recorded and a transcript of that comment will be presented to the Department's Board prior to action on the final National Housing Trust Fund Allocation Plan. The Board will make final decisions regarding the plan at the September 8, 2016 meeting.

For additional information you may contact Andrew Sinnott at [andrew.sinnott@tdhca.state.tx.us](mailto:andrew.sinnott@tdhca.state.tx.us), or 512-475-0538, or visit the program's website at [www.tdhca.state.tx.us](http://www.tdhca.state.tx.us).

This concludes the public hearing. Let the record show it is 1:56 p.m. This hearing is now adjourned.

(Whereupon, at 1:56 p.m., the public hearing was concluded.)

C E R T I F I C A T E

IN RE: National Housing Trust Fund Allocation  
Plan public hearing

LOCATION: Austin, Texas

DATE: August 4, 2016

I do hereby certify that the foregoing pages, numbers 1 through 13, inclusive, are the true, accurate, and complete transcript prepared from the verbal recording made by electronic recording by Nancy H. King before the Texas Department of Housing and Community Affairs.

/s/ Nancy H. King 08/09/2016  
(Transcriber) (Date)

On the Record Reporting  
3636 Executive Ctr Dr., G22  
Austin, Texas 78731

**National Housing Trust Fund**  
**One Year Action Plan Amendment**

# **2016 State of Texas Consolidated Plan**

## **One Year Action Plan (“OYAP”) Substantially Amended Sections**

### **Adding the National Housing Trust Fund (“NHTF”)**

**Reason for Substantial Amendment:** Adding National Housing Trust Fund ("NHTF") program information to Annual Action Plan sections as required in the "Housing Trust Fund Allocation Plan Guide 2016," available at <https://www.hudexchange.info/resources/documents/HTF-Grantee-Allocation-Plan-Sample-Form.pdf>.

## **Executive Summary**

### **AP-05 Executive Summary - 24 CFR 91.200(c), 91.220(b)**

#### **1. Introduction**

The 2016 One-Year Action Plan ("OYAP") applies to the combined actions of the Texas Department of Housing and Community Affairs ("TDHCA"), the Texas Department of Agriculture ("TDA"), and the Texas Department of State Health Services ("DSHS"), being the three state agencies that administer ongoing HUD programs and referred to collectively herein as the "State." The OYAP reports on the intended use of funds received by the State of Texas from the U.S. Department of Housing and Urban Development ("HUD") for Program Year ("PY") 2016. This OYAP is for the HOME Investment Partnerships ("HOME") Program, the Emergency Solutions Grant ("ESG") Program, the Community Development Block Grant ("CDBG") Program, the Housing Opportunities for Persons with AIDS ("HOPWA") Program, and the National Housing Trust Fund ("NHTF"). It does not apply to CDBG Disaster Recovery funding, administered by the Texas General Land Office. The 2016 PY begins on February 1, 2016, and ends on January 31, 2017. The performance report on PY 2014 funds was made available July 2015.

#### **2. Summarize the objectives and outcomes identified in the Plan**

This could be a restatement of items or a table listed elsewhere in the plan or a reference to another location. It may also contain any essential items from the housing and homeless needs assessment, the housing market analysis or the strategic plan.

This could be a restatement of items or a table listed elsewhere in the plan or a reference to another location. It may also contain any essential items from the housing and homeless needs assessment, the housing market analysis or the strategic plan.

The 2016 OYAP:

1. Reports on the intended use of funds received by the State from HUD for PY 2016;
  2. Explains the State's method for distributing CDBG, ESG, HOME, HOPWA, and NHTF program funds;
- and



3. Provides opportunity for public input on the development of the annual plan. The State’s progress in achieving the goals put forth in the OYAP will be measured according to HUD guidelines (24 CFR §91.520) and outlined in the Annual Performance Report released yearly in May. In accordance with the guidelines from HUD, the State complies with the Community Planning and Development (“CPD”) Outcome Performance Measurement System. Program activities are categorized into the objectives and outcomes listed in the CPD Outcome Performance Measurement System table below.

The objectives and outcomes as they apply to each of the four programs are listed below. The estimated performance figures are based on planned performance during the PY (February 1st through January 31st) of contracts committed and projected households to be served based on estimated availability of funds. In contrast, the performance measures reported to the Texas Legislative Budget Board for the State Fiscal Year (“SFY” - September 1st through August 31st) are based on anticipated units and households at time of award.

<b>OBJECTIVES</b>	<b>OUTCOME 1 Accessibility</b>	<b>OUTCOME 2 Affordability</b>	<b>OUTCOME 3 Sustainability</b>
OBJECTIVE #1 Suitable Living Environment	Enhance Suitable Living Environment Through Improved/New Accessibility (SL-1)	Enhance Suitable Living Environment Through Improved/New Affordability (SL-2)	Enhance Suitable Living Environment Through Improved/New Sustainability (SL-3)
OBJECTIVE #2 Decent Housing	Create Decent Housing with Improved/New Availability (DH-1)	Create Decent Housing with Improved/New Affordability (DH-2)	Create Decent Housing with Improved/New Sustainability (DH-3)
OBJECTIVE #3 Economic Opportunity	Provide Economic Opportunity Through Improved/New Accessibility (EO-1)	Provide Economic Opportunity Through Improved/New Affordability (EO-2)	Provide Economic Opportunity Through Improved/New Sustainability (EO-3)

**Table 1 - CPD Outcome Performance Measurement System**

<b>Outcomes and Objectives</b>	<b>HOME Performance Indicators</b>	<b>Expected Number</b>
DH-2	No. of rental units assisted through new construction and rehabilitation	172
DH-2	No. of tenant-based rental assistance	363
DH-2	No. of existing homeowners assisted through owner-occupied assistance	58
DH-2	No. of homeowners assisted through homebuyer assistance	54

**Table 2 - HOME Program Performance Measures, PY 2016**

<b>Outcomes and Objectives</b>	<b>ESG Performance Indicators</b>	<b>Expected Number</b>
SL-1	Provide funding to support the provision of emergency and/or transitional shelter to homeless persons.	11,500
DH-2	Provide non-residential services including homelessness prevention assistance.	4,740

**Table 3 - ESG Performance Measures, PY 2016**

<b>Objectives and Outcomes</b>	<b>CDBG Performance Indicators</b>	<b>Expected Number</b>
SL-1	Infrastructure Improvements	220
SL-2	Infrastructure Improvements	10
SL-3	Infrastructure Improvements	65
SL-1	Residential Rehabilitation	50
DH-3	Residential Rehabilitation	2
DH-2	Homeownership Assistance	0
SL-1	Community Facilities	8
SL-1	Public Service	0
SL-1	Clearance Demolition Activities	5
EO-1	Direct Financial Assistance	32
EO-2	Direct Financial Assistance	5
EO-3	Infrastructure Improvements to Assist Businesses	30

**Table 4 - CDBG Performance Measures, PY 2016**

<b>Outcomes and Objectives</b>	<b>HOPWA Performance Indicators</b>	<b>Expected Number</b>
DH-2	TBRA housing assistance	468
DH-2	Short-term rent, mortgage, and utility	426
DH-2	Supportive Services (restricted to housing case mgt., smoke detectors, and phone service)	823
DH-1	Permanent Housing Placement (security deposits, application fees, and credit checks)	16

**Table 5 - HOPWA Performance Measures, PY 2016**

<b>Outcomes and Objectives</b>	<b>NHTF Performance Indicators</b>	<b>Expected Number</b>
DH-2	No. of rental units assisted through new construction and rehabilitation	0
DH-2	No. of homeowners assisted through homebuyer assistance	0

**Table 6 - NHTF Performance Measures, PY 2016**

### **3. Evaluation of past performance**

This is an evaluation of past performance that helped lead the grantee to choose its goals or projects.

The information below is for HOME, ESG, CDBG, and HOPWA for PY 2014 (February 1, 2014 to January 31, 2015). Because NHTF is a new program for PY 2016, past performance data is not available.

#### HOME Evaluation of Past Performance

TDHCA's HOME program committed \$30,437,477.99 in program funds through seven different types of HOME Program activities in PY 2014, representing assistance to 1,008 households. Details on the amount committed in each activity type are included in the chart below.

#### ESG Evaluation of Past Performance

ESG is expended by Federal Fiscal Year (10/1-9/30). TDHCA evaluated ESG funds committed versus funds expended by activity for PY 2014, a time period that consists of half of Federal Fiscal Year 2013 (2/1/2013-9/30/2014) and Federal Fiscal Year 2014 (10/1/2014-1/31/2015). Based on TDHCA's ESG analysis, expenditures had limited disparities and were well within the expected range of state funding for activities, based on goals in the 2014 OYAP. Disparities were found in Homelessness Prevention, where the State committed 23% of the overall budget and the activity accounted for 26% of expenditures, and in Rapid Re-Housing, where the State committed 32% of the total budget and the activity accounted for 30% of expenditures. This indicates that the State effectively programmed and expended funds consistent with its desired goals.

#### CDBG Evaluation of Past Performance

During PY 2014, the Texas CDBG Program committed a total of \$73,970,187 through 255 awarded contracts. For contracts that were awarded in PY 2014, 394,390 persons were anticipated to receive service. The Colonia Self Help Centers awarded \$1,564,167 in contracts outside the PY2014 reported below. Distribution of the funds by activity is described in the table below.

#### HOPWA Evaluation of Past Performance

In PY 2014, the DSHS HOPWA program served 455 households with TBRA (113% of the OYAP goal), 369 households with STRMU assistance (86% of the OYAP goal), and 12 households with Permanent Housing Placement ("PHP") assistance (80% of the OYAP goal) for a total of 818 unduplicated households. Of the total households served, 755 also received HOPWA-funded Supportive Services (91% of the OYAP goal). All HOPWA clients receive housing supportive services at some level, but some costs were leveraged with other funding sources. Client outcome goals for housing stability, reducing homelessness risk, and improving access to care were also achieved. (Subtotaled and/or totaled dollar amounts may not be exact due to all expenses are reported to two decimal points but are rounded to nearest whole dollar for the HOPWA chart.)

<b>HOME Activity</b>	<b>Total Committed</b>
Homebuyer Assistance	\$1,598,283.94
Homeowner Rehabilitation	\$17,715,798.05
Tenant-Based Rental Assistance	\$3,147,580
CHDO Rental Development	\$0
CHDO Single Family Development	\$875,816
CHDO Operating Expenses	\$50,000
Rental Housing Development	\$7,050,000

**Table 7 - HOME Commitments by Activity, PY 2014**

<b>ESG Activity</b>	<b>Total Funds Expended</b>
Street Outreach	\$574,172
Emergency Shelter	\$2,942,981
Homelessness Prevention	\$1,733,495
Rapid Re-Housing	\$3,008,287
Homeless Management Information Systems	\$505,803
Administration	\$321,800
Total	\$9,086,538.09

**Table 8 - ESG Fund Expenditures by Activity, PY 2014**

<b>CDBG Fund</b>	<b>Total Obligation</b>
Community Development Fund	\$36,923,015
Texas Capital Fund	\$8,861,714
Colonia Planning and Construction Fund	\$3,948,986
Colonia Economically Distressed Areas Program Fund	\$2,034,326
Colonia Self-Help Centers ("SHC")*	\$1,495,828
Planning / Capacity Building	\$540,640
Disaster Relief/ Urgent Need	\$2,446,820
STEP Fund	\$1,866,793
Administration (including TA) 3%	\$1,794,993
Admin - \$100k (in addition to the 3%)	\$100,000
Total	\$59,833,115
*The Colonia Self Help Centers allocated \$1,495,828 in PY2014	

**Table 9 - CDBG Funds Committed, PY 2014**

<b>HOPWA Activity</b>	<b>Amount</b>
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Annual Action Plan – Substantially Amended Sections to Include NHTF

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2016

Expenditures for Housing Information Services	\$0
Expenditures for Resource Identification	\$0
Expenditures for Housing Assistance (equals the sum of all sites and scattered-site Housing Assistance)	\$2,060,888
Expenditures for Supportive Services	\$375,629
Grantee Administrative Costs expended	\$70,639
Project Sponsor(s) Administrative Costs expended	\$161,006

**Table 10 - HOPWA Program Expenditures, PY 2014**

#### **4. Summary of Citizen Participation Process and consultation process**

Summary from citizen participation section of plan.

The State is committed to collaboration with a diverse cross-section of the public in order to meet the various affordable housing needs of Texans. The State also collaborates with governmental bodies, nonprofits, and community and faith-based groups. Following the release of the Draft 2016 One Year Action Plan, a 30-day public comment period was open from October 19, 2015, through November 19, 2015. During this time, a public hearing was held in Austin. Public comment solicited in person at the public hearing, in writing by email, fax, or mail. More information on the citizen participation, consultation, and public comment are included in the Consultation and Participation sections of the Plan.

A separate 30-day public comment period was open from July 15, 2016 through August 15, 2016 for the NHTF, as information regarding this program was not available during the earlier comment period for the OYAP. A public hearing regarding the NHTF was held in Austin on August 4, 2016, and public comment was solicited in person at the public hearing, in writing by email, fax, or mail.

The 2015-2019 Consolidated Plan, as adopted, substantial amendments, the OYAP, and the Consolidated Plan Annual Performance and Evaluation Report (“CAPER”) will be available to the public online at <http://www.tdhca.state.tx.us> and will have materials accessible to persons with disabilities, upon request.

The State recognizes that citizen participation and consultation are ongoing processes. During the development of the 2015-2019 Consolidated Plan, comprehensive outreach was conducted to gather input. This outreach continues through the development of each Annual Action Plan, within the 5-year consolidated planning process. Following the release of HUD’s Final Rule to Affirmatively Further Fair Housing, the State is making efforts to update the Citizen Participation Plan and Language Access Plan, as the State works towards the development of the Assessment of Fair Housing, anticipated to be due to HUD in approximately May 2019.

#### **5. Summary of public comments**

This could be a brief narrative summary or reference an attached document from the Citizen Participation section of the Con Plan.

During the development of the 2016 OYAP, two public comment periods were held. Following the release of the Draft 2016 OYAP, the Public Comment period was open from October 19, 2015, through November 19, 2015 and a public hearing was held on November 16, 2015 in Austin, TX. The State received 18 total comments from the following 4 organizations: Amazing Grants, Inc., MET, Inc., SafePlace, and Lifeworks. A summary of the comments received and reasoned responses during the first public comment period are provided in Attachment A: Public Comment on the 2016 One Year Action Plan and Staff's Reasoned Responses.

Following HUD's release of FY 2016 formula allocations on February 16, 2016, an Amended 2016 OYAP was available for 30 days of public comment between March 7, 2016, and April 5, 2016. No comments were received during the second public comment period. Following HUD's release of NHTF formula allocations on May 5, 2016, an Amended 2016 OYAP was available for 30 days of public comment between July 15, 2016, and August 15, 2016. Public comments were received from three organizations. A summary of public comments and reasoned responses is provided as an attachment to section AP-05.

## **6. Summary of comments or views not accepted and the reasons for not accepting them**

The comments or views not accepted have been included in Attachment A: Public Comment on the 2016 One Year Action Plan and Staff's Reasoned Responses. Because of the flexible nature of the Plan development, all comments are considered for revisions.

## **7. Summary**

The consolidated planning process occurs once every five years, so creating a comprehensive 2015-2019 Consolidated Plan was vital for CDBG, HOME, ESG, HOPWA and NHTF. Because of the Consolidated Plan's authority to govern these programs, research from multiple sources, including other government plans, peer-reviewed journals, news sources, and fact sheets were used; valuable public input was gathered through roundtable meetings, council/workgroup meetings, public hearings, online surveys, and an online forum; and an expansive public input process was included in the development of the Consolidated Plan.

Similarly, roundtables and meetings were held to discuss the NHTF, and written input was considered prior to Amendment of the Consolidated Plan for this new fund source. Topics at the roundtables included the geographic distribution of NHTF, threshold requirements for NHTF-funded developments, cross cutting requirements applicable to NHTF, and the forms of NHTF assistance. TDHCA also received several emails and letters from disability advocates, nonprofit developers, supportive housing advocates, and fair housing advocates.

The 2015-2019 Consolidated Plan is now carried out through Annual Action Plans, which provide a concise summary of the actions, activities, and the specific federal and non-federal resources that will be used each year to address the priority needs and specific goals identified by the Consolidated Plan.

## **AP-12 Participation - 91.115, 91.300(c)**

### **1. Summary of citizen participation process/Efforts made to broaden citizen participation Summarize citizen participation process and how it impacted goal-setting**

#### Encouragement of Public Participation

To reach minorities and non-English speaking residents, the Plan outreach follows TDHCA's Language Access Plan. Also, the notices are available in Spanish and English, per Texas Government Code Chapter 2105. Translators will be made available at public meetings, if requested.

The State encourages the involvement of individuals of low incomes and persons with disabilities in the allocation of funds and planning process through regular meetings, including community-based institutions, consumer workgroups, and councils (many of these meetings are listed in the Strategic Plan Section 35 of the 2015-2019 Consolidated Plan). All public hearing locations are accessible to all who choose to attend. Comments can be submitted either at a public hearing or in writing via mail, fax, or email.

The State notifies residents in areas where CDBG funds are proposed for use by distributing information on public hearings through the CDBG email list from TDA. Information related to the Plan and opportunities for feedback were provided through webinars and web discussions that allowed participation by residents of rural areas without requiring travel to a central location. Regional public hearings held as part of the Regional Review Committee process also encouraged participation by CDBG stakeholders.

#### Public hearings

The Draft 2016 OYAP was released for a 30-day public comment period from October 19, 2015, to November 19, 2015. A public hearing was held in Austin on November 16, 2015. Constituents were encouraged to provide input regarding all programs in writing or at the public hearing. The public hearing schedule is published in the Texas Register and on TDHCA's website at <http://www.tdhca.state.tx.us>, and is advertised during various workgroups and committee meetings. During the public comment period, printed copies of the draft Plan were be available from TDHCA, and electronic copies may be available for download from TDHCA's website.

The draft NHTF Amendment to the 2016 OYAP was released for a 30-day public comment period from July 15, 2016, to August 15, 2016. A public hearing was held in Austin on August 4, 2016 during the public comment period.

#### Criteria for Amendment to the Consolidated Plan

Substantial amendments will be considered if a new activity is developed for any of the funding sources or there is a change in method of distribution. If a substantial amendment is needed, reasonable notice by publication on TDHCA's website at <http://www.tdhca.state.tx.us> will be given, and comments will be

received for no less than 30 days after notice is given. A public hearing will be optional.

#### Performance Report

The 2017 CAPER will analyze the results of the 2016 OYAP. Due to the short 90-day turnaround time of the CAPER between the end of HUD's Program Year (1/31) and the due date, the public will be given reasonable notice by publication on TDHCA's website at <http://www.tdhca.state.tx.us>. Comment will be accepted for a minimum of 15 days. A public hearing will be optional.

#### One Year Action Plan

If a draft One Year Action Plan ("OYAP") is released for public comment prior to HUD's release of actual annual allocation amounts, the draft OYAP will reflect estimated allocation amounts. Once HUD releases actual annual allocation amounts, proposed activities' budgets will be increased or decreased from the estimated funding levels to match actual allocation amounts, prior to submission to HUD. If actual allocation amounts increase or decrease more than 20% from the estimated allocation amounts, the State will release a revised OYAP public comment. Reasonable notice by publication on TDHCA's website at <http://www.tdhca.state.tx.us> will be given, and comments will be received for no less than 30 days after notice is given. A public hearing will be optional.

## **2. Summary citizen participation process and efforts made to broaden citizen participation in Colonias**

There are two main methods in which TDHCA coordinates its work with other colonia-serving entities. One relates to the Colonia Self Help Center Program which funds specific Texas-border county governments with four-year contracts. Awards and funding associated with this program are reviewed and recommended by a Colonia Resident Advisory Group ("C-RAC"), which is a group of colonia residents who live in the specific colonias served by the centers. The other coordination effort relates to a cross-agency effort organized by the Texas Secretary of State that generates structured communications and data collection in conjunction with other state agencies serving colonias with their respective programs.

On a very frequent basis—weekly or more often—TDHCA provides guidance and oversight to the county governments with which TDHCA has executed SHC contracts. Somewhat less often, TDHCA provides guidance and technical assistance to the housing subgrantees with whom the respective counties have contracted to achieve specific deliverables per their individualized SHC subcontracts. Every one to two years, TDHCA organizes and implements a workshop for all eligible counties and their subgrantees to review rules, best practices, and exchange other program updates. Periodically, TDHCA convenes a meeting with C-RAC. This grass-roots-style committee approves contracts, evaluates county recommendations, and provides TDHCA and the counties guidance on programming and activities in the colonias. Lastly, approximately every two years, TDHCA updates its SHC Program rules, and initiates this process by first soliciting comment from the public at large for critiques of the current rules and suggestions for changes.



As a part of the process discussed above, TDA met with elected officials from counties serving colonia areas. The local leaders discussed funding priorities for the Community Development Fund, including projects that could serve colonia areas.

On a quarterly basis, TDHCA and TDA convene with several other state agencies that directly serve colonia residents in the areas of utilities infrastructure, transportation infrastructure, water/water water, health services, housing, and consumer issues. This group is called the Colonia Interagency Infrastructure Coordination Work Group and is organized by the Texas Office of the Secretary of State's Colonia Initiatives Program. This group has been meeting regularly since approximately 2007 when Texas passed legislation requiring the systematic identification and classification of Texas colonias, and the tracking of colonia-serving state-funded projects. The overarching goal of the workgroup is to stop the proliferation of colonias and improve the health, safety, and quality of life for colonia residents in the Texas-Mexico border region. By classifying colonias based on their level of infrastructure and access to public health services, various state agencies, and the Texas Legislature are able to prioritize funding and target colonias with critical needs (Texas Office of the Secretary of State, 2010). Besides TDHCA and TDA, other agency members of this work group include the Texas Water Development Board ("TWDB"), the Texas Commission on Environmental Quality, the Texas Department of Transportation, HHSC, and DSHS.

**Citizen Participation Outreach**

Sort Order	Mode of Outreach	Target of Outreach	Summary of response/attendance	Summary of comments received	Summary of comments not accepted and reasons	URL (if applicable)
1	Public Hearing	Non-targeted/broad community	The State held a public hearing on November 12, 2015 to receive comments on the 2016 OYAP. Three individuals attended and no public comment was provided.	No public comments were received at the public hearing.		

Sort Order	Mode of Outreach	Target of Outreach	Summary of response/attendance	Summary of comments received	Summary of comments not accepted and reasons	URL (if applicable)
2	Internet Outreach	Non-targeted/broad community	TDHCA has a centralized webpage for public comment on all plans, reports, and program rules.	All public comments and reasoned responses are provided in the Public Comment Attachment.		<a href="http://www.tdhca.state.tx.us/public-comment.htm">http://www.tdhca.state.tx.us/public-comment.htm</a>
3	Public Meeting	Non-targeted/broad community	Rural Health and Economic Development Advisory Council met Sept. 16, 2015 and discussed draft Method of Distribution for CDBG	Public and Advisory Council discussed proposed changes.		

**Table 11 – Citizen Participation Outreach**

## Expected Resources

### AP-15 Expected Resources – 91.320(c)(1,2)

#### Introduction

CPD funding is governed by this Consolidated Plan, but the State also works to collaborate, coordinate, and layer non-CPD funding sources in order to reach more Texans and more efficiently use available funds. Programs listed in the anticipated resources narrative sections below could be used to leverage CPD funds. These include:

- 4% Housing Tax Credit ("HTC")/Private Activity Bond ("PAB") Program;
- 9% HTC Program;
- Homeless and Housing Services Program ("HHSP");
- Housing Trust Fund Program;
- Mortgage Credit Certificate ("MCC") Program;
- First time homebuyer loan programs, including the My First Texas Home Program;
- Neighborhood Stabilization Program - Program Income ("NSP PI");
- Section 8 Housing Choice Voucher ("HCV") Program;
- Section 811 Project Rental Assistance ("PRA") Program; and
- Tax Credit Assistance Program ("TCAP") Loan Repayments.

For the programs above, the expected future funding amounts, to the extent known, are in the planning documents governing those programs. These documents can be found online at <http://www.tdhca.state.tx.us/>. The anticipated resources below are focused on CPD Programs.

TDHCA participates in numerous committees, workgroups, and councils which help TDHCA stay apprised of other potential resources to address affordable housing needs. Relationships with other federal and state agencies and local governments are extremely valuable, helping Texas agencies to coordinate housing and services and serve all Texans efficiently and effectively. TDHCA's involvement in these committees promotes identifying opportunities to proactively pursue federal funding opportunities. TDHCA actively seeks engagement and input from community advocates, funding recipients, potential applicants for funding, and others to obtain input regarding the development of effective policies, programs and rules. Changes to funding plans are made periodically based on feedback received through these avenues.

TDHCA is the lead agency for the following workgroups:

#### C-RAC:

C-RAC is a committee of colonia residents appointed by the TDHCA Governing Board. It advises TDHCA regarding the needs of colonia residents and the types of programs and activities which should be undertaken by the Colonia SHCs. The Colonia SHCs funds are provided to seven specific pre-determined counties which, in turn, procure organizations to operate their SHCs.

Disability Advisory Workgroup (“DAW”):

The DAW augments TDHCA's formal public comment process, affording staff the opportunity to interact more informally and in greater detail with various stakeholders and to get feedback on designing more successful programs, with a specific focus on gaining insight on issues impacting persons with disabilities.

Housing and Health Services Coordination Council (“HHSCC”):

HHSCC is established by Texas Government Code §2306.1091. Its duties include promoting coordination of efforts to offer Service-Enriched Housing and focusing on other cross-agency efforts. Texas Interagency Council for the Homeless (“TICH”): The TICH was statutorily created in 1989 to coordinate the State’s homeless resources and services. The TICH consists of representatives from eleven state agencies. TDHCA, as the primary source for state homelessness funding, provides administrative and planning support to the TICH.

Weatherization Assistance Program Planning Advisory Committee (“WAP PAC”):

The WAP PAC is comprised of a broad representation of organizations and agencies and provides balance and background related to the weatherization and energy conservation programs at TDHCA. The descriptions of the collaborations for DSHS and TDA are in the Discussion question of this section below.

**Anticipated Resources**

Program	Source of Funds	Uses of Funds	Expected Amount Available Year 1				Expected Amount Available Reminder of ConPlan \$	Narrative Description
			Annual Allocation: \$	Program Income: \$	Prior Year Resources: \$	Total: \$		
CDBG	public - federal	Acquisition and Planning Economic Development Housing Public Improvements Public Services	53,357,295	5,675,933	10,283,931	69,317,159	199,931,856	TDA's CDBG Program funds community and economic development, including program income collected by the state, and program income retained by local subgrantees, excluding the colonia set-aside. Communities may also coordinate CDBG funding with U.S. Department of Agriculture's ("USDA") Rural Development funds or Texas Water Development Board's ("TWDB") State Revolving Fund.
CDBG Colonias Set-aside	public - federal	Acquisition and Planning Homebuyer assistance Homeowner rehab Public Improvements Public Services	7,662,471	0	0	7,662,471	22,294,089	The Colonia Set-Aside is used both by TDA and TDHCA for goals described in the Strategic Plan Section 45. The Colonia Economically Distressed Areas Program ("CEDAP") Legislative Set - Aside leverages funding from the TWDB's Economically Distressed Areas Program. TDHCA's Office of Colonia Initiatives ("OCI") administers a portion of the CDBG Colonia Set-Aside through its Colonia SHCs.

Program	Source of Funds	Uses of Funds	Expected Amount Available Year 1				Expected Amount Available Reminder of ConPlan \$	Narrative Description
			Annual Allocation: \$	Program Income: \$	Prior Year Resources: \$	Total: \$		
HOME	public - federal	Acquisition Homebuyer assistance Homeowner rehab Multifamily rental new construction Multifamily rental rehab New construction for ownership TBRA	23,248,302	10,000,000	0	33,248,302	99,744,906	TDHCA's HOME Program goals are described in the Strategic Plan Section 45 for multifamily and single family activities. Single family HOME homebuyer activity may be coordinated with TDHCA's My First Texas Home Program, which can supplement down payment assistance, and the MCC Program, which provides a yearly tax credit of up to \$2,000 annually that reduced the homebuyers' federal income tax liability. HOME Multifamily Development funds can be layered with 4% HTC's and 9% HTC's. In addition, TDHCA's Section 811 PRA, a project-based supportive housing program for persons with disabilities, and TDHCA's Section 8 HCV may be used within HOME developments. Starting in 2015, TDHCA's TCAP loan repayments and NSP PI may be used to supplement or support.

Program	Source of Funds	Uses of Funds	Expected Amount Available Year 1				Expected Amount Available Reminder of ConPlan \$	Narrative Description
			Annual Allocation: \$	Program Income: \$	Prior Year Resources: \$	Total: \$		
HOPWA	public - federal	Permanent housing in facilities Permanent housing placement Short term or transitional housing facilities STRMU Supportive services TBRA	3,032,825	0	2,947,262	5,980,087	8,756,223	DSHS' HOPWA state formula funds the following activities: TBRA; STRMU; PHP; and Supportive Services. Project Sponsors leverage available funds from Ryan White and State Services grants to assist clients with housing needs, medical and non-medical case management, emergency utility assistance, mental health, transportation, and nutritional services to address the needs of eligible clients.

Program	Source of Funds	Uses of Funds	Expected Amount Available Year 1				Expected Amount Available Reminder of ConPlan \$	Narrative Description
			Annual Allocation: \$	Program Income: \$	Prior Year Resources: \$	Total: \$		
ESG	public - federal	Conversion and rehab for transitional housing Financial Assistance Overnight shelter Rapid re-housing (rental assistance) Rental Assistance Services Transitional housing	8,817,205	0	0	8,817,205	35,268,820	TDHCA's ESG funds are awarded via contract to Subrecipient agencies that provide emergency shelter, homelessness prevention, rapid rehousing, and Homeless Management Information Systems ("HMIS") activities. HHSP is Texas state general revenue funding for the largest cities to provide flexibility to undertake activities that complement ESG activities. Note that not all ESG direct recipients in Texas are HHSP grantees. Use of funds also includes Administration.



Program	Source of Funds	Uses of Funds	Expected Amount Available Year 1				Expected Amount Available Reminder of ConPlan \$	Narrative Description
			Annual Allocation: \$	Program Income: \$	Prior Year Resources: \$	Total: \$		
Housing Trust Fund	public - federal	Acquisition Multifamily rental new construction Multifamily rental rehab	4,778,364	0	0	4,778,364	19,113,456	TDHCA's NHTF Program goals are described in the Strategic Plan Section 45 for multifamily and single family activities. NHTF Multifamily Development Funds can be layered with 4% HTCs and 9% HTCs, and TDHCA Multifamily Direct Loan funds, including HOME, HOME-CHDO, and TCAP Loan Repayment. In addition, TDHCA's Section 811 PRA, a project-based supportive housing program for persons with disabilities, and TDHCA's Section 8 HCV may be used within NHTF developments. In addition, TDHCA also develops rules that govern all multifamily programs, including the HOME Multifamily Direct Loan Program, known as the Uniform Multifamily Rules. If implemented, Single family NHTF homebuyer activity may be coordinated with TDHCA's My First Texas Home Program, which can supplement down payment assistance, and the MCC Program, which provides a yearly tax credit of up to \$2,000 annually that reduced the homebuyers' federal income tax liability. NHTF Single family development would be governed by requirements in TDHCAs Single Family Umbrella Rule.

**Table 12 - Expected Resources – Priority Table**

**Explain how federal funds will leverage those additional resources (private, state and local funds), including a description of how matching requirements will be satisfied**

**HOME**

HOME multifamily development is often used to leverage with the HTC Program, which authorizes 9% low-income housing tax credits of \$2.30 per capita for each state, and 4% HTC in amounts linked to the usage of the state's cap for issuance of tax exempt PABs to finance affordable housing development. In Texas, this equates to approximately \$61,400,000 in 9% tax credits available to be awarded annually. These credits may be claimed each year for ten years and represents potential tax credit value on the magnitude of \$610,000,000. The credits are syndicated to limited partner investors to yield cash for use in eligible development activities. Currently typical syndication rates range between 92% and 95%. TDHCA's Qualified Allocation Plan ("QAP") identifies the criteria used for selection of eligible developments to provide housing for low-income tenants. HOME provides increased leverage, allowing property owners to utilize fewer tax credits and less private debt and local funding, thus providing more efficient use of resources. Other leveraging sources may include United States Department of Agriculture ("USDA") operating subsidies and loans, and conventional and FHA-insured loans. Match requirements for the HOME Multifamily Direct Loan Program will in part be met through Rules that establish awardees' minimum amount of match as 5% of the award amount. TDHCA increased match requirements for single family activities to more effectively use limited funding. TDHCA has also requested for HUD to approve a waiver that its state-funded Bootstrap program be eligible as match and is responding to HUD requests for additional detail.

**ESG**

In 2011, the Texas Legislature created the HHSP statute and funded it with General Revenue funds. Through HHSP, the State allocates funds to cities in Texas with a population of 285,500 or greater to support services to homeless individuals and families. These funds are sometimes used as match for either State or local ESG funding. To meet the ESG match requirement, TDHCA includes the provision of evidence of proposed match as part of the application process. Subrecipients are required to provide 100% limited to budget categories for which the Subrecipient was funded. A Subrecipient that is unable to match the award is eligible to apply to TDHCA for a match waiver up to \$100,000. However, these requests have been quite rare. In the FFY 2015 application process, TDHCA received no requests and will continue to actively determine which organization(s) will benefit from the match waiver.

**HOPWA**

Texas HOPWA does not have program income but leverages funds whenever possible. Project Sponsors leverage available funds from Ryan White and State Services grants, private funding sources, foundations, and local assistance to help clients. AAs do not receive administrative funds from DSHS, so those costs are leveraged from other funding sources. Texas is not required to match the HOPWA formula award.

## CDBG

Nearly 80% of TX CDBG grants include local match fund commitments. Matching funds are required for certain grants, while other grants award points to encourage local match; a sliding scale allows smaller communities to contribute less match funding than larger communities. Match funds may be provided by the applicant, or by a water or sewer utility benefiting from the project. Economic development (ED) projects benefiting private business require 1-for-1 match commitment, with the business most often providing this substantial match. Recent updates to the Colonia SHC Program rules have capped program assistance at \$50,000 per household for reconstruction and new construction, and \$40,000 per household for rehabilitation. These limits encourage administrators to leverage funds with other resources as well as assist more households than in prior years.

NHTF Program Leveraging is described in the question below.

### **If appropriate, describe publically owned land or property located within the jurisdiction that may be used to address the needs identified in the plan**

#### NHTF Program Leverages

NHTF multifamily development may be used to leverage with the HTC Program, which was created by the Tax Reform Act of 1986 and authorizes 9% low-income housing tax credits in the amount of \$2.35 per capita for each state, and 4% low-income housing tax credits in amounts linked to the usage of the state's cap for issuance of tax exempt bond to finance affordable housing development. In Texas, this equates to approximately \$61,400,000 in 9% tax credits available to be awarded by TDHCA annually. These credits may be claimed each year for ten years and this represents potential tax credit value on the magnitude of \$610,000,000. The tax credits are syndicated to limited partner investors to yield cash for use in eligible development activities. Currently typical syndication rates range between 92% and 95%. TDHCA must develop a Qualified Allocation Plan ("QAP") for the selection of eligible developments to provide housing for the low-income tenants. NHTF provides increased leverage, allowing the property owners to utilize fewer tax credits and less private debt and local funding, therefore providing more efficient use of resources.

The Texas General Land Office manages state owned lands and mineral rights totaling approximately 13 million acres. Much of this is leased for the benefit of the Permanent School Fund, an endowment fund established in 1876 for the benefit of Texas public school education. There is currently no plan to use state owned land for affordable housing or community development goals; however, local jurisdictions occasionally donate land or property in support of activities designed to address the needs identified in the plan as part of their contribution to locally administered programs.

## **Discussion**

HOPWA: Continuing with the discussion of collaboration begun in the Introduction of this section, DSHS is the lead for several HIV-related councils and workgroups which provide opportunities for collaboration and resource sharing across agencies, providers, and other pertinent stakeholders to assist

PLWH in Texas. Some of the initiatives are Inter-Agency Council on HIV & Hepatitis, the Texas Black Women's Initiative, the Test Texas Coalition, and the Texas HIV Syndicate. The Texas HIV Syndicate is an integrated HIV prevention and care planning body made up of roughly 100 organizational leaders representing the full continuum of HIV engagement. The Texas HIV Syndicate uses the Texas HIV Plan as a framework to develop strategies that enhance and expand on prevention and care activities across the State. Texas HIV Syndicate members develop policy recommendations, best practice models, coordination strategies, and promote innovation in HIV prevention and treatment. DSHS also holds a biennial HIV/Sexually Transmitted Disease ("STD") conference, attended by all DSHS contractors and subrecipients in addition to community leaders, health and HIV professionals, and many other essential stakeholders. Many of the DSHS contractors are also HOPWA providers. The next conference will be held in 2016. The goal of the Texas HIV/STD Conference is to enhance the responsiveness of people and systems supporting the spectrum of HIV/STD prevention and treatment services in Texas, including: Awareness; Targeted Prevention; Diagnosis; Linkage to Care; Maintenance in Care; and Suppression of Disease.

DSHS' Epidemiology and Surveillance Branch is responsible for reporting HIV/AIDS, STD, and tuberculosis ("TB") surveillance and epidemiologic data for the State of Texas, which includes data submission to the Centers for Disease Control and Prevention ("CDC"). This data is subsequently used by HUD to determine HOPWA formula allocations. This data is also leveraged to provide support to planning, development, implementation, and evaluation of HIV/AIDS, STD, and TB prevention and services programs, including HOPWA.

Finally, TDA participates in the following workgroups:

Texas Water Infrastructure Coordination Committee ("TWICC"): TWICC is a voluntary organization of federal and state funding agencies and technical assistance providers that address water and wastewater needs throughout the State. TDA participates in TWICC to coordinate efforts to leverage funds.

Secretary of State's Colonia Workgroup: The Colonia Workgroup consists of federal and state funding agencies and the Texas Secretary of State's colonia ombudsmen. The group addresses current and future infrastructure improvements in colonias, focusing on coordination of resources and information. TDHCA is also a member of this workgroup.

Drought Preparedness Council: The Council was authorized and established by the 76th Texas Legislature in 1999, and is responsible for assessment and public reporting of drought monitoring and water supply conditions, along with other duties.

These workgroups, committees, and councils help to strengthen communication between state agencies as well as provide opportunities to layer or combine funding sources.

With the block grants and the layering resources listed above, there are also CDBG Disaster Recovery ("DR") funds for Hurricanes Rita, Dolly, and Ike, and Wildfires. Hurricane Rita Disaster Recovery for

housing and non-housing recovery is in 29 counties. Ike Disaster Recovery for housing and non-housing recovery is in 62 counties. Wildfire Recovery non-housing recovery is in 65 counties. More details can be found at <http://www.glo.texas.gov/GLO/disaster-recovery/actionplans>

## Annual Goals and Objectives

### AP-20 Annual Goals and Objectives – 91.320(c)(3)&(e)

#### Goals Summary Information

Sort Order	Goal Name	Start Year	End Year	Category	Geographic Area	Needs Addressed	Funding	Goal Outcome Indicator
1	Homeless Goals	2015	2019	Homeless	State of Texas	Emergency shelter and transitional housing Homelessness Prevention Rapid Re-housing	ESG: \$8,817,205	Tenant-based rental assistance / Rapid Rehousing: 1108 Households Assisted Overnight/Emergency Shelter/Transitional Housing Beds added: 3800 Beds
2	Construction of single family housing	2015	2019	Affordable Housing Non-Homeless Special Needs	State of Texas	Production of new units	HOME: \$0	Homeowner Housing Added: 0 Household Housing Unit
3	Rehabilitation of single family housing	2015	2019	Affordable Housing Non-Homeless Special Needs		Rehabilitation of housing	HOME: \$5,916,734	Homeowner Housing Rehabilitated: 70 Household Housing Unit
4	Homebuyer assistance with possible rehabilitation	2015	2019	Affordable Housing Non-Homeless Special Needs	State of Texas	Acquisition of existing units Rehabilitation of housing	HOME: \$3,476,783	Direct Financial Assistance to Homebuyers: 58 Households Assisted
5	Tenant-Based Rental Assistance with HOME funding	2015	2019	Affordable Housing Non-Homeless Special Needs	State of Texas	Rental Assistance	HOME: \$4,812,569	Tenant-based rental assistance / Rapid Rehousing: 438 Households Assisted

Sort Order	Goal Name	Start Year	End Year	Category	Geographic Area	Needs Addressed	Funding	Goal Outcome Indicator
6	HOME Households in new/rehabed multifamily units	2015	2019	Affordable Housing Non-Homeless Special Needs	State of Texas	Production of new units Rehabilitation of housing	HOME: \$15,713,359	Rental units constructed: 110 Household Housing Unit Rental units rehabilitated: 47 Household Housing Unit
7	HOPWA Tenant-Based Rental Assistance	2015	2019	Affordable Housing Non-Homeless Special Needs	State of Texas	Supportive Services for Persons with HIV/AIDS	HOPWA: \$1,939,097	Tenant-based rental assistance / Rapid Rehousing: 468 Households Assisted
8	HOPWA Short-Term Rent, Mortgage, & Utilities Asst	2015	2019	Affordable Housing Non-Homeless Special Needs	State of Texas	Supportive Services for Persons with HIV/AIDS	HOPWA: \$366,034	Homelessness Prevention: 426 Persons Assisted
9	HOPWA Permanent Housing Placement Assistance	2015	2019	Affordable Housing Non-Homeless Special Needs	State of Texas	Supportive Services for Persons with HIV/AIDS	HOPWA: \$7,055	Public service activities other than Low/Moderate Income Housing Benefit: 16 Persons Assisted
10	HOPWA-Funded Supportive Services	2015	2019	Affordable Housing Non-Homeless Special Needs	State of Texas	Supportive Services for Persons with HIV/AIDS	HOPWA: \$463,493	Public service activities other than Low/Moderate Income Housing Benefit: 823 Persons Assisted
11	CDBG Other Construction	2015	2019	Non-Housing Community Development	State of Texas	Public Improvements and Infrastructure Public facilities Public services	CDBG: \$39,533,182	Public Facility or Infrastructure Activities other than Low/Moderate Income Housing Benefit: 227843 Persons Assisted

Sort Order	Goal Name	Start Year	End Year	Category	Geographic Area	Needs Addressed	Funding	Goal Outcome Indicator
12	CDBG Economic Development	2015	2019	Non-Housing Community Development Economic Development	State of Texas	Economic development Public Improvements and Infrastructure Public facilities Public services	CDBG: \$8,848,164	Public Facility or Infrastructure Activities other than Low/Moderate Income Housing Benefit: 14122 Persons Assisted
13	CDBG Planning / Capacity Building	2015	2019	Non-Housing Community Development	State of Texas	Public Improvements and Infrastructure Public facilities Public services	CDBG: \$548,818	Other: 37412 Other
14	CDBG Disaster Relief / Urgent Need	2015	2019	Non-Housing Community Development	State of Texas	Public Improvements and Infrastructure Public facilities	CDBG: \$2,497,738	Public Facility or Infrastructure Activities other than Low/Moderate Income Housing Benefit: 0 Persons Assisted



Sort Order	Goal Name	Start Year	End Year	Category	Geographic Area	Needs Addressed	Funding	Goal Outcome Indicator
15	CDBG Colonia Set-Aside	2015	2019	Affordable Housing Non-Housing Community Development	State of Texas	Acquisition of existing units Production of new units Public Improvements and Infrastructure Public facilities Public services Rehabilitation of housing	CDBG Colonias Set-aside: \$6,097,977	Public Facility or Infrastructure Activities other than Low/Moderate Income Housing Benefit: 3348 Persons Assisted
16	CDBG Colonia Self-Help Centers	2015	2019	Self-Help Centers		Public services	CDBG: \$1,524,494	Other: 14491 Other
17	CDBG Administration	2015	2015	Administration/Technical Assistance		Economic development Public Improvements and Infrastructure Public facilities Public services Rehabilitation of housing	CDBG: \$1,929,393	Other: 0 Other

Sort Order	Goal Name	Start Year	End Year	Category	Geographic Area	Needs Addressed	Funding	Goal Outcome Indicator
18	HOME Administration	2015	2019	HOME Administration	State of Texas	Acquisition of existing units Production of new units Rehabilitation of housing Rental Assistance	HOME: \$3,328,857	Other: 0 Other
19	NHTF households in new/rehabed multifamily units	2016	2019	Affordable Housing Non-Homeless Special Needs	State of Texas	Production of new units Rehabilitation of housing	Housing Trust Fund: \$4,300,528	Rental units constructed: 0 Household Housing Unit Rental units rehabilitated: 0 Household Housing Unit
20	NHTF Administration	2016	2019	Affordable Housing Non-Homeless Special Needs	State of Texas	Acquisition of existing units Production of new units Rehabilitation of housing	Housing Trust Fund: \$477,836	Other: 0 Other

**Table 13 – Goals Summary**

## Goal Descriptions

1	<b>Goal Name</b>	Homeless Goals
	<b>Goal Description</b>	<p>Goals for the 2016 ESG program are to provide 22,798 homeless persons with emergency shelter, 1,108 households with emergency housing assistance through rapid re-housing, and 3,800 persons with housing assistance, including homelessness prevention assistance. After reducing the award amount by 7.5% for administrative funds (which will be divided between TDHCA and its Subrecipients), the remaining funding for program activities is approximately allocated among the following categories: 32% for rapid re-housing; 21% for homelessness prevention; 34% for emergency shelters, 7% for street outreach and 6% for the Homeless Management Information System (HMIS) activities. The percentages of funding for each activity have been adjusted from the 2015 One Year Action Plan partly because of the addition of street outreach and HMIS. With the new percentages estimates, TDHCA is still under the federal requirement to spend equal or less than 60% of its funding on emergency shelter and street outreach activities.</p> <p>The persons/households expected to be served by each activity have been adjusted from the 2015 One Year Action Plan because of a change in projection methodology. The 2015 projections were based on funding planned to be spent on each activity. The 2016 projections are based on funding spent per person per activity from previous ESG awards. Rapid Re-housing has historically cost almost double the amount per person than Homelessness Prevention, and almost ten times the amount per person than emergency shelter or street outreach. To account for the amount of funding per person for rapid re-housing, the total projected number of households served by rapid re-housing decreased.</p> <p>Finally, the amount of administration is estimated at 7.5%, which is the amount allowed by HUD. The administrative funds will be divided between TDHCA and its subrecipients. TDHCA plans to use a portion of the administrative funds for Continuum of Care (CoC) lead agencies that will be running a local competition in their respective CoC regions for TDHCA's ESG funding.</p> <p>The funding targets and numbers served may fluctuate depending on the amount in the HUD award letter. The amounts targeted for each ESG activity will be dependent on the final HUD allocation and the percentages (as limited by federal rules) will depend on local CoC or Subrecipient decisions.</p>

2	<b>Goal Name</b>	Construction of single family housing
	<b>Goal Description</b>	TDHCA does not plan to have a 2016 HOME Program goal for single family development activities performed by a Community Housing Development Organization ("CHDO") for the construction of new single family housing. The original 2015 goal of providing assistance to a minimum of 7 eligible households was reduced based on HUD's final allocation amounts. PY 2016 CHDO set aside funding is initially targeted for multifamily development activities as reflected under the Households in new/rehabilitated multifamily units strategic plan goal, but may be revised to program some funding for Single Family Development activities if TDHCA identifies future interest in the program. Single family development activities will remain an eligible activity that may be funded in the event future CHDO funding becomes available.
3	<b>Goal Name</b>	Rehabilitation of single family housing
	<b>Goal Description</b>	The 2016 goal for HOME Program rehabilitation and reconstruction activities is to provide assistance to a minimum of 70 households through a statewide network of units of general local governments, and non-profit organizations. These entities qualify applicants to receive assistance for the repairs and reconstruction necessary to make their homes decent, safe, sanitary, and accessible.
4	<b>Goal Name</b>	Homebuyer assistance with possible rehabilitation
	<b>Goal Description</b>	The 2016 goals for HOME Program acquisition activities is to provide assistance to a minimum of 58 households with downpayment and closing costs assistance, contract for deed conversion assistance to promote the conversion of contract for deed arrangements to traditional mortgages, as well as downpayment with possible rehabilitation assistance for households with a member with a disability.
5	<b>Goal Name</b>	Tenant-Based Rental Assistance with HOME funding
	<b>Goal Description</b>	The 2016 goal for HOME Program TBRA activity is to provide rental assistance to approximately 438 households through a statewide network of units of general local governments, public housing agencies, Local Mental Health Authorities ("LMHAs"), and other non-profit organizations. These entities qualify applicants to receive assistance and may extend assistance if the household continues to meet eligibility requirements.
6	<b>Goal Name</b>	HOME Households in new/rehabed multifamily units
	<b>Goal Description</b>	The 2016 goal for HOME Multifamily Program is creating/rehabilitating over 157 multifamily rental units. TDHCA's HOME Multifamily Development Programs awards HOME funds as low-interest loans to CHDOs, for-profit, and nonprofit developers. These loans leverage other public and private financing including housing tax credits, United States Department of Agriculture ("USDA") operating subsidies and loans, and conventional and Federal Housing Administration-insured loans. The end result is safe, decent, and affordable multifamily rental housing.

7	<b>Goal Name</b>	HOPWA Tenant-Based Rental Assistance
	<b>Goal Description</b>	HOPWA TBRA provides tenant-based rental assistance to eligible households until they are able to secure other affordable and stable housing. The annual goal includes 468 households assisted. The estimated funding and number of individuals served may fluctuate depending on HUD's final allocation amounts and based on the target percentages identified in Action Plan Section 25.
8	<b>Goal Name</b>	HOPWA Short-Term Rent, Mortgage, & Utilities Asst
	<b>Goal Description</b>	STRMU provides short-term rent, mortgage, and utility assistance to eligible households for a maximum of 21 weeks of assistance in a 52-week period. The annual goal is to assist 426 persons. The estimated funding and number of individuals served may fluctuate depending on HUD's final allocation amounts and based on the target percentages identified in Action Plan Section 25.
9	<b>Goal Name</b>	HOPWA Permanent Housing Placement Assistance
	<b>Goal Description</b>	PHP provides assistance for housing placement costs which may include application fees, related credit checks, and reasonable security deposits necessary to move persons into permanent housing. The annual goal is to assist 16 persons. The estimated funding and number of persons served may fluctuate depending on HUD's final allocation amounts and based on the target percentages identified in Action Plan Section 25.
10	<b>Goal Name</b>	HOPWA-Funded Supportive Services
	<b>Goal Description</b>	Supportive Services include case management, basic telephone service and assistance to purchase smoke detectors to eligible households. The annual goal is to assist 823 persons. The estimated funding and number of households served may fluctuate depending on HUD's final allocation amounts and based on the target percentages identified in Action Plan Section 25.
11	<b>Goal Name</b>	CDBG Other Construction
	<b>Goal Description</b>	The Texas CDBG encourages the use of funds not only to improve existing locations but to provide facilities in other areas to accommodate residential opportunities that will benefit low and moderate income persons. Applicants are encouraged to provide for infrastructure and housing activities that will improve opportunities for low and moderate income persons. When considering projects and designing projects, applicants must continue to consider affirmatively furthering fair housing, which includes providing basic infrastructure, such as water, sewer, and roads that benefit residential housing and other housing activities. Funding allocated includes annual allocation in addition to previously deobligated funds. The annual goal includes 227,843 persons assisted. The estimated funding and number of persons served may fluctuate depending on HUD's final allocation amounts and based on the target percentages identified in Action Plan Section 25.

<b>12</b>	<b>Goal Name</b>	CDBG Economic Development
	<b>Goal Description</b>	This economic development funding is used for projects that will create or retain permanent employment opportunities, primarily for low to moderate income persons and for county economic and management development activities. Funding allocated includes annual allocation in addition to previously deobligated funds. The annual goal is to assist 14,122 persons. The estimated funding and number of persons served may fluctuate depending on HUD's final allocation amounts and based on the target percentages identified in Action Plan Section 25.
<b>13</b>	<b>Goal Name</b>	CDBG Planning / Capacity Building
	<b>Goal Description</b>	This fund is available to assist eligible cities and counties in conducting planning activities that assess local needs, develop strategies to address local needs, build or improve local capacity, or that include other needed planning elements (including telecommunications and broadband needs). Funding allocated includes annual allocation in addition to previously deobligated funds. The annual goal is 37,412 persons benefiting from community planning projects (this may show as "other" in the chart above"). The estimated funding and number of persons served may fluctuate depending on HUD's final allocation amounts and based on the target percentages identified in Action Plan Section 25.
<b>14</b>	<b>Goal Name</b>	CDBG Disaster Relief / Urgent Need
	<b>Goal Description</b>	Disaster Relief ("DR") assistance is available through this fund as needed for eligible activities in relief of disaster situations where either the governor has proclaimed a state disaster declaration, drought disaster declaration, or the president has issued a federal disaster declaration. CDBG may prioritize throughout the program year the use of DR assistance funds based on the type of assistance or activity under consideration and may allocate funding throughout the program year based on assistance categories. Funding allocated includes annual allocation in addition to previously deobligated funds. The annual goal is to assist 132,248 persons. The estimated funding and number of persons served may fluctuate depending on HUD's final allocation amounts and based on the target percentages identified in Action Plan Section 25.
<b>15</b>	<b>Goal Name</b>	CDBG Colonia Set-Aside
	<b>Goal Description</b>	This fund is available to eligible county applicants for projects in severely distressed unincorporated areas which meet the definition of a "colonia" under this fund. Funding allocated includes annual allocation in addition to previously deobligated funds. The annual goal is to assist 3,348 benefiting from public facility or infrastructure activities (other than low/moderate income housing benefit) and 14,491 "other", which equates to the number of colonia residents receiving direct assistance. The estimated funding and number of persons served may fluctuate depending on HUD's final allocation amounts and based on the target percentages identified in Action Plan Section 25.

<b>16</b>	<b>Goal Name</b>	CDBG Colonia Self-Help Centers
	<b>Goal Description</b>	Colonia residents receiving direct assistance through Self-Help centers.
<b>17</b>	<b>Goal Name</b>	CDBG Administration
	<b>Goal Description</b>	CDBG Administrative costs including Technical Assistance
<b>18</b>	<b>Goal Name</b>	HOME Administration
	<b>Goal Description</b>	HOME Administrative expenses based on HOME allocation and projected program income.
<b>19</b>	<b>Goal Name</b>	NHTF households in new/rehabed multifamily units
	<b>Goal Description</b>	The 2016 goal for Housing Trust Fund is creating/rehabilitating 0 multifamily rental units based on the performance period of February 1, 2016 through January 31, 2017. Funds are anticipated to be awarded after January 31, 2017.
<b>20</b>	<b>Goal Name</b>	NHTF Administration
	<b>Goal Description</b>	NHTF Administrative funds for PY 2016.

**Table 14 – Goal Descriptions**

## **AP-25 Allocation Priorities – 91.320(d)**

### **Introduction**

The CPD Programs serve special needs populations and meet the 13 Priority Needs found in Strategic Plan 25 of the 2015-2019 Consolidated Plan. These Needs in Strategic Plan 25 are correlated with Goals in Action Plan 20 to show which activities will serve which priority needs. The goals from Action Plan 20 are listed below with allocation percentages. Percentages in the chart below are estimated and may change depending on funding received from HUD, legislative priorities, and funding requests from administrators or subrecipients. Due to software restrictions, allocations are rounded to the nearest whole number and do not reflect precise percentages.

Also, for the other programs listed in the anticipated resources (Action Plan 15) that could be used to leverage funds, including 4% HTC, 9% HTC, HHSP, Housing Trust Fund, MCC, and My First Texas Home Program, NSP PI, Section 8 HCV programs, Section 811 PRA, and TCAP Loan Repayments, goals are tailored to each program in the planning documents governing those programs. These documents can be found at <http://www.tdhca.state.tx.us>. In addition to meeting the priority needs, the CPD Program works to serve special needs populations as described in this section. HOME and ESG's special needs populations are discussed in the introduction, and HOPWA and CDBG are included in the discussion below.

### **HOME Serves Special Needs**

TDHCA has determined that programs may target assistance to the following special needs populations: persons with disabilities, persons with alcohol or other drug addiction, persons living with HIV/AIDS ("PLWH"), persons with Violence Against Woman Act ("VAWA") protections, colonia residents, farmworkers, homeless populations, veterans, wounded warriors (as defined by the Caring for Wounded Warriors Act of 2008), and public housing residents. Preferences may also include programs designed to assist single parents, persons transitioning out of incarceration, and persons transitioning out of foster homes and nursing facilities.

For Administrators who have programs that are designed to limit assistance to certain populations, TDHCA will only approve program designs that limit assistance to households that include a member within the following populations if necessary to provide as effective housing, aid, benefit, or services as those provided to others in accordance with 24 CFR §8.4(b)(1)(iv): PLWH, mental illness, alcohol or other drug addiction, or households that would qualify under the TDHCA's Project Access program as defined in 10 TAC §5.801. Otherwise, Administrators may only give preference to populations described in the special needs section.



For HOME or NHTF rental housing, TDHCA will allow development of housing that meets requirements under the Housing for Older Persons Act. TDHCA may also consider permitting rental housing owners to give a preference or limitation as indicated in this section and may allow a preference or limitation that is not described in this section to encourage leveraging of federal or state funding, provided that another federal or state funding source for the rental housing requires a limitation or preference. TDHCA may put further guidelines on development of specific types of rental housing by rule or NOFA.

#### ESG Serves Special Needs

ESG does not have funding allocation priorities for special needs populations. However, the 2016 ESG NOFA includes points for applicants that propose to serve persons with higher barriers to housing, including persons with serious mental illness, persons recently released from institutions, persons with substance abuse disorders, veterans, survivors of domestic violence, or youth aging out of foster care. The 2016 ESG NOFA also includes points for applicants that use the Housing First approach to ending homelessness, which is often used for people with substance use/abuse and mental illness.

**Funding Allocation Priorities**

	Homeless Goals (%)	Construction of single family housing (%)	Rehabilitation of single family housing (%)	Homebuyer assistance with possible rehabilitation (%)	Tenant-Based Rental Assistance with HOME funding (%)	HOME Households in new/rehabed multifamily units (%)	HOPWA Tenant-Based Rental Assistance (%)	HOPWA Short-Term Rent, Mortgage, & Utilities Asst (%)	HOPWA Permanent Housing Placement Assistance (%)	HOPWA-Funded Supportive Services (%)	CDBG Other Construction (%)	CDBG Economic Development (%)	CDBG Planning / Capacity Building (%)	CDBG Disaster Relief / Urgent Need (%)	CDBG Colonia Set-Aside (%)	CDBG Colonia Self-Help Centers (%)	CDBG Administration (%)	HOME Administration (%)	NHTF households in new/rehabed multifamily units (%)	NHTF Administration (%)	Colonias Set-Aside (%)	Total (%)
CDBG	0	0	0	0	0	0	0	0	0	0	65	15	1	4	10	2	3	0	0	0	0	100
CDBG Colonias Set-aside	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	100	100
HOME	0	0	20	12	16	52	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	100
HOPWA	0	0	0	0	0	0	70	13	1	16	0	0	0	0	0	0	0	0	0	0	0	100
ESG	100	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	100
Housing Trust Fund	0	0	0	0	0	100	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	100

**Table 15 – Funding Allocation Priorities**

## **Reason for Allocation Priorities**

### **How will the proposed distribution of funds will address the priority needs and specific objectives described in the Consolidated Plan?**

#### HOME Allocation Priorities

TDHCA prioritizes HOME funding for multifamily, single-family, and Set-Aside activities. Multifamily activities were historically allocated a higher percent of funds to address the priority needs of Rental Assistance and Production of New Units, promote tax credit leveraging, and because they account for a large portion of HOME's program income. However, TDHCA now has access to TCAP Loan Repayments, so these priorities will continue to have funds directed toward them, while likely reducing the allocation of HOME funds directed towards multifamily activities.

Although the 2015 HOME allocation to TDHCA was reduced from 2014 funding levels, funding for single family activities actually increased overall as TDHCA begins to access TCAP loan repayments for multifamily activities and by directing deobligated funding and program income resources to single family activities. Funding for single family activities from the 2016 annual allocation is anticipated to be awarded based on TDHCA's Regional Allocation Formula, with residual funding available through the Reservation System, allowing local administrators to prioritize single family activities on a household-by-household basis for:

- Homebuyer Assistance, (including contract-for-deed conversions) which addresses Acquisition of Existing Units and Rehabilitation of Existing Units priority needs;
- Homeowner Rehabilitation Assistance, which addresses Rehabilitation of Existing Units priority need; and
- TBRA, which addresses Rental Assistance priority need.

These priorities are a result of the consolidated planning process and significant public input.

#### ESG Allocation Priorities

ESG does not have allocation priorities for priority needs. ESG funds can be utilized for all eligible purposes within limitations set by ESG regulations and guided by local Continuum of Care ("CoC") direction, including:

- Homeless outreach;
- Emergency shelter;
- Rapid re-housing; and
- Homelessness prevention.

Persons experiencing homelessness and resources for persons experiencing homelessness are often concentrated in urban areas. While the need in urban areas for resources is great, there are large areas of Texas without direct access to ESG funds. The 2016 ESG NOFA established a system of scoring in which applicants receive more points for clients they serve in rural areas.

#### HOPWA Allocation Priorities

HOPWA provides the following activities in line with priority needs:

- TBRA, which addresses Rental Assistance priority needs;
- STRMU, which addresses Homelessness Prevention priority needs;
- Supportive Services Program, which addresses Supportive Services for PLWH priority needs; and
- PHP, which addresses Homelessness Prevention priority needs.

#### CDBG Allocation Priorities

The CDBG Program offers the following activities, which relate to the corresponding priority needs. The majority of CDBG funds are used to meet basic human needs. These projects, in addition to being among the most critical needs in the state, are prioritized locally by regional review committees and local communities. Colonia funding allocation is reflected in "Colonias Set-Aside" column.

- The majority of funds are awarded to address basic human needs, including improvements to water and sewer systems and roads for low and moderate income ("LMI") communities.
- Economic development activities are funded to create and retain jobs primarily for LMI persons.
- Public facilities such as community centers and public safety facilities are less common activities, but are very valuable to LMI communities.
- Colonias SHC activities provide public services and housing funds for colonia residents living along the Texas-Mexico border.

#### NHTF Allocation Priorities

The NHTF Program activities for PY 2016 will be limited to acquisition, construction or rehabilitation of multifamily housing to address the priority needs of Rental Assistance and Production of New Units, promote leveraging of other fund sources. Particularly as this is a new fund source and a new program, the administrative burden of implementation is reduced by using the funds within the well established multifamily finance structure.

### **How will the proposed distribution of funds will address the priority needs and specific objectives described in the Consolidated Plan?**

The special needs populations for HOME and ESG are described in the Introduction. HOPWA and CDBG discuss special needs populations below.

#### HOPWA Serves Special Needs

Texas HOPWA serves PLWH and their family members, all of whom are at or below 80% of the AMI, and most of whom fall into the extremely-low-income category. As previously noted, allocations generally mirror the Ryan White Program allocation formula, which takes into account population of PLWH, HIV incidence, number of PLWH accessing Ryan White services, percent of PLWH eligible for Medicaid and other considerations. The allocations are then adjusted based on unmet need, prior performance and expenditures, geographic-specific data provided by Project Sponsors, and any other relevant factors. After allocations to each HIV Service Delivery Area (HSDA) are determined, it is then up to the Project Sponsor to allocate between activities of TBRA, STRMU, PHP, Supportive Services, and administrative expenses (not to exceed 7% of their allocation) and submit those to their Administrative Agents

("AAs") and the Department of State Health Services ("DSHS") for approval. Project Sponsors base allocations on many factors, including but not limited to, number of clients projected to continue into the next year, area unmet need, rental costs, prior number of clients served, average expenditures per client, and changes in HIV population living in poverty, etc. Funds are also reallocated during the year within HSDAs under each AA as needed.

#### CDBG Serves Special Needs

CDBG provides over 90% of available funds for projects that primarily benefit low-to moderate-income persons through basic infrastructure, housing, job creation and other activities as identified at the local level. Among those projects, CDBG sets aside 12.5% of funds to specifically benefit colonia residents through planning activities, infrastructure and housing construction, self-help center services, construction activities, and public services. Funding for community development projects in colonias and other LMI communities is a critical element in the well-being of these communities.

In 1996, in an effort to place more emphasis on addressing the needs of colonias, the OCI at TDCHA was created and charged with the responsibility of coordinating all TDHCA's and legislative initiatives involving border and colonia issues and managing a portion of TDHCA's existing programs targeted at colonias. The fundamental goal of the OCI is to improve the living conditions and lives of border and colonia residents and to educate the public regarding the services that the Department has to offer. As part of its plan to improve the living conditions in colonias, the OCI offers Border Field Offices. The three OCI Border Field Offices are located in Pharr, Laredo, and El Paso to provide technical assistance to border counties, Colonia SHCs, and Bootstrap Program participants.

## AP-30 Methods of Distribution – 91.320(d)&(k)

### Introduction

Given that Texas is the second largest state in the nation by total area, the method of distribution of its funds has to take into account a very large area. To serve this large area it is necessary for the State to use subrecipients to administer the programs funded under CPD. The selection processes for these entities are generally described below.

### Distribution Methods

Table 16 - Distribution Methods by State Program

<b>1</b>	<b>State Program Name:</b>	Colonia Economically Distressed Areas Program (CEDAP)
	<b>Funding Sources:</b>	CDBG CDBG Colonias Set-aside
	<b>Describe the state program addressed by the Method of Distribution.</b>	Colonia Economically Distressed Areas Program (CEDAP) Legislative Set-Aside fund provides funding to eligible cities and counties to assist colonia residents that cannot afford the cost of service lines, service connections, and plumbing improvements associated with being connected to a TWDB Economically Distressed Area Program or similar water or sewer system improvement project.
	<b>Describe all of the criteria that will be used to select applications and the relative importance of these criteria.</b>	The TDA will evaluate the following factors prior to awarding CEDAP funds: The proposed use of the CDBG funds including the eligibility of the proposed activities and the effective use of the funds to provide water or sewer connections/yard lines to water/sewer systems funded through Economically Distressed Area Program or similar program; The ability of the applicant to utilize the grant funds in a timely manner; The availability of funds to the applicant for project financing from other sources; The applicant's past performance on previously awarded CDBG contracts; Cost per beneficiary; and Proximity of project site to entitlement cities or metropolitan statistical areas (MSAs).
	<b>If only summary criteria were described, how can potential applicants access application manuals or other state publications describing the application criteria? (CDBG only)</b>	Guidelines, applications and additional program documentation can be found on TDA's website at <a href="http://www.texasagriculture.gov">www.texasagriculture.gov</a> .

	<b>Describe how resources will be allocated among funding categories.</b>	The allocation is distributed on an as-needed basis.
	<b>Describe threshold factors and grant size limits.</b>	Maximum \$1,000,000/Minimum \$75,000
	<b>What are the outcome measures expected as a result of the method of distribution?</b>	Activities Benefiting LMI Persons
<b>2</b>	<b>State Program Name:</b>	Colonia Planning and Construction Funds
	<b>Funding Sources:</b>	CDBG CDBG Colonias Set-aside
	<b>Describe the state program addressed by the Method of Distribution.</b>	<p>The Colonia Planning Fund ("CPF") funds planning activities that either targets a specific colonia(s) (Colonia Area Planning) or that provides a countywide comprehensive plan (Colonia Comprehensive Planning). In order to qualify for the Colonia Area Planning activities, the county applicant must have completed a Colonia Comprehensive Plan that prioritizes problems and colonias for future action. The targeted colonia must be included in the Colonia Comprehensive Plan.</p> <p>The goal of the Colonia Fund Construction ("CFC") fund is to develop viable communities by providing decent housing, viable public infrastructure, and a suitable living environment, principally for persons residing within a community or area that meets the definition of a colonia. An eligible county applicant may submit an application for the following eligible construction activities:</p> <p>Assessments for Public Improvements - The payment of assessments (including any charge made as a condition of obtaining access) levied against properties owned and occupied by persons of low and moderate income to recover the capital cost for a public improvement.</p> <p>Other Improvements - Other activities eligible under 42 USC Section 5305 designed to meet the needs of colonia residents.</p>

<p><b>Describe all of the criteria that will be used to select applications and the relative importance of these criteria.</b></p>	<p>Colonia Fund: Construction. The selection criteria for the Colonia Fund: Construction will focus upon the following factors: community distress; percentage of people living in poverty; per capita income; percentage of housing units without complete plumbing; unemployment rate; benefit to LMI persons; project priorities; project design; matching funds; and past performance.</p> <p>Colonia Fund: Planning (Area). The selection criteria for the Colonia Fund: Planning will focus upon the following factors: community distress; percentage of people living in poverty; per capita income; percentage of housing units without complete plumbing; unemployment rate; project design; the severity of need within the colonia area(s) and how clearly the proposed planning effort will remove barriers to the provision of public facilities to the colonia area(s) and result in the development of an implementable strategy to resolve the identified needs; the planning activities proposed in the application; whether each proposed planning activity will be conducted on a colonia-wide basis; the extent to which any previous planning efforts for colonia area(s) have been accomplished; the CDBG cost per LMI beneficiary; the availability of funds to the applicant for project financing from other sources; the applicant's past performance on previously awarded CDBG contracts; benefit to LMI persons; and matching funds.</p> <p>Colonia Fund: Planning (Comprehensive). The selection criteria for the Colonia Fund: Planning will focus upon the following factors: community distress; percentage of people living in poverty; per capita income; percentage of housing units without complete plumbing; unemployment rate; project design; the severity of need for the comprehensive colonia planning effort and how effectively the proposed comprehensive planning effort will result in a useful assessment of colonia populations, locations, infrastructure conditions, housing conditions, and the development of short-term and long term strategies to resolve the identified needs; the extent to which any previous planning efforts for colonia area(s) have been accomplished; whether the applicant has provided any local matching funds for the planning or preliminary engineering activities; the applicant's past performance on previously awarded CDBG contracts; and award history (an applicant that has previously received a CDBG comprehensive planning award would receive lower priority for funding).</p>
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<p><b>If only summary criteria were described, how can potential applicants access application manuals or other state publications describing the application criteria? (CDBG only)</b></p>	<p>Guidelines, applications and additional program documentation can be found on TDA's website at <a href="http://www.texasagriculture.gov">www.texasagriculture.gov</a>.</p>
<p><b>Describe how resources will be allocated among funding categories.</b></p>	<p>The State CDBG allocation 6.75% (approximately) is allocated to the Colonia Fund. Of the yearly CDBG allocation to the Colonia Construction and Planning Fund, 97.5% (approximately) of those funds are to award grants through the CFC and 2.5% (approximately) are to award grants through the CFP. Subsequent to awarding funds, any portion of the CFC allocation that is unable to be awarded (i.e., fund an application in the minimum amount of \$75,000, etc.) may be used to fund additional eligible CFP applications, and conversely, any portion of the CFP allocation that is unable to be awarded may be used to fund additional eligible CFC applications.</p>
<p><b>Describe threshold factors and grant size limits.</b></p>	<p>CFP Maximum \$100,000/Minimum \$0 CFC Maximum \$500,000/Minimum \$75,000</p>
<p><b>What are the outcome measures expected as a result of the method of distribution?</b></p>	<p>Activities Benefiting LMI Persons</p>
<p><b>3 State Program Name:</b></p>	<p>Colonia SHC Legislative Set-Aside (administered by TDHCA)</p>
<p><b>Funding Sources:</b></p>	<p>CDBG CDBG Colonias Set-aside</p>
<p><b>Describe the state program addressed by the Method of Distribution.</b></p>	<p>Administered by TDHCA and funded through CDBG, the Colonia SHC Program serves colonias along the Texas-Mexico border. Colonia SHCs provide concentrated on-site technical assistance to low- and very low-income individuals and families in a variety of ways including housing, community development activities, infrastructure improvements, outreach and education. Key services include: housing rehabilitation; new construction; surveying and platting; construction skills training; tool library access for self-help construction; housing finance; credit and debt counseling; grant writing; infrastructure construction and access; contract-for-deed conversions; and capital access for mortgages.</p>

	<b>Describe all of the criteria that will be used to select applications and the relative importance of these criteria.</b>	Approximately 42,000 residents live in the targeted colonias served by the colonia SHC Program. The SHCs process applications from income eligible households on a first come, first served basis. Eligible households must reside in one of the targeted colonias, which have been preselected by each recipient and county and confirmed by C-RAC. Households must earn less than 80% of AMI.
	<b>If only summary criteria were described, how can potential applicants access application manuals or other state publications describing the application criteria? (CDBG only)</b>	Colonia SHCs are limited statutorily and serve seven targeted colonias within their associated participating county. The SHCs and TDHCA's Border Field Offices both conduct outreach activities throughout the contract period to inform colonia residents of program benefits and eligibility criteria and to provide application assistance.
	<b>Describe how resources will be allocated among funding categories.</b>	Of the State CDBG allocation, 2.5% (approximately) is allocated to this fund. Counties that are statutorily designated to participate in the Colonia SHC Program propose which target colonias should receive concentrated attention and through what scope of program activities and funding. Each SHC designs a proposal unique to the needs of a specific community and based on a needs assessment. After a C-RAC, composed of residents from previously participating colonias, reviews and approves the proposals from the counties, the proposals are then reviewed and approved by the TDHCA's Board of Directors for implementation. Resources are allocated based on analysis and input from each community.
	<b>Describe threshold factors and grant size limits.</b>	Maximum \$1,000,000/Minimum \$500,000 For the colonia SHC, program rules limit the assistance to up to \$1,000,000 per colonia SHC per contract period. Each program activity, such as new construction, rehabilitation, and small repairs for housing, for example, are limited to specific dollar amounts.
	<b>What are the outcome measures expected as a result of the method of distribution?</b>	For the Colonia SHC Program, outcomes include: colonia residents assisted, housing units assisted or created, instances of technical assistance provided, and instances of information delivered. In general, this is Activities Benefiting LMI Persons.
4	<b>State Program Name:</b>	Colonias to Cities Initiative Program
	<b>Funding Sources:</b>	CDBG CDBG Colonias Set-aside

<p><b>Describe the state program addressed by the Method of Distribution.</b></p>	<p>The Colonia to Cities Initiative ("CCIP") provides funding for basic infrastructure considered necessary for a colonia area to be annexed by an adjoining city. Priority is given to colonias that have received prior CDBG funding. Both the county and city must submit a multi-jurisdictional pre-application for the project that includes a resolution from each jurisdiction. The city's resolution must include a firm commitment to annex the colonia upon completion of the project. Failure to annex the colonia may result in a requirement to repay the CDBG funding to TDA.</p>
<p><b>Describe all of the criteria that will be used to select applications and the relative importance of these criteria.</b></p>	<p>The TDA will evaluate the following factors prior to awarding CCIP funds:</p> <ul style="list-style-type: none"> <li>- the proposed use of the TxCDBG funds including the eligibility of the proposed activities;</li> <li>- the ability of the community to utilize the grant funds in a timely manner;</li> <li>- the availability of funds to the community for project financing from other sources;</li> <li>- the community's past performance on previously awarded TxCDBG contracts, if applicable;</li> <li>- cost per beneficiary; and</li> <li>- commitment by the city to annex the colonia area within one year of project completion.</li> </ul> <p>If applications exceed the available funding, the Department may use the scoring factors established for the Colonia Fund-Construction component.</p>
<p><b>If only summary criteria were described, how can potential applicants access application manuals or other state publications describing the application criteria? (CDBG only)</b></p>	<p>Eligible applicants will be notified if funds become available.</p>
<p><b>Describe how resources will be allocated among funding categories.</b></p>	<p>If there are an insufficient number of projects ready for CEDAP funding, the CEDAP funds may be transferred to the Colonias to Cities Initiative.</p>
<p><b>Describe threshold factors and grant size limits.</b></p>	<p>Minimum \$100,000/Maximum \$1,000,000</p>

	<b>What are the outcome measures expected as a result of the method of distribution?</b>	Activities Benefiting Low and Moderate Income ("LMI") Persons
5	<b>State Program Name:</b>	Community Development Fund
	<b>Funding Sources:</b>	CDBG
	<b>Describe the state program addressed by the Method of Distribution.</b>	<p>The Community Development ("CD") Fund is available on a biennial basis through a competition in each of the State's 24 planning regions. The goal of the CD Fund is to develop viable communities by providing decent housing, viable public infrastructure, and a suitable living environment, principally for persons of low to moderate income.</p> <p>Applicants are encouraged to provide for infrastructure and housing activities that will improve opportunities for LMI persons. When considering and designing projects, applicants must continue to consider project activities that will affirmatively further fair housing, which includes project activities that provide basic infrastructure (such as water, sewer, and roads) that will benefit residential housing and other housing activities.</p>

<p><b>Describe all of the criteria that will be used to select applications and the relative importance of these criteria.</b></p>	<p>CD applicants are scored using a shared system with 90% of the scoring criteria established by Regional Review Committees ("RRC") and 10% established by the state's scoring criteria. There is a Regional Review Committee in each of the 24 State planning regions. Each RRC will be comprised of 12 members appointed at the pleasure of the Texas Commissioner of Agriculture. A quorum of seven members is required for all public hearings. Each RRC is responsible for determining local project priorities and objective scoring criteria for its region for the CD Fund in accordance with the requirements in this Action Plan. Additionally, the RRC shall establish the numerical value of the points assigned to each scoring factor and determine the total combined points for all RRC scoring criteria. The Regional Review Committees are responsible for convening public hearings to discuss and select the objective scoring criteria that will be used to score and rank applications at the regional level. The public must be given an opportunity to comment on the priorities and the scoring criteria considered. The final selection of the scoring criteria is the responsibility of each RRC and must be consistent with the requirements in this Action Plan. The RRC may not adopt scoring factors that directly negate or offset the State's scoring factors. Each RRC shall develop a RRC Guidebook, in the format provided by TDA, to notify eligible applicants of the objective scoring criteria and other RRC procedures for the region. The Guidebook must be submitted to TDA and approved at least ninety days prior to the application deadline.</p> <p>The state scoring will be based on the following:</p> <ol style="list-style-type: none"> <li>1. Past selection - 4% of Maximum Possible RRC Score for each region.</li> <li>2. Past Performance- 4% of Maximum Possible RRC Score for each region.</li> <li>3. All project activities within the application would provide basic infrastructure or housing activities - 2% of Maximum Possible RRC Score for each region. (Basic infrastructure - the basic physical shared facilities serving a community's population consisting of water, sewage, roads and flood drainage. Housing activities - as defined in 24 Code of Federal Regulations ("CFR") Part 570.)</li> </ol>
<p><b>If only summary criteria were described, how can potential applicants access application manuals or other state publications describing the application criteria? (CDBG only)</b></p>	<p>Guidelines, applications and additional program documentation can be found on TDA's website at <a href="http://www.texasagriculture.gov">www.texasagriculture.gov</a>.</p>

	<b>Describe how resources will be allocated among funding categories.</b>	64.83% (approximately) of the State CDBG allocation is allocated to this fund.
	<b>Describe threshold factors and grant size limits.</b>	Minimum \$75,000/Maximum \$800,000, regions may establish additional grant amount limits.
	<b>What are the outcome measures expected as a result of the method of distribution?</b>	Activities Benefiting LMI Persons
6	<b>State Program Name:</b>	Community Enhancement Fund
	<b>Funding Sources:</b>	CDBG
	<b>Describe the state program addressed by the Method of Distribution.</b>	The Community Enhancement ("CEF") Fund provides a source of funds (when available) not available through other CDBG programs to stimulate a community's economic development efforts and improve self-sufficiency. The project must have the potential to benefit all citizens within a jurisdiction. The community project must provide a benefit that will enhance the overall quality of life in the rural community.
	<b>Describe all of the criteria that will be used to select applications and the relative importance of these criteria.</b>	The selection criteria for the Community Enhancement Fund will focus on the following factors: a. LMI percentage of the applicant; b. Partnerships; c. Multi-Purpose Facility or Public Safety Equipment; d. Sustainability; and e. Match.
	<b>If only summary criteria were described, how can potential applicants access application manuals or other state publications describing the application criteria? (CDBG only)</b>	Guidelines, applications and additional program documentation can be found on TDA's website at <a href="http://www.texasagriculture.gov">www.texasagriculture.gov</a> .

	<b>Describe how resources will be allocated among funding categories.</b>	Deobligated funds up to \$3,000,000 are made available for the CE Fund on the first day of a program year.
	<b>Describe threshold factors and grant size limits.</b>	Minimum \$50,000/Maximum \$500,000
	<b>What are the outcome measures expected as a result of the method of distribution?</b>	Activities Benefiting LMI Persons
7	<b>State Program Name:</b>	Disaster Relief Funds
	<b>Funding Sources:</b>	CDBG
	<b>Describe the state program addressed by the Method of Distribution.</b>	<p>Disaster Relief ("DR") Fund assistance is available as needed for eligible activities in relief of disaster situations where either a state or federal disaster declaration has been issued.</p> <p>Declaration other than Drought: Priority for the use of these funds is for repair and restoration activities that meet basic human needs (such as water and sewer facilities, housing, and roads), and may not include funding to construct public facilities that did not exist prior to the occurrence of the disaster.</p> <p>Declaration for Drought: Funding in response to a Governor's drought disaster declaration covering the area that would benefit from project activities must include new facilities to improve water supply, subject to the conditions set forth in Title 4, Part 1, Chapter 30, Subchapter A of the Texas Administrative Code.</p>

<p><b>Describe all of the criteria that will be used to select applications and the relative importance of these criteria.</b></p>	<p>To qualify for the DR Fund:</p> <ul style="list-style-type: none"> <li>a. The situation addressed by the applicant must be both unanticipated and beyond the control of the local government.</li> <li>b. The problem being addressed must be of recent origin. For DR Fund assistance, this means that the application for assistance must be submitted no later than 12 months from the date of the state or federal disaster declaration.</li> <li>c. Funds will not be provided under Federal Emergency Management Agency's ("FEMA's") Hazard Mitigation Grant Program for buyout projects unless TDA receives satisfactory evidence that the property to be purchased was not constructed or purchased by the current owner after the property site location was officially mapped and included in a designated flood plain area.</li> <li>d. Each applicant must demonstrate that adequate local funds are not available, i.e., the entity has less than six months of unencumbered general operations funds available in its balance as evidenced by the last available audit required by state statute, or funds from other state or federal sources are not available to completely address the problem.</li> <li>e. TDA may consider whether funds under an existing CDBG contract are available to be reallocated to address the situation.</li> <li>f. The distribution of these funds will be coordinated with other state agencies.</li> </ul>
<p><b>If only summary criteria were described, how can potential applicants access application manuals or other state publications describing the application criteria? (CDBG only)</b></p>	<p>Guidelines, applications and additional program documentation can be found on TDA's website at <a href="http://www.texasagriculture.gov">www.texasagriculture.gov</a>.</p>
<p><b>Describe how resources will be allocated among funding categories.</b></p>	<p>4.10% (approximately) of the State CDBG allocation is allocated to the DR Fund. Deobligated funds up to \$1,000,000 are made available for the DR Fund on the first day of a program year, and additional deobligated funds may be allocated to the DR Fund according to the procedures described in the Additional Detail on Method of Distribution section following this table. The amount for this fund category may be adjusted during the program year as needed.</p>
<p><b>Describe threshold factors and grant size limits.</b></p>	<p>Maximum \$350,000/Minimum \$50,000</p>



	<b>What are the outcome measures expected as a result of the method of distribution?</b>	Meet other community development needs of particular urgency which represent an immediate threat to the health and safety of residents of the community.
8	<b>State Program Name:</b>	General HOME Funds for Single-Family Activities
	<b>Funding Sources:</b>	HOME
	<b>Describe the state program addressed by the Method of Distribution.</b>	TDHCA awards single-family activity funds as grants and loans through a network of local administrators for Homeowner Rehabilitation, Homebuyer Assistance, and TBRA. Assistance length and term depends on the type of activity. The funds are initially being made available competitively on a regional basis, then later remaining funds are made available statewide on a first-come, first-served Reservation System, a contract-based system or some combination of these two methods. The method will be described in NOFAs and is informed by needs analysis, oversubscription for the activities, and public input.

<p><b>Describe all of the criteria that will be used to select applications and the relative importance of these criteria.</b></p>	<p>Applicants must comply with requirements stated in NOFAs, the Single-Family Programs Umbrella Rule, and State HOME Program Rules in effect at the time they receive their award.</p> <p>Review of Applications</p> <p>All programs will be operated through direct administration by TDHCA, reallocation of deobligated funding and program income, or through the release of Notices of Funding Availability (NOFAs) with an emphasis on geographic dispersion of funds, particularly in rural areas of the state, using a Regional Allocation Formula (RAF) which uses objective measures to determine rural housing needs such as poverty and substandard housing. For NOFAs, applicants must submit a complete application to be considered for funding, along with an application fee determined by TDHCA. Applications received by TDHCA will be reviewed for applicable threshold, eligibility and/or scoring criteria in accordance with the Department’s rules and application review procedures published in the NOFA and/or application materials. Information related to NOFAs, application requirements and fees, and application review procedures and materials is available at <a href="http://www.tdhca.state.tx.us/home-division/index.htm">http://www.tdhca.state.tx.us/home-division/index.htm</a>.</p> <p>Selection Process</p> <p>Qualifying applications are recommended for funding based on the Department’s rules and any additional requirements established in the NOFA. Applications submitted for development activities will also receive a review for financial feasibility, underwriting and compliance under the HOME Final Rule as well as the Department’s existing previous participation review process.</p> <p>The state may select subrecipients or state recipients as described in program rules and NOFAs, or may conduct a portion of HOME activities directly in accordance with §92.201.</p> <p>Deobligated HOME Program Funds</p> <p>When administrators have not successfully expended the HOME funds within their contract period, TDHCA de-obligates the funds and pools the dollars for redistribution according to TDHCA’s Deobligated Funds Policy at 10 TAC §1.5, and consistent with the reservation system and any open NOFAs. TDHCA may also reallocate these funds through a competitive NOFA process resulting in an award of funds.</p>
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	<b>Describe how resources will be allocated among funding categories.</b>	TDHCA announces the annual allocation of HOME Single-Family funds through a NOFA and specifies that the funds will initially be made available using a Regional Allocation Formula ("RAF") which divides funds among 26 sub-regions as required by state statute. The allocation method is developed based on a formula which considers need and funding availability. After a period of several months, regional allocations collapse. Following the release of the annual allocation through the RAF, TDHCA periodically adds HOME program income and deobligated funds to the funds available via the Reservation System and either allocates a specific amount of funds per activity based on funding priorities or may allow HOME administrator's requests for funding through the system to determine how the funds are finally allocated among fund categories. TDHCA may specify the maximum amount of funds that will be released for each activity type and may allocate funds via a first come, first served Reservation System or alternate method based on public comment.
	<b>Describe threshold factors and grant size limits.</b>	Applicants must comply with requirements stated in the HOME NOFA and State HOME Program Rules in effect the year they receive their award. These sources provide threshold limits and grant size limits per activity type.
	<b>What are the outcome measures expected as a result of the method of distribution?</b>	Assistance to LMI households.
9	<b>State Program Name:</b>	HOME Multifamily Development
	<b>Funding Sources:</b>	HOME
	<b>Describe the state program addressed by the Method of Distribution.</b>	The Multifamily Direct Loan Program awards loans to for-profit and nonprofit multifamily developers to construct and rehabilitate affordable rental housing. These loans typically carry a 0% to 5% interest rate and have terms ranging from 15 years to 40 years. The vast majority of the loans are made in conjunction with awards of 4% or 9% HTC's.
	<b>Describe all of the criteria that will be used to select applications and the relative importance of these criteria.</b>	TDHCA's Uniform Multifamily Rules set forth a minimum set of requirements that document a project owner's readiness to proceed with the development as evidenced by site control, notification of local officials, the availability of permanent financing, appropriate zoning for the site, and a market and environmental study. Additionally, the development must be near certain community assets. HOME Multifamily Direct Loan Program funds are typically awarded on a first-come, first-served basis, as long as the criteria above are met. For HOME Multifamily Direct Loan Program applications layered with 9% HTC's, the highest scoring applications in the 9% cycle that also request HOME funds take priority over lower scoring HOME Multifamily Development applications that may have been received earlier.

	<b>Describe how resources will be allocated among funding categories.</b>	Typically, of the HOME Multifamily Funds, 85% is available for general activities and 15% for Community Housing Development Organizations (CHDOs). However, the HOME Multifamily Direct Loan Program may make funds available annually under the General, Persons With Disabilities, and CHDO Set-Asides.
	<b>Describe threshold factors and grant size limits.</b>	TDHCA's Uniform Multifamily Rules set forth a minimum set of requirements that document a project owner's readiness to proceed with the development as evidenced by site control, notification of local officials, the availability of permanent financing, experience of the developer, appropriate zoning for the site, and a market and environmental study. Additionally, the development must be near certain community assets such as a bank, pharmacy, or medical office and have certain unit amenities and common amenities. Awards of HOME Multifamily Direct Loan Program funds range from approximately \$300,000 to \$3 million per application in the form of a loan.
	<b>What are the outcome measures expected as a result of the method of distribution?</b>	Assistance to LMI households.
<b>10</b>	<b>State Program Name:</b>	Local Revolving Loan Funds
	<b>Funding Sources:</b>	CDBG
	<b>Describe the state program addressed by the Method of Distribution.</b>	TxCDBG allows communities that received Texas Capital Fund awards to support job creation or retention, and that created a local revolving loan fund, prior to implementation of the interim rule published November 12, 2015, to retain the program income generated by the economic development activities and to reinvest the funds to support job creation/retention activities.
	<b>Describe all of the criteria that will be used to select applications and the relative importance of these criteria.</b>	Criteria are established by local subrecipients, with guidance from the TxCDBG Revolving Loan Fund Information Guide provided by TDA.

<p><b>If only summary criteria were described, how can potential applicants access application manuals or other state publications describing the application criteria? (CDBG only)</b></p>	<p>The TxCDBG Revolving Loan Fund Information Guide is provided directly to subrecipients that have established revolving loan funds.</p>
<p><b>Describe how resources will be allocated among funding categories.</b></p>	<p>Program Income generated by a local RLF is retained by that community or returned to TDA for distribution according to the Action Plan. See "Grantee Unique Appendices" for table of local revolving loan funds.</p>
<p><b>Describe threshold factors and grant size limits.</b></p>	<p>Minimum loan amount: \$25,000. Additional parameters for minimum or maximum loan amounts may be established by the subrecipient.</p>
<p><b>What are the outcome measures expected as a result of the method of distribution?</b></p>	<p>Activities Benefitting LMI Persons through Job Creation/Retention</p>
<p><b>11</b></p>	<p><b>State Program Name:</b> National Housing Trust Fund</p>
	<p><b>Funding Sources:</b> Housing Trust Fund</p>
	<p><b>Describe the state program addressed by the Method of Distribution.</b></p> <p>The NHTF Program awards loans to for-profit and nonprofit multifamily developers to construct and rehabilitate multifamily affordable housing. Because the NHTF is required to benefit ELI households at 30% of AMI or less, the units will likely not be able to service a debt payment. The constraints on NHTF dictate that the funds be available as 0% interest, deferred payment loan, or as a 0% interest cash flow loans, if required, to leverage with tax credits or other financing mechanisms.</p>

<p><b>Describe all of the criteria that will be used to select applications and the relative importance of these criteria.</b></p>	<p>TDHCA's Uniform Multifamily Rules set forth a minimum set of requirements that document a project owner's readiness to proceed with the development as evidenced by site control, notification of local officials, the availability of permanent financing, appropriate zoning for the site, and a market and environmental study.</p> <p>Additionally, the development must be near certain community assets. TDHCA Multifamily Direct Loan Program funds are typically awarded on a first-come, first-served basis, as long as the criteria above are met. For NHTF Multifamily Development applications layered with 9% HTCs, the highest scoring applications in the 9% cycle that also request NHTF funds take priority over lower scoring HOME NHTF Multifamily Development applications. Applications that will create new ELI units without preexisting vouchers or other rental subsidy will be prioritized, and additional criteria may be imposed for applications not layered with tax credits.</p>						
<p><b>Describe how resources will be allocated among funding categories.</b></p>	<p>Multifamily Direct Loan Program</p> <p>NHTF will not be allocated among funding categories. The requirement to serve ELI households already meets a setaside category in TDHCA Multifamily programs.</p>						
<p><b>Describe threshold factors and grant size limits.</b></p>	<p>TDHCA's Uniform Multifamily Rules set forth a minimum set of requirements that document a project owner's readiness to proceed with the development as evidenced by site control, notification of local officials, the availability of permanent financing, experience of the developer, appropriate zoning for the site, and a market and environmental study. Additionally, the development must be near certain community assets such as a bank, pharmacy, or medical office and have certain unit amenities and common amenities. NHTF will be integrated into the TDHCA Multifamily Direct Loan Program. Awards may range from approximately \$300,000 to \$3 million per application in the form of a loan for this program.</p>						
<p><b>What are the outcome measures expected as a result of the method of distribution?</b></p>	<p>Assistance to ELI households.</p>						
<p><b>12</b></p>	<table border="1"> <tr> <td data-bbox="142 1545 483 1577"> <p><b>State Program Name:</b></p> </td> <td data-bbox="492 1545 1502 1577"> <p>Planning/Capacity Building Fund</p> </td> </tr> <tr> <td data-bbox="142 1587 483 1619"> <p><b>Funding Sources:</b></p> </td> <td data-bbox="492 1587 1502 1619"> <p>CDBG</p> </td> </tr> <tr> <td data-bbox="142 1629 483 1829"> <p><b>Describe the state program addressed by the Method of Distribution.</b></p> </td> <td data-bbox="492 1629 1502 1829"> <p>The Planning/Capacity Building ("PCB") Fund is available to assist eligible cities and counties in conducting planning activities that assess local needs, develop strategies to address local needs, build or improve local capacity, or that include other needed planning elements (including telecommunications and broadband needs).</p> </td> </tr> </table>	<p><b>State Program Name:</b></p>	<p>Planning/Capacity Building Fund</p>	<p><b>Funding Sources:</b></p>	<p>CDBG</p>	<p><b>Describe the state program addressed by the Method of Distribution.</b></p>	<p>The Planning/Capacity Building ("PCB") Fund is available to assist eligible cities and counties in conducting planning activities that assess local needs, develop strategies to address local needs, build or improve local capacity, or that include other needed planning elements (including telecommunications and broadband needs).</p>
<p><b>State Program Name:</b></p>	<p>Planning/Capacity Building Fund</p>						
<p><b>Funding Sources:</b></p>	<p>CDBG</p>						
<p><b>Describe the state program addressed by the Method of Distribution.</b></p>	<p>The Planning/Capacity Building ("PCB") Fund is available to assist eligible cities and counties in conducting planning activities that assess local needs, develop strategies to address local needs, build or improve local capacity, or that include other needed planning elements (including telecommunications and broadband needs).</p>						

	<b>Describe all of the criteria that will be used to select applications and the relative importance of these criteria.</b>	The selection criteria for the PCB Fund will focus upon the following factors: a. Community Distress; a. Percentage of persons living in poverty; b. Per capita income; c. Unemployment rate; b. Benefit to LMI Persons; c. Project Design; d. Program Priority; e. Base Match; f. Area-wide Proposals; and g. Planning Strategy and Products.
	<b>If only summary criteria were described, how can potential applicants access application manuals or other state publications describing the application criteria? (CDBG only)</b>	Guidelines, applications and additional program documentation can be found on TDA's website at <a href="http://www.texasagriculture.gov">www.texasagriculture.gov</a> .
	<b>Describe how resources will be allocated among funding categories.</b>	1.0% (approximately) of the State CDBG allocation is allocated to this fund.
	<b>Describe threshold factors and grant size limits.</b>	Minimum \$0/Maximum \$55,000
	<b>What are the outcome measures expected as a result of the method of distribution?</b>	Activities Benefiting LMI Persons
13	<b>State Program Name:</b>	State Mandated Contract for Deed Conversion Set-Aside
	<b>Funding Sources:</b>	HOME

	<b>Describe the state program addressed by the Method of Distribution.</b>	The 81st Texas Legislature passed Appropriations Rider 6 to TDHCA's appropriation pattern, which requires TDHCA to spend no less than \$4 million for the biennium on contract for deed conversions for families that reside in a colonia and earn 60% or less of the applicable Area Median Income ("AMI"). Furthermore, TDHCA is targeted to convert no less than 200 contracts for deed into traditional notes and deeds of trust by August 31, 2016. The intent of this program is to help colonia residents become property owners by converting their contracts for deed into traditional mortgages. Households served under this initiative must not earn more than 60% of the Area Median Family Income ("AMFI") and the home converted must be their primary residence.
	<b>Describe all of the criteria that will be used to select applications and the relative importance of these criteria.</b>	Administrators must meet HOME Program threshold requirements to access funding. Funding is made available to contract for deed administrators on a first-come, first-served basis, in addition to threshold requirements outlined in the State HOME Program Rule, through the Reservation System.
	<b>Describe how resources will be allocated among funding categories.</b>	TDHCA sets aside \$2,000,000 for contract for deed conversion activities annually and releases the funds through the reservation system as a method of distribution.
	<b>Describe threshold factors and grant size limits.</b>	Applicants must meet the thresholds provided in the NOFA and State HOME Program Rules in effect the year in which they receive their award. Administrators are not awarded a grant following a successful application. Rather funds are awarded on a household by household basis.
	<b>What are the outcome measures expected as a result of the method of distribution?</b>	Assistance to households with incomes at or below 60% AMFI.
14	<b>State Program Name:</b>	TCF Main Street Program
	<b>Funding Sources:</b>	CDBG
	<b>Describe the state program addressed by the Method of Distribution.</b>	The Texas Capital Fund ("TCF") Main Street Program provides eligible Texas Main Street communities with grants to expand or enhance public infrastructure in historic main street areas.



	<b>Describe all of the criteria that will be used to select applications and the relative importance of these criteria.</b>	The selection criteria for the TCF Main Street Program will focus upon the following factors: a. Applicant Need criteria, including poverty rate, median income, unemployment rate, and community need; b. Project criteria, including leverage, economic development consideration, sidewalks projects and Americans with Disabilities Act ("ADA") compliance, broad-based public support, emphasis on benefit to LMI persons, and grant application training; and c. Main Street program criteria, including National Main Street program recognition, Main Street program participation, historic preservation ethic impact.
	<b>If only summary criteria were described, how can potential applicants access application manuals or other state publications describing the application criteria? (CDBG only)</b>	Guidelines, applications and additional program documentation can be found on TDA's website at <a href="http://www.texasagriculture.gov">www.texasagriculture.gov</a> .
	<b>Describe how resources will be allocated among funding categories.</b>	6% of the total TCF allocation up to a maximum amount of \$600,000, and program income up to \$150,000 (if available).
	<b>Describe threshold factors and grant size limits.</b>	Maximum \$250,000/Minimum \$50,000
	<b>What are the outcome measures expected as a result of the method of distribution?</b>	Eliminate or prevent slum and blight conditions.
15	<b>State Program Name:</b>	TCF Real Estate and Infrastructure Development Programs
	<b>Funding Sources:</b>	CDBG
	<b>Describe the state program addressed by the Method of Distribution.</b>	The Texas Capital Fund ("TCF") Real Estate and Infrastructure Development Programs provides grants and/or loans for Real Estate and Infrastructure Development to create or retain permanent jobs in primarily rural communities and counties.

<p><b>Describe all of the criteria that will be used to select applications and the relative importance of these criteria.</b></p>	<p>The selection criteria for the TCF Real Estate and Infrastructure Development will focus upon the following factors:</p> <ul style="list-style-type: none"> <li>a. Job creation criteria: <ul style="list-style-type: none"> <li>i. Cost-per-job,</li> <li>ii. Job impact,</li> <li>iii. Wage impact, and</li> <li>iv. Primary jobs created/retained;</li> </ul> </li> <li>b. Unemployment rate; and</li> <li>c. Return on Investment.</li> </ul> <p>Once applications are evaluated and determined to be in the funding range the projects will be reviewed upon the following additional factors:</p> <ul style="list-style-type: none"> <li>a. History of the applicant community in the program;</li> <li>b. Strength of the business or marketing plan;</li> <li>c. Evaluation of the business and the business’ principal owners credit;</li> <li>d. Evaluation of community and business need; and</li> <li>e. Justification of minimum necessary improvements to serve the project.</li> </ul>
<p><b>If only summary criteria were described, how can potential applicants access application manuals or other state publications describing the application criteria? (CDBG only)</b></p>	<p>Guidelines, applications and additional program documentation can be found on TDA's website at <a href="http://www.texasagriculture.gov">www.texasagriculture.gov</a>.</p>
<p><b>Describe how resources will be allocated among funding categories.</b></p>	<p>14.51% of the State CDBG allocation is allocated to the Real Estate and Infrastructure Development Programs minus the lesser of 18% or \$1,800,000 of the total TCF allocation. In addition, program income funds generated by TCF projects and not otherwise allocated are made available for the Real Estate and Infrastructure Development Programs on the first day of a program year. In accordance with 24 CFR 570.479(e)(ii), the State has determined that program income generated by TCF during PY 2016 must be returned to the State for redistribution to new economic development activities. TCF awards are made for a specific project, based on the minimum necessary work to support the creation or retention of specific jobs, which must be completed prior to close out of the TCF contract. Therefore the community is unlikely to continue funding the same activity in the near future as described in the new regulation.</p>

	<b>Describe threshold factors and grant size limits.</b>	Maximum \$1,500,000/Minimum \$150,000
	<b>What are the outcome measures expected as a result of the method of distribution?</b>	Activities Benefiting LMI Persons
16	<b>State Program Name:</b>	TCF Small and Micro Enterprise Revolving Fund
	<b>Funding Sources:</b>	CDBG
	<b>Describe the state program addressed by the Method of Distribution.</b>	The Texas Capital Fund ("TCF") Small and Micro Enterprise Revolving Fund provides grants to local partnerships of communities and non-profit organizations to establish a local revolving loan fund, providing loans to local small businesses that commit to create or retain permanent jobs.
	<b>Describe all of the criteria that will be used to select applications and the relative importance of these criteria.</b>	The selection criteria for the Small and Micro Enterprise Revolving Fund will focus on the following factors: a. Community Need; b. Non-Profit Loan Capacity; and c. Multi-jurisdictional applications.
	<b>If only summary criteria were described, how can potential applicants access application manuals or other state publications describing the application criteria? (CDBG only)</b>	Guidelines, applications and additional program documentation can be found on TDA's website at <a href="http://www.texasagriculture.gov">www.texasagriculture.gov</a> .
	<b>Describe how resources will be allocated among funding categories.</b>	Program Income funds up to \$1,500,000 are made available for the Small and Micro Enterprise Revolving Fund on the first day of a program year.
	<b>Describe threshold factors and grant size limits.</b>	\$100,000 per award

	<b>What are the outcome measures expected as a result of the method of distribution?</b>	Activities Benefiting LMI Persons
17	<b>State Program Name:</b>	Texas Capital Fund Downtown Revitalization Program
	<b>Funding Sources:</b>	CDBG
	<b>Describe the state program addressed by the Method of Distribution.</b>	The Texas Capital Fund ("TCF") Downtown Revitalization Program awards grant funds for public infrastructure to foster and stimulate economic development in rural downtown areas.
	<b>Describe all of the criteria that will be used to select applications and the relative importance of these criteria.</b>	The selection criteria for the TCF Downtown Revitalization Program will focus upon the following factors: a. Applicant Need criteria, including poverty rate, median income, unemployment rate, and community need; b. Project criteria, including leverage, economic development consideration, sidewalks projects, and ADA compliance, broad-based public support, emphasis on benefit to LMI persons, and grant application training; and c. Past Performance.
	<b>If only summary criteria were described, how can potential applicants access application manuals or other state publications describing the application criteria? (CDBG only)</b>	Guidelines, applications and additional program documentation can be found on TDA's website at <a href="http://www.texasagriculture.gov">www.texasagriculture.gov</a> .
	<b>Describe how resources will be allocated among funding categories.</b>	12% of the total TCF allocation up to a maximum of amount \$1,200,000, and program income up to \$350,000 (if available).
	<b>Describe threshold factors and grant size limits.</b>	Maximum \$250,000/Minimum \$50,000

	<b>What are the outcome measures expected as a result of the method of distribution?</b>	Eliminate or prevent slum and blight conditions.
18	<b>State Program Name:</b>	Texas ESG Program
	<b>Funding Sources:</b>	ESG
	<b>Describe the state program addressed by the Method of Distribution.</b>	The ESG Program is currently a competitive grant that awards funds to private nonprofit organizations, cities, and counties in the State of Texas to provide the services necessary to help persons that are at-risk of homelessness or homeless quickly regain stability in permanent housing. TDHCA ran a pilot program in 2014 and 2015 with two local Continuum of Care (‘CoC’) lead agencies to run a local competition of state ESG funding in their respective CoC regions. TDHCA expanded that pilot in 2016 to five CoC lead agencies, giving them more local control of the use of funds in their service areas. Applicants in the CoC regions in which the lead agency is running a local competition will apply directly to the CoC lead agency for TDHCA ESG funding. Applicants in the CoC regions in which the lead agency is not running a local competition will apply directly to the TDHCA for ESG funding. Ultimate award authority for all ESG funds remains with TDHCA’s Board.
<b>Describe all of the criteria that will be used to select applications and the relative importance of these criteria.</b>	In the competitive process with TDHCA, applications are selected based on: - Program Description and Capacity (11%); Proposed Performance (74%); Proposed Budget and Match (8%); CoC Participation and Coordination (6%); Language Access Plan (1%); and Past Performance of Subrecipients in ESG Expenditure and Reporting (negative scores only) The allocation amounts are established by formula by CoC region. Any funds returned to the Department from prior ESG awards before 2016 ESG awards are made, will be redistributed in accordance with the 2015 NOFA.	

<p><b>Describe the process for awarding funds to state recipients and how the state will make its allocation available to units of general local government, and non-profit organizations, including community and faith-based organizations. (ESG only)</b></p>	<p>For the competitive process, Texas releases a NOFA each spring in anticipation of the State's receipt of ESG funding. For 2016, Applications will be accepted for a 50-day period. Applications are scored and ranked within their CoC regions.</p> <p>Eligible applicant organizations are Units of General Purpose Local Government, including cities, counties and metropolitan cities; urban counties that receive ESG funds directly from HUD; and organizations as described in a NOFA or other funding mechanism. Other instrumentalities of a city or county, like an LMHA, may be eligible and should seek guidance from TDHCA to determine if they can apply. Governmental organizations such as Public Housing Authorities ("PHAs") are not eligible and cannot apply directly for ESG funds; however PHAs may serve as a partner in a collaborative Application, but may not be the lead entity. These same criteria will apply to those entities awarded directly by the CoCs as well.</p> <p>Eligible applicant organizations also include private nonprofit organizations that are secular or religious organizations described in section 501(c) of the Internal Revenue Code of 1986, are exempt from taxation under subtitle A of the Code, have an acceptable accounting system and a voluntary board, and practice non-discrimination in the provision of assistance. Faith-based organizations receiving ESG funds, like all organizations receiving HUD funds, must serve all eligible beneficiaries without regard to religion.</p>
<p><b>Describe how resources will be allocated among funding categories.</b></p>	<p>ESG funds may be used for six program components: street outreach, emergency shelter, homelessness prevention, rapid re-housing assistance, HMIS, and administrative activities. Per 24 CFR §576.100(b), the total amount of an Applicant's budget for street outreach and emergency shelter cannot exceed 60% of their total requested amount. Within a Collaborative Application, the 60% limit applies to the entire Application and not to each partner within the Collaborative Application. This requirement will also apply in the CoC local competition method.</p>
<p><b>Describe threshold factors and grant size limits.</b></p>	<p>Within each CoC region, applicants may request no less than \$125,000 unless the initial amount available in the region is less than \$125,000. In those cases, applicants may request an amount no less than the available allocation for that region. Single applicants may request a maximum of \$150,000. For a collaborative application, the maximum request amount is \$150,000 times the number of partners in the application, with a maximum request of \$600,000. The minimum request for a collaborative application is \$125,000, unless the initial amount available in the region is less than \$125,000. In those cases the collaborative applicant may request an amount no less than the available allocation for that region. In a collaborative application, each partner is not limited to budgeting \$150,000 each; the total grant amount may be budgeted among all partners as agreed upon. These numbers may be adjusted depending on the final allocation from HUD. If funds are being awarded by CoCs, they will establish these factors and limits with TDHCA approval. They will not necessarily reflect these factors, but will reflect a local decision-making process.</p>

	<b>What are the outcome measures expected as a result of the method of distribution?</b>	The expected outcome is that funds will be awarded to organizations that have the administrative and performance capacity to provide the services needed in their communities. The expected outcome of TDHCA's plan to fund the CoCs directly is that the same will be accomplished, but with CoC-wide planning rather than with only State planning.
19	<b>State Program Name:</b>	Texas HOPWA Program
	<b>Funding Sources:</b>	HOPWA
	<b>Describe the state program addressed by the Method of Distribution.</b>	DSHS selects seven AAs across the state through a combination of competitive Requests for Proposal ("RFP") and intergovernmental agency contracts. The AAs act as an administrative arm for DSHS by administering the HOPWA program locally. The AAs do not receive any HOPWA administrative funds from DSHS; all AA administrative costs are leveraged from other funding sources. The AAs, in turn, select HOPWA Project Sponsors to cover all 26 HSDAs through local competitive processes
	<b>Describe all of the criteria that will be used to select applications and the relative importance of these criteria.</b>	Information on grant applications, available funding opportunities, application criteria, etc. can be found on the DSHS website: <a href="http://www.dshs.state.tx.us/fic/default.shtm">http://www.dshs.state.tx.us/fic/default.shtm</a> . Contracting information and resources (i.e., General Provisions, contract requirements, etc.) are located on the DSHS website: <a href="http://www.dshs.state.tx.us/contracts/default.shtm">http://www.dshs.state.tx.us/contracts/default.shtm</a> . Contracting services for DSHS and other Health agencies are consolidated under the Health and Human Services Commission's Procurement and Contracting Services (PCS) Division. This division handles the solicitation, contract development, contract execution, and office of record for DSHS's contracting needs. Evaluation Criteria as noted in the most recent RFP process for AAs for Ryan White/State Services and HOPWA programs were: Respondent Background = 30%; Assessment Narrative = 15%; Performance Measures = 10%; Work Plan = 35%; and Budget = 10%.
	<b>Identify the method of selecting project sponsors (including providing full access to grassroots faith-based and other community-based organizations). (HOPWA only)</b>	The AAs select HOPWA Project Sponsors to cover all 26 HSDAs through local competitive processes. Community-based organizations, minority organizations, minority providers, grassroots and faith-based organizations are encouraged to apply. Historically, many of the agencies that have provided services to TDHCA's client population are grassroots, community-based, and minority organizations.

	<b>Describe how resources will be allocated among funding categories.</b>	Texas HOPWA funding allocations are geographically distributed across the state to the 26 HSDAs based on factors such as population of PLWH and unmet need. Texas HOPWA serves PLWH and their family members, all of whom are at or below 80% of AMI, and most fall into the extremely low-income category. Allocations generally mirror the Ryan White Program allocation formula, which takes into account population of PLWH, HIV incidence, number of PLWH accessing Ryan White services, percent of PLWH eligible for Medicaid, and other considerations. The allocations are then adjusted based on unmet need, prior performance and expenditures, geographic-specific data provided by Project Sponsors, and any other relevant factors. After allocations to each HSDA are determined, it is then up to the Project Sponsor to allocate between activities of TBRA, STRMU, PHP, Supportive Services, and administrative expenses (not to exceed 7% of their allocation) and submit those to their AA and DSHS for approval. Project Sponsors base allocations on many factors, including but not limited to, number of clients projected to continue into the next year, area unmet need, rental costs, prior number of clients served, average expenditures per client, and changes in HIV population living in poverty, etc. Funds are also reallocated during the year within HSDAs under each AA as needed when needs change.
	<b>Describe threshold factors and grant size limits.</b>	Texas HOPWA serves PLWH and their family members, all of whom are at or below 80% of AMI. The majority of HOPWA clients are classified as extremely low income, which is between 0% and 30% of AMI.
	<b>What are the outcome measures expected as a result of the method of distribution?</b>	Outcome measures are number of unduplicated income-eligible clients and families living with HIV (households) assisted with each HOPWA service category (TBRA, STRMU, PHP if applicable, and Supportive Services).
<b>20</b>	<b>State Program Name:</b>	Texas Small Towns Environment Program Fund
	<b>Funding Sources:</b>	CDBG



<p><b>Describe the state program addressed by the Method of Distribution.</b></p>	<p>The Texas Small Towns Environment Program ("STEP") Fund provides funds to cities and counties that recognize the need and potential to solve water and sewer problems through self-help techniques via local volunteers. By utilizing the resources of the community (human, material, and financial), the necessary construction, engineering, and administration costs can be reduced significantly from the cost for the installation of the same improvements through conventional construction methods.</p> <p>The self-help response to water and sewer needs may not be appropriate in every community. In most cases, the decision by a community to utilize self-help to obtain needed water and sewer facilities is based on the realization of the community that it cannot afford even a basic water or sewer system based on the initial construction costs and the operations/maintenance costs (including debt service costs) for water or sewer facilities installed through conventional financing and construction methods.</p>
<p><b>Describe all of the criteria that will be used to select applications and the relative importance of these criteria.</b></p>	<p>The following are the selection criteria to be used by CDBG staff for the scoring of assessments and applications under the Texas STEP Fund:</p> <ul style="list-style-type: none"> <li>a. Project Impact</li> <li>b. STEP Characteristics, Merits of the Project, and Local Effort</li> <li>c. Past Participation and Performance</li> <li>d. Percentage of Savings off of the retail price</li> <li>e. Benefit to Low/Moderate-Income Persons</li> </ul>
<p><b>If only summary criteria were described, how can potential applicants access application manuals or other state publications describing the application criteria? (CDBG only)</b></p>	<p>Guidelines, applications and additional program documentation can be found on TDA's website at <a href="http://www.texasagriculture.gov">www.texasagriculture.gov</a></p>
<p><b>Describe how resources will be allocated among funding categories.</b></p>	<p>Deobligated funds up to \$1,000,000 are made available for the STEP Fund on the first day of the program year.</p>
<p><b>Describe threshold factors and grant size limits.</b></p>	<p>Maximum \$350,000/Minimum \$0</p>

	<b>What are the outcome measures expected as a result of the method of distribution?</b>	Activities Benefiting LMI Persons
21	<b>State Program Name:</b>	Urgent Need Fund
	<b>Funding Sources:</b>	CDBG
	<b>Describe the state program addressed by the Method of Distribution.</b>	Urgent Need ("UN") Fund assistance is available for activities that will restore water and/or sewer infrastructure whose sudden failure has resulted in death, illness, injury, or poses an imminent threat to life or health within the affected applicant's jurisdiction. The infrastructure failure must not be the result of a lack of maintenance and must be unforeseeable. An application for UN Fund assistance will not be accepted until discussions between the potential applicant and representatives of TDA, TWDB, and the Texas Commission on Environmental Quality ("TCEQ") have taken place. Through these discussions, a determination shall be made whether the situation meets eligibility requirements and if a potential applicant should be invited to submit an application for the UN Fund. Construction on an UN Fund project must begin within ninety (90) days from the start date of the CDBG contract. TDA may de-obligate the funds under an UN Fund contract if the grantee fails to meet this requirement.

<p><b>Describe all of the criteria that will be used to select applications and the relative importance of these criteria.</b></p>	<p>To qualify for the UN Fund:</p> <ol style="list-style-type: none"> <li>1. The situation addressed by the applicant must not be related to a proclaimed state or federal disaster declaration.</li> <li>2. The situation addressed by the applicant must be both unanticipated and beyond the control of the local government (e.g., not for facilities or equipment beyond their normal, useful life span).</li> <li>3. The problem being addressed must be of recent origin. For UN assistance, this means that the situation first occurred or was first discovered no more than 30 days prior to the date that the potential applicant provides a written request to the TDA for UN assistance. UN funds cannot fund projects to address a situation that has been known for more than 30 days or should have been known would occur based on the applicant’s existing system facilities.</li> <li>4. Each applicant for these funds must demonstrate that local funds or funds from other state or federal sources are not available to completely address the problem.</li> <li>5. The applicant must provide documentation from an engineer or other qualified professional that the infrastructure failure cannot have resulted from a lack of maintenance or been caused by operator error.</li> <li>6. UN funds cannot be used to restore infrastructure that has been cited previously for failure to meet minimum state standards.</li> <li>7. The infrastructure requested by the applicant cannot include back-up or redundant systems.</li> <li>8. The UN Fund will not finance temporary solutions to the problem or circumstance.</li> <li>9. TDA may consider whether funds under an existing CDBG contract are available to be reallocated to address the situation, if eligible.</li> <li>10. The distribution of these funds will be coordinated with other state agencies. Each applicant for UN Funds must provide matching funds. If the applicant’s most recent Census population is equal to or fewer than 1,500 persons, the applicant must provide matching funds equal to 10 percent of the CDBG funds requested. If the applicant’s most recent Census population is over 1,500 persons, the applicant must provide matching funds equal to 20 percent of the CDBG funds requested. For county applications where the beneficiaries of the water or sewer improvements are located in unincorporated areas, the population category for matching funds is based on the number of project beneficiaries.</li> </ol>
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<p><b>If only summary criteria were described, how can potential applicants access application manuals or other state publications describing the application criteria? (CDBG only)</b></p>	<p>Guidelines, applications and additional program documentation can be found on TDA's website at <a href="http://www.texasagriculture.gov">www.texasagriculture.gov</a>.</p>
<p><b>Describe how resources will be allocated among funding categories.</b></p>	<p>No funds will be allocated on the first day of the Program Year; however, the amount for this funding category may be adjusted during the 2015 PY as needed.</p>
<p><b>Describe threshold factors and grant size limits.</b></p>	<p>Maximum \$250,000/Minimum \$25,000</p>
<p><b>What are the outcome measures expected as a result of the method of distribution?</b></p>	<p>Meet other community development needs of particular urgency which represent an immediate threat to the health and safety of residents of the community</p>

## **AP-50 Geographic Distribution – 91.320(f)**

### **Description of the geographic areas of the state (including areas of low-income and minority concentration) where assistance will be directed**

#### HOME Addresses Geographic Areas for Assistance

TDHCA does not provide priorities for allocation of investment geographically to areas of minority concentration; however, the geographic distribution of HOME funds to minority populations is analyzed annually. TDHCA is statutorily required by the Texas Government Code to provide a comprehensive statement of its activities through the State of Texas Low Income Housing Plan and Annual Report. Part of this document describes the ethnic and racial composition of families and individuals receiving assistance from each housing program.

HOME funds used for multifamily development are typically paired with tax-exempt bond and/or HTC. TDHCA rules that govern the HTC Program include incentives for developments utilizing the competitive 9% HTC in high opportunity areas which are defined as high-income, low-poverty areas and are not typically minority-concentrated, but it also provides incentive to develop in colonias or economically distressed areas. Developments using tax-exempt bond financing and 4% HTCs are more frequently located in qualified census tracts due to federal guidelines that cause these to be more financially viable.

#### ESG Addresses Geographic Areas for Assistance

Assistance provided by ESG funds will be directed statewide, according to the 11 HUD-designated CoC areas. TDHCA does not provide priorities for allocating investment geographically to areas of minority concentration as described in Section 91.320(d).

#### HOPWA Addresses Geographic Areas for Assistance

The Texas HOPWA funding allocations are geographically distributed according to the 26 HIV HSDAs. Allocations are based on several factors, including past performance of Project Sponsors and unmet need, with the majority of Texas HOPWA clients (90% in 2014) classified as extremely low and low income. Allocations generally mirror the Ryan White Program allocation formula, which takes into account population of PLWH, HIV incidence, number of PLWH accessing Ryan White services, percent of PLWH eligible for Medicaid, and other considerations. The allocations are then adjusted based on unmet need, prior performance and expenditures, geographic-specific data provided by Project Sponsors, and any other relevant factors. Many of these individuals reside in areas of minority concentration and most PLWH are racial and ethnic minorities, so the program allocates funding to meet the needs of PLWH in Texas.

#### CDBG Addresses Geographic Areas for Assistance

TDA does not provide priorities for allocation of funds geographically to areas of minority concentration as described in Section 91.320(f). CDBG funds are allocated across the state in three ways. 1. The CD Fund assigns a percentage of the annual allocation to each of the 24 Regional COGs, ensuring that each region of the state receives a portion of the funds.

2. The Colonia Fund directs funding to communities within 150 miles of the Texas-Mexico border. All remaining funds are distributed through state-wide competitions without geographic priorities.
3. For the Colonia SHCs, centers are established along the Texas-Mexico border in Cameron/Willacy, Hidalgo, Starr, Webb, Maverick, Val Verde, and El Paso counties as well as in any other county designated as an economically distressed area. The SHC Program serves approximately 28 colonias in seven border counties, which are comprised of primarily Hispanic households and have concentrations of very low-income households.

NHTF Geographic Priorities description is added to Discussion section text below.

**Geographic Distribution**

Target Area	Percentage of Funds
State of Texas	100

**Table 17 - Geographic Distribution**

**Rationale for the priorities for allocating investments geographically**

**HOME Addresses Geographic Investments**

HOME funds are allocated geographically using a RAF, as described in Strategic Plan Section 10. This process directs funds to areas of the State that demonstrate high need. In addition, HOME funds administered by TDHCA are primarily used in areas that are not Participating Jurisdictions ("PJs") per statute. This results in more HOME funds in smaller communities than in the larger Metropolitan Statistical Areas ("MSAs") that receive HOME funds directly from HUD. The most updated RAF is online at <http://www.tdhca.state.tx.us/housing-center/pubs-plans.htm>.

**ESG Addresses Geographic Investments**

CoC regions have funding made available for competition according to the combination of the region's proportionate share of the state's total homeless population, based on the most recent Point-in-Time count submitted to HUD by the CoCs and the region's proportionate share of people living in poverty, based on the most recent 5-year American Community Survey poverty data published by the Census Bureau. For the purposes of distributing funds, the percentage of statewide homeless population is weighted at 75% while the percentage of statewide population in poverty is weighted at 25%.

**HOPWA Addresses Geographic Investments**

At the end of 2012, nearly 73,000 people in Texas were known to have HIV and it is estimated that an additional 17,000 people in Texas are living with HIV but are currently unaware of their status. The number of Texans living with HIV increases each year and in order to meet the needs of low-income PLWH in Texas, many of whom live in areas of minority concentration, the HOPWA funding allocations are geographically distributed across the State and are allocated based on several factors, including unmet need.

Six cities in Texas have a population of over 500,000 (Austin, Dallas, Fort Worth, El Paso, Houston, and

San Antonio), which are in MSAs funded directly from HUD for HOPWA. Although the Texas HOPWA program can operate in any area of the State, the State program serves all counties not covered under the MSAs' jurisdictions, with some overlap of counties between the State and the MSAs. As a result, Texas HOPWA covers all of the rural areas of the State, where many low-income HOPWA clients reside, and funding prioritization is based on areas with greater unmet need for PLWH.

#### CDBG Addresses Geographic Investments

Texas CDBG Funds for projects under the CD Fund are allocated by formula to 24 regions based on the methodology that HUD uses to allocate CDBG funds to the non-entitlement state programs (21.71% of annual allocation), along with a state formula based on poverty and unemployment (40% of annual allocation). In addition, 12.5% of the annual allocation is allocated to projects under the Colonia Fund categories, which must be expended within 150 miles of the Texas-Mexico border. For the Colonia SHCs, state legislative mandate designates five centers along the Texas-Mexico border in specific border counties to address the long history of poverty and lack of institutional resources. Two additional counties have been designated as economically distressed areas and also operate centers through the program. These counties collectively have approximately 42,000 colonia residents who may qualify to access center services.

#### NHTF Addresses Geographic Investments

NHTF funds are allocated geographically using a Regional Allocation Formula, as described in Strategic Plan Section 10. Acknowledging that all regions of the State have a need to create housing for ELI households, the formula provides opportunity for access to NHTF. This process directs funds to areas of the State that demonstrate high need, but the very small amount of the PY 2016 allocation makes it difficult to fully differentiate.

### **Discussion**

Many of the Target Areas available in the Integrated Disbursement and Information System ("IDIS"), HUD's electronic system in which this Plan has been entered, were too detailed for use at the macro-level; therefore, the State entered the "State of Texas" as a Target Area in Strategic Plan Section 10. Within Texas, each program relies on a formula to distribute funds geographically.

#### NHTF Geographic Priorities

The Texas NHTF will distribute NHTF funds through a competitive NOFA process. The funds will initially be available geographically, based on the proportion of Extremely Low Income Renter households to the total population of Renter Households in each of thirteen State Service Regions. A minimum will be calculated for each region as a ratio of the available allocation divided by thirteen, and available competitively within each region prior to collapse into a statewide competition.

## Affordable Housing

### AP-55 Affordable Housing – 24 CFR 91.320(g)

#### Introduction

Affordable Housing goals for PY 2016 are indicated in the table below for the number of homeless, non-homeless, and special needs households, and for the number of affordable housing units that will be provided by program type, including rental assistance, production of new units, rehabilitation of existing units, utility connections for existing units, or acquisition of existing units. Note that goals entered for ESG are only for Homeless Prevention and Rapid Re-housing. The HOME goals include multifamily and single family activities.

One Year Goals for the Number of Households to be Supported	
Homeless	4,740
Non-Homeless	363
Special-Needs	1,713
Total	6,816

**Table 18 - One Year Goals for Affordable Housing by Support Requirement**

One Year Goals for the Number of Households Supported Through	
Rental Assistance	6,475
The Production of New Units	172
Rehab of Existing Units	58
Acquisition of Existing Units	54
Total	6,759

**Table 19 - One Year Goals for Affordable Housing by Support Type**

#### Discussion

The one year goals for TDHCA's HOME Program include homebuyer assistance with possible rehabilitation for accessibility, TBRA, homeowner rehabilitation assistance, rehabilitation of multifamily units, and construction of single-family and multifamily units.

The one year goals for TDHCA's NHTF Program include rehabilitation of multifamily units, and construction of new multifamily units.

TDHCA's ESG Program provides Rapid Re-housing assistance to help homeless individuals and households quickly regain stability in housing. Homelessness Prevention and Emergency Shelter outcome indicators are counted as persons, not households, so is not added into the chart above. ESG also provides street outreach, but as this does not directly equate to affordable housing, it is not counted above.

DSHS' HOPWA Program provides TBRA, STRMU, PHP, and Supportive Services to assist low-income HIV-positive clients and their households to establish or maintain affordable, stable housing, reduce the risk



of homelessness, and improve access to health care and other services. HOPWA serves households with 80% or less of area median income, but a majority of Texas HOPWA households are under 30% AMI and lack of affordable housing is an ongoing issue. DSHS estimates that the HOPWA program will assist 890 unduplicated, income-eligible households with housing subsidy assistance.

Currently, Texas CDBG funds primarily support affordable housing through water and sewer infrastructure for housing. The CDBG funding provides a cost savings for housing when used to install water and sewer yard lines and pay impact and connection fees for qualifying residents. Housing rehabilitation projects are prioritized in several fund categories. CDBG funds also help communities study affordable housing conditions, providing data on affordable housing stock and planning tools for expanding affordable housing. CDBG provides approximately 250 utility connections per year, which are not reflected in the chart above, but could prove essential to obtaining or maintaining housing. Colonia residents are considered "Special Needs" households who are supported through the production, rehab or acquisition of units (no rental assistance). The Colonia SHCs continue to address affordable housing needs in border counties by assisting qualifying colonia residents to improve or maintain a safe, suitable home in suitable areas, with the contribution of the residents' sweat-equity which is required in all housing activities at the SHC. In addition, the Colonia SHCs provide other development opportunities that support the creation of affordable housing for beneficiaries, such as tool lending, and training in home construction and repair, financial literacy, and homeownership skills.

## **AP-65 Homeless and Other Special Needs Activities – 91.320(h)**

### **Introduction**

TDHCA will address requirements in 24 CFR §91.320 by using funds to reduce and end homelessness. Each ESG applicant is required to coordinate with the lead agency of the CoC, which provides services and follows a centralized or coordinated assessment process; has written policies and procedures in place as described by §578.7(a)(8) and (9); and follows a written standard to provide street outreach, emergency shelter, rapid re-housing, and homelessness prevention assistance. To assist low-income individuals and families to avoid becoming homeless, especially those discharged from publicly-funded institutions and systems of care, or those receiving assistance from public and private agencies that address housing, health, social services, employment, education, or youth needs, TDHCA requires each Subrecipient to set performance targets that are part of their contract and extended to each of the local organizations that the Subrecipient funds. A Subrecipient must address the housing and supportive service needs of individuals assisted with ESG funds in a plan to move the client toward housing stability. In addition, ESG works in tandem with other programs that help to transition persons out of institutions, such as the HOPWA Program, Section 811 PRA Program, Project Access Program, Money Follows the Person Program, and the Home and Community-Based Services - Adult Mental Health Program. The HHSCC also works to enhance coordination between housing and service agencies to assist persons transitioning from institutions into community-based settings.

**Describe the jurisdictions one-year goals and actions for reducing and ending homelessness including:**

**Reaching out to homeless persons (especially unsheltered persons) and assessing their individual needs**

The Texas ESG Program provides funds to service providers for outreach to unsheltered homeless persons in order to connect them to emergency shelter, housing, or critical services; and to provide urgent, non-facility-based care to unsheltered homeless people who are unwilling or unable to access emergency shelter, housing, or other appropriate facilities. Of critical importance is assisting the unsheltered homeless with emergency shelter or other placement. One of the possible performance measures that Subrecipients will be measured against is their ability to help homeless persons move into permanent housing, achieve higher incomes and gain more non-cash benefits. To ensure long-term housing stability, clients will be required to meet with a case manager not less than once per month (with exceptions pursuant to the VAWA and the Family Violence Prevention and Services Act ("FVPSA")). Subrecipients will also be required to develop a plan to assist program participants to retain permanent housing after the ESG assistance ends.

**Addressing the emergency shelter and transitional housing needs of homeless persons**

The ESG Program helps the unsheltered homeless and homeless individuals and families residing in emergency shelter and those fleeing domestic violence to return to stable housing conditions by

providing support to organizations that provide emergency services and shelter to homeless persons and households. One of the possible performance measures that Subrecipients will be measured against is their ability to help individuals and families move out of emergency shelter and transitional housing and into permanent housing, achieve higher incomes and gain more non-cash benefits. To ensure long-term housing stability, clients will be required to meet with a case manager not less than once per month (with exceptions pursuant to the VAWA and the FVPSA). Subrecipients will also be required to develop a plan to assist program participants to retain permanent housing after the ESG assistance ends. In addition, the State will consider transitional housing as having characteristics associated with instability and an increased risk of homelessness, which may allow clients moving out of transitional housing to access Homelessness Prevention services.

**Helping homeless persons (especially chronically homeless individuals and families, families with children, veterans and their families, and unaccompanied youth) make the transition to permanent housing and independent living, including shortening the period of time that individuals and families experience homelessness, facilitating access for homeless individuals and families to affordable housing units, and preventing individuals and families who were recently homeless from becoming homeless again**

The ESG Program has broadened the activities that can be used to help low-income families and individuals avoid becoming homeless and to rapidly re-house persons or families that experience homelessness. ESG funds can be used for short-term and medium-term rental assistance, rental application fees, security deposits, utility deposits, utility payments, and moving costs for homeless individuals or persons at risk of homelessness. Funds can also be used for housing service costs related to housing search and placement, housing stability case management, mediation, legal services, and credit repair. ESG funds can also be used to pay for essential service costs including case management, child care, education services, employment assistance and job training, outpatient health services, legal services, life skills training, mental health services, substance abuse treatment services, transportation, and costs related to serving special populations.

TDHCA acknowledges the change in the definition of chronically homeless, which was published in the Federal Register on December 4, 2015, and effective January 15, 2016. The new definition applies to clients of TDHCA's 2015 ESG Subrecipients assisted on or after the effective date, and TDHCA's ESG Subrecipients for future awards, per the revision to 24 CFR §91.5.

The definition of chronically homeless had been from the McKinney-Vento Homeless Act. The definition of chronically homeless under McKinney-Vento had included an individual or family who met certain criteria for homelessness and had "a diagnosable substance use disorder, serious mental illness, developmental disability, post traumatic stress disorder, cognitive impairments resulting from a brain injury, or chronic physical illness or disability." The revised definition of chronically homeless has more general term of "homeless individual with a disability", per below:

(9) Homeless individual with a disability

(A) In general, the term “homeless individual with a disability” means an individual who is homeless, as defined in section 11302 of this title, and has a disability that—

(i) (I) is expected to be long-continuing or of indefinite duration;

(II) substantially impedes the individual’s ability to live independently;

(III) could be improved by the provision of more suitable housing conditions; and

(IV) is a physical, mental, or emotional impairment, including an impairment caused by alcohol or drug abuse, post traumatic stress disorder, or brain injury;

(ii) is a developmental disability, as defined in section 15002 of this title; or

(iii) is the disease of acquired immunodeficiency syndrome or any condition arising from the etiologic agency for acquired immunodeficiency syndrome.”

The definition of chronically homelessness now includes a different time requirement of homelessness. The McKinney-Vento Homeless Assistance Act defined the time period of chronically homeless as homeless for at least one year, or on at least four separate occasions in the last three years. The new definition of chronically homeless requires the following time period: (1) continuously homeless for at least 12 months, or (2) on at least four separate occasions in the last three years, where the combined occasions must total at least 12 months. An “occasion” is considered a separate episode of homelessness if it is separated by at least seven days. Stays in institutions of fewer than 90 days do not constitute a break.

Finally, the new definition clarifies that a family can qualify as chronically homeless if the head of the household (whether adult head or minor head, if the family has no adult) meets the criteria of chronically homeless. In addition, the family could have a composition that has fluctuated while the head of household has been homeless.

**Helping low-income individuals and families avoid becoming homeless, especially extremely low-income individuals and families and those who are: being discharged from publicly funded institutions and systems of care (such as health care facilities, mental health facilities, foster care and other youth facilities, and corrections programs and institutions); or, receiving assistance from public or private agencies that address housing, health, social services, employment, education, or youth needs**

In addition to homelessness prevention, ESG funds actively promote coordination with community providers and integration with mainstream services to marshal available resources. One performance measure for Subrecipients may be their ability to help increase non-cash benefits for program participants; the Subrecipients would help program participants obtain non-ESG resources, such as veterans benefits or food stamps.

Individuals eligible for the State's HOPWA Program who are exiting from an institution receive a comprehensive housing plan and linkage and referrals to health professionals from a case manager. The State HOPWA Program provides TBRA, which can be used to transition persons from institutions into stable housing. Some project sponsors also provide rental deposits and application fees. Other programs included in this Plan also address persons transitioning from institutions. For example, TDHCA has received awards totaling more than \$24 million for the Section 811 PRA Program. The program will help extremely low-income individuals with disabilities and their families by providing more than 600 new integrated supportive housing units in seven areas of the state. Members of the target population include individuals transitioning out of institutions; people with severe mental illness; and youth with disabilities transitioning out of the state's foster care system. Individuals in the Section 811 PRA Target Population are eligible for assistance from public agencies, are Medicaid-eligible, and could be at-risk of housing instability and/or homelessness.

Coordination between housing and the Health and Human Services ("HHS") agencies is exemplified by the Project Access and Money Follows the Person programs. Project Access uses Section 8 Housing Choice Vouchers administered by TDHCA to assist low-income persons with disabilities transition from nursing homes and Intermediate Care Facilities ("ICFs") to the community, while using the Money Follows the Person Program to provide services by HHS agencies. Since it began in 2002, the TDHCA Governing Board approved changes to Project Access based on input from advocates and the HHS agencies, such as incremental increases to vouchers from 35 to 140 and creation of a pilot program with DSHS for persons with disabilities transitioning out of State Psychiatric Hospitals.

In addition, TDHCA offers the use of TBRA to individuals on the Project Access Wait List, allowing him/her to live in the community until she/he can use Project Access. TDHCA conducted outreach and technical assistance to Department of Aging and Disability Services ("DADS") Relocation Specialists and HOME TBRA Administrators to help them serve individuals on the wait list. To further address the needs of individuals transitioning from institutions, HHSC, codified in Texas Government Code, Chapter 2306, Subchapter NN, seeks to increase coordination of housing and health services, by supporting agencies to pursue funding, such as Relocation Contractor services for people with behavioral health challenges and Intellectual and Developmental Disabilities; Medicaid waiver programs; vouchers from PHAs for people with disabilities and aging Texans; housing resources from the Texas Department of Criminal Justice for people with criminal histories transitioning to the community; and DSHS' rental assistance program.

HHSC also encourages the coordination of TDHCA with DSHS for DSHS' new Home and Community-Based Services: Adult Mental Health Program. This program will serve individuals with Serious Mental Illness who have long-term or multiple stays in the State's Mental Health Facilities.

## **Discussion**

The Texas ESG Program is designed to assist, assess and, where possible, shelter the unsheltered homeless; to quickly re-house persons who have become homeless and provide support to help them

maintain housing; and to provide support that helps persons at risk of becoming homeless maintain their current housing. Other special needs populations are described in Action Plan Section 25.

## **AP-75 Barriers to affordable housing – 91.320(i)**

### **Introduction**

The Phase 2 AI identifies impediments to fair housing choice in the State of Texas and action steps that the State intends to take to address identified impediments. This document describes state and local regulatory and land use barriers in detail. It may be accessed at <https://www.tdhca.state.tx.us/fair-housing/policy-guidance.htm>.

TDHCA staff developed a database to track fair housing action steps, link action steps to impediments, and document benchmarks and progress in implementing such action steps. This database assists the State in the development of well informed steps to directly address impediments reflected in the Phase 2 AI. Staff also developed a database to consolidate the demographic and geographic data of recipients of the Department's Housing Tax Credit programs and provide for in-depth analyses of patterns in the allocation of funding and comparison to census data. Staff believes these databases will assist in identifying new impediments to fair housing choice as the consolidated data is analyzed and the efficacy of implemented action steps is reviewed.

The State is currently developing best practices guidance related to zoning and land use regulations, policies, and practices that will further fair housing choice. The State plans to release best practices to the public through its Fair Housing website; the website will include areas specific to Real Estate Professionals, Developers and Administrators, as well as Local Governments and Elected Officials. The AI included several suggestions on countering negative effects of public policy as it concerned two areas – land use and zoning and Not-In-My-Backyard Syndrome ("NIMBYism"). In order to avoid the difficulty, expense, and uncertainty that NIMBYism can engender, developers often focus on areas where their proposed developments are well supported. Changes in the scoring of the State's HTC Program provide incentives to develop in high opportunity areas. High opportunity areas include places with low poverty rates and quality schools, with above average state ratings.

Cases of NIMBYism can be difficult to track, it is hard to measure where NIMBYism occurs most often. The cases of NIMBYism most often associated with proposed multifamily developments, although not exclusive to these areas, NIMBYism appear anecdotally to be more likely to occur in areas with socioeconomic and housing homogeneity. To assist the State in gathering data on how elected officials, communities, and local governments are impacted by NIMBYism sentiments and to help the State in countering NIMBY messaging, TDHCA periodically outsources with universities and private consulting firms for studies, market analyses, and special projects. Guidance and resources to support affordable housing will be provided through TDHCA's Fair Housing website, along with the Fair Housing listserv and community events calendar, and a Speaker's Bureau that will be able to discuss this and other Fair Housing topics.

**Actions it planned to remove or ameliorate the negative effects of public policies that serve as barriers to affordable housing such as land use controls, tax policies affecting land, zoning ordinances, building codes, fees and charges, growth limitations, and policies affecting the**

## **return on residential investment**

TDHCA reviews all guiding documents, rules, and practices internally to determine if known barriers or impediments to furthering fair housing choice can be addressed through changes within TDHCA's power. The Department's Fair Housing, Data Management, and Reporting group continues ongoing interviews with Division Directors originally held in spring 2014. Initial recommendations and actions were noted for each program as well as a list of 15 cross-Divisional recommendations that included items such as improved Affirmative Marketing Rules, improved Language Assistance Plan guidance, a better internal mechanism for Fair Housing training, Fair Housing Team reviews of rule changes and NOFA documents, etc. TDHCA has been making and will continue to make a concerted effort to review and move forward on key recommendations and to increase staff and subrecipient education to ensure that all programs are providing best practices guidance to recipients and the general public.

TDHCA acts as an information resource for affordable housing studies and information. A project between TDHCA (including HHSCC) and the University of Texas has resulted in a Fair Housing public service message campaign with videos in support of affordable housing, fair housing rights, and Service-Enriched Housing.

The Texas Workforce Commission Civil Rights Division ("CRD") received a two-year grant of HUD Partnership Funds for an outreach campaign. CRD launched a public service announcement initiative targeting Midland, Odessa, Laredo, and Victoria, as well as small cities and towns surrounding these "oil and gas boom" areas. The campaign educates people in these areas on their Fair Housing rights and responsibilities. This includes in-person and webinar training as well as outreach presentations. CRD's fair housing training was in such demand that the outreach campaign was expanded to include all of Texas and will run through 2016.

On August 17, 2015, the United States Department of Housing and Urban Development ("HUD") adopted the Final Affirmatively Furthering Fair Housing Rule ("AFFH" or "the rule"), detailing what recipients of block grant CPD funds and Public Housing funds must do to affirmatively further fair housing and the tool by which they can identify those steps. The rule requires that Units of Government take "meaningful actions, in addition to combating discrimination, that overcome patterns of segregation and foster inclusive communities free from barriers that restrict access to opportunity based on protected characteristics." The rule replaces the Analysis of Impediments ("AI") to Fair Housing Choice with a new Assessment of Fair Housing ("AFH") tool. The AFH Tool uses HUD-generated data, and a significant community participation process, to identify areas of disparity, patterns of integration and segregation, and disproportionate housing needs. With the information generated through the AFH tool and AFFH, Units of Government are responsible for identifying fair housing issues and contributing factors, assigning priorities to contributing factors, setting goals for overcoming prioritized contributing factors, and maintaining records of progress in achieving goals.

The new process directly links the AFH tool and its identified goals with the Unit of Government's HUD-required program planning document (its Consolidated Plan or for a PHA, its 5-Year PHA Plan). Fair



housing goals and priorities from the AFH are expected to be incorporated into the actual programming and proposed use of the HUD funds. Fair Housing staff are reviewing the AFFH rule and beginning to implement changes into the citizen participation plan. The first AFH tool is anticipated to be due to HUD from the State of Texas in May 2019. Staff will meet with legislators and local administrators to discuss the AFH tool and final rule.

### **Discussion**

A current collaboration between federal funding recipients known as the Texas State Fair Housing Workgroup began in May, 2014 and continues to meet. This workgroup is assisting State agencies in adopting a uniform stance on Fair Housing issues and provide streamlined direction to essential Fair Housing information and best practices. To date, the workgroup has looked at sharing language assistance contracts, has generated ideas on streamlining Fair Housing discrimination complaint information and resources, and has served as a vehicle for comparing internal Fair Housing tracking and record keeping measures.

The Fair Housing Team at TDHCA has taken a leadership role in these meetings as directed under the 2013 Analysis of Impediments; the Fair Housing Team has shared both its Fair Housing Tracking Database and its Fair Housing website section, which TDHCA believes will become one of the leading Fair Housing website resources for the state. The Fair Housing Team has shared its demographic database, which is being created with the long-range goal of standardizing demographics collected in each TDHCA program area and analyzing these demographics to identify trends; make policy recommendations; and map service areas. As its initial test, this database will auto-generate an Excel spreadsheet that analyzes TDHCA multifamily property demographics against census data demographics by census tract, county, and MSA to determine which populations are under-represented or over-represented based on the definition of minority concentration from HUD. The spreadsheet debuted with the revised Multifamily and new Single Family Affirmative Marketing Rules. The spreadsheet assists Multifamily Owners in determining which populations are considered least likely to apply and should be included in an Affirmative Marketing Plan. The short-term effect should be an increase in understanding and compliance with the Affirmative Marketing Rule of TDHCA. The long-term effect should be an improved ability to determine which areas are under or over served and an ability to present such information objectively to stakeholders and local governments.

The Fair Housing Team has 36 action steps on which it is moving forward, and is able to produce metrics on its momentum under the AI through its Fair Housing Tracking Database. In addition to logged action steps, the database also includes outreach and daily task logs. The database collects action steps based on the four phases of project management planning (e.g., Plan, Review, Implement, and Evaluate) which lead staff to consider even at the planning stage how the step will be evaluated. This has resulted in a metrics-focused planning effort that will continue to guide future initiatives.

Finally, the State, through its Fair Housing Team, has created a new Fair Housing website section, including fair housing information for a variety of audiences (renters and homebuyers, owners and

administrators, real estate agents, and local governments and elected officials) and will include fair housing toolkits and resources, links to a new Fair Housing email list and community events calendar, and a consumer survey. A portion of the available toolkits will be tailored to elected officials and local governments in an effort to encourage best practices in zoning and land use and addressing community concerns. Through this education and outreach, the State is hoping to make its best practices guidance widely known and to integrate such guidance with other state resource information.

## **AP-85 Other Actions – 91.320(j)**

### **Introduction**

The actions listed below are Other Actions taken by TDHCA, TDA, and DSHS to meet the requirements of §91.320(j). Other Actions include Meeting Underserved Needs, Fostering and Maintaining Affordable Housing, Lead-Based Paint Hazard Mitigation, Reducing Poverty-Level Households, Developing Institutional Structure, and Coordination of Housing and Services. The HOME, ESG, HOPWA, and CDBG programs address the other actions in concert with other federal, state, and local sources.

### **NHTF Addresses Affordable Housing**

The NHTF Program provides to developments assisted by or through entities including, public organizations, nonprofit and for-profit organizations, and PHAs. These funds are primarily used to foster and maintain affordable housing by providing funding for preservation of existing affordable developments, or construction of new affordable developments. In addition, credits awarded through the HTC program can be layered with awarded funds from the NHTF program. When more than one source of funds is used in an affordable housing project, the State is able to provide more units of affordable housing than with one funding source alone.

### **Actions planned to address obstacles to meeting underserved needs**

#### **HOME Addresses Underserved Needs**

Obstacles to meeting underserved needs with HOME funds, particularly multifamily activities, include NIMBYism, a lack of understanding of federal requirements surrounding the use of HOME funds, and staff observation that program administrators may have more strict tenant or household selection criteria than other locally-run programs. TDHCA works to overcome these obstacles by educating developers and the communities where affordable housing is being proposed, as well as by offering HOME funds as grants or low-interest loans, with rates as low as 0%.

#### **ESG Addresses Underserved Needs**

Lack of facilities and services for persons experiencing homelessness in rural areas is ESG's greatest underserved need. To help meet this need, TDHCA has used Community Services Block Grant discretionary funds to provide training and technical support to organizations in the Balance of State CoC. Shelters in the Balance of State CoC have limited funds for operations and maintenance, with little access to federal funds which often require substantial organizational capacity less common in smaller organizations. ESG and TDHCA's HHSP, which is state-funded only in some urban areas, may supplement federal funds in operational support.

#### **HOPWA Addresses Underserved Needs**

Some significant obstacles to addressing underserved needs are PLWH inability to obtain or maintain medical insurance, maintain income, and especially obtain employment, are partially due to a difficult economy in conjunction with rising costs of living (rent, deposits, utilities, food, transportation, etc.), high unemployment, no access to health insurance and/or decreased access to other affordable housing

such as the HCV program. The inability to access HCVs is due to long or closed waiting lists, and in some cases, client non-compliance and ineligibility due to undocumented immigrant status. DSHS' HOPWA program helps meet the needs of this underserved population throughout the State by providing essential housing and utilities assistance as part of a comprehensive medical and supportive services system. As a result, PLWH and their families are able to maintain safe and affordable housing, reduce their risk of homelessness, and access medical care and supportive services. DSHS will reallocate funding to address changing needs to maximize and target HOPWA funding to HSDAs that are in greatest need.

#### CDBG Addresses Underserved Needs

TDA encourages projects addressing underserved community development needs. In PY 2014 CDBG funds will be available through five different grant categories to provide water or sewer services on private property for low- and moderate-income households by installing yard lines and paying impact and connection fees. Regional competition for funding allows each area of the state to determine its highest priority needs, which may vary from first-time water service to drought relief to drainage projects.

Since the first legislative reforms in the 1990s, service providers in colonias have made gains in their capacity to address colonia issues, but unmet needs still exist and the Texas-Mexico border population growth is still increasing. OCI's main obstacle in addressing colonia housing needs is the varying capacities of subrecipients to administer assistance. TDHCA has established Border Field Offices along the Texas-Mexico border to readily provide technical assistance and on-going training to organizations and local governments that use TDHCA's CDBG funding.

### **Actions planned to foster and maintain affordable housing**

#### HOME Addresses Affordable Housing

The HOME Program provides grant funds, deferred forgivable loans, and repayable loans to households or developments assisted by or through entities including units of local government, public organizations, nonprofit and for-profit organizations, CHDOs and PHAs. These funds are primarily used to foster and maintain affordable housing by providing rental assistance, rehabilitation or reconstruction of owner-occupied housing units with or without refinancing, down payment and closing cost assistance with optional rehabilitation for the acquisition of affordable single family housing, single family development and funding for rental housing preservation of existing affordable or subsidized developments. HOME funds may also be used in conjunction with the HTC Program or Bond Program to construct or rehabilitate affordable rental housing.

In addition, credits awarded through the HTC program can be layered with awarded funds from the HOME Multifamily Direct Loan program. When more than one source of funds is used in an affordable housing project, the State is able to provide more units of affordable housing than with one funding source alone.

### ESG Addresses Affordable Housing

While TDHCA encourages the use of ESG funds to provide affordable transitional housing, the majority of funds are utilized to provide emergency shelter. Fostering affordable housing is not an initiative for which TDHCA provides funding or that TDHCA monitors in relation to the ESG Program.

### HOPWA Addresses Affordable Housing

The cost of living continues to rise (increases in rent, utilities, application fees, and security deposits) while clients' income does not change, may decrease, or clients have no income. HOPWA makes housing more affordable for low-income clients so they can maintain housing, adhere to medical treatment, and work towards a healthier outcome. Project Sponsors will address long-term goals with the clients to help them establish a financial plan that can assist them in maintaining their housing. Affordable housing needs are high among PLWH. DSHS will continue to update funding allocations to address the changing needs of local communities and to maximize and target HOPWA funding to HSDAs in greatest need. DSHS will consider a variety of factors including but not exclusive to HIV/AIDS morbidity, poverty level, housing costs and needs, and program waitlists and expenditures. Furthermore, funds are reallocated between HOPWA activities within HSDAs to meet changing needs during the project year.

### CDBG Addresses Affordable Housing

Currently, CDBG funds primarily support affordable housing through water and sewer infrastructure for housing. The CDBG funding provides a cost savings for housing when used to install water and sewer yard lines and pay impact and connection fees for qualifying residents. Housing rehabilitation projects are prioritized in several fund categories, and TDA encourages each region to set aside a percentage of the regional allocation for housing rehabilitation projects. CDBG helps communities study affordable housing conditions, providing data on affordable housing stock and planning tools for expanding affordable housing. The Colonia SHCs continue to address affordable housing needs in border counties by assisting qualifying colonia residents to improve or maintain a safe, suitable home in suitable areas.

The OCI serves as a liaison to the Colonia SHCs to assist with securing funding and carrying out activities, such as low-interest mortgages, grants for self-help programs, revolving loan funds for septic tanks, and tool lending.

## **Actions planned to reduce lead-based paint hazards**

### HOME Addresses Lead-based Paint

The HOME Program requires lead screening in housing built before 1978 for all HOME eligible activities in accordance with 24 CFR §92.355 and 24 CFR Part 35, subparts A, B, J, K, M, and R. Furthermore, single-family and multifamily development activities in HOME increase the access to lead-based-paint-free housing through the construction of new housing or reconstruction of an existing housing unit. There is significant training, technical assistance, and oversight of this requirement on each activity

funded under the HOME Program.

#### ESG Addresses Lead-based Paint

For ESG, TDHCA requires Subrecipients to evaluate and reduce lead-based paint hazards as part of its habitability review. During the annual contract implementation training, TDHCA will provide ESG Subrecipients with information related to lead-based paint regulations and TDHCA's requirements related to such. TDHCA will require ESG-funded Subrecipients to determine if a housing unit was built prior to 1978, for households seeking ESG funded rent or rent deposit assistance whose household has a family member(s) six year of age or younger. If the housing unit is built prior to 1978, the ESG Subrecipient will notify the household of the hazards of lead-based paint. ESG Subrecipients utilizing ESG funds for renovation, rehabilitation or conversion must comply with the Lead-Based Paint Poisoning and Prevention Act and the Residential Lead-Based Paint Hazard Reduction Act of 1992. Through renovation, rehabilitation or conversion, ESG increases access to shelter without lead-based paint hazards. TDHCA evaluates, tracks, and reduces lead-based hazards for conversion, renovation, leasing or rehabilitation projects.

#### HOPWA Addresses Lead-Based Paint

HUD requires that Project Sponsors give all HOPWA clients utilizing homes built before 1978 the pamphlet entitled, "Protect Your Family from Lead in Your Home" during the intake process. The client's case record must include documentation that a copy of the pamphlet was given to the client and the case manager must make a certification regarding lead-based paint that includes actions and remedies if a child under age six will reside at the property.

#### CDBG Addresses Lead-Based Paint

Lead-based paint mitigation is an activity eligible under housing rehabilitation that is funded under the CPF, CFC, and Community Development Funds. Each contract awarded requires the sub-grantee to conform to Section 302 of the Lead-Based Paint Poisoning Prevention Act (42 U.S.C. 4831(b)) and procedures established by TDA's CDBG in response to the Act.

#### NHTF Addresses Lead-based Paint

The NHTF Program requires lead screening in housing built before 1978 for all NHTF eligible activities in accordance with 24 CFR §92.355 and 24 CFR Part 35, subparts A, B, J, K, M, and R. Furthermore multifamily development activities in NHTF increase the access to lead-based-paint-free housing through the construction of new housing or reconstruction of an existing housing unit.

### **Actions planned to reduce the number of poverty-level families**

#### HOME Addresses Poverty-Level Households

Through the HOME TBRA Program, TDHCA assists households with rental subsidy and security and utility deposit assistance for an initial term not to exceed 24 months. As a condition to receiving rental assistance, households must participate in a self-sufficiency program, which can include job training,

General Education Development ("GED") classes, or drug dependency classes. The HOME Program enables households to receive rental assistance while participating in programs that will enable them to improve employment options and increase their economic independence and self-sufficiency. Additionally, TDHCA allocates funding toward the rehabilitation and construction of affordable housing, incentivizing units to assist very low-income households, and assists very low-income households along the international border of Texas and Mexico by promoting the conversion of contract for deed arrangements to traditional mortgages.

#### ESG Addresses Poverty-Level Households

The ESG Program funds activities that provide shelter and essential services for homeless persons, as well as intervention services for persons threatened with homelessness. Essential services for homeless persons include medical and psychological counseling, employment counseling, substance abuse treatment, transportation, and other services. While TDHCA supports the use of ESG funds to help ESG clients lift themselves above the poverty line, it is not a specific initiative for which TDHCA earmarks ESG funding or that TDHCA monitors for the ESG Program.

For individuals threatened with homelessness, homelessness prevention funds can be used for short-term subsidies to defray rent and utility arrearages for households receiving late notices, and security deposits.

#### HOPWA Addresses Poverty-Level Households

The DSHS HOPWA Program serves households in which at least one person is living with HIV based on income eligibility criteria of no more than 80% of AMI with adjustments for family and household size, as determined by HUD income limits. With varying poverty levels and housing needs in each HSDA across the State, funds are allocated and reallocated throughout the program year to maximize and target HOPWA resources to those with the most need. While many HOPWA households assisted may be at poverty-level, this is not a requirement under 24 CFR §574.3.

#### CDBG Addresses Poverty-Level Households

A substantial majority of TDA's CDBG funds, over 95% in 2013, are awarded to ¿principally benefit low and moderate income persons. In addition, the formula used to distribute CD funds among regions includes a variable for poverty to target funding to the greatest need. CDBG economic development funds create and retain jobs through assistance to businesses. LMI persons access these jobs, which may include training, fringe benefits, opportunities for promotion, and services such as child care.

#### NHTF Addresses Poverty-Level Households

NHTF allocates funding toward the rehabilitation and construction of affordable housing restricted to serve ELI households with affordable rents. These affordable units will allow households to have greater housing security and stability, and will ameliorate some of the negative impacts of living in poverty through provision of decent, safe and affordable housing.

## **Actions planned to develop institutional structure**

### **HOME Addresses Institutional Structure**

The HOME Program encourages partnerships in order to improve the provision of affordable housing. Organizations receiving Homebuyer Assistance funds are required to provide homebuyer education classes to households directly, or coordinate with a local organization that will provide the education. In addition, organizations receiving TBRA funds must provide self-sufficiency services directly, or coordinate with a local organization that will provide the services. Finally, partnerships with CHDOs and nonprofit and private-sector organizations facilitate the development of quality rental housing developments and assist in the rehabilitation or reconstruction of owner-occupied housing.

### **ESG Addresses Institutional Structure**

TDHCA encourages ESG Subrecipients to coordinate services with housing and other service agencies. Likewise, the CoCs funded with ESG funds are required to coordinate services and their local funded organizations to provide services as part of the local CoC. While TDHCA believes its system of funding applications that apply to a statewide NOFA is an effective system, TDHCA also believes that its move to work locally with CoCs on ESG funding decisions advances program goals of local coordination and cooperation within CoCs. TDHCA reviews ESG Subrecipients' coordination efforts during on-site and desk monitoring. A map of local CoCs can be found online at: <http://www.thn.org/continuum/>.

### **HOPWA Addresses Institutional Structure**

DSHS contracts with seven AAs, which contract directly with Project Sponsors serving all 26 HSDAs in the State to administer the HOPWA program under DSHS oversight. AAs also administer the delivery of other HIV health and social services, including the Ryan White and State Services HIV funds. This structure ensures the coordination of all agencies serving PLWH, avoids duplication, saves dollars, and provides the comprehensive supportive services for PLWH in each local community.

### **CDBG Addresses Institutional Structure**

Each CDBG applicant must invite local housing organizations to provide input into the project selection process. TDA coordinates with state and federal agencies, regional Councils of Governments, and other partners to further its mission in community and economic development. TDA also uses conference calls and webinars to provide training and technical assistance throughout the state. On-site project reviews may be conducted based on risk and other factors.

### **NHTF Addresses Institutional Structure**

The NHTF Program encourages partnerships in order to improve the provision of affordable housing. Partnerships with nonprofit and private-sector organizations facilitate the development of quality rental housing developments. Development owners are required to provide tenant services to address the needs of ELI households living in the development.



## **Actions planned to enhance coordination between public and private housing and social service agencies**

TDHCA has staff members that participate in several State advisory workgroups and committees. The workgroups and committees which TDHCA leads are listed in Action Plan Section 15. The groups in which TDHCA participates include, but are not limited to the Community Resource Coordination Groups, led by the Health and Human Services Commission ("HHSC"); the Council for Advising and Planning for the Prevention and Treatment of Mental and Substance Use Disorders, led by DSHS; Reentry Task Force, led by Texas Department of Criminal Justice; Interagency Workgroup on Border Issues, led by Secretary of State; Texas Foreclosure Prevention Task force, led by Texas State Affordable Housing Corporation; Money Follows the Person Demonstration Project, led by DADS; Promoting Independence Advisory Committee, led by HHSC; and Texas State Independent Living Council, lead by the Texas Department of Assistive and Rehabilitative Services ("DARS").

TDHCA's participation in HUD's Section 811 PRA Program requires linkages between housing and services through a partnership with TDHCA, and the State Medicaid Agency (i.e., HHSC). Because the program is designed so that an individual can access both affordable housing and services in the community, TDHCA staff and HHSC staff meet regularly to ensure both housing and services are coordinated for the program. TDHCA and HHSC have responsibilities to execute the program. TDHCA will use units for the program in multifamily housing financed by TDHCA and the services will be provided by a network of local service providers coordinated by the HHSC enterprise agencies.

HHSCC, established by Texas Government Code §2306.1091, seeks to improve interagency understanding and increase the number of staff in state housing and health services agencies that are conversant in both housing and services. HHSCC supports agencies in their efforts to secure funding for: expansion of Housing Navigators to all Aging and Disability Resource Centers ("ADRCs") with TDHCA assisting in training; expansion of the Program for All-Inclusive Care for the Elderly ("PACE"); implementation of the Delivery System Redesign Incentive Payment (DSRIP) behavioral health projects; implementation of the Balancing Incentives Payment ("BIP") initiative; and DSHS' expansion of Oxford Houses for people with Substance Use Disorders. (Other coordination efforts for HHSCC involving people leaving institutions are in Action Plan Section 65.)

Further cooperation was directed by Senate Bill 7 passed during the 83rd Legislative session. Texas Government Code §533.03551 directs the commissioner of HHSC to work in cooperation with TDHCA, TDA, Texas State Affordable Housing Corporation ("TSAHC"), and other federal, state, and local housing entities to develop housing supports for people with disabilities, including individuals with intellectual and developmental disabilities.

Finally, DADS provides Money Follows the Person Demonstration funds to TDHCA for the equivalent of two full-time employees to increase affordable housing options for individuals with disabilities who currently reside in institutions and choose to relocate into the community; and to increase the amount of affordable housing for persons with disabilities, along with other TDHCA programs that will assist in

preventing institutionalization. These enhanced coordination efforts further the implementation of many programs included in the Consolidated Plan, including the Section 811 PRA Program, Section 8 Project Access, and HOME Single Family activities.

### **Discussion**

In addition to the program actions mentioned above, TDHCA strives to meet underserved needs by closely monitoring affordable housing trends and issues as well as conducting its own research. TDHCA also makes adjustments to address community input gathered through roundtable discussions, web-based discussion forums and public hearings held throughout the State. To foster and maintain affordable housing, TDHCA, TDA, and DSHS provide funds for nonprofit and for-profit organizations and public organizations to develop and maintain affordable housing. Funding sources include grants, low-interest loans, housing tax credits, and mortgage loans. For lead-based paint hazard mitigation, DSHS has been charged with oversight of the Texas Environmental Lead Reduction Rules ("TELRR"). TELRR cover areas of lead-based paint activities in target housing (housing constructed prior to 1978) and child-occupied facilities, including the training and certification of persons conducting lead inspections, risk assessments, abatements, and project design. For all projects receiving over \$25,000 in federal assistance, contractors need to follow inspections and abatements standards overseen by DSHS. By following these standards, the State is increasing the access to housing without lead-based paint hazards. The adherence to inspection and abatement standards is related to the extent of lead-based paint in that a majority of the housing in need of rehabilitation is likely housing built before 1978.

Furthermore, TDHCA, DSHS, and TDA's programs are aimed at reducing the number of Texans living in poverty, thereby providing a better quality of life for all Texans. The departments provide long-term solutions to the problems facing people in poverty and focus resources to those with the greatest need. Regarding institutional structure, TDHCA, DSHS, and TDA are primarily pass-through funding agencies and distribute federal funds to local entities that in turn provide assistance to households. Because of this, the agencies work with many partners, including consumer groups, community based organizations, neighborhood associations, community development corporations, councils of governments, community housing development organizations, community action agencies, real estate developers, social service providers, local lenders, investor-owned electric utilities, local government, nonprofits, faith-based organizations, property managers, state and local elected officials, and other state and federal agencies. Because the agencies do not fund individuals directly, coordination with outside entities is essential to the success of their programs. By structuring its operations this way, the State shares its risk and commits funds in correlation with local needs, local partners are able to concentrate specifically on their area of expertise and gradually expand to offering a further array of programs.

Finally, to enhance coordination between public and private housing and social service agencies, State agencies chief function is to distribute program funds to local providers that include units of local government, nonprofit and for-profit organizations, community-based organizations, private sector

organizations, real estate developers and local lenders. The private housing and social service funds available for priority needs may include loans or grant programs through private banks, for-profit or nonprofit organizations; this source of funding varies from year to year.

**National Housing Trust Fund  
Consolidated Plan Amendment**

# **2015-2019 State of Texas Consolidated Plan**

## **Substantially Amended Sections**

### **Adding the National Housing Trust Fund (“NHTF”)**

**Reason for Substantial Amendment:** Adding National Housing Trust Fund ("NHTF") program information to Executive Summary, Process and Strategic Plan sections as required in the "Housing Trust Fund Allocation Plan Guide 2016," available at <https://www.hudexchange.info/resources/documents/HTF-Grantee-Allocation-Plan-Sample-Form.pdf>.

#### **ES-05 Executive Summary - 91.300(c), 91.320(b)**

##### **1. Introduction**

The 2015–2019 State of Texas Consolidated Plan (“Plan”) governs four programs funded by the U.S. Department of Housing and Urban Development (“HUD”): the Community Development Block Grant Program (“CDBG”), the HOME Investment Partnerships (“HOME”) Program, the Emergency Solutions Grants (“ESG”) Program, the Housing Opportunities for Persons with AIDS (“HOPWA”) Program, and the National Housing Trust Fund (“NHTF”). If 2014 HUD funding levels remain consistent, the Plan will govern approximately \$97,000,000 annually. NHTF will add approximately \$4,700,000 for 2016, with subsequent allocations assumed to be consistent. This Plan determines which of HUD’s eligible activities have been identified to best serve the needs of Texas.

HUD allows a broad range of activities for CDBG, HOME, ESG, HOPWA, and NHTF. CDBG provides resources for community development, which may include acquisition of real property; relocation and demolition; rehabilitation of residential and non-residential structures; construction of public facilities and improvements; public services; activities relating to energy conservation and renewable energy resources; and provision of assistance to profit-motivated businesses to carry out economic development and job creation/retention activities. HOME is used for single-family and multifamily housing activities, which may include providing home purchase or rehabilitation financing assistance to eligible homeowners and new homebuyers; building or rehabilitating housing for rent or ownership for eligible households; and tenant-based rental assistance to subsidize rent for low-income persons. ESG funds projects which may include supportive services to homeless individuals and households, emergency shelter/transitional housing, homelessness prevention assistance, and permanent housing for the homeless population. HOPWA is dedicated to the housing and supportive service needs of people living with HIV/AIDS and their families, which may include the acquisition, rehabilitation, or new construction of housing units; facility operations; rental assistance; short-term payments to prevent homelessness; case management; substance abuse treatment; mental health treatment; nutritional services; job training and placement assistance; and assistance with daily living. NHTF provides resources for activities housing extremely low income households, including acquisition, construction and rehabilitation for rental or ownership. A portion of the funds may be used to provide operating support for rental housing.

The Texas Department of Housing and Community Affairs (“TDHCA”) administers the HOME ESG, and NHTF Programs; the Texas Department of Agriculture (“TDA”) administers the CDBG Program; and the Texas Department of State Health Services (“DSHS”) administers the HOPWA Program. All three State agencies collaborated to complete the Plan, along with extensive input from other state agencies, stakeholders, advocates, and community members. TDHCA is the lead agency for the Plan’s development.

The Plan consists of five main chapters. The first main chapter is the Process Chapter, which describes the public input process. The second chapter is the Needs Assessment, which outlines levels of relative need in the areas of affordable housing, homelessness, special needs populations, and community development. Information was gathered through consultation with local agencies, public outreach, and demographic and economic datasets. The third chapter, Market Analysis, focuses on economic forces, as well as the current condition and availability of housing and community development resources. The research-heavy Needs Assessment and Market Analysis chapters form the basis of the fourth chapter, the Strategic Plan, which details how the State will address its priority needs over a five-year period. The strategies reflect the condition of the market, expected availability of funds, and local capacity to administer the Plan. The Strategic Plan is used as a basis for the final chapter: the One Year Action Plan, which will be updated annually.

## **2. Summary of the objectives and outcomes identified in the Plan Needs Assessment Overview**

The Needs Assessment Chapter shapes the policies throughout the Plan. The most common housing problem was moderate to severe cost burden, especially for households with incomes between 0-30% of the area median income (“AMI”). In most cases renters experienced a higher rate of housing problems than homeowners. When comparing the Needs Assessment Chapter to the Market Analysis Chapter, the shortage of affordable housing becomes apparent. However, the State recognizes that housing costs are impacted by local economies, and common housing problems may vary by neighborhood. The Strategic Plan identifies Priority Needs for housing, such as rental assistance; production of new units; acquisition of existing units; and rehabilitation of housing.

The Needs Assessment finds that people with special needs have specific barriers to housing. For example, people with disabilities typically have lower incomes than other household types and require housing with certain specifications, such as physical accessibility features. Special needs populations include elderly and frail elderly; homeless populations and persons at risk of homelessness; persons living with HIV/AIDS and their families; persons with alcohol and substance use disorders; persons with disabilities (mental, physical, intellectual, developmental); public housing residents; residents of colonias; and victims of domestic violence. While not specifically designated as "special needs," the State is directed statutorily to gather data on farmworkers, youth aging out of foster care, and veterans. Each of these special needs populations are specifically focused on through incentives within at least one of the HUD programs covered by this Plan.

ESG focuses on persons who are homeless or at risk of homelessness. Therefore the Needs Assessment has one section dedicated to this population, including numbers of households experiencing sheltered and unsheltered homelessness, and a discussion on the greater likelihood that minorities are homeless. The Market Analysis lists the available resources for homeless populations, and the Strategic Plan identifies Priority Needs as homeless outreach; emergency shelter and transitional housing; rapid re-housing; and homelessness prevention.

HOPWA focuses on persons living with HIV/AIDS and their families, so the Needs Assessment includes an in-depth discussion about this population. Racial and ethnic minorities are disproportionately affected by HIV. Also, persons with HIV are more vulnerable to becoming homeless. The Strategic Plan identifies priority needs to serve persons with HIV/AIDS, such as rental assistance; supportive services for persons with HIV/AIDS; rapid re-housing; and homelessness prevention.

Needs Assessment Section 15 shows disproportionate housing problems based on race, which is defined as a 10% difference compared to the State as a whole. Colonias, which are residential areas along the Texas-Mexico border that lack basic living necessities, such as potable water, electricity, paved roads, and safe and sanitary housing, showed very high rates of housing problems. The 2013 Analysis of Impediments to Fair Housing Choice identified local best practices that mitigate barriers and promote choice for housing. The Strategic Plan and Action Plan lay out steps, such as research on affordable housing expansion, which mitigate the negative effects of public policies on affordable housing.

Finally, non-housing community needs focus on economic and community development. The Needs Assessment finds a large demand for community infrastructure, including water and wastewater systems, roads/ streets, and utilities. Also, there is great emphasis to serve colonias with these types of services. The Strategic Plan identifies priority community development needs as public improvements and infrastructure; economic development; public facilities; and public services.

### **3. Evaluation of past performance**

The information below is for HOME, ESG, CDBG, and HOPWA for Program Year ("PY") 2013 (February 1, 2013 to January 31, 2014). Because NHTF is a new program for 2016, past performance information is not available.

During PY 2013, the Texas CDBG Program committed a total of \$75,871,400 through 254 awarded contracts. For contracts that were awarded in PY 2013, 414,973 persons were anticipated to receive service. The Colonia Self Help Centers awarded \$1,564,167 in contracts outside the PY2013 reported below. Distribution of the funds by activity is described in the table below.

In PY 2013, DSHS' HOPWA served 441 households with TBRA (109% of the One Year Action Plan, or "OYAP" goal), 470 households with Short-Term Rent and Mortgage and Utility ("STRMU") assistance (86% of the OYAP goal), and 12 households with Permanent Housing Placement ("PHP") assistance (80% of the OYAP goal) for a total of 923 unduplicated households. Of the total households served, 907 also received HOPWA-funded Supportive Services (95% of the OYAP goal). All HOPWA clients receive housing supportive services at some level, but some costs were leveraged with other funding sources. Client

outcome goals for housing stability, reducing homelessness risk, and improving access to care were also achieved. (Subtotaled and/or totaled dollar amounts may not be exact due to all expenses are reported to two decimal points but are rounded to nearest whole dollar for the HOPWA chart.)

ESG is expended by Federal Fiscal Year (10/1-9/30). TDHCA evaluated ESG funds committed versus funds expended by activity for PY 2013, a time period that consists of half of Federal Fiscal Year 2012 (2/1/2013-9/30/2013) and Federal Fiscal Year 2013 (10/1/2013-1/31/2014). Based on TDHCA’s ESG analysis, expenditures were well within range of state funding for activities. The largest disparities were found in Homelessness Prevention, where the State committed 23% of the overall budget and the activity accounted for 26% of expenditures, and in Rapid Re-Housing, where the State committed 32% of the total budget and the activity accounted for 30% of expenditures. The evaluation indicated that the State needed to minimally change its goals or projects.

TDHCA’s HOME program committed \$45,747,623 through seven HOME Program activities in PY 2013, representing assistance to 1,133 households. Details on the amount committed in each activity type are included in the chart below.

<b>Fund</b>	<b>2013 Total Obligation</b>
Community Development Fund	\$42,879,742
Texas Capital Fund	\$14,873,609
Colonia Construction Fund	\$5,500,000
Colonia Economically Distressed Areas Program Fund	\$619,665
Colonia Planning Fund	\$24,250
Colonia Self-Help Centers	\$0*
Planning / Capacity Building	\$560,495
Disaster Relief/ Urgent Need	\$9,407,233
STEP Fund	\$2,006,406
Total	\$75,871,400
	*The Colonia Self Help Centers awarded \$1,564,167 in PY2012.

**Table 1 - Table 1 - CDBG Funds Committed, PY 2013**

<b>Activity</b>	<b>Amount</b>
Expenditures for Housing Information Services	\$0
Expenditures for Resource Identification	\$0
Expenditures for Housing Assistance (equals the sum of all sites and scattered-site Housing Assistance)	\$2,285,384
Expenditures for Supportive Services	\$469,448
Grantee Administrative Costs expended	\$25,375
Project Sponsor(s) Administrative Costs expended	\$176,971
Total of HOPWA funds expended during period	\$2,957,179

**Table 2 - Table 2 - HOPWA Program Expenditures, PY 2013**



Activity	Total Funds Expended*	Percentage
Street Outreach	\$502,953.00	6%
Emergency Shelter	\$2,875,237.00	30%
Homelessness Prevention	\$2,505,265.00	26%
Rapid Re-Housing	\$2,877,496.00	30%
Homeless Management Information Systems	\$486,570.00	5%
Administration	\$308,974.00	3%
Total	\$9,556,495.00	100%
	*Expenditures include funds from PY 2011 Second Allocation and PY 2012.	

**Table 3 - Table 3 - ESG Fund Expenditures by Activity (02/01/2013-01/31/2014)**

Activity	Total Committed
Homebuyer Assistance (all activities)	\$4,144,295.52
Homeowner Rehabilitation	\$19,299,152.13
Tenant-Based Rental Assistance	\$5,072,945
CHDO Rental Development	\$3,000,000
CHDO Single Family Development	\$434,477
CHDO Operating Expenses	\$50,000
Rental Housing Development	\$13,746,754
Total	\$45,747,623.65

**Table 4 - Table 4 - HOME Commitments by Activity, PY 2013**

#### **4. Summary of citizen participation process and consultation process**

The State is committed to collaboration with a diverse cross-section of the public in order to meet the various affordable housing needs of Texans. The State also collaborates with governmental bodies, nonprofits, and community and faith-based groups.

Prior to the release of the Draft Plan, several consultations were completed statewide, between April, 2014, and September, 2014, by TDHCA, DSHS, and TDA. The State conducted consultations in person, workshops, roundtables, planning meetings, and a public hearing. The State also conducted consultations electronically, using an online discussion forum, an online survey, listserv announcements, and emails.

During the consultation process, the State consulted with a wide variety of public, private, and nonprofit agencies that provide services including assisted housing, health services, and social and fair housing services, including those focusing on services to children, elderly persons, persons with disabilities, persons with HIV/AIDS and their families, homeless persons, and colonia residents.

Following the release of the Draft 2015-2019 Plan, a 32-day public comment period was open from September 12, 2014, through October 13, 2014. Four public hearings were held across the State at the following dates and times:

- September 30, 2014, San Antonio, 6:00pm
- October 2, 2014, Harlingen, 11:00am
- October 6, 2014, Austin, 5:00pm
- October 8, 2014, Fort Worth, 12:30pm

Two of the hearings were held after business hours. Six people commented at the hearings. Staff members received 28 email comments and 12 letter comments. Some of these commenters submitted oral and written comments and several of the letters represented comments of more than one person. TDHCA held two roundtables in 2016 specific to NHTF, and accepted input at Board meetings and in writing prior to drafting the Application Plan. A hearing will be held during the public comment period, and the results along with any comment received during the Public Comment period will be reported in the final Plan

## **5. Summary of public comments**

The initial public comment on the development of the draft Plan focused on the HOME and CDBG programs. Summary of those comments and staff's reasoned responses are in AD-25. For the comments that occurred during the consultation, the descriptions are in Process Chapter Section 10. Because HUD's online template for grantees, Integrated Disbursement & Information System ("IDIS") had technical difficulties and provided data limitations in saving and responding to all of the consultations, a list of consultations is also attached in the Attachments Chapter.

The public comment on the draft Plan resulted in several clarifications and additional information included in the Plan. Every program received public comment. Public comments about the programs centered on funding goal percentages for each activity, scoring criteria for award-making, and distribution process of awards. Several commenters spoke or gave written testimony on behalf of special needs groups, such as homeless populations, victims of domestic violence, people with disabilities, and farmworkers. Additionally, a few of the comments asked for clarification on the data provided or the addition of national or local statistics or information in the Plan's Needs Assessment and Market Analysis Chapters. The summary of the 67 total comments and the staff responses is attached in the Attachments Chapter.

A summary of public comment and staff's reasoned response on the NHTF Allocation Plan will be provided in the final Plan.

## **6. Summary of comments or views not accepted and the reasons for not accepting them**

Because of the flexible nature of a draft Plan, all comments were considered for revisions. Comments or views that were not accepted were typically comments or views that requested that one activity be eliminated in favor of another activity, or that a specific activity or staff member be dedicated to one special need population. Within the confines of the existing budget and program regulations, the

funding goals for the activities selected in the Plan reflect the needs identified in the Needs Assessment. In addition, eliminating any activity would potentially hamper the ability of the State to have the flexibility to meet the varied needs of Texans and adhere to program regulations. Therefore, no activity was entirely defunded.

In addition, while the State supports initiatives to serve special needs populations, holding funds in specific programs developed for one special need population might place the State in a position of having to deny an equally qualified person from access to assistance. Except for the set asides for special needs provided by statute, no other specific program for a special needs population has been developed. In addition, staff members are available to provide assistance to conveying program requirements as they relate to special needs populations.

A summary of public comment and staff's reasoned response on the NHTF Allocation Plan will be provided in the final Plan.

## **7. Summary**

The consolidated planning process occurs once every five years, so creating a comprehensive Plan is vital for CDBG, HOME, ESG, HOPWA, and NHTF. Because of the Plan's authority to govern these programs, research from multiple sources, including other government plans, peer-reviewed journals, news sources, and fact sheets were used; valuable public input was gathered through roundtable meetings, council/workgroup meetings, public hearings, online surveys, and an online forum; and an expansive public input process is scheduled for the draft Plan.

The format of the Plan is mandated by an online form developed by HUD. HUD has provided an online template for grantees, through its planning and reporting system called IDIS. The questions in bold and many of the tables are created automatically by IDIS. After the Plan is received by HUD, the goals in the Plan are reported each year in another document called the Consolidated Annual Performance Evaluation Report ("CAPER"), which is also produced in IDIS.

## **PR-15 Citizen Participation - 91.115, 91.300(c)**

### **1. Summary of citizen participation process/Efforts made to broaden citizen participation Summarize citizen participation process and how it impacted goal-setting**

Comprehensive outreach was conducted to gather input on the Plan. The public hearing and consultations conducted before the creation of the draft Plan, as well as discussion of the participation of local, regional, and statewide institutions, CoCs, and other organizations affected by the Plan are listed in Process Section 10. The Plan, as adopted, substantial amendments, and the Consolidated Plan Annual Performance and Evaluation Report (“CAPER”) will be available to the public online at <http://www.tdhca.state.tx.us> and will have materials accessible to persons with disabilities, upon request.

#### Encouragement of Public Participation

To reach minorities and non-English speaking residents, the draft Plan outreach will follow TDHCA’s Language Access Plan. Also, the notices will be printed in Spanish and English, per Texas Government Code §2105. Spanish speaking staff will attend meetings in areas likely to have Spanish speakers, such as San Antonio and the Rio Grande Valley. Translators for other languages will be made available at public meetings, if requested.

The State encourages the involvement of individuals of low incomes and persons with disabilities in the allocation of funds and planning process through regular meetings, including community-based institutions, consumer workgroups, and councils listed in Strategic Plan Section 35. All hearing locations are accessible to all who choose to attend, and public hearings will be held at times for both working and non-working persons. Comments can be submitted either at a public hearing or in writing via mail, fax, or email.

The State notifies residents in areas where CDBG funds are proposed for use by distributing information on public hearings through the CDBG email list from TDA. Information related to the Plan and opportunities for feedback were provided through webinars and web discussions that allow participation by residents of rural areas without requiring travel to a central location. Regional public hearings held as part of the Regional Review Committee process also encourage participation by CDBG stakeholders.

#### Public hearings

The Draft Plan was released for a 32-day public comment period from September 12, 2014, to October 13, 2014. TDHCA held at least four hearings across the state. Constituents were encouraged to provide input regarding all programs in writing or at one of the public hearings.

The public hearing schedule WAS published in the Texas Register and on TDHCA’s website at <http://www.tdhca.state.tx.us>, and was advertised during various workgroups and committee meetings. During the public comment period, printed copies of the draft Plan was available from TDHCA, and electronic copies will be available for download from TDHCA’s website.

The affect of consultations on goal-setting was discussed in Process Section 10. Public comment received on the draft Plan is included in the Attachment Chapter.

#### Criteria for Amendment to the Consolidated Plan

Substantial amendments will be considered if a new activity is developed for any of the funding sources or there is a change in method of distribution. If a substantial amendment is needed, reasonable notice by publication on TDHCA's website at <http://www.tdhca.state.tx.us> will be given, and comments will be received for no less than 30 days after notice is given. A public hearing will be optional.

#### Performance Report

The 2016 CAPER will analyze the results of the Plan. Due to the short 90-day turnaround time of the CAPER between the end of HUD's Program Year (1/31) and the due date, the public will be given reasonable notice by publication on TDHCA's website at <http://www.tdhca.state.tx.us>. Comment will be accepted for a minimum of 15 days. A public hearing will be optional.

### Citizen Participation Outreach

Sort Order	Mode of Outreach	Target of Outreach	Summary of response/attendance	Summary of comments received	Summary of comments not accepted and reasons	URL (If applicable)
1	Electronic survey	CoCs, service providers	On January 9, 2014, TDHCA released a survey to receive input from CoCs and services providers in the State of Texas on the allocation of funding, performance standards, and HMIS policies and procedures for its 2014 ESG funds. Comments were received from fourteen agencies representing six CoCs. The comments received will be considered in program planning for 2014. Such surveys will continue to be used for future program planning.	Commenters generally supported the TDHCA method of allocation and did not support the idea of limiting funding to applicants that do not receive direct funding from HUD. Emergency shelter, homelessness prevention, and rapid re-housing remain the highest needs among the commenters. Commenters generally support the idea of direct ESG funding to the CoCs but clearly require more information.	On the 2014 ESG survey, commenters requested that TDHCA align its reporting to mirror the HMIS. TDHCA reporting is based on HUD's requirements for the CAPER. As HUD moves to revise the CAPER to more closely reflect HMIS, TDHCA will follow.	

Sort Order	Mode of Outreach	Target of Outreach	Summary of response/attendance	Summary of comments received	Summary of comments not accepted and reasons	URL (If applicable)
2	Public Hearing	Non-targeted/broad community	On July 23, 2014, TDHCA led a public hearing at 2:00pm at the William B. Travis Building, 1701 N. Congress, Room 1-100, Austin, TX, 78701. Twelve people were in attendance and six provided spoken and/or written comments.	Three speakers gave comment related only to the CDBG program, two speakers gave comment related only to the HOME program, and one speaker gave comment related to both the CDBG and HOME programs. Additionally, six letters and one email were received as written public comment. All written comments were made on the HOME program. A summary of public comment received is provided in the Attachments Chapter.	A summary of public comment received and reasoned responses are provided in the Attachment Chapter.	

Sort Order	Mode of Outreach	Target of Outreach	Summary of response/attendance	Summary of comments received	Summary of comments not accepted and reasons	URL (If applicable)
3	Public Hearing	Non-targeted/broad community	On Tuesday, September 30, 2014, TDHCA led a public hearing at 6:00pm at the Omni San Antonio Hotel, Grand Ballroom C, 9821 Colonnade Boulevard, San Antonio, TX 78230. Eight people were in attendance and three provided spoken and/or written comments.	A summary of public comment received and reasoned responses are provided in the Attachment Chapter.	A summary of public comment received and reasoned responses are provided in the Attachments Chapter.	<a href="http://www.tdhca.state.tx.us/events/index.jsp">http://www.tdhca.state.tx.us/events/index.jsp</a>
4	Public Hearing	Minorities Non-English Speaking - Specify other language: Spanish	On Thursday, October 2, 2014, TDHCA led a public hearing at 11:00am at the Harlingen Public Library, Boggus Conference Room, 410 76 Drive, Harlingen, TX 78550. No one was in attendance and no spoken and/or written comments were provided.	A summary of public comment received and reasoned responses are provided in the Attachment Chapter.	A summary of public comment received and reasoned responses are provided in the Attachments Chapter.	<a href="http://www.tdhca.state.tx.us/events/index.jsp">http://www.tdhca.state.tx.us/events/index.jsp</a>
5	Public Hearing	Non-targeted/broad community	On Monday, October 6, 2014, TDHCA led a public hearing at 6:00pm at the Stephen F. Austin Building, Room 170, 1700 N. Congress Avenue, Austin, TX 78701. Four people were in attendance and two provided spoken and/or written comments.	A summary of public comment received and reasoned responses are provided in the Attachment Chapter.	A summary of public comment received and reasoned responses are provided in the Attachments Chapter.	<a href="http://www.tdhca.state.tx.us/events/index.jsp">http://www.tdhca.state.tx.us/events/index.jsp</a>



Sort Order	Mode of Outreach	Target of Outreach	Summary of response/attendance	Summary of comments received	Summary of comments not accepted and reasons	URL (If applicable)
6	Public Hearing	Non-targeted/broad community	On Wednesday, October 8, 2014, TDHCA led a public hearing at 12:30pm at the Fort Worth Central Library, Chappell Meeting Room, 500 West Third Street, Fort Worth, TX 76102. Two people were in attendance and one provided spoken and/or written comments.	A summary of public comment received and reasoned responses are provided in the Attachment Chapter.	A summary of public comment received and reasoned responses are provided in the Attachments Chapter.	<a href="http://www.tdhca.state.tx.us/events/index.jsp">http://www.tdhca.state.tx.us/events/index.jsp</a>

Sort Order	Mode of Outreach	Target of Outreach	Summary of response/attendance	Summary of comments received	Summary of comments not accepted and reasons	URL (If applicable)
7	Electronic survey	Non-targeted/broad community	<p>TDHCA filed a notice in the Texas Register announcing the Public Comment Period and four Public Hearings on the Draft 2015-2019 State of Texas Consolidated Plan. The notice was filed on September 8, 2014 and was published in the September 19, 2014 Edition of the Texas Register. The notice announced that the State of Texas was holding a 32-day public comment period from Friday, September 12, 2014 through 6:00 p.m. Central on Monday, October 13, 2014, to obtain public comment on of the Draft 2015-2019 State of Texas Consolidated Plan. Comments were encouraged on the Plan in written form or oral testimony at the public hearings. Written comments concerning the Plan could be submitted by mail to the Texas Department of Housing and Community Affairs, Housing Resource Center, P.O. Box 13941, Austin, TX 78711-3941, by email to <a href="mailto:info@tdhca.state.tx.us">info@tdhca.state.tx.us</a>, or by fax to (512) 475-0070. The deadline to accept comments was Monday, October 13, 2014, 6:00 p.m. Central Time.</p>	<p>A summary of public comment received and reasoned responses are provided in the Attachment Chapter. Additionally, a copy of the Texas Register posting is provided as an attachment to Section AD-25.</p>	<p>A summary of public comment received and reasoned responses are provided in the Attachments Chapter.</p>	<p><a href="http://www.sos.state.tx.us/texreg/archive/September192014/In%20Addition/In%20Addition.html#189">http://www.sos.state.tx.us/texreg/archive/September192014/In%20Addition/In%20Addition.html#189</a></p>

Sort Order	Mode of Outreach	Target of Outreach	Summary of response/attendance	Summary of comments received	Summary of comments not accepted and reasons	URL (If applicable)
8	Internet Outreach	Non-targeted/broad community	To broaden citizen participation, TDHCA created a webpage to post information on the 2015-2019 State of Texas Consolidated Plan, including the Draft Plan, public hearing information, and submitting public comment. The unique URL of the webpage was shared widely by listserv emails and through TDHCA's Twitter and Facebook accounts. During the public comment period (September 12, 2014 through October 13, 2014). Twenty-eight emails were received during the public comment period.	A summary of public comment received and reasoned responses are provided in the Attachments Chapter. Additionally, screenshots of the webpage and social media outreach are provided as an attachment to Section AD-25.	A summary of public comment received and reasoned responses are provided in the Attachments Chapter.	<a href="http://www.tdhca.state.tx.us/housing-center/consolidated-plan-2015-2019.htm">http://www.tdhca.state.tx.us/housing-center/consolidated-plan-2015-2019.htm</a>

**Table 5 – Citizen Participation Outreach**

## SP-10 Geographic Priorities – 91.315(a)(1)

### Geographic Area

Table 6 - Geographic Priority Areas

1	<b>Area Name:</b>	State of Texas
	<b>Area Type:</b>	State Service Area
	<b>Other Target Area Description:</b>	State Service Area
	<b>HUD Approval Date:</b>	
	<b>% of Low/ Mod:</b>	
	<b>Revital Type:</b>	
	<b>Other Revital Description:</b>	
	<b>Identify the neighborhood boundaries for this target area.</b>	State of Texas.
	<b>Include specific housing and commercial characteristics of this target area.</b>	Described in the Needs Assessment of the 2015-2019 State of Texas Consolidated Plan.
	<b>How did your consultation and citizen participation process help you to identify this neighborhood as a target area?</b>	Described in the Process Chapter of the 2015-2019 State of Texas Consolidated Plan.
	<b>Identify the needs in this target area.</b>	Described in the Needs Assessment of the 2015-2019 State of Texas Consolidated Plan.
	<b>What are the opportunities for improvement in this target area?</b>	Described in the Needs Assessment and Market Analysis of the 2015-2019 State of Texas Consolidated Plan.
<b>Are there barriers to improvement in this target area?</b>	Described in the Needs Assessment and Market Analysis of the 2015-2019 State of Texas Consolidated Plan.	

### General Allocation Priorities

Describe the basis for allocating investments geographically within the jurisdiction (or within the EMSA for HOPWA)

TDHCA and TDA do not provide priorities for allocating investment geographically to areas of minority concentration as described in 24 CFR §91.320(d).

### HOME Program Geographic Priorities

Texas Government Code §2306.111 requires that TDHCA use a Regional Allocation Formula ("RAF") to allocate its HOME funding. The RAF uses the data from the Census Bureau to prioritize funding, such as: number of persons who live at or under 200% of the poverty line; number of households with rent or mortgage payment that exceeds 30% of income; number of units with more than one person per room;

and vacant units for rent or for sale. Both homeowner data and renter data are used in the RAF. This formula captures data on all Texas counties and accordingly reflects geographic priorities.

Additionally, Texas Government Code §2306.111 specifies that TDHCA shall expend at least 95% of its HOME funds for the benefit of areas not in Participating Jurisdictions ("PJs"). Therefore, need and availability in the areas that are PJs are not prioritized in the RAF. The RAF distributes all HOME funds from the annual allocation except for federal- and state-mandated activities, such as CHDO Operating Expenses, housing programs for persons with disabilities, and the Contract for Deed Conversion Program. The RAF assessed, revised as appropriate, and published annually, after the public comment process, at <https://www.tdhca.state.tx.us/housing-center/pubs-plans.htm>.

#### ESG Geographic Priorities

Beginning with Federal Fiscal Year 2013, ESG funds have been prioritized for each of the HUD-designated Continuum of Care ("CoC") Regions. This is according to a combination of the CoC region's proportionate share of the total homeless population (based on the Point-in-Time count submitted to HUD by the CoCs) and the proportionate share of people living in poverty (based on the American Community Survey). For the purposes of distributing funds, the percentage of statewide homeless population is weighted at 75% while the percentage of statewide population in poverty is weighted at 25%.

#### CDBG Geographic Priorities

Texas CDBG Funds for projects under the Community Development ("CD") Fund are allocated by formula to 24 regions based on the methodology that HUD uses to allocate CDBG funds to the non-entitlement state programs (21.71% of annual allocation), along with a state formula based on poverty and unemployment (40% of annual allocation). In addition, 12.5% of the annual allocation is allocated to projects under the Colonia Fund categories, which must be expended within 150 miles of the Texas-Mexico border. Colonia SHC funds are allocated by statute among five Texas-Mexico border counties, as well as in other border counties that are determined to be economically distressed. Allocations for each SHC correspond to contract activities that are proposed by the SHCs and the Colonia Resident Advisory Committee ("C-RAC").

#### HOPWA Geographic Priorities

Texas HOPWA funding allocations are geographically distributed across the state to the 26 HIV-Service Delivery Areas ("HSDA") based on factors such as population with HIV and unmet need. Texas has 254 counties and can carry out activities anywhere in the state. Texas serves all the rural counties and is a wrap-around for the federally-designated six Metropolitan Statistical Areas ("MSAs") that receive direct HOPWA funding from HUD, which means there is some overlap of counties served by both the MSA and the state. The six directly-funded MSAs are Austin, Dallas, Fort Worth, Houston, San Antonio, and El Paso, and counties under each MSA are subject to change. DSHS allocates funding to meet the needs of PLWH in Texas, many of whom reside in areas of minority concentration; most PLWH are racial and ethnic minorities.

**NHTF Geographic Priorities**

The Texas NHTF will distribute NHTF funds through a competitive NOFA process. For any year that the NHTF allocation is less than \$10 million, the funds will initially be available geographically, based on the proportion of Extremely Low Income Renter households to the total population of Renter Households in each of thirteen State Service Regions. A minimum will be calculated for each region as a ratio of the available allocation divided by thirteen, and available competitively within each region prior to collapse into a statewide competition. If the allocation received by the State exceeds \$10 million, the Regional Allocation Formula used for the State's allocation of HOME funds will be used to distribute NHTF funds, although statutory requirements regarding benefit of areas not in Participating Jurisdictions or any HOME-specific setasides will not apply. If the State implements a homeownership program component using NHTF, the homeownership program only may use a different allocation method, based on proportionate need.

## SP-25 Priority Needs – 91.315(a)(2)

### Priority Needs

Table 7 – Priority Needs Summary

<b>1</b>	<b>Priority Need Name</b>	Rental Assistance
	<b>Priority Level</b>	High
	<b>Population</b>	Extremely Low Low Moderate Large Families Families with Children Elderly Public Housing Residents Rural Chronic Homelessness Individuals Families with Children Mentally Ill Chronic Substance Abuse veterans Persons with HIV/AIDS Victims of Domestic Violence Unaccompanied Youth Elderly Frail Elderly Persons with Mental Disabilities Persons with Physical Disabilities Persons with Developmental Disabilities Persons with Alcohol or Other Addictions Persons with HIV/AIDS and their Families Victims of Domestic Violence
	<b>Geographic Areas Affected</b>	State Service Area
	<b>Associated Goals</b>	CDBG Colonia Self-Help Centers HOME Administration HOPWA Permanent Housing Placement Assistance HOPWA Tenant-Based Rental Assistance Tenant-Based Rental Assistance with HOME funding
	<b>Description</b>	Rental Assistance includes security and utility deposits, and rental subsidies, usually while the household engages in a self-sufficiency program.

	<b>Basis for Relative Priority</b>	<p>The Needs Assessment in Section 10 and Section 30 established that cost burden was a housing problem that by far affected the most households with housing problems and were within 0-100% Area Median Income ("AMI"). Needs Assessment Section 10, Table 3, "Housing Problems", shows that 83% of renters with housing problems and income between 0-100% AMI had cost burden (i.e., spending more than 30% of income on rent) or severe cost burden (i.e., spending 50% or more of income on rent). In the answer to the question in that section "What are the most common housing problems", it was found that renters with housing problems in the 0-30% AMI category experienced a severe cost burden 5% higher than homeowners with housing problems, and renters with housing problems in the &gt;30-50% and &gt;50-80% AMI categories experienced non-severe cost burden 9-17% higher than homeowners with housing problems.</p> <p>The Market Analysis Section 15 shows that renters do not have access to enough affordable rental units. First, in the answer to the question in that section "Is there sufficient housing for households at all income levels?", there is a discussion of housing mismatch which demonstrates that higher income households often reside in market-rate units that could be affordable to the lowest-income households. Low-income households (e.g., 0-80% AMI) make up only 56% of all households occupying housing affordable to them. Even though there appears to be a large number of affordable units, this mismatch is one issue that creates cost burden. Also, in the answer to the question in that section "How is affordability of housing likely to change considering changes to home values and/or rents?", even with the increase in median incomes, the rates of cost burden for all renters remained steady over 5 years at 44%. Rental assistance would help to lower this rate of cost burden.</p>
<b>2</b>	<b>Priority Need Name</b>	Production of new units
	<b>Priority Level</b>	High



	<b>Population</b>	Extremely Low Low Moderate Large Families Families with Children Elderly Public Housing Residents Rural Chronic Homelessness Individuals Families with Children Mentally Ill Chronic Substance Abuse veterans Persons with HIV/AIDS Victims of Domestic Violence Unaccompanied Youth Elderly Frail Elderly Persons with Mental Disabilities Persons with Physical Disabilities Persons with Developmental Disabilities Persons with Alcohol or Other Addictions Persons with HIV/AIDS and their Families Victims of Domestic Violence Other
	<b>Geographic Areas Affected</b>	State Service Area
	<b>Associated Goals</b>	CDBG Colonia Set-Aside Construction of single family housing HOME Administration HOME Households in new/rehabed multifamily units NHTF households in new/rehabed multifamily units NHTF Administration

	<b>Description</b>	<p>Multifamily development of new units for the construction of a rental development, which will have units to be offered at below-market-rate rents. CHDOs could be eligible to receive funding for the new construction of affordable single-family homes. New single-family homes must follow certain design and quality requirements and must be sold to low-income homebuyers after completion of construction. The production of new units may be paired with permanent financing to qualified households if needed.</p> <p>Production also includes Self-Help Housing. The Bootstrap Loan Program ("Bootstrap") allows for self-help housing construction to provide very low-income families—including persons with special needs, such as colonia residents—an opportunity to purchase or refinance real property on which to build new housing or repair their existing homes through "sweat equity." Household income may not exceed 60% of AMI. All Bootstrap households provide at least 65% of the labor necessary to build or rehabilitate their housing under the supervision and guidance of a state-certified administrator or Colonia Self-Help Center. The maximum Bootstrap loan may not exceed \$45,000 per household.</p> <p>The Colonia SHCs provides targeted colonias in border counties with opportunities to improve housing and increase personal capacity for homeownership. The SHCs provide housing services in the form of new construction, reconstruction, rehabilitation, small repairs, tool lending, construction skills training, and utility connections. Colonia residents are able to repair and construct their own and others' housing under the guidance of qualified nonprofit housing developers who provide training in construction methods and homeownership. SHC community development activities include homeownership education, access to and training in computers/technology, consumer rights education, financial literacy, and solid waste disposal assistance.</p>
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	<b>Basis for Relative Priority</b>	<p>As previously established in the "Basis for Relative Priority" for the Rental Assistance Priority Need, the most common housing problem for renters is distinctly cost burden. Creation of new multifamily units that offer reduced rents works hand-in-hand with rental assistance, since both types of assistance alleviate cost burden.</p> <p>Regarding the need for more affordable single-family units, the Needs Assessment Section 10 established that cost burden was a housing problem that by far affected the most homeowners that had housing problems and were within 0-100% AMI. Needs Assessment Section 10, Table 3, "Housing Problems", shows that 87% of homeowners with housing problems and incomes between 0-100% AMI had cost burden (i.e., spending more than 30% of income on mortgage) or severe cost burden (i.e., spending 50% or more of income on mortgage). In the answer to the question in that section "What are the most common housing problems", it was found that homeowners with housing problems in the 0-30% and &gt;80-100% AMI categories experienced a cost burden 7-10% higher than renters with housing problems.</p> <p>Also, Needs Assessment Section 30 discussed the needs of colonia residents, who live in colonias with reduced infrastructure and poor housing. New affordable units would provide options for persons who live in substandard housing.</p> <p>Finally, the Market Analysis Section 15 showed how the affordability of homes for households with median family income compared to the income required to qualify for an 80%, fixed-rate mortgage to purchase a median priced home in most Multiple Listing Services ("MLS") has gone down from 2011 to 2013. When affordability is going down, the need for affordable units increases.</p> <p>Because of these factors, TDHCA will continue to evaluate annually whether a portion of NHTF should be directed to ownership activities to address housing problems within the context of availability of other fund sources.</p>
<b>3</b>	<b>Priority Need Name</b>	Acquisition of existing units
	<b>Priority Level</b>	High

<b>Population</b>	<p>Extremely Low  Low  Moderate  Large Families  Families with Children  Elderly  Public Housing Residents  Elderly  Frail Elderly  Persons with Mental Disabilities  Persons with Physical Disabilities  Persons with Developmental Disabilities  Persons with HIV/AIDS and their Families  Victims of Domestic Violence  Other</p>
<b>Geographic Areas Affected</b>	<p>State Service Area</p>
<b>Associated Goals</b>	<p>CDBG Colonia Set-Aside  HOME Administration  Homebuyer assistance with possible rehabilitation  NHTF households in new/rehabed multifamily units  NHTF Administration</p>
<b>Description</b>	<p>For HOME, acquisition of existing units would provide funds for downpayment and closing costs. Homebuyer assistance could be paired with rehabilitation, if the home has architectural barriers for persons with disabilities. Homebuyer assistance can also include contract for deed conversions.</p> <p>Finally, TDHCA's Colonia SHCs provides targeted colonias in border counties with opportunities to improve housing and increase personal capacity for homeownership and employment. The SHCs provide housing services in the form of new construction, reconstruction, rehabilitation, small repairs, contract for deed conversions, tool lending, construction skills training, and utility connections. Colonia residents are able to repair and construct their own and others' housing under the guidance of qualified nonprofit housing developers who provide training in construction methods and homeownership. SHC community development activities include homeownership education, access to and training in computers/technology, consumer rights education, financial literacy, and solid waste disposal assistance.</p>

	<b>Basis for Relative Priority</b>	<p>As was already established in the "Basis for Relative Priority" for the Production of new units, the most common housing problem for owners is cost burden. Assisting homebuyers with the affordable acquisition of units will help address cost burden for potential homebuyers.</p> <p>As established by Needs Assessment Section 30, unscrupulous practices regarding the use of contracts for deed are often detrimental to the buyers of properties. By converting those contracts for deed to traditional mortgages, the units that were unaffordable through the high interest rates in the contracts for deed become affordable through mortgages, while also providing the homeowner with the full rights of homeownership.</p> <p>Also, as established by Needs Assessments Section 45, persons with disabilities may need assistance with barrier removal. The pairing of homebuyer assistance, which helps make the home affordable, and barrier removal, which allows the person with a disability to function in the home, addresses a housing and special need.</p>
<b>4</b>	<b>Priority Need Name</b>	Rehabilitation of housing
	<b>Priority Level</b>	High

	<b>Population</b>	Extremely Low Low Moderate Large Families Families with Children Elderly Public Housing Residents Rural Chronic Homelessness Individuals Families with Children Mentally Ill Chronic Substance Abuse veterans Persons with HIV/AIDS Victims of Domestic Violence Unaccompanied Youth Elderly Frail Elderly Persons with Mental Disabilities Persons with Physical Disabilities Persons with Developmental Disabilities Persons with Alcohol or Other Addictions Persons with HIV/AIDS and their Families Victims of Domestic Violence Other
	<b>Geographic Areas Affected</b>	State Service Area
	<b>Associated Goals</b>	CDBG Administration CDBG Colonia Self-Help Centers CDBG Colonia Set-Aside HOME Administration Homeless Goals HOME Households in new/rehabed multifamily units Rehabilitation of single family housing NHTF households in new/rehabed multifamily units NHTF Administration

	<b>Description</b>	<p>Rehabilitation is the act of making repairs designed to address health and safety concerns, as well as local code requirements, and reconstruction is rebuilding either because it is not cost feasible to repair the home because of the extent of needed repairs, or because a home has been damaged or destroyed beyond repair.</p> <p>Rehabilitation or reconstruction of single-family units involves construction activities on owner-occupied housing on the same site. Activities intended to address rehabilitation needs can also result in new construction of housing units when they replace a previous, existing housing unit. Also permitted are (1) instances where an existing owner-occupied manufactured housing unit is replaced with a site-built house or another manufactured housing unit on the same site; (2) an existing housing unit is demolished and rebuilt on a lot located outside a floodplain or away from other environmental hazards; or (3) when a housing unit is replaced because it has become uninhabitable as a result of disaster or condemnation by local government.</p> <p>Rehabilitation of multifamily units varies from property to property depending on specific needs, and could include exterior and/or interior work. A definition of rehabilitation can be found in the Uniform Multifamily Rules 10 Texas Administrative Code, §10.3.</p> <p>Rehabilitation and reconstruction includes self-help housing, which involves on-site technical assistance to low- and very low-income individuals for outreach and education; housing rehabilitation; construction skills training; tool library access for self-help construction; housing finance; credit and debt counseling; grant writing; contract-for-deed conversions; and capital access for mortgages.</p> <p>Finally, rehabilitation may include renovation or major rehabilitation of an emergency shelter or conversion of a building into an emergency shelter.</p>
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	<p><b>Basis for Relative Priority</b></p>	<p>As was already established in the "Basis for Relative Priority" for the Production of new units, the most common housing problem for renters and owners is cost burden. The Needs Assessment Section 10 shows that substandard housing is the least commonly identified housing problem, experienced by only 2% of the population under 100% AMI. However, the Market Assessment Section 15 notes the importance of local economies on the housing markets. While substandard housing is not as common of a problem for Texas as a whole compared to other housing problems, in some communities substandard housing may be a substantial problem. This is true in rural areas and especially true in colonias, as noted in Needs Assessment Section 30. Colonias are unique in that they have large amounts of substandard housing but, unlike much of the rest of Texas, have more affordable housing, as described in Market Analysis Section 50.</p> <p>Rehabilitation of multifamily units will help ensure affordability for renters and, as new units are added to the State's affordable housing stock, provide more affordable rental choices. Rehabilitation for single-family housing in colonias is strongly supported by the Needs Assessment and Market Analysis. Rehabilitation outside the colonias may be supported by local markets, as illustrated by comments during the consultation of the 2015-2019 State of Texas Consolidated Plan from TICH and TDCJ (Market Analysis Section 20).</p> <p>Although homeowner cost burden is measured in the Needs Assessment Chapter by comparing the mortgage and utility payments to the income of the homeowner, an analysis of home rehabilitation or reconstruction compared to income of the homeowner may show a substantial hardship for homeowners. Assistance of up to \$85,000, which is the highest amount allowable in the HOME Single Family rehabilitation/reconstruction activity in 2014, would result in a loan of similar size as some mortgages as generated through a private financial institution. If the homeowner already has a mortgage or has income between 0-80% AMI, this large loan payment could create a burden. In this way, rehabilitation could affect affordability for the homeowner. HOME's Single-Family rehabilitation/reconstruction program helps sustain affordability, because it repairs or replaces older housing stock through deferred, forgivable loans or grants with new, more energy-efficient housing stock, thus reducing potential cost burden. Though the focus in the Needs Assessment and Market Analysis is on affordability and availability, it should be noted that rehabilitation would also improve the safety of the homeowner.</p> <p>Because of these factors and particularly the needs inside colonias, HOME funds are made available annually for single family rehabilitation activities. TDHCA will continue to evaluate annually whether HOME funds should be directed to other activities that could more directly address common housing problems, such as cost burden, while ensuring that the rural parts of the state have access address the most common housing problems they may be experiencing based on geography or population.</p> <p>Regarding the rehabilitation of emergency shelters, Needs Assessment 40 shows that there are 16,336 unsheltered homeless on a given night. Maintaining the safety and quality of shelters will continue to warrant the rehabilitation of emergency shelters when possible.</p>
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5	<b>Priority Need Name</b>	Supportive Services for Persons with HIV/AIDS
	<b>Priority Level</b>	High
	<b>Population</b>	Extremely Low Low Moderate Large Families Families with Children Elderly Public Housing Residents Persons with HIV/AIDS Persons with HIV/AIDS and their Families
	<b>Geographic Areas Affected</b>	State Service Area
	<b>Associated Goals</b>	HOPWA-Funded Supportive Services
	<b>Description</b>	The Supportive Services program provides case management, basic telephone service, and assistance to purchase smoke detectors to eligible individuals living with HIV and their families. Case managers also assist HOPWA clients with comprehensive housing plans and make referrals such as medical care, mental health and/or substance abuse treatment, and other services based on the client's individual needs.
	<b>Basis for Relative Priority</b>	The Market Analysis states that the State HOPWA program provides tenant-based rental assistance; short-term rent, mortgage, and utilities assistance, and some project sponsors provide financial assistance with security deposits and credit checks. HOPWA-eligible individuals who have exited from an institution into the State's HOPWA program receive supportive services from a case manager which include a comprehensive housing plan and linkage and referrals to health professionals as needed to assist in keeping the client stable and housed. HOPWA eligibility requires an HIV diagnosis and income at 80% or below AMI. HIV disproportionately affects racial/ethnic minorities and males. At the end of 2012, 72,932 persons were living with HIV in Texas, many at incomes below the poverty level, and the number continues to rise every year. According to the DSHS 2012 Texas STD and HIV Integrated Epidemiologic Profile, Texas had the 8th highest rate (19.7/100,000 population) of new HIV diagnoses in the nation in 2011. Housing is a critical need for PLHW and their families.
6	<b>Priority Need Name</b>	Homeless Outreach
	<b>Priority Level</b>	High

<b>Population</b>	<p>Extremely Low  Low  Moderate  Large Families  Families with Children  Elderly  Rural  Chronic Homelessness  Individuals  Families with Children  Mentally Ill  Chronic Substance Abuse  veterans  Persons with HIV/AIDS  Victims of Domestic Violence  Unaccompanied Youth  Other</p>
<b>Geographic Areas Affected</b>	State Service Area
<b>Associated Goals</b>	Homeless Goals
<b>Description</b>	<p>Offering essential services helps unsheltered homeless persons connect with emergency shelter, housing, or critical services, and provides urgent, non-facility-based care to those who are unwilling or unable to access emergency shelter, housing, or an appropriate health facility.</p> <p>Outreach includes engagement, case management, emergency health and mental health services, transportation, and services for special needs populations.</p> <p>Case Management includes using a centralized assessment system, conducting evaluations, counseling, coordinating services, obtaining local benefits, monitoring program participant progress, providing information and referrals, and developing an individualized housing.</p> <p>Emergency health services include assessing a program participant's health problems and developing a treatment plan while helping to understand their health needs. Mental health services are also provided.</p> <p>Transportation assistance is allowed for the homeless population and outreach providers.</p> <p>Outreach to special needs population will vary based on the special need and will be specified in Strategic Plan Section 45.</p>

	<b>Basis for Relative Priority</b>	Needs of individuals and families at risk of homelessness are established in Needs Assessment Section 10. Along with having low-incomes, many individuals and families at risk of homelessness have co-occurring issues, such as needs for essential services like child care or education. Because of these co-occurring issues, outreach to prevent homelessness for these populations is essential. Special needs populations described in Needs Assessment Section 45 have difficulty retaining housing in unique ways and are often vulnerable to homelessness. These populations need outreach tailored to them.
7	<b>Priority Need Name</b>	Emergency shelter and transitional housing
	<b>Priority Level</b>	High
	<b>Population</b>	Extremely Low Low Moderate Large Families Families with Children Elderly Rural Chronic Homelessness Individuals Families with Children Mentally Ill Chronic Substance Abuse veterans Persons with HIV/AIDS Victims of Domestic Violence Unaccompanied Youth Other
	<b>Geographic Areas Affected</b>	State Service Area
	<b>Associated Goals</b>	Homeless Goals

	<b>Description</b>	Emergency shelter means the provision of a temporary shelter for homeless persons which does not require occupants to sign leases or occupancy agreements. Emergency shelters include shelters that provide overnight accommodation services as well as shelters that provide a space to stay during day time hours. Emergency shelters can offer essential services, such as case management, child care, education services, employment assistance, job training, outpatient health services, legal services, life training skills, mental health services, substance abuse treatment services, transportation, and services for special populations.
	<b>Basis for Relative Priority</b>	As was already established in the "Basis for Relative Priority" for Rental Assistance, the most common housing problem is cost burden. As discussed in Needs Assessment Section 10, certain characteristics, such as cost burden, can lead to instability of housing and risk of homelessness. With the 16,336 estimated number of homeless persons unsheltered on a given night listed in the Needs Assessment Section 40, the need for emergency shelter becomes apparent.
<b>8</b>	<b>Priority Need Name</b>	Rapid Re-housing
	<b>Priority Level</b>	High
	<b>Population</b>	Extremely Low Low Large Families Families with Children Elderly Public Housing Residents Elderly Frail Elderly Persons with Mental Disabilities Persons with Physical Disabilities Persons with Developmental Disabilities Persons with Alcohol or Other Addictions Persons with HIV/AIDS and their Families Victims of Domestic Violence Other
	<b>Geographic Areas Affected</b>	State Service Area
	<b>Associated Goals</b>	Homeless Goals

	<b>Description</b>	Rapid re-housing includes housing relocation, stabilization services, and short- and/or medium-term rental assistance as necessary to help a homeless individual or family move as quickly as possible into permanent housing and achieve stability in that housing. Rapid re-housing may involve providing last month's rent, rental application fees, security deposits, utility deposits, utility payments, and moving costs. Services provided for homelessness prevention may involve housing search and placement, housing stability case management, mediation, legal services for subject matters such as landlord/tenant disputes, and credit repair.
	<b>Basis for Relative Priority</b>	As established in Needs Assessment Section 40, a continuum of care approach for homeless populations necessitates more options than only providing emergency shelter. In addition, Market Analysis Section 30 discusses the cost savings of rapid re-housing.
<b>9</b>	<b>Priority Need Name</b>	Homelessness Prevention
	<b>Priority Level</b>	High
	<b>Population</b>	Extremely Low Low Large Families Families with Children Elderly Public Housing Residents Persons with HIV/AIDS and their Families Other
	<b>Geographic Areas Affected</b>	State Service Area
	<b>Associated Goals</b>	HOPWA Permanent Housing Placement Assistance HOPWA Short-Term Rent, Mortgage, & Utilities Asst HOPWA Tenant-Based Rental Assistance Homeless Goals

	<b>Description</b>	<p>Homelessness prevention includes using relocation and stabilization services and short- and/or medium-term rental assistance to prevent an individual or family from moving into an emergency shelter or another place. Homelessness prevention may involve providing last month’s rent, rental application fees, security deposits, utility deposits, utility payments, and moving costs. Services provided for homelessness prevention may involve housing search and placement, housing stability case management, mediation, legal services for subject matters such as landlord/tenant disputes, and credit repair.</p> <p>The Texas HOPWA program prevents homelessness and stabilizes housing for PLWH in Texas with housing subsidy assistance activities and supportive services. TBRA provides tenant-based rental assistance to eligible individuals until they are able to secure other affordable and stable housing. STRMU provides emergency short-term rent, mortgage, and utility payments to eligible individuals for a maximum of 21 weeks of assistance in a 52-week period. PHP provides assistance for housing placement costs which may include application fees, related credit checks, and reasonable security deposits necessary to move persons into permanent housing. All of these activities, along with supportive services, helps clients maintain affordable and stable housing, reduces risk of homelessness, and improves access to health care and supportive services.</p>
	<b>Basis for Relative Priority</b>	<p>As established in Needs Assessment Section 40, a continuum of care approach for homeless populations necessitates more options than providing emergency shelter. Market Analysis Section 30 discusses the cost savings of homelessness prevention.</p> <p>PLWH and their families have a critical need for housing in Texas. Stable housing significantly increases rates of improved health outcomes for this population. HOPWA eligibility requires an HIV diagnosis and income at 80% or below AMI. HIV disproportionately affects racial/ethnic minorities and males. At the end of 2012, 72,932 persons were living with HIV in Texas, many at incomes below the poverty level, and the number continues to rise every year. “In 2011...Texas had the 8th highest rate (19.7/100,000 population) of new HIV diagnoses in the nation” (Texas Department of State Health Services, 2014).</p>
<b>10</b>	<b>Priority Need Name</b>	Public Improvements and Infrastructure
	<b>Priority Level</b>	High
	<b>Population</b>	<p>Extremely Low</p> <p>Low</p> <p>Moderate</p> <p>Non-housing Community Development</p> <p>Other</p>

	<b>Geographic Areas Affected</b>	State Service Area
	<b>Associated Goals</b>	CDBG Administration CDBG Colonia Set-Aside CDBG Disaster Relief / Urgent Need CDBG Economic Development CDBG Other Construction CDBG Planning / Capacity Building
	<b>Description</b>	Public improvements and infrastructure include water and wastewater systems, roads/streets, and other utilities. SHCs in colonias include on-site technical assistance to low- and very low-income individuals and families for community development activities; infrastructure improvements; outreach and education; construction skills training; and infrastructure construction and access.
	<b>Basis for Relative Priority</b>	Although the Non-Homeless Special Need category "other" does not indicate which "other" is specified in the printed version of this document, "other" in this context means colonia residents. The Needs Assessment shows the need for public improvements and infrastructure as a majority of the applications received for CDBG funds include improvements and/or installation of public infrastructure. This predominance demonstrates a priority need for these types of projects.
11	<b>Priority Need Name</b>	Economic development
	<b>Priority Level</b>	High
	<b>Population</b>	Extremely Low Low Moderate Non-housing Community Development Other
	<b>Geographic Areas Affected</b>	State Service Area
	<b>Associated Goals</b>	CDBG Administration CDBG Economic Development CDBG Other Construction
	<b>Description</b>	Economic development includes projects in support of job creation activity primarily benefiting individuals of low-to-moderate income and downtown revitalization activities to eliminate/prevent slum and blight conditions.

	<b>Basis for Relative Priority</b>	Although the Non-Homeless Special Need category "other" does not indicate which "other" is specified in the printed version of this document, "other" in this context means colonia residents.  The Market Analysis shows that economic development is needed as growing urbanization and an increasingly competitive global environment present challenges for the economic conditions of rural, non-entitlement communities.
<b>12</b>	<b>Priority Need Name</b>	Public facilities
	<b>Priority Level</b>	High
	<b>Population</b>	Extremely Low Low Moderate Non-housing Community Development Other
	<b>Geographic Areas Affected</b>	State Service Area
	<b>Associated Goals</b>	CDBG Administration CDBG Colonia Set-Aside CDBG Disaster Relief / Urgent Need CDBG Economic Development CDBG Other Construction CDBG Planning / Capacity Building
	<b>Description</b>	Public facilities include, but are not limited to neighborhood facilities such as libraries, public schools or community centers, and facilities for persons with special needs such as the homeless and senior citizens.
	<b>Basis for Relative Priority</b>	The Needs Assessment explains how rural, non-entitlement communities frequently face choosing to utilize CDBG funds for public facilities over their public infrastructure needs. Given the importance of public facilities, CDBG is developing the Community Enhancement fund to use deobligated funds to support public facility projects in rural communities.
<b>13</b>	<b>Priority Need Name</b>	Public services
	<b>Priority Level</b>	High
	<b>Population</b>	Extremely Low Low Moderate Non-housing Community Development Other



<b>Geographic Areas Affected</b>	State Service Area
<b>Associated Goals</b>	CDBG Administration CDBG Colonia Self-Help Centers CDBG Disaster Relief / Urgent Need CDBG Economic Development CDBG Other Construction CDBG Planning / Capacity Building
<b>Description</b>	Public service activities include, but are not limited to, employment services, health services, and services for senior citizens.
<b>Basis for Relative Priority</b>	The Needs Assessment shows the need for public services in rural communities is frequently foregone in order to employ CDBG for fundamental public infrastructure improvements. Additionally, many rural communities lack the service providers needed to deliver such services in their communities.

**Narrative (Optional)**

Low-income persons with special needs include colonia residents; elderly and frail elderly populations; homeless populations and persons at risk of homelessness; persons with alcohol and substance use disorders; persons with mental, physical, intellectual, or developmental disabilities; persons with HIV/AIDS and their families; public housing residents and persons on wait lists for public housing; veterans and wounded warriors; victims of domestic violence, including persons with protections under the Violence Against Woman Act ("VAWA") (domestic violence, dating violence, sexual assault, or stalking); youth aging out of foster care; and farmworkers are considered special needs groups for housing-related priority goals. Please refer to the Needs Assessment Chapter of this document for more detailed descriptions of the need associated with special needs groups. Note that when the population is listed as "other," this could be one of three populations: colonia residents, youth aging out of foster care, and farmworkers.

**SP-30 Influence of Market Conditions – 91.315(b)**

**Influence of Market Conditions**

Affordable Housing Type	Market Characteristics that will influence the use of funds available for housing type
<p>Tenant Based Rental Assistance (TBRA)</p>	<p>Market Analysis Section 15 shows a possible housing mismatch in which lower-income Texans frequently are only able to access higher income units. In this case, TBRA can assist with that problem. TBRA allows eligible households the choice of rental units.</p> <p>HOME Use of TBRA</p> <p>The HOME Program takes into account the needs of households that have a cost burden as market conditions lead to the need for TBRA. Rental subsidy and security and utility deposit assistance is provided to tenants, in accordance with written tenant selection policies, for an initial period not to exceed 24 months. If available, additional funds may be set-aside to provide assistance beyond 24 months.</p>

<b>Affordable Housing Type</b>	<b>Market Characteristics that will influence the use of funds available for housing type</b>
TBRA for Non-Homeless Special Needs	<p>Established in the Market Analysis Section 10, some special needs populations receive priority in many programs.</p> <p><b>HOME Use of TBRA for People with Special Needs</b></p> <p>The HOME Program considers income, availability of housing, and condition of housing for persons with special needs as market conditions that lead to the need for TBRA for this population. The Needs Assessment chapter also highlights the need in Texas for special needs populations to have access to rental housing. For example, the numbers of persons with disabilities transitioning from institutional living into community-based living is increasing, creating a priority for the State of Texas. TDHCA's TBRA is critical in helping households transition back into the community. In addition, of the HOME funding that TDHCA specifically sets aside for persons with disabilities, approximately 80% of the assisted households requested TBRA in 2014; the remainder of the requests were for home repair or to purchase homes.</p> <p><b>HOPWA use of TBRA for People with Special Needs</b></p> <p>For low-income PLWH, a lack of affordable housing is an ongoing issue. Housing placement requires two and one half times the rent in income, but the cost of living is rising (i.e. increases in rent, utilities, application fees, and security deposits) while incomes remain the same or decrease.</p> <p>Housing options are further decreased by a shortage of available assistance. The Housing Choice Voucher (“HCV”) program is not offered in some cities or counties with small populations; has long or closed wait lists for potential applicants; or will not qualify clients based on undocumented immigrant status, which results in cost-shifting to the HOPWA program.</p> <p>A common issue is housing that does not meet Housing Quality Standards (“HQS”) and lack of landlords' willingness to improve these properties. Case managers try to place clients in housing that meets HQS, but those units are not always available or affordable.</p> <p>Also, clients are unable to afford utilities when utility rates in rural areas not established at reasonable levels, making it difficult to calculate appropriate allowances, and/or high utility costs are paid separately from the rent. TBRA has not historically paid for utilities separately from rental payments, but has the ability to do so.</p> <p>With the lack of subsidized housing, clients often stay on the city/local housing authority wait lists pending availability. Often local rents are much higher than the Fair Market Rent (“FMR”), which eliminates those geographical locations as options for affordable housing. A shortage of housing has landlords increasing prices to what the market will bear, which invariably are much higher than FMR.</p> <p>As a result, the Texas HOPWA Program offers TBRA, which provides tenant-based rental assistance to eligible individuals until they are able to secure other affordable and stable housing.</p>

Affordable Housing Type	Market Characteristics that will influence the use of funds available for housing type
New Unit Production	<p>Market Analysis Section 15 reflects that there are not enough affordable housing units available for renters. Market Analysis Section 15 also shows that there is a lack of supply of housing, at only 3.3 month supply of inventory for sale.</p> <p><b>HOME use of New Unit Production</b></p> <p>Because HOME Multifamily funds used for the production of multifamily housing are typically paired with other resources such as housing tax credits and/or conventional financing, the availability of those other resources influences the use of funds for new construction. As with any development, the cost of land, materials, and labor are also factors. Finally, the demand for the housing from not only income-eligible tenants but those who exhibit an ability to pay rent is a primary market characteristic.</p> <p>For single-family HOME funds for new unit production, the CHDOs identify the needs for new housing in their communities before they apply.</p> <p><b>CDBG Program use of New Unit Production</b></p> <p>Office of Colonia Initiatives (“OCI”) anticipates that the rise of overall construction costs stems from the increase in prices for materials, labor, and land which may cause TDHCA to increase the average amount of assistance per household. With the increased assistance per household and lower amounts of funding per household, TDHCA may decrease the number of single family households serves with new construction.</p> <p><b>NHTF Program use of New Unit Production</b></p> <p>The Texas NHTF will provide funding for new construction of multifamily developments that meet TDHCA underwriting requirements. NHTF funds will be used for the production of multifamily rental housing for extremely low income households, which units will generally not generate sufficient income to pay operating costs, therefore NHTF will typically be leveraged by other resources such as HOME funds, housing tax credits and/or conventional financing, the availability of those other resources will impact the use of NHTF for new construction. As with any development, the cost of land, materials, and labor are also factors. Finally, the demand for the housing from not only income-eligible tenants but those who exhibit an ability to pay rent is a primary market characteristic.</p> <p>If NHTF is used for production of units for ownership, increasing costs for material, labor and land will factor into the assistance available for each unit, as will the availability of other fund sources to leverage NHTF. Because NHTF is required to serve extremely low income households, the availability of mortgage financing with an affordable payment will impact the amount of assistance required by households to reach sustainable ownership. Because of these factors, NHTF funds used for ownership may result on fewer households served than typical for other fund sources.</p>

Affordable Housing Type	Market Characteristics that will influence the use of funds available for housing type
Rehabilitation	<p>While only approximately 2% of the Texas housing stock is considered substandard per Needs Assessment Section 10, almost half of the housing stock is over 30 years old per Market Analysis Section 20. Older housing stock can be associated with necessary housing repairs. In addition, Market Analysis Section 10 discusses the need for barrier removal for persons with disabilities. Finally, Needs Assessment Section 30 establishes the need for rehabilitation in colonias.</p> <p><b>HOME use of Rehabilitation</b></p> <p>When a single-family housing unit or multifamily unit is determined to be in disrepair, the unit's suitability for rehabilitation varies by program. HOME takes each housing unit on a case-by-case basis, accounting for factors such as property value, construction costs, and type of rehabilitation to determine if the unit is suitable for rehabilitation or whether the household should be offered the option to rebuild.</p> <p><b>ESG use of Rehabilitation</b></p> <p>ESG has three eligible types of rehabilitation with subtly different definitions of what is considered a suitable property. ESG considers a shelter suitable for conversion rehabilitation where the cost of rehabilitation would exceed 75% of the value of the building after conversion. A unit is suitable for major rehabilitation if the costs of rehabilitation exceed 75% of the value of the building prior to rehabilitation or conversion. Finally, ESG considers a housing unit suitable for renovation rehabilitation where the costs of rehabilitation are 75% or less of the value of the building.</p> <p><b>CDBG use of Rehabilitation</b></p> <p>To address the condition of the housing stock, the CDBG Program has established a limit of \$25,000 dollars per home and a process to select homes for rehabilitation. The CDBG Program will consider adjustments based on a specific request from the subrecipient and that household's circumstances. Vacant and abandoned housing units are not precluded from consideration. The grant recipient is responsible for establishing priority based on local housing needs. For the OCI, the assistance limit is \$50,000 per household for reconstruction and new construction and \$40,000 per household for rehabilitation. The OCI encourages rehabilitation assistance if the activity requires less than \$40,000 to be brought up to minimum construction standards so that the maximum number of households may be served.</p> <p><b>NHTF use of Rehabilitation</b></p> <p>The Texas NHTF will provide funding for acquisition and rehabilitation of multifamily developments that meet TDHCA underwriting requirements. NHTF funds will be used for the production of multifamily rental housing for extremely low income households, which units will generally not generate sufficient income to pay operating costs, therefore NHTF will typically be leveraged by other resources such as HOME funds, housing tax credits and/or conventional financing. The availability of those other resources will impact the use of NHTF for acquisition and rehabilitation. As with any development, the cost of land, materials, and labor are also factors. Finally, the demand for the housing from not only income-eligible tenants but those who exhibit an ability to pay rent is a</p>

<b>Affordable Housing Type</b>	<b>Market Characteristics that will influence the use of funds available for housing type</b>
Acquisition, including preservation	<p>Market Analysis Section 15 establishes that there are not enough affordable housing units available for owners. Homebuyer assistance helps ensure that homeowners purchase units that are within their means and help to make the units more affordable. In addition, Needs Assessment Section 30 discusses the abuses of contracts for deed, which may be improved by converting the contracts to traditional mortgages, resulting in acquisition of the unit.</p> <p>HOME use of Acquisition HOME offers homebuyer assistance and homebuyer assistance with rehabilitation for barrier removal and to bring units up to livability standards.</p> <p>CDBG use of Acquisition, Including Preservation OCI program assistance for acquisition comes as either a grant or a low- or 0%-interest forgivable loan. The OCI assists a market that is less likely to qualify for mortgage products at market interest rates and that use traditional underwriting criteria. This will maintain a high level of demand for affordable acquisition assistance from TDHCA.</p>

**Table 8 – Influence of Market Conditions**

## **SP-35 Anticipated Resources - 91.315(a)(4), 91.320(c)(1,2)**

### **Introduction**

CPD funding is governed by this Consolidated Plan, but the State also works to collaborate, coordinate, and layer non-CPD funding sources in order to reach more Texans and more efficiently use available funds. Programs listed in the anticipated resources narrative sections below could be used to leverage CPD funds. These include:

- 4% HTC Program;
- 9% HTC Program;
- Homeless and Housing Services Program (“HHSP”);
- Housing Trust Fund Program;
- Mortgage Credit Certificate (“MCC”) Program;
- First time homebuyer loan programs, including the My First Texas Home Program;
- Neighborhood Stabilization Program - Program Income (“NSP PI”);
- Section 8 Housing Choice Voucher (“HCV”) Program;
- Section 811 Project Rental Assistance (“PRA”) Program; and
- Tax Credit Assistance Program (“TCAP”) Loan Repayments.

For the programs above, the expected future funding amounts, to the extent known, are in the planning documents governing those programs. These documents can be found online at <http://www.tdhca.state.tx.us/>. The anticipated resources below are focused on CPD Programs.

TDHCA participates in numerous committees, workgroups, and councils which help TDHCA stay apprised of other potential resources to address affordable housing needs. Relationships with other federal and state agencies and local governments are extremely valuable, helping Texas agencies to coordinate housing and services and serve all Texans efficiently and effectively. TDHCA’s involvement in these committees promotes identifying opportunities to proactively pursue federal funding opportunities. TDHCA actively seeks engagement and input from community advocates, funding recipients, potential applicants for funding, and others to obtain input regarding the development of effective policies, programs and rules. Changes to funding plans are made periodically based on feedback received through these avenues.

TDHCA is the lead agency for the following workgroups:

C-RAC: C-RAC is a committee of colonia residents appointed by the TDHCA Governing Board. It advises TDHCA regarding the needs of colonia residents and the types of programs and activities which should be undertaken by the Colonia SHCs. The Colonia SHCs funds are provided to seven specific pre-determined counties which, in turn, procure organizations to operate their SHCs.

Disability Advisory Workgroup (“DAW”): The DAW augments TDHCA's formal public comment process, affording staff the opportunity to interact more informally and in greater detail with various stakeholders and to get feedback on designing more successful programs, with a specific focus on gaining insight on issues impacting persons with disabilities.

Housing and Health Services Coordination Council ("HHSCC"): HHSCC is established by Texas Government Code §2306.1091. Its duties include promoting coordination of efforts to offer Service-Enriched Housing and focusing on other cross-agency efforts.

Texas Interagency Council for the Homeless (“TICH”): The TICH was statutorily created in 1989 to coordinate the State’s homeless resources and services. The TICH consists of representatives from eleven state agencies. TDHCA, as the primary source for state homelessness funding, provides administrative and planning support to the TICH.

Weatherization Assistance Program Planning Advisory Committee (“WAP PAC”): The WAP PAC is comprised of a broad representation of organizations and agencies and provides balance and background related to the weatherization and energy conservation programs at TDHCA.

The descriptions of the collaborations for DSHS and TDA are in the Discussion question of this section below.

**Anticipated Resources**

Program	Source of Funds	Uses of Funds	Expected Amount Available Year 1				Expected Amount Available Reminder of ConPlan \$	Narrative Description
			Annual Allocation: \$	Program Income: \$	Prior Year Resources: \$	Total: \$		
CDBG	public - federal	Acquisition Admin and Planning Economic Development Housing Public Improvements Public Services	53,849,803	2,500,000	13,000,000	69,349,803	269,249,015	TDA's CDBG Program funds community and economic development, excluding the colonia set-aside. Communities may also coordinate CDBG funding with U.S. Department of Agriculture's ("USDA") Rural Development funds or Texas Water Development Board's ("TWDB") State Revolving Fund.



Program	Source of Funds	Uses of Funds	Expected Amount Available Year 1				Expected Amount Available Reminder of ConPlan \$	Narrative Description
			Annual Allocation: \$	Program Income: \$	Prior Year Resources: \$	Total: \$		
CDBG Colonias Set-aside	public - federal	<p>Acquisition Admin and Planning Homebuyer assistance Homeowner rehab Public Improvements</p> <p>Consolidated Plan</p> <p>Public Services</p>	5,983,312	0	0	5,983,312	29,916,560	<p>The Colonia Set-Aside is used both by TDA and TDHCA for goals described in the Strategic Plan Section 45. The Colonia Economically Distressed Areas Program ("CEDAP") Legislative Set-Aside leverages funding from the TWDB's Economically Distressed Areas Program. TDHCA's Office of Colonia Initiatives ("OCI") administers a portion of the CDBG Colonia Set-Aside through its Colonia SHCs. Also, the Housing Trust Fund, which is funded through Texas General Revenue, administers the Texas Bootstrap Loan Program, which is also available to SHCs. Finally, the Housing Trust Fund also provides the Contract for Deed Conversion Program Assistance Grants are two types of grants that support eligible nonprofits and units of local government in assisting eligible colonia households with incomes 60% or less of the AMI to convert their contracts for deeds to warranty deeds.</p>

Program	Source of Funds	Uses of Funds	Expected Amount Available Year 1				Expected Amount Available Reminder of ConPlan \$	Narrative Description
			Annual Allocation: \$	Program Income: \$	Prior Year Resources: \$	Total: \$		
HOME	public - federal	<p>Acquisition</p> <p>Homebuyer assistance</p> <p>Homeowner rehab</p> <p>Multifamily rental new construction</p> <p>Multifamily rehab</p> <p>New construction for</p>			TEXAS		<p>TDHCA's HOME Program goals are described in the Strategic Plan Section 45 for multifamily and single family activities. Single family HOME homebuyer activity may be coordinated with TDHCA's My First Texas Home Program, which can supplement down payment assistance, and the MCC Program, which provides a yearly tax credit of up to \$2,000 annually that reduced the homebuyers' federal income tax liability. HOME Multifamily Development Funds can be layered with 4% HTC's and 9% HTC's. In addition, TDHCA's Section 811 PRA, a project-based supportive housing program for persons with disabilities, and TDHCA's Section 8 HCV may be used within HOME developments. Starting in 2015, TDHCA's TCAP loan repayments and NSP PI may be used to supplement or support multifamily and single-family HOME activities starting in 2015. In addition, TDHCA also develops rules that govern all multifamily programs, including the HOME Multifamily Development Program,</p>	

Program	Source of Funds	Uses of Funds	Expected Amount Available Year 1				Expected Amount Available Reminder of ConPlan \$	Narrative Description
			Annual Allocation: \$	Program Income: \$	Prior Year Resources: \$	Total: \$		
HOPWA	public - federal	Permanent housing in facilities Permanent housing placement Short term or transitional housing facilities STRMU Supportive services TBRA	2,947,262	0	0	2,947,262	11,789,048	DSHS' HOPWA state formula funds the following activities: TBRA; STRMU; PHP; and Supportive Services. Project Sponsors leverage available funds from Ryan White and State Services grants to assist clients with housing needs, medical and non-medical case management, emergency utility assistance, mental health, transportation, and nutritional services to address the needs of eligible clients.

Program	Source of Funds	Uses of Funds	Expected Amount Available Year 1				Expected Amount Available Reminder of ConPlan \$	Narrative Description
			Annual Allocation: \$	Program Income: \$	Prior Year Resources: \$	Total: \$		
ESG	public - federal	Conversion and rehab for transitional housing Financial Assistance Overnight shelter Rapid re-housing (rental assistance) Rental Assistance Services Transitional housing	8,891,395	0	0	8,891,395	41,195,380	TDHCA's ESG funds are awarded via contract to Subrecipient agencies that provide emergency shelter, homelessness prevention, rapid rehousing, and Homeless Management Information Systems ("HMIS") activities. HHSP is Texas state general revenue funding for the eight largest cities to provide flexibility to undertake activities that complement ESG activities. Note that not all ESG direct recipients in Texas are HHSP grantees.

Program	Source of Funds	Uses of Funds	Expected Amount Available Year 1				Expected Amount Available Reminder of ConPlan \$	Narrative Description
			Annual Allocation: \$	Program Income: \$	Prior Year Resources: \$	Total: \$		
Housing Trust Fund	public - federal							<p>TDHCA's NHTF Program goals are described in the Strategic Plan Section 45 for multifamily and single family activities. NHTF Multifamily Development Funds can be layered with 4% HTC and 9% HTCs, and TDHCA Multifamily Direct Loan funds, including HOME, HOME-CHDO, and TCAP Loan Repayment. In addition, TDHCA's Section 811 PRA, a project-based supportive housing program for persons with disabilities, and TDHCA's Section 8 HCV may be used within NHTF developments. In addition, TDHCA also develops rules that govern all multifamily programs, including the HOME Multifamily Development Program, known as the Uniform Multifamily Rules. If implemented, Single family NHTF homebuyer activity may be coordinated with TDHCA's My First Texas Home Program, which can supplement down payment assistance, and the MCC Program, which provides a yearly tax credit of up to \$2,000 annually that reduced the homebuyers' federal income tax liability. NHTF Single</p>

Consolidated Plan

TEXAS

Acquisition  
Multifamily

**Table 9 - Anticipated Resources**

**Explain how federal funds will leverage those additional resources (private, state and local funds), including a description of how matching requirements will be satisfied**

**HOME Program Leverages and Provides Match**

HOME multifamily development is most often used to leverage with the HTC Program, which was created by the Tax Reform Act of 1986 and authorizes 9% low-income housing tax credits in the amount of \$2.30 per capita for each state, and 4% low-income housing tax credits in amounts linked to the usage of the state’s cap for issuance of tax exempt bond to finance affordable housing development. In Texas, this equates to approximately \$61,400,000 in 9% tax credits available to be awarded by TDHCA annually. These credits may be claimed each year for ten years and this represents potential tax credit value on the magnitude of \$610,000,000. The tax credits are syndicated to limited partner investors to yield cash for use in eligible development activities. Currently typical syndication rates range between 92% and 95%. TDHCA must develop a Qualified Allocation Plan (“QAP”) for the selection of eligible developments to provide housing for the low-income tenants. HOME provides increased leverage, allowing the property owners to utilize fewer tax credits and less private debt and local funding, therefore providing more efficient use of resources.

Matching requirements for the HOME Multifamily Development Program will be met through the Rules that establish the awardee's minimum amount of match as 5% of the award amount. Match comes in the form of donated labor and materials, donated professional services from an architect or engineer, grants from cities or nonprofits, and waived fees by municipalities. Also, TDHCA is planning to increase match requirements for single family activities to more effectively use limited funding.

**ESG Program Leverages and Provides Match**

In 2011, the Texas Legislature statutorily created the HHSP statute and funded it with General Revenue. Through HHSP, the State allocates funds into the eight largest cities in Texas to support services to homeless individuals and families. These funds are sometimes used as match for either State or local ESG funding.

To meet the ESG match requirement, TDHCA includes match as part of the application process used with its Subrecipients. Subrecipient agencies are required to match 100% of their ESG award. A Subrecipient that is unable to match the award is eligible to apply to TDHCA for a match waiver of up to \$100,000. However, these requests have been quite rare. In coming ESG program years, TDHCA will actively determine which organization(s) will benefit from the match waiver.

**HOPWA Leverages and Provides Match**

Texas HOPWA does not have program income but leverages funds whenever possible. Project Sponsors leverage available funds from Ryan White and State Services grants, private funding sources, foundations, and local assistance to help clients. AAs do not receive administrative funds from DSHS, so those costs are leveraged from other funding sources.

#### CDBG Leverages and Provides Match

Nearly 80% of Texas CDBG grants include local matching fund commitments. Matching funds are required for certain grants, while other grants award points to encourage local match; a sliding scale allows smaller communities to contribute less match funding than larger communities.

Match funds may be provided by the applicant, or by a water or sewer utility benefiting from the project. Economic development projects benefiting private business require 1-for-1 match commitment, with the business most often providing this substantial match.

Recent updates to the Colonia SHC Program rules have capped program assistance at \$50,000 per household for reconstruction and new construction, and \$40,000 per household for rehabilitation. These limits encourage administrators to leverage their funds with other resources as well as assist more households than in prior years.

#### **If appropriate, describe publically owned land or property located within the state that may be used to address the needs identified in the plan**

Due to character limitations in the previous question, NHTF leveraging activities are provided at the beginning of this response. See the last paragraph below for state owned land information.

#### NHTF Program Leverages

NHTF multifamily development may be used to leverage with the HTC Program, which was created by the Tax Reform Act of 1986 and authorizes 9% low-income housing tax credits in the amount of \$2.30 per capita for each state, and 4% low-income housing tax credits in amounts linked to the usage of the state's cap for issuance of tax exempt bond to finance affordable housing development. In Texas, this equates to approximately \$61,400,000 in 9% tax credits available to be awarded by TDHCA annually. These credits may be claimed each year for ten years and this represents potential tax credit value on the magnitude of \$610,000,000. The tax credits are syndicated to limited partner investors to yield cash for use in eligible development activities. Currently typical syndication rates range between 92% and 95%. TDHCA must develop a Qualified Allocation Plan ("QAP") for the selection of eligible developments to provide housing for the low-income tenants. NHTF provides increased leverage, allowing the property owners to utilize fewer tax credits and less private debt and local funding, therefore providing more efficient use of resources.

The Texas General Land Office manages state owned lands and mineral rights totaling approximately 13 million acres. Much of this is leased for the benefit of the Permanent School Fund, an endowment fund established in 1876 for the benefit of Texas public school education. There is currently no plan to use state owned land for affordable housing or community development goals; however, local jurisdictions occasionally

donate land or property in support of activities designed to address the needs identified in the plan as part of their contribution to locally administered programs.

### **Discussion**

Continuing with the discussion of collaboration begun in the Introduction of this section, DSHS is the lead for several HIV-related councils and workgroups which provide opportunities for collaboration and resource sharing across agencies, providers, and other pertinent stakeholders to assist PLWH in Texas. Some of the initiatives are Inter-Agency Council on HIV & Hepatitis, the Texas Black Women's Initiative, the Test Texas Coalition, and the Texas HIV Syndicate. The Texas HIV Syndicate is an integrated HIV prevention and care planning body made up of roughly 100 organizational leaders representing the full continuum of HIV engagement. The Texas HIV Syndicate uses the Texas HIV Plan as a framework to develop strategies that enhance and expand on prevention and care activities across the State. Texas HIV Syndicate members develop policy recommendations, best practice models, coordination strategies, and promote innovation in HIV prevention and treatment. DSHS also holds a biennial HIV/Sexually Transmitted Disease ("STD") conference, attended by all DSHS contractors and subrecipients in addition to community leaders, health and HIV professionals, and many other essential stakeholders. Many of the DSHS contractors are also HOPWA providers. This year, the conference is August 19-21, 2014 in Austin, and invitations for two waived registrations have been extended to HUD. The goal of the Texas HIV/STD Conference is to enhance the responsiveness of people and systems supporting the spectrum of HIV/STD prevention and treatment services in Texas, including: Awareness; Targeted Prevention; Diagnosis; Linkage to Care; Maintenance in Care; and Suppression of Disease.

DSHS' Epidemiology and Surveillance Branch is responsible for reporting HIV/AIDS, STD, and tuberculosis ("TB") surveillance and epidemiologic data for the State of Texas, which includes data submission to the Centers for Disease Control and Prevention ("CDC"). This data is subsequently used by HUD to determine HOPWA formula allocations. This data is also leveraged to provide support to planning, development, implementation, and evaluation of HIV/AIDS, STD, and TB prevention and services programs, including HOPWA.

Finally, TDA participates in the following workgroups:

Texas Water Infrastructure Coordination Committee ("TWICC"): TWICC is a voluntary organization of federal and state funding agencies and technical assistance providers that address water and wastewater needs throughout the State. TDA participates in TWICC to coordinate efforts to leverage funds.



Secretary of State's Colonia Workgroup: The Colonia Workgroup consists of federal and state funding agencies and the Texas Secretary of State's colonia ombudsmen. The group addresses current and future infrastructure improvements in colonias, focusing on coordination of resources and information. TDHCA is also a member of this workgroup.

Drought Preparedness Council: The Council was authorized and established by the 76th Texas Legislature in 1999, and is responsible for assessment and public reporting of drought monitoring and water supply conditions, along with other duties.

These workgroups, committees, and councils help to strengthen communication between state agencies as well as provide opportunities to layer or combine funding sources.

With the block grants and the layering resources listed above, there are also CDBG Disaster Recovery ("DR") funds for Hurricanes Rita, Dolly, and Ike, and Wildfires. Hurricane Rita Disaster Recovery for housing and non-housing recovery is in 29 counties. Ike Disaster Recovery for housing and non-housing recovery is in 62 counties. Wildfire Recovery non-housing recovery is in 65 counties. More details can be found at <http://www.glo.texas.gov/GLO/disaster-recovery/actionplans>

## SP-45 Goals Summary – 91.315(a)(4)

### Goals Summary Information

Sort Order	Goal Name	Start Year	End Year	Category	Geographic Area	Needs Addressed	Funding	Goal Outcome Indicator
1	Homeless Goals	2015	2019	Homeless	State of Texas	Emergency shelter and transitional housing Homeless Outreach Homelessness Prevention Rapid Re-housing Rehabilitation of housing	ESG: \$41,195,380	Tenant-based rental assistance / Rapid Rehousing: 22850 Households Assisted  Homeless Person Overnight Shelter: 53555 Persons Assisted  Homelessness Prevention: 31240 Persons Assisted
2	Construction of single family housing	2015	2019	Affordable Housing Non-Homeless Special Needs	State of Texas	Production of new units	HOME: \$3,362,570	Homeowner Housing Added: 35 Household Housing Unit
3	Rehabilitation of single family housing	2015	2019	Affordable Housing Non-Homeless Special Needs	State of Texas	Rehabilitation of housing	HOME: \$5,611,175	Homeowner Housing Rehabilitated: 330 Household Housing Unit
4	Homebuyer assistance with possible rehabilitation	2015	2019	Affordable Housing Non-Homeless Special Needs	State of Texas	Acquisition of existing units	HOME: \$2,408,057	Direct Financial Assistance to Homebuyers: 200 Households Assisted

Sort Order	Goal Name	Start Year	End Year	Category	Geographic Area	Needs Addressed	Funding	Goal Outcome Indicator
5	Tenant-Based Rental Assistance with HOME funding	2015	2019	Affordable Housing Non-Homeless Special Needs	State of Texas	Rental Assistance	HOME: \$28,055,875	Tenant-based rental assistance / Rapid Rehousing: 2550 Households Assisted
6	HOME Households in new/rehabed multifamily units	2015	2019	Affordable Housing Non-Homeless Special Needs	State of Texas	Production of new units Rehabilitation of housing	HOME: \$37,742,675	Rental units constructed: 300 Household Housing Unit  Rental units rehabilitated: 75 Household Housing Unit
7	HOPWA Tenant-Based Rental Assistance	2015	2019	Affordable Housing Non-Homeless Special Needs	State of Texas	Homelessness Prevention Rental Assistance	HOPWA: \$8,646,610	Tenant-based rental assistance / Rapid Rehousing: 2200 Households Assisted
8	HOPWA Short-Term Rent, Mortgage, & Utilities Asst	2015	2019	Affordable Housing Non-Homeless Special Needs	State of Texas	Homelessness Prevention	HOPWA: \$2,267,963	Homelessness Prevention: 2350 Persons Assisted
9	HOPWA Permanent Housing Placement Assistance	2015	2019	Affordable Housing Non-Homeless Special Needs	State of Texas	Homelessness Prevention Rental Assistance	HOPWA: \$42,524	Public service activities other than Low/Moderate Income Housing Benefit: 65 Persons Assisted
10	HOPWA-Funded Supportive Services	2015	2019	Affordable Housing Non-Homeless Special Needs	State of Texas	Supportive Services for Persons with HIV/AIDS	HOPWA: \$2,267,963	Public Facility or Infrastructure Activities other than Low/Moderate Income Housing Benefit: 4450 Persons Assisted

Sort Order	Goal Name	Start Year	End Year	Category	Geographic Area	Needs Addressed	Funding	Goal Outcome Indicator
11	CDBG Other Construction	2015	2019	Non-Housing Community Development	State of Texas	Economic development Public Improvements and Infrastructure Public facilities Public services	CDBG: \$224,430,740	Public Facility or Infrastructure Activities other than Low/Moderate Income Housing Benefit: 1139215 Persons Assisted
12	CDBG Economic Development	2015	2019	Non-Housing Community Development Economic Development	State of Texas	Economic development Public Improvements and Infrastructure Public facilities Public services	CDBG: \$74,368,045	Public Facility or Infrastructure Activities other than Low/Moderate Income Housing Benefit: 66610 Persons Assisted  Jobs created/retained: 4000 Jobs
13	CDBG Planning / Capacity Building	2015	2019	Non-Housing Community Development	State of Texas	Public Improvements and Infrastructure Public facilities Public services	CDBG: \$2,802,475 CDBG Colonias Set-aside: \$121,250	Public Facility or Infrastructure Activities other than Low/Moderate Income Housing Benefit: 187695 Persons Assisted
14	CDBG Disaster Relief / Urgent Need	2015	2019	Non-Housing Community Development	State of Texas	Public Improvements and Infrastructure Public facilities Public services	CDBG: \$47,036,165	Public Facility or Infrastructure Activities other than Low/Moderate Income Housing Benefit: 661240 Persons Assisted

Sort Order	Goal Name	Start Year	End Year	Category	Geographic Area	Needs Addressed	Funding	Goal Outcome Indicator
15	CDBG Colonia Set-Aside	2015	2019	Affordable Housing Non-Housing Community Development	State of Texas	Acquisition of existing units Production of new units Public Improvements and Infrastructure Public facilities Rehabilitation of housing	CDBG Colonias Set-aside: \$29,916,560	Public Facility or Infrastructure Activities other than Low/Moderate Income Housing Benefit: 16740 Persons Assisted
16	CDBG Colonia Self-Help Centers	2015	2019	Self-Help Centers	State of Texas	Public services Rehabilitation of housing Rental Assistance	CDBG: \$7,479,140	Other: 72455 Other
17	CDBG Administration	2015	2015	Administration/Technical Assistance		Economic development Public Improvements and Infrastructure Public facilities Public services Rehabilitation of housing	CDBG: \$9,474,965	

Sort Order	Goal Name	Start Year	End Year	Category	Geographic Area	Needs Addressed	Funding	Goal Outcome Indicator
18	HOME Administration	2015	2019	HOME Administration	State of Texas	Acquisition of existing units Production of new units Rehabilitation of housing Rental Assistance	HOME: \$12,287,815	
19	NHTF households in new/rehabed multifamily units	2016	2019	Affordable Housing Non-Homeless Special Needs	State of Texas	Acquisition of existing units Production of new units Rehabilitation of housing	Housing Trust Fund: \$4,300,528	Rental units constructed: 50 Household Housing Unit  Rental units rehabilitated: 25 Household Housing Unit
20	NHTF Administration	2016	2019	Affordable Housing Non-Homeless Special Needs	State of Texas	Acquisition of existing units Production of new units Rehabilitation of housing	Housing Trust Fund: \$477,836	Other: 0 Other

**Table 10 – Goals Summary**

## Goal Descriptions

1	<b>Goal Name</b>	Homeless Goals
	<b>Goal Description</b>	Goals for 5-year period based on Program Year ("PY") 2012 performance.
2	<b>Goal Name</b>	Construction of single family housing
	<b>Goal Description</b>	The number will be an estimation of households to be assisted through Single-Family HOME funds for new construction based on PY 2014 allocation and a planned shift in resources from multifamily to single-family activities.
3	<b>Goal Name</b>	Rehabilitation of single family housing
	<b>Goal Description</b>	The number will be an estimation of households to be assisted through Single-Family HOME funds for rehabilitation and new construction based on the PY 2014 allocation for general single family and persons with disabilities set-asides, and a planned shift in resources from multifamily to single-family activities.
4	<b>Goal Name</b>	Homebuyer assistance with possible rehabilitation
	<b>Goal Description</b>	The number will be an estimation of households to be assisted through Single-Family HOME funds for homebuyer assistance and homebuyer assistance with rehabilitation or modification based on the PY 2014 allocation for contract-for-deed conversion and persons with disabilities set-asides, and a shift in resources from multifamily to single-family activities.
5	<b>Goal Name</b>	Tenant-Based Rental Assistance with HOME funding
	<b>Goal Description</b>	The number will be an estimation of households to be assisted through Single-Family HOME funds for TBRA based on the PY 2014 allocation for general single family and persons with disabilities set-asides, and a planned shift in resources from multifamily to single family activities.
6	<b>Goal Name</b>	HOME Households in new/rehabed multifamily units
	<b>Goal Description</b>	The number will be an estimation of units rehabilitated or newly constructed based on the PY 2014 allocation and a planned shift in resources from multifamily to single-family activities. Multifamily Development Funds are available in the form of low interest rate repayable loans to for-profit and nonprofit developers to construct and/or rehabilitate affordable multifamily rental housing. HOME Multifamily Development Funds typically represent 5% to 20% of the total development costs on projects that are layered with 9% HTC's. For non-layered projects, HOME Multifamily Development Funds can represent over 50% of a project's total development cost. If the construction is paired with other sources of TDHCA funding, performance is measured at the time that cost certification is measured. If construction is only HOME funding, then performance is measured at the time of final draw.

7	<b>Goal Name</b>	HOPWA Tenant-Based Rental Assistance
	<b>Goal Description</b>	The TBRA program provides tenant-based rental assistance to eligible individuals until they are able to secure other affordable and stable housing. TBRA helps clients maintain affordable and stable housing, reduces risk of homelessness, and improves access to health care and supportive services.
8	<b>Goal Name</b>	HOPWA Short-Term Rent, Mortgage, & Utilities Asst
	<b>Goal Description</b>	STRMU assistance program: The STRMU program provides emergency short-term rent, mortgage, and utility payments to eligible individuals for a maximum of 21 weeks of assistance in a 52-week period. STRMU helps low-income HIV-positive clients maintain affordable housing, reduce risk of homelessness, and improve access to health care and supportive services.
9	<b>Goal Name</b>	HOPWA Permanent Housing Placement Assistance
	<b>Goal Description</b>	The PHP program provides assistance for housing placement costs which may include application fees, related credit checks, and reasonable security deposits necessary to move persons into permanent housing. PHP helps low-income HIV-positive clients establish affordable and stable housing, reduce risk of homelessness, and improve access to health care and supportive services.
10	<b>Goal Name</b>	HOPWA-Funded Supportive Services
	<b>Goal Description</b>	HOPWA Supportive Services provides financial assistance for HOPWA case management, basic telephone service, and provision of smoke detectors. Supportive Services may be provided in conjunction with HOPWA housing assistance or as a stand-alone service. HOPWA housing assistance and Supportive Services are integrated with the larger Ryan White Program both in administration and service delivery, which in turn is integrated into the larger, multi-sectoral system for delivering treatment and care to these clients. The goals of the HOPWA program are to help low-income HIV-positive clients establish or maintain affordable and stable housing; to reduce the risk of homelessness; and to improve access to health care and supportive services.
11	<b>Goal Name</b>	CDBG Other Construction
	<b>Goal Description</b>	Total number of beneficiaries for CDBG other construction grants, including basic infrastructure. Funding allocated includes annual allocation in addition to previously deobligated funds.
12	<b>Goal Name</b>	CDBG Economic Development
	<b>Goal Description</b>	Number of jobs created/retained and beneficiaries served by the Texas Capital Fund programs. Funding allocated includes annual allocation in addition to previously deobligated funds.



<b>13</b>	<b>Goal Name</b>	CDBG Planning / Capacity Building
	<b>Goal Description</b>	Total number of beneficiaries served by the CDBG Planning/Capacity Building programs (may include public services). Funding allocated includes annual allocation in addition to previously deobligated funds.
<b>14</b>	<b>Goal Name</b>	CDBG Disaster Relief / Urgent Need
	<b>Goal Description</b>	Total number of beneficiaries served by the CDBG Disaster Relief / Urgent Need programs. Funding allocated includes annual allocation in addition to previously deobligated funds.
<b>15</b>	<b>Goal Name</b>	CDBG Colonia Set-Aside
	<b>Goal Description</b>	Total number of beneficiaries served by the CDBG colonia programs. Funding allocated includes annual allocation in addition to previously deobligated funds.
<b>16</b>	<b>Goal Name</b>	CDBG Colonia Self-Help Centers
	<b>Goal Description</b>	Colonia residents receiving direct assistance through Self-Help Centers..
<b>17</b>	<b>Goal Name</b>	CDBG Administration
	<b>Goal Description</b>	CDBG Administrative costs including Technical Assistance.
<b>18</b>	<b>Goal Name</b>	HOME Administration
	<b>Goal Description</b>	HOME Administrative funds from PY 2015 HOME allocation and projected PI.
<b>19</b>	<b>Goal Name</b>	NHTF households in new/rehabed multifamily units
	<b>Goal Description</b>	The number will be an estimation of units rehabilitated or newly constructed based on average per unit maximum investment. Multifamily Development Funds are available in the form of low interest rate repayable loans to for-profit and nonprofit developers to construct and/or rehabilitate affordable multifamily rental housing. If the construction is paired Tax Credit financing, performance is measured at the time that cost certification is measured. If construction is only Multifamily Direct Loan funds, then performance is measured at the time of final draw.
<b>20</b>	<b>Goal Name</b>	NHTF Administration
	<b>Goal Description</b>	NHTF Administrative funds.

**Estimate the number of extremely low-income, low-income, and moderate-income families to whom the jurisdiction will provide affordable housing as defined by HOME 91.315(b)(2)**

Based on anticipated program activities, TDHCA estimates that the number of PY 2015 beneficiaries for HOME Single Family assisted will be approximately 625 low-, very low-, or extremely low-income households. On the basis of historical performance, TDHCA estimates that approximately 50 percent of those households will be minority households. The HOME Multifamily Program estimates that approximately 30 households with income in the 0-50% AMI category, 30 households in the <80% AMI category, and 15 households with moderate income will be served per year from 2015 to 2019.

The ESG Program estimates that 39,000 households will be assisted through homelessness prevention and rapid re-housing activities per year. The goals of the HOPWA Program are to help low-income HIV-positive clients establish or maintain affordable and stable housing; to reduce the risk of homelessness; and to improve access to health care and supportive services. DSHS estimates that the Texas HOPWA program will assist 923 unduplicated, income-eligible clients each year with housing subsidy assistance.

The CDBG Program encourages regional priority set-asides for housing projects such as housing rehabilitation, and housing rehabilitation in colonia areas. Based on prior application, the TDA estimates rehabilitating homes for 20 families per year and providing utility connections and similar housing assistance for an additional 250 families per year.

OCI, funded with a set-aside of CDBG funds, estimates that 4,200 persons living in colonias will be assisted by the Colonia SHCs' affordable housing activities yearly.

The Texas NHTF is anticipated to serve 75 extremely low income renter households, if the allocation amount remains relatively constant. TDHCA estimates that similar to the HOME program, approximately 50 percent of those households will be minority households.

Disaster Recovery: As outlined in great detail in each of the Action Plans for the supplemental disaster assistance, the State of Texas had huge recovery efforts from each of the events it received funding for. While all of the programs are well under way, there remains unmet need that will still exceed the funds available to the State. This can be evidenced by the over subscription of most of the programs. Please refer to each program's Action Plan or the disaster recovery divisions most current Quarterly Progress Report for specific details: <http://www.glo.texas.gov/GLO/disaster-recovery/actionplans/index.html> and <http://www.glo.texas.gov/GLO/disaster-recovery/reports/index.html>.