BOARD BOOK
OF
March 10, 2022

Leo Vasquez III, Chair

Paul Braden, Vice-Chair

Sharon Thomason, Member

Ajay Thomas, Member

Brandon Batch, Member

Kenny Marchant, Member

Texas Department of Housing and Community Affairs

PROGRAMMATIC IMPACT

Fiscal Year 2022 (1st quarter data below for 9/1/21 – 11/30/21)

Owner Financing and Down Payment

- 30-year, fixed interest rate mortgage loans
- Mortgage credit certificates
- Down payment, closing cost assistance
- Homebuyer education

Programs:

- Single Family Homeownership

Expended Funds: $397,915,921
Total Households Served: 1,892

Energy Related Assistance

- Utility bill payment assistance
- Energy consumption education
- Weatherization for energy efficiency

Programs:

- Comprehensive Energy Assistance Program (CEAP)
- Weatherization Assistance Program (WAP)

Expended CEAP Funds: $57,324,877
Total Households Served: 56,799

Multifamily New Construction

- Affordable rental units financed and developed

Programs:

- 9% Housing Tax Credits (HTC)
- 4% Housing Tax Credits (HTC)
- Multifamily Bonds
- Multifamily Direct Loan Program*

Expended Funds: $64,681,657
Total Households Served: 938

Homelessness Services

- Shelter building rehabilitation, conversion, operations
- Essential services e.g., health services, transportation, job training, employment services

Programs:

- Emergency Solutions Grant Program (ESG)
- Homeless Housing and Services Program (HHSP)

Expended Funds: $8,583,233
Total Individuals Served: 11,117

Multifamily Rehab Construction

- Affordable rental units financed and rehabilitated

Programs:

- 9% Housing Tax Credits (HTC)
- 4% Housing Tax Credits (HTC)
- Multifamily Bonds

Expended Funds: $7,321,230
Total Households Served: 1,419

Supportive Services

Provides administrative support for essential services for low income individuals through Community Action Agencies

Program:

- Community Services Block Grant Program (CSBG)

Expended Funds: $9,916,358
Total Individuals Served: 89,189

Owner Rehabilitation Assistance

- Home rehabilitation, reconstruction
- Manufactured housing unit replacement
- Accessibility modifications e.g., ramp, grab bar installation

Programs:

- Homeowner Reconstruction Assistance Program (HRA)*
- Amy Young Barrier Removal Program

Expended Funds: $2,241,710
Total Households Served: 33

Rental Assistance

- Short, long term rent payment help
- Assistance linked with services, Transitional assistance
- Security, utility deposits

Programs:

- Tenant-Based Rental Assistance (TBRA)*
- Section 8 Housing Choice Vouchers
- Section 811

Expended Funds: $2,777,463
Total Households Served: 3,856

Single Family Development

- Single family development, reconstruction, rehabilitation
- NSP, Do-it-yourself, "sweat equity" construction (bootstrap), rehabilitation, Contract for Deed refinance

Programs:

- Single Family Development Program (SFD)*
- Contract for Deed (CFD)

Expended Funds: $594,000
Total Households Served: 12

Total Expended Funds: $556,130,673
Total Households Served: 165,970

All FY2022 data as reported in TDHCA's 2022 performance measures.

Note: Some households may have been served by more than one TDHCA program. For some programs, allocation is used as a proxy for expenditures. Because of timing of funds request, the funds expended for the quarter may be readjusted substantially by year end.

* Administered through the federally funded HOME Investment Partnerships Program

**TBRA Funds are reported on an annual basis and are not included in the rental assistance total

TEXAS DEPARTMENT OF HOUSING AND COMMUNITY AFFAIRS
GOVERNING BOARD MEETING

A G E N D A
10:00 AM
March 10, 2022

John H. Regan Building, JHR 140
1400 Congress Ave
Austin, Texas 78701

CALL TO ORDER
ROLL CALL — **Leo Vasquez, Chair**
CERTIFICATION OF QUORUM

*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.***

Resolution Recognizing April as Fair Housing Month

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 Tex. Gov't 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) Presentation, discussion, and possible action on Board meeting minutes summary for February 10, 2022 — **Beau Eccles**, Board Secretary

ASSET MANAGEMENT

b) Presentation, discussion, and possible action regarding a Material Amendment to the Housing Tax Credit Application — **Rosalio Banuelos**, Director of Asset Management

20018	Park Tower	Fort Worth

BOND FINANCE

c) Presentation, discussion, and possible action on Inducement Resolution No. 22-016 for Multifamily Housing Revenue Bonds regarding authorization for filing applications for private activity bond authority — **Teresa Morales**, Director of Multifamily Bonds

d) Presentation, discussion, and possible action to adopt a resolution regarding designating signature authority and superseding previous resolutions — **Monica Galuski**, Director of Bond Finance

RULES

This will be an open, public meeting conducted under Tex. Gov't Code, chapter 551, without COVID-19 emergency waivers. There will not be a remote online or telephone option for public participation. The meeting, however, will be streamed online for public viewing. Masks will be available for members of the public who wish to attend this public meeting.

e) Presentation, discussion, and possible action on the statutory four-year rule review and order of proposed readoption for 10 TAC Chapter 1, Administration, Subchapter A, General Policies and Procedures, §1.16, Ethics and Disclosure Requirements for Outside Financial Advisors and Service Providers, and directing its publication for public comment in the Texas Register — **Brooke Boston**, Deputy Director of Programs

f) Presentation, discussion, and possible action on an order adopting the repeal, and new rule, for 10 TAC Chapter 1, Administration, Subchapter A, General Policies and Procedures, §1.5 Waiver Applicability in the Case of Federally Declared Disasters, and an order directing their publication in the Texas Register

g) Presentation, discussion, and possible action on an order adopting the repeal of 10 TAC Chapter 8, Project Rental Assistance Program Rule; the adoption of new 10 TAC Chapter 8, Project Rental Assistance Program Rule; and directing their submission for adoption in the Texas Register — **Spencer Duran**, Director of Section of 811 Program

COMMUNITY AFFAIRS

h) Presentation, discussion, and possible action on approval of the draft 2022 Department of Energy Weatherization Assistance Program state plan for public comment and awards — **Michael De Young**, Director of Community Affairs

CONSENT AGENDA REPORT ITEMS

ITEM 2: THE BOARD ACCEPTS THE FOLLOWING REPORTS:

a) Media Analysis and Outreach Report (January 2022) — **Michael Lyttle**, Director of External Affairs

b) Report on TDHCA One-Time or Temporary Allocations – Pandemic Response and Other Initiatives — **Brooke Boston**, Deputy Director of Programs

c) Report on the closing of the Department's Residential Mortgage Revenue Bonds, Series 2022A (Non-AMT) (Social Bonds) — **Monica Galuski**, Director of Bond Finance

ACTION ITEMS

Executive Session: the Chair may call an Executive Session at this point in the agenda in accordance with the below-cited provisions[1] — **Leo Vasquez**, Chair

ITEM 3: EXECUTIVE

Executive Director's Report — **Bobby Wilkinson**, Executive Director, TDHCA

ITEM 4: AUDIT

a) Report on the meeting of the Internal Audit and Finance Committee — **Ajay Thomas**, Chair of the Audit and Finance Committee

b) Review and possible acceptance of the State Auditor's Office audit of the TDHCA Financial Statements — **State Auditor's Office**

ITEM 5: RULES

Presentation, discussion, and possible action on the proposed repeal and proposed new 10 TAC §7.1, §7.2, §7.3, §7.7, and §7.12; 10 TAC Chapter 7, Subchapter C, Emergency Solutions Grants; and 10 TAC Chapter 7, Subchapter D, Ending Homelessness Fund, and directing their publication for public comment in the Texas Register — **Abigail Versyp**, Director of Single Family & Homeless Programs

ITEM 6: SINGLE FAMILY AND HOMELESS PROGRAMS

Report on Emergency Solutions Grants Funding Under the CARES Act — **Abigail Versyp**, Director of Single Family & Homeless Programs

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[1] Note: the Chair is not restricted by this item, and may call for an Executive Session at any time during the posted meeting.

ITEM 7: HOUSING STABILITY SERVICES

a) Presentation, discussion and possible action granting authority for Emergency Rental Assistance 2 Housing Stability Service Funds to be awarded to the Texas Access to Justice Foundation for the provision of housing stability services

Cate Tracz
Director of Housing Stability Services

b) Presentation, discussion, and possible action on timely filed eligibility or scoring appeals under the Notice of Funding Availability for Emergency Rental Assistance 2 Housing Stability Services

c) Presentation, discussion and possible action on Emergency Rental Assistance 2 Housing Stability Services Awards

ITEM 8: BOND FINANCE

a) Presentation, discussion, and possible action regarding the Issuance of Multifamily Housing Revenue Bonds (Socorro Village) Series 2022 Resolution No. 22-017, and a Determination Notice of Housing Tax Credits

Teresa Morales
Director of Multifamily Bonds

b) Quarterly report relating to staff-issued Determination Notices for 2021 Non-competitive 4% Housing Tax Credit applications, summary of year-end activity and 2022 Program Update

ITEM 9: TEXAS HOMEOWNERSHIP

Texas Homeownership Activity Report

Lisa Johnson
Business Development Officer

ITEM 10: HOME-AMERICAN RESCUE PLAN

Presentation, discussion and possible action for approval to submit the HOME American Rescue Plan Allocation Plan as modified based on public comment to the U.S. Department of Housing and Urban Development

Naomi Cantu
Director of HOME-ARP

ITEM 11: COMMUNITY AFFAIRS

Presentation, discussion, and possible action on the reprogramming of Program Year 2021 Community Services Block Grant Administrative and Discretionary funds

Michael De Young
Director of Community Affairs

ITEM 12: MULTIFAMILY FINANCE

a) Presentation, discussion, and possible action regarding an award from the Multifamily Direct Loan (MFDL) 2021-3 Notice of Funding Availability (NOFA), as amended

Cody Campbell
Director of Multifamily Programs

b) Presentation, discussion, and possible action regarding a waiver of 10 TAC §13.8(b)(6)(A) for Balcones Terrace (#21513)

c) Presentation, discussion, and possible action regarding a waiver of 10 TAC §11.1002 of the 2022 Qualified Allocation Plan relating to the Program Calendar for Supplemental Housing Tax Credits for Canal Lofts (#20011) in Houston

d) Presentation, discussion, and possible action regarding approval of Supplemental Housing Tax Credit requests for the 2022 Competitive Housing Tax Credit Application Round

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

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;

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;

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;

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

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.

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 or contact Michael Lyttle, 512-475-4542, TDHCA, 221 East 11th 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 Nancy Dennis, at 512-475-3959 or Relay Texas at 1-800-735-2989, at least five days before the meeting so that appropriate arrangements can be made. Non-English speaking individuals who require interpreters for this meeting should contact Kathleen Vale Castillo, 512-475-4144, at least five days before the meeting so that appropriate arrangements can be made.

Personas que hablan español y requieren un intérprete, favor de llamar a Kathleen Vale Castillo, al siguiente número 512-475-4144 por lo menos cinco días antes de la junta para hacer los preparativos apropiados.

Texas Department of Housing and Community Affairs

RESOLUTION

WHEREAS, April 2022 is Fair Housing Month, and marks 54 years since the passage of the federal Fair Housing Act (Title VIII of the Civil Rights Act of 1968), signed by U.S. President Lyndon Baines Johnson on April 11, 1968;

WHEREAS, the Fair Housing Act provides that no person shall be subjected to discrimination because of race, color, national origin, religion, sex, disability, or familial status in the sale, rental, financing, or advertising of housing and charges the Secretary of the U.S. Department of Housing and Urban Development (HUD) with administering HUD programs in a manner that meets the requirements of the law and purposes of the Fair Housing Act;

WHEREAS, the Texas Department of Housing and Community Affairs (the Department) administers HUD and other housing programs that promote the development and supply of safe, decent, affordable housing for qualifying Texans;

WHEREAS, it is the policy of the Department to support equal housing opportunity in the administration of all of its programs and services, including encouraging equitable lending practices for its homebuyer programs and ensuring compliance with Fair Housing rules and guidelines for its multifamily developments;

WHEREAS, the Department, through its programs, workshops, trainings, and materials seeks to educate property managers, consultants, program administrators, architects, contractors, developers, engineers, lenders, real estate professionals, and others about the importance of their adherence to the requirements of the Fair Housing Act;

WHEREAS, the Department encourages the development of educational fair housing programs in local communities throughout the State and is seeking to build new opportunities for fair housing education and training; and

WHEREAS, the Department and the State of Texas support equal housing opportunity and housing choice in accordance with the Fair Housing Act not only during Fair Housing Month in April, but throughout the entire year;

NOW, THEREFORE, it is hereby

RESOLVED, that the Texas Department of Housing and Community Affairs —

(1) recognizes the significance of Fair Housing Month as an important time to acknowledge, better understand, and support equal housing opportunity, and encourages the continued commitment to fair housing in the State of Texas; and

(2) recognizes that in the pursuit of the goal and responsibility of providing affordable housing and equal housing opportunities for all, the Governing Board of the Texas Department of

Housing and Community Affairs does hereby celebrate April 2022 as Fair Housing Month in Texas and encourages all Texas individuals and organizations, public and private, to join and work together in this observance of the impact and importance of affordable housing and equal housing opportunity to the success of all Texans.

Signed this tenth day of March 2022.

Leo Vasquez , Chair	Brandon Batch, Member
Paul A. Braden, Vice Chair	Kenny Marchant, Member
Ajay Thomas, Member	Sharon Thomason, Member
Bobby Wilkinson, Executive Director	

CONSENT AGENDA

1a

BOARD ACTION REQUEST

BOARD SECRETARY

MARCH 10, 2022

Presentation, discussion, and possible action on the Board meeting minutes summary for February 10, 2022

RECOMMENDED ACTION

Approve the Board meeting minutes summary for February 10, 2022

RESOLVED, that the Board meeting minutes summary for February 10, 2022, is hereby approved as presented.

Texas Department of Housing and Community Affairs Governing Board
Board Meeting Minutes Summary
February 10, 2022

On Wednesday, the tenth day of February 2022, at 10:00 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 of the John H. Reagan Building, 1400 Congress Avenue, Austin, Texas.

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

- Leo Vasquez, III, Chair
- Paul Braden, Vice Chair
- Brandon Batch
- Kenny Marchant
- Ajay Thomas

Mr. Vasquez served as Chair, and James "Beau" Eccles, TDHCA General Counsel, served as Secretary.

1) The Board unanimously approved the Consent Agenda and Consent Agenda Report Items as presented.

2) The Board went into Executive Session at 10:06 a.m. and reconvened in open session at 10:39 a.m. During the executive session, the Board did not adopt any policy, position, resolution, rule, regulation, take any formal action, or vote on any item.

3) Action Item 3 – Executive Director's Report – was presented by Bobby Wilkinson, TDHCA Executive Director. The Board heard Mr. Wilkinson's report and took no further action.

4) Action Item 4 – Presentation, Discussion and Possible Approval granting authority for Emergency Rental Assistance 2 Housing Stability Service Funds to be awarded to the Texas Veterans Commission for the provision of housing stability services – was presented by Cate Tracz, TDHCA Director of Housing Stability Services, with additional information from Mr. Wilkinson. The Board unanimously approved staff recommendation to grant the Executive Director and his designees the authority to take action to enter into a memorandum of understanding with the Texas Veterans Commission to provide funds to continue the support of eligible Housing Stability Services, all as reflected in the Board item.

5) Action Item 5(a) – Presentation, discussion, and possible action on awards for 2022 Community Services Block Grant discretionary funds for education and employment services to Native American and Migrant Seasonal Farmworker populations – was presented by Michael De Young, TDHCA Director of Community Affairs. The Board unanimously approved staff recommendation to grant the Executive Director and his designees the authority to take action

to effectuate the award for education and employment services to Native American and Migrant Seasonal Farmworkers, all as reflected in the Board item.

6) Action Item 5(b) – Presentation, discussion, and possible action to effectuate the use of non-federal funds to repay the U.S. Department of Health and Human Services Administration for Children and Families for costs disallowed as a result of the 2014 LIHEAP monitoring – was presented by Mr. De Young. The Board unanimously approved staff recommendation to grant the Executive Director and his designees the authority to take action to effectuate the use of non-federal funds to repay U.S. Health and Human Services for the costs disallowed as a result of the 2014 LIHEAP monitoring, all as reflected in the Board item.

7) Action Item 6 – Presentation, discussion, and possible action regarding a Material Amendment to the Housing Tax Credit Application for 20186 The Residence at Ridgehill, in Kerrville – was presented by Rosalio Banuelos, TDHCA Director of Asset Management. The Board unanimously adopted staff recommendation to approve the requested amendment for The Residence at Ridgehill, all as reflected in the Board item.

8) Action Item 7(a) – Presentation, discussion, and possible action regarding a waiver of 10 TAC §11.101(a)(2)(C) for The Landing at Spears (#22184) – was withdrawn from the agenda by request of the applicant.

9) Action Item 7(b) – Presentation, discussion, and possible action regarding a waiver of 10 TAC §11.1(e) for Wellington Frost Town (#22295) – was presented by Cody Campbell, TDHCA Director of Multifamily Finance, with additional information from Mr. Wilkinson and Mr. Eccles. Following public comment (listed below), the Board unanimously adopted the waiver request of 10 TAC 14 11.1(e) regarding use of alternative source of data to support the granting of opportunity points for Wellington Frost Town.

- John Shackelford, attorney for Wellington Frost Town, provided comments on the item in support of the applicant

10) Action Item 7(c) – Presentation, discussion, and possible action regarding a waiver of 10 TAC §11.1003(b) of the 2022 Qualified Allocation Plan relating to the Maximum Supplemental Request Limit for Pathways at Chalmers Courts West (#20202) in Austin – was presented by Mr. Campbell. Following public comment (listed below), the Board unanimously approved staff recommendation to grant the waiver of 10 TAC 11.1003(b) regarding the maximum supplemental request limit for Pathways at Chalmers Courts West, but exclude the increase to acquisition costs represented on the supplemental credit request.

- Audrey Martin, Purple Martin Real Estate and representing the applicant, provided comments on the item in support of the applicant

11) Action Item 7(d) – Presentation, discussion, and possible action regarding a waiver of 10 TAC §11.1003(b) of the 2022 Qualified Allocation Plan relating to the Maximum Supplemental

Request Limit for Telephone Road Elderly (#19077) in Houston – was presented by Mr. Campbell. Following public comment (listed below), the Board unanimously approved staff recommendation to grant the waiver regarding the maximum supplemental request limit for Telephone Road Elderly, but exclude the increased acquisition costs and costs associated with mold remediation, represented on the supplemental credit request.

- James Williams, Houston Housing Authority, provided comments on the item in support of the applicant

12) Action Item 7(e) – Presentation, discussion, and possible action regarding waivers of 10 TAC §11.1003(b) of the 2022 Qualified Allocation Plan relating to the Maximum Supplemental Request Limit for Supplemental Housing Tax Credit Requests from the 2022 Competitive Housing Tax Credit Ceiling – was presented by Mr. Campbell. The Board unanimously approved staff recommendation to grant the waiver of 10 TAC 11.1003(b) regarding the maximum supplemental request limit for the developments listed in the Board item.

13) Action Item 7(f) – Presentation, discussion, and possible action regarding approval of Supplemental Housing Tax Credit requests for the 2022 Competitive Housing Tax Credit Application Round – was presented by Mr. Campbell. The Board unanimously adopted staff recommendation to approve the list of recommended requests for supplemental housing tax credits from the 2022 State Competitive Housing Credit Ceiling, subject to the conditions and limitations expressed in the Board item.

14) Action Item 7(g) – Presentation, discussion, and possible action regarding an award from the Multifamily Direct Loan (MFDL) 2021-3 Notice of Funding Availability (NOFA), as amended – was presented by Mr. Campbell with additional information from Megan Sylvester, TDHCA Federal Compliance Counsel. The Board unanimously adopted staff recommendation to approve 2021-3 NOFA Application No. 21520, The Residence at Ridgehill, subject to the conditions as expressed in the Board item.

15) Action Item 7(h) – Presentation, discussion, and possible action on an award of a Predevelopment Grant from the Multifamily 2021-2 Special Purpose Notice of Funding Availability: Predevelopment – was presented by Mr. Campbell. The Board unanimously adopted staff recommendation to approve a pre-development grant from the 2021-2022 Special Purpose NOFA to the SAFE Alliance for the pre-development of SAFE SHP at Grove, as conditioned and stated in item.

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 11:56 a.m. The next meeting is set for Thursday, March 10, 2022.

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Secretary

Approved:

____
Chair

1b

BOARD ACTION REQUEST

ASSET MANAGEMENT DIVISION

MARCH 10, 2022

Presentation, discussion, and possible action regarding a Material Amendment to the Housing Tax Credit Application for Park Tower (HTC #20018)

RECOMMENDED ACTION

WHEREAS, Park Tower (the Development) received an award of 9% Housing Tax Credits (HTCs) in 2020 for the new construction of 90 multifamily units, of which 78 units are designated as affordable, for the general population in Fort Worth, Tarrant County;

WHEREAS, HTG Jacksboro, LLC (the Development Owner or Owner) requests approval for a 7,920 square foot reduction in the Net Rentable Area (NRA) from 89,142 to 81,222 square feet, and a 6,729 square foot reduction in the Common Area from 29,913 to 23,184 square feet, representing a reduction of 8.88% and 22.50% in NRA and Common Area, respectively, from the original design represented at Application;

WHEREAS, Board approval is required for a reduction of three percent or more in the square footage of the units or common areas as directed in Tex. Gov't Code §2306.6712(d)(4) and 10 TAC §10.405(a)(4)(D), and the Owner has complied with the amendment requirements therein; and

WHEREAS, the requested changes do not negatively affect the Development, impact the viability of the transaction, impact the scoring of the Application, or affect the amount of the tax credits awarded;

NOW, therefore, it is hereby

RESOLVED, that the requested amendment for Park Tower is approved as presented at this meeting, and the Executive Director and his designees are each hereby authorized, directed, and empowered to take all necessary action to effectuate the foregoing.

BACKGROUND

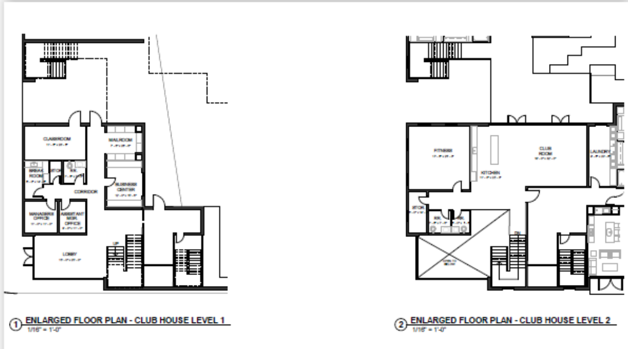
Park Tower received an award of 9% Housing Tax Credits in 2020 for the new construction of 90 multifamily units, of which 78 units are designated as affordable, for the general population in Fort Worth, Tarrant County. On September 2, 2021, the Development received approval from the Board for the return and reissuance of the 2020 HTC award under Force Majeure.

In a letter dated October 7, 2021, which was later revised on January 18, 2022, Val DeLeon, the representative for the Owner, requested approval for a reduction to the unit sizes and Common Area. The Owner states that significant increases in construction materials and labor after Application has resulted in delays in the financial closing of the transaction. As a result, the development team had to value engineer the original plans. The plans were revised to reduce the building footprint by narrowing the non-conditioned corridors and by designing more efficient units. The revised plans result in a 7,920 square foot reduction in the Net Rentable Area from 89,142 to 81,222 square feet, and a 6,729 square foot reduction in the Common Area from 29,913 to 23,184 square feet, representing a reduction of 8.88% and 22.50% to NRA and Common Area, respectively, from the original design represented at Application. These reductions are material amendments under Tex. Gov't Code §2306.6712(d)(4) and 10 TAC §10.405(a)(4)(D), as Board approval is required for a reduction of three percent or more in the square footage of the units or common areas. It should be noted that the reductions to the unit sizes do not affect the scoring of the Application because the units will continue to meet the point scoring thresholds under §11.9(b)(1)(a) of the 2020 QAP. Also, the reduction to the Common Area does not affect the amenities represented in the original design plans.

The following is a comparison between the original and revised design plans for units and common areas:

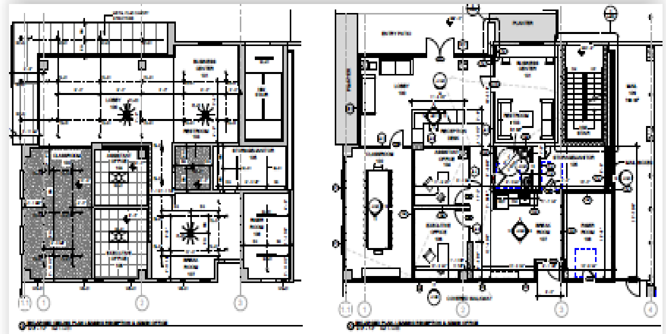
Material Alterations as defined in Tex. Gov't Code §2306.6712(d)(4) and 10 TAC §10.405(a)(4)(D)			
Application		**Amendment**	
Common Area		**Common Area**:	
Corridors	15,183 s.f.	Corridors	11,790 s.f.
Amenity (leasing, clubhouse, fitness, mail, laundry)	3,685 s.f	Amenity (leasing, clubhouse, fitness, mail, laundry)	4,259 s.f
Courtyard	0 s.f.-	Courtyard	6,764 s.f.-
Clubhouse Terrace	0 s.f.-	Clubhouse Terrace	371 s.f-
Stairs	1,252 s.f.	Stairs	0 s.f.
Elevator	200 s.f.	Elevator	0 s.f.
Storage	143 s.f.	Storage	0 s.f.
Unit Balconies	9,550 s.f.	Unit Balconies	0 s.f.
Total Common Area	29,913 s.f*	Total Common Area	23,184 s.f*
*This should identify 30,013 s.f. However, Owner explains that the original architect incorrectly reported 29,913 s.f. at Application.		***Reduction of 6,729 square feet or 22.50%**	

Material Alterations as defined in Tex. Gov't Code §2306.6712(d)(4) and 10 TAC §10.405(a)(4)(D)



Net Rentable Area (NRA)

Unit Type	# of Units	Unit Size	NRA
1BR/1BA	39	725	28,275
2BR/2BA	23	1,062	24,426
2BR/2BA	11	1,133	12,463
3BR/2BA	6	1,385	8,310
3BR/2BA	4	1,404	5,616
3BR/2BA	7	1,436	10,052
Total Units	90	Total NRA	89,142 s.f.



Net Rentable Area (NRA)

Unit Type	# of Units	Unit Size	NRA
1BR/1BA	39	660	25,740
2BR/2BA	30	995	29,850
2BR/2BA	3	1,090	3,270
2BR/2BA	1	1,217	1,217
3BR/2BA	2	1,217	2,434
3BR/2BA	12	1,230	14,760
3BR/2BA	3	1,317	3,951
Total Units	90	Total NRA	81,222 s.f.*

***Reduction of 7,920 square feet or 8.88%**

The Development was re-underwritten based on the revised design changes, increased costs, and revised financial exhibits submitted with an Application for a supplemental credit that will be considered separately from this amendment request. The results of the analysis indicate that the Development will remain feasible with the increased costs and an increase to the HTC allocation.

These changes do not materially alter the Development in a negative manner, and were not reasonably foreseeable or preventable by the Development Owner at the time of Application.

Staff recommends approval of the amendment request as presented herein.

Real Estate Analysis Division
February 15, 2022

Addendum to Underwriting Report

TDHCA Application #:	**22960**	Program(s):	**9% HTC**
TDHCA Application #:	**20018**		

Park Tower

Address/Location: 1209 Jacksboro Highway

City: Fort Worth County: Tarrant Zip: 76114

	APPLICATION HISTORY
Report Date	**PURPOSE**
02/15/22	**2022 Supplemental Credit Memo/Material Amendment**
11/02/20	Original Underwriting

ALLOCATION

	Previous Allocation				RECOMMENDATION				
TDHCA Program	**Amount**	**Rate**	**Amort**	**Term**	**Amount**	**Rate**	**Amort**	**Term**	**Lien**
LIHTC (9% Credit)	$1,462,830				**$1,667,626**				

CONDITIONS STATUS

- Receipt and acceptance by Cost Certification:

  a: Architect certification that all noise assessment recommendations were implemented and the Development is compliant with HUD noise guidelines.

  b: Certification that testing for asbestos and lead-based paint was performed on the existing structures prior to demolition, and if necessary, a certification that any appropriate abatement procedures were implemented.

  c: Architect or engineer certification that the finished ground floor elevation for each building is at least one foot above the floodplain and that all drives, parking and amenities are not more than 6 inches below the floodplain; or certification (including a Letter of Map Amendment or Revision ("LOMA / LOMR-F") if applicable, documenting that the development is not within the 100 year floodplain.

  For any buildings remaining in the floodplain, documentation that flood insurance is in place at the property owner's expense covering the buildings and coverage will remain in force as long as they remain in the floodplain.

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.

SET-ASIDES

TDHCA SET-ASIDES for HTC LURA		
Income Limit	Rent Limit	Number of Units
30% of AMI	30% of AMI	9
50% of AMI	50% of AMI	31
60% of AMI	60% of AMI	38

ANALYSIS

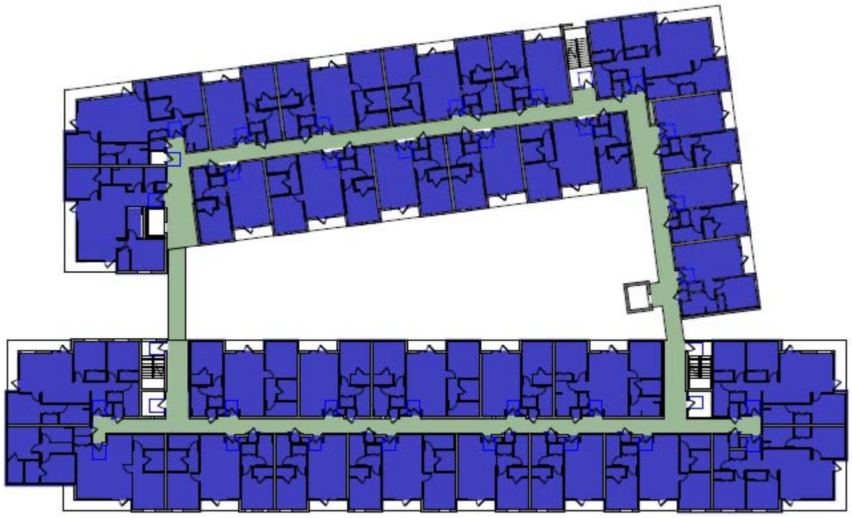
The Development received a 9% HTC allocation in 2020. The Applicant has applied for 14.00% increase in annual tax credit allocation consistent with 2022 QAP Subchapter F, Supplement Housing Tax Credits.

The TDHCA board of directors approved the Applicant's request for Waiver of Limitation on Supplemental Tax Credits [11.1003(b)] on February 10, 2022 allowing up to 15% supplemental credits.

The Applicant has also submitted a Material Amendment request for a modification to the total development square footage. These changes are being requested due to significant increases in costs and in an effort to maintain the development's overall feasibility. They have reduced the net rentable area by 8.9% and the common area corridors by 22.5%, an overall reduction in square footage of 12.3%. The unit mix has not changed and the total number of units remain constant at 90.

Original Residential Floor Plan

Amended Residential Floor Plan



Operating Pro Forma

Rents have been updated to the 2021 Program Rents.

Development Cost

Building Cost increased $4.91M.

Total Development Cost increased $5.17M.

Sources of Funds

With the requested increase in tax credits at a price of $0.93 per credit, total equity proceeds have increased $1,820,998 from original underwriting.

PNC will now provide a $15.8M construction loan at a rate of 3.50%.

Berkadia will provide the 15-year permanent loan of $8.27M at 3.20%, amortized over 40 years.

The Underwriter recommends a total annual tax credit allocation of $1,667,626.

Underwriter:	*Jeffrey Price*
Manager of Real Estate Analysis:	*Diamond Thompson*
Director of Real Estate Analysis:	*Jeanna Adams*

UNIT MIX/RENT SCHEDULE

Park Tower, Fort Worth, 9% HTC #20018

LOCATION DATA	
CITY:	Fort Worth
COUNTY:	Tarrant
Area Median Income	$76,000
PROGRAM REGION:	3
PROGRAM RENT YEAR:	2021

UNIT DISTRIBUTION				
# Beds	# Units	% Total	Assisted	MDL
Eff	-	0.0%	0	0
1	39	43.3%	0	0
2	34	37.8%	0	0
3	17	18.9%	0	0
4	-	0.0%	0	0
5	-	0.0%	0	0
TOTAL	**90**	**100.0%**	**-**	**-**

53%	Average Income	
Income	# Units	% Total
20%	-	0.0%
30%	9	10.0%
40%	-	0.0%
50%	31	34.4%
60%	38	42.2%
70%	-	0.0%
80%	-	0.0%
MR	12	13.3%
TOTAL	**90**	**100.0%**

Pro Forma ASSUMPTIONS	
Revenue Growth	2.00%
Expense Growth	3.00%
Basis Adjust	130%
Applicable Fraction	85.41%
APP % Acquisition	3.32%
APP % Construction	9.00%
Average Unit Size	902 sf

UNIT MIX / MONTHLY RENT SCHEDULE

HTC		UNIT MIX				APPLICABLE PROGRAM RENT			APPLICANT'S PRO FORMA RENTS				TDHCA PRO FORMA RENTS				MARKET RENTS		
Type	Gross Rent	# Units	# Beds	# Baths	NRA	Gross Rent	Utility Allow	Max Net Program Rent	Delta to Max	Rent psf	Net Rent per Unit	Total Monthly Rent	Total Monthly Rent	Rent per Unit	Rent psf	Delta to Max	Underwritten		Mrkt Analyst
TC 30%	$454	4	1	1	660	$454	$43	$411	$0	$0.62	$411	**$1,644**	**$1,644**	$411	$0.62	$0	$1,200	$1.82	$1,260
TC 50%	$758	10	1	1	660	$758	$43	$715	$0	$1.08	$715	**$7,150**	**$7,150**	$715	$1.08	$0	$1,200	$1.82	$1,260
TC 60%	$909	21	1	1	660	$909	$43	$866	$0	$1.31	$866	**$18,186**	**$18,186**	$866	$1.31	$0	$1,200	$1.82	$1,260
MR		4	1	1	660	$0	$43		NA	$1.82	$1,200	**$4,800**	**$4,800**	$1,200	$1.82	NA	$1,200	$1.82	$1,260
TC 30%	$546	5	2	2	995	$546	$57	$489	$0	$0.49	$489	**$2,445**	**$2,445**	$489	$0.49	$0	$1,400	$1.41	$1,440
TC 50%	$910	1	2	2	1,217	$910	$57	$853	$0	$0.70	$853	**$853**	**$853**	$853	$0.70	$0	$1,400	$1.15	$1,440
TC 50%	$910	14	2	2	995	$910	$57	$853	$0	$0.86	$853	**$11,942**	**$11,942**	$853	$0.86	$0	$1,400	$1.41	$1,440
TC 60%	$1,092	9	2	2	995	$1,092	$57	$1,035	$0	$1.04	$1,035	**$9,315**	**$9,315**	$1,035	$1.04	$0	$1,400	$1.41	$1,440
MR		2	2	2	995	$0	$57		NA	$1.41	$1,400	**$2,800**	**$2,800**	$1,400	$1.41	NA	$1,400	$1.41	$1,463
MR		3	2	2	1,090	$0	$57		NA	$1.28	$1,400	**$4,200**	**$4,200**	$1,400	$1.28	NA	$1,400	$1.28	$1,463
TC 50%	$1,050	2	3	2	1,217	$1,050	$66	$984	$0	$0.81	$984	**$1,968**	**$1,968**	$984	$0.81	$0	$2,000	$1.64	$2,240
TC 50%	$1,050	4	3	2	1,230	$1,050	$66	$984	$0	$0.80	$984	**$3,936**	**$3,936**	$984	$0.80	$0	$2,000	$1.63	$2,245
TC 60%	$1,260	8	3	2	1,230	$1,260	$66	$1,194	$0	$0.97	$1,194	**$9,552**	**$9,552**	$1,194	$0.97	$0	$2,000	$1.63	$2,245
MR		3	3	2	1,317	$0	$66		NA	$1.52	$2,000	**$6,000**	**$6,000**	$2,000	$1.52	NA	$2,000	$1.52	$2,245
TOTALS/AVERAGES:		**90**			**81,222**				**$0**	**$1.04**	**$942**	**$84,791**	**$84,791**	**$942**	**$1.04**	**$0**	**$1,427**	**$1.58**	**$1,515**

ANNUAL POTENTIAL GROSS RENT:	**$1,017,492**	**$1,017,492**

STABILIZED PRO FORMA

Park Tower, Fort Worth, 9% HTC #20018

STABILIZED FIRST YEAR PRO FORMA

	COMPARABLES				APPLICANT				Original UW		TDHCA				VARIANCE	
	Database		County Comps		% EGI	Per SF	Per Unit	Amount	Applicant	TDHCA	Amount	Per Unit	Per SF	% EGI	%	$
POTENTIAL GROSS RENT						$1.04	$942	$1,017,492	**$883,620**	**$884,556**	$1,017,492	$942	$1.04		0.0%	$0
Laundry							$22.00	$23,760	21,600							
Total Secondary Income							$22.00			21,600	$23,760	$22.00			0.0%	$0
POTENTIAL GROSS INCOME								$1,041,252	$905,220	$906,156	$1,041,252				0.0%	$0
Vacancy & Collection Loss							7.5% PGI	(78,094)	(67,892)	(67,962)	(78,094)	7.5% PGI			0.0%	-
Rental Concessions								-	0	0	-				0.0%	-
EFFECTIVE GROSS INCOME								$963,158	$837,329	$838,194	$963,158				0.0%	$0
General & Administrative	$39,117	$435/Unit	$47,921	$532	5.40%	$0.64	$578	$52,000	$52,000	$41,050	$39,117	$435	$0.48	4.06%	32.9%	12,883
Management	$38,909	4.2% EGI	$46,255	$514	4.00%	$0.47	$428	$38,526	$41,850	$41,910	$48,158	$535	$0.59	5.00%	-20.0%	(9,632)
Payroll & Payroll Tax	$116,085	$1,290/Unit	$126,352	$1,404	14.43%	$1.71	$1,544	$139,000	$139,000	$139,000	$139,000	$1,544	$1.71	14.43%	0.0%	-
Repairs & Maintenance	$65,265	$725/Unit	$76,656	$852	6.23%	$0.74	$667	$60,000	$60,000	$54,000	$54,000	$600	$0.66	5.61%	11.1%	6,000
Electric/Gas	$22,191	$247/Unit	$14,499	$161	2.08%	$0.25	$222	$20,000	$20,000	$14,499	$14,499	$161	$0.18	1.51%	37.9%	5,501
Water, Sewer, & Trash	$66,298	$737/Unit	$68,104	$757	4.36%	$0.52	$467	$42,000	$42,000	$66,298	$66,298	$737	$0.82	6.88%	-36.6%	(24,298)
Property Insurance	$27,956	$0.34 /sf	$44,780	$498	4.02%	$0.48	$430	$38,710	$38,710	$38,710	$38,710	$430	$0.48	4.02%	0.0%	-
Property Tax (@ 100%) 2.6468	$79,104	$879/Unit	$103,920	$1,155	8.88%	$1.05	$950	$85,520	$85,520	$85,520	$85,520	$950	$1.05	8.88%	0.0%	-
Reserve for Replacements				$0	2.34%	$0.28	$250	$22,500	$22,500	$22,500	$22,500	$250	$0.28	2.34%	0.0%	-
Cable TV				$0	1.04%	$0.12	$111	$10,000	$10,000	$10,000	$10,000	$111	$0.12	1.04%	0.0%	-
Supportive Services				$0	1.25%	$0.15	$133	$12,000	$12,000	$12,000	$12,000	$133	$0.15	1.25%	0.0%	-
TDHCA Compliance fees ($40/HTC unit)				$0	0.32%	$0.04	$35	$3,120	$3,080	$3,120	$3,120	$35	$0.04	0.32%	0.0%	-
Security				$0	0.52%	$0.06	$56	$5,000	$12,000	$12,000	$5,000	$56	$0.06	0.52%	0.0%	-
TOTAL EXPENSES					**54.86%**	**$6.51**	**$5,871**	**$ 528,376**	$538,660	$540,607	**$537,923**	**$5,977**	**$6.62**	**55.85%**	**-1.8%**	**$ (9,546)**
NET OPERATING INCOME ("NOI")					**45.14%**	**$5.35**	**$4,831**	**$434,782**	$298,669	$297,587	**$425,236**	**$4,725**	**$5.24**	**44.15%**	**2.2%**	**$ 9,546**

CONTROLLABLE EXPENSES							$3,478/Unit					$3,477/Unit				

CAPITALIZATION / TOTAL DEVELOPMENT BUDGET / ITEMIZED BASIS

Park Tower, Fort Worth, 9% HTC #20018

DEBT / GRANT SOURCES

DEBT (Must Pay)	Fee	APPLICANT'S PROPOSED DEBT/GRANT STRUCTURE: Cumulative DCR UW	Cumulative DCR App	Pmt	Rate	Amort	Term	Principal	Original UW Applicant	Original UW TDHCA	AS UNDERWRITTEN DEBT/GRANT STRUCTURE: Principal	Term	Amort	Rate	Pmt	Cumulative DCR	Cumulative LTC
Berkadia		1.15	1.18	$369,255	3.20%	40	15	$8,265,888	**$5,040,300**	**$5,040,300**	$8,265,888	15	40	3.20%	$366,615	1.19	33.7%
CASH FLOW DEBT / GRANTS																	
City of Ft. Worth		1.15	1.18		0.00%	0	0	$2,500	**$2,500**	**$2,500**	$2,500	0	0	0.00%		1.19	0.0%
				$369,255	**TOTAL DEBT / GRANT SOURCES**			**$8,268,388**	**$5,042,800**	**$5,042,800**	**$8,268,388**			**TOTAL DEBT SERVICE**	**$366,615**	**1.19**	33.7%
NET CASH FLOW		$55,981	$65,527								**APPLICANT**	**NET OPERATING INCOME**		**$434,782**	**$68,167**	**NET CASH FLOW**	

EQUITY SOURCES

EQUITY / DEFERRED FEES	APPLICANT'S PROPOSED EQUITY STRUCTURE: DESCRIPTION	% Cost	Annual Credit	Credit Price	Amount	Original UW Applicant	Original UW TDHCA	AS UNDERWRITTEN EQUITY STRUCTURE: Amount	Credit Price	Annual Credit	% Cost	Annual Credits per Unit	Allocation Method
Boston Capital	LIHTC Equity	62.9%	$1,667,626	0.92	$15,423,998	$13,603,000	$13,603,000	$15,423,998	$0.9249	$1,667,626	62.9%	$18,529	Applicant Request
HTG Jacksboro Developer, LLC	Deferred Developer Fees	3.4%	(41% Deferred)		$831,908	$792,151	$708,295	$829,408	(41% Deferred)		3.4%	**Total Developer Fee:**	**$2,046,687**
Additional (Excess) Funds Req'd		0.0%					$0	($0)			0.0%		
TOTAL EQUITY SOURCES		66.3%			$16,255,906	$14,395,151	$14,311,295	$16,253,406			66.3%		
TOTAL CAPITALIZATION					**$24,524,294**	$19,437,951	$19,354,095	**$24,521,794**				**15-Yr Cash Flow after Deferred Fee:**	**$550,735**

DEVELOPMENT COST / ITEMIZED BASIS

	APPLICANT COST / BASIS ITEMS: Eligible Basis Acquisition	Eligible Basis New Const. Rehab	Total Costs			Original UW Applicant	Original UW TDHCA	TDHCA COST / BASIS ITEMS: Total Costs			Eligible Basis New Const. Rehab	Eligible Basis Acquisition	COST VARIANCE %	COST VARIANCE $
Land Acquisition				$28,833 / Unit	$2,595,000	$2,500,000	$2,500,000	$2,595,000	$28,833 / Unit				0.0%	$0
Closing costs & acq. legal fees					$20,000	$20,000	$20,000	$20,000						$0
City Required Off-Sites		$0		$6,667 / Unit	$600,000	$0	$0	$600,000	$6,667 / Unit		$0		0.0%	$0
Site Work		$762,250		$9,136 / Unit	$822,250	$1,080,192	$1,080,192	$735,750	$8,175 / Unit		$675,750		11.8%	$86,500
Site Amenities		$81,000		$900 / Unit	$81,000	$200,000	$200,000	$77,500	$861 / Unit		$77,500		4.5%	$3,500
Structured Parking		$0		$ / Unit	$0	$500,000	$500,000	$0	$ / Unit		$0		0.0%	$0
Building Cost		$12,300,495	$151.44 /sf	$136,672/Unit	$12,300,495	$6,888,975	$7,050,339	$12,390,495	$137,672/Unit	$152.55 /sf	$12,390,495		-0.7%	($90,000)
Contingency		$747,003	5.68%	5.43%	$750,003	$677,578	$618,137	$750,003	5.43%	5.68%	$747,003		0.0%	$0
Contractor Fees		$1,932,131	13.91%	13.91%	$2,024,951	$1,298,641	$1,298,641	$2,024,951	13.91%	13.91%	$1,932,131		0.0%	$0
Soft Costs	0	$1,488,195		$17,647 / Unit	$1,588,195	$2,236,000	$2,236,000	$1,588,195	$17,647 / Unit		$1,488,195	$0	0.0%	$0
Financing	0	$1,323,177		$16,102 / Unit	$1,449,165	$1,387,261	$1,387,261	$1,449,165	$16,102 / Unit		$1,042,312	$0	0.0%	$0
Developer Fee	$0	$2,046,687	10.98%	10.61%	$2,046,687	$2,057,297	$2,046,687	$2,046,687	10.76%	7.30%	$1,339,552	$0	0.0%	$0
Reserves				3 Months	$244,048	$589,498	$393,889	$244,048	3 Months				0.0%	$0
TOTAL HOUSING DEVELOPMENT COST (UNADJUSTED BASIS)	**$0**	**$20,680,938**		$272,464 / Unit	**$24,521,794**	$19,435,442	$19,331,146	**$24,521,794**	$272,464 / Unit		**$19,692,938**	**$0**	**0.0%**	**$0**
Acquisition Cost	$0				$0	$0								
Contingency		$0			$0	($70,736)								
Contractor's Fee		$0			$0	$0								
Financing Cost		($280,865)												
Developer Fee	$0	($707,135)			($0)	($10,610)								
Reserves					$0	$0								
ADJUSTED BASIS / COST	**$0**	**$19,692,938**		$272,464/unit	**$24,521,794**	$19,354,095	$19,331,146	**$24,521,794**	$272,464/unit		**$19,692,938**	**$0**	**0.0%**	**$0**

TOTAL HOUSING DEVELOPMENT COSTS (Applicant's Uses are within 5% of TDHCA Estimate): $24,521,794

CAPITALIZATION / DEVELOPMENT COST BUDGET / ITEMIZED BASIS ITEMS

Park Tower, Fort Worth, 9% HTC #20018

CREDIT CALCULATION ON QUALIFIED BASIS	Applicant		TDHCA	
	Acquisition	Construction Rehabilitation	Acquisition	Construction Rehabilitation
ADJUSTED BASIS	$0	$19,692,938	$0	$19,692,938
Deduction of Federal Grants	$0	$0	$0	$0
TOTAL ELIGIBLE BASIS	$0	$19,692,938	$0	$19,692,938
High Cost Area Adjustment		130%		130%
TOTAL ADJUSTED BASIS	$0	$25,600,820	$0	$25,600,820
Applicable Fraction	85.41%	85.41%	85.41%	85.41%
TOTAL QUALIFIED BASIS	$0	$21,865,436	$0	$21,865,436
Applicable Percentage	3.32%	9.00%	3.32%	9.00%
ANNUAL CREDIT ON BASIS	$0	$1,967,889	$0	$1,967,889
CREDITS ON QUALIFIED BASIS	$1,967,889		$1,967,889	

	ANNUAL CREDIT CALCULATION BASED ON APPLICANT BASIS		FINAL ANNUAL LIHTC ALLOCATION		
			Credit Price $0.9249	Variance to Request	
Method	Annual Credits	Proceeds	Credit Allocation	Credits	Proceeds
Eligible Basis	$1,967,889	$18,201,155	----	----	----
Needed to Fill Gap	$1,680,721	$15,545,111	----	----	----
Applicant Request	$1,667,626	$15,423,998	**$1,667,626**	**$0**	**$0**

Long-Term Pro Forma

Park Tower, Fort Worth, 9% HTC #20018

	Growth Rate	Year 1	Year 2	Year 3	Year 4	Year 5	Year 10	Year 15	Year 20	Year 25	Year 30	Year 35	Year 40
EFFECTIVE GROSS INCOME	2.00%	$963,158	$982,421	$1,002,070	$1,022,111	$1,042,553	$1,151,063	$1,270,867	$1,403,139	$1,549,179	$1,710,419	$1,888,441	$2,084,991
TOTAL EXPENSES	3.00%	$528,376	$543,842	$559,765	$576,157	$593,033	$685,186	$791,777	$915,081	$1,057,731	$1,222,780	$1,413,761	$1,634,768
NET OPERATING INCOME ("NOI")		**$434,782**	**$438,579**	**$442,305**	**$445,954**	**$449,521**	**$465,877**	**$479,090**	**$488,059**	**$491,448**	**$487,639**	**$474,680**	**$450,224**
EXPENSE/INCOME RATIO		54.9%	55.4%	55.9%	56.4%	56.9%	59.5%	62.3%	65.2%	68.3%	71.5%	74.9%	78.4%
MUST -PAY DEBT SERVICE													
TOTAL DEBT SERVICE		$366,615	$366,615	$366,615	$366,615	$366,615	$366,615	$366,615	$366,615	$366,615	$366,615	$366,615	$366,615
DEBT COVERAGE RATIO		1.19	1.20	1.21	1.22	1.23	1.27	1.31	1.33	1.34	1.33	1.29	1.23
ANNUAL CASH FLOW		**$68,167**	**$71,964**	**$75,690**	**$79,340**	**$82,906**	**$99,263**	**$112,475**	**$121,444**	**$124,833**	**$121,024**	**$108,065**	**$83,609**
Deferred Developer Fee Balance		$761,241	$689,277	$613,587	$534,247	$451,341	$0	$0	$0	$0	$0	$0	$0
CUMULATIVE NET CASH FLOW		$0	$0	$0	$0	$0	$13,323	$550,735	$1,141,963	$1,761,884	$2,377,866	$2,948,206	$3,420,286

October 7, 2021
December 21, 2021
January 18, 2022

VIA EMAIL: asset.management@tdhca.state.tx.us

Ms. Lee Ann Chance
Manger, Asset Management
Texas Dept. of Housing & Community Affairs
221 E. 11th Street
Austin, TX 78701-2410

RE: Material Amendment - The Park Tower – TDHCA# 20018

Dear Ms. Chance,

On behalf of HTG Jacksboro, LLC (the "Owner"), please accept this correspondence as our formal request for approval of a material amendment, pursuant to §10.405(a)(4) of the 2020 Qualified Allocation Plan ("QAP") for TDHCA# 20018, The Park Tower.

On August 5, 2021, HTG Jacksboro, LLC requested approval to exchange 2020 credit award for a 2021 allocation of credits under the Force Majure section of the 2020 QAP (Exhibit A). That approval was granted by the TDHCA Governing Board on September 2, 2021. As stated in previous correspondence with TDHCA, the COVID-19 pandemic has caused unprecedented price increases for construction materials (lumber, appliances, siding, windows, etc.) and labor. The construction pricing increases from application has further delayed the financial closing of this transaction.

The cost increases left the development team with no other option but to value engineer the original contemplated design. The initial construction contract bid was $231 per square foot of rentable area. The Park Tower was underwritten at 89,142 square feet of net rentable area. At a cost of $231 a foot, that would come to $20,591,802 in construction costs alone. The total development cost at underwriting was only $19,354,095 (Exhibit B – 2020 UW Report).

The design team, development owner, and general contractor collaborated on a revised building layout which, narrowed the building footprint, allowed for non-conditioned corridors and more efficient units. HTG Jacksboro, LLC is requesting approval to reduce the Net Rentable Area from 89,142 as underwritten to 81,222 (a reduction of 8.90%). Pursuant to the Asset Management Rules, "A reduction of 3% or more in the square footage of the Units or common areas;" is considered a Material amendment. It should be noted that the current unit sizes would have still scored point for Unit Sizes under §11.9(b)(1)(a) of the 2020 QAP.

HTG Jacksboro, LLC is also requesting approval to reduce the common area from 29,913 square feet in the underwriting report to 23,184 as currently drawn (a reduction of 22.50%). The TDHCA underwriting report (Exhibit B) states that the Common Area number was taken directly from the Architect Certification form in the original tax credit application. While researching the request for this amendment it was discovered that the original architect (who is no longer with the architect firm) incorrectly certified to the Common Area number. Based on the schematic drawings submitted at application the Certification would have been 30,013 (Corridor, Amenity, Stairs, Elevator, Storage, and Unit Balconies). A complete breakdown of the common area identified at application is included in the attached Exhibit C. The most significant reduction of common area was in the corridors (15,183 at underwriting to 11,850 as drawn). Finally, the updated plans correctly calculate the Common Area pursuant to TDHCA definitions. Furthermore, we hereby certify that neither the affordability nor unit mix has changed from the original application.

Pursuant to section 10.405(a)(4) of the 2020 Asset Management Rules, we respectfully request the approval of the material amendment request. If staff has any questions, please contact me directly at valentind@htgf.com or 512-417-0985.

Sincerely,

HTG JACKSBORO, LLC

Val DeLeon

Val DeLeon, Authorized Representative

CC: Cody Campbell,

Exhibit C

Unit Mix	2020 TDHCA Underwriting Report	Value Engineered Set of Plans
1 br/1 ba	39	39
2 br/2 ba	34	34
3 br/2 ba	17	17
Total Units	90	90
Difference		**None**

NRA Units	2020 TDHCA Underwriting Report	Value Engineered Set of Plans
1 br/1 ba	28,275	25,740
2 br/2 ba	36,889	34,337
3 br/2 ba	23,978	21,145
Total NRA	89,142	81,222
% Difference		**-8.90%**

Common area	2020 TDHCA Underwriting Report	Value Engineered Set of Plans
Corridors	15,183	11,790
Amenity	3,685	4,259
Courtyard	Not Included in Calc	6,764
Clubhouse Terrace	Not Included in Calc	371
Stairs	1,252	Not Included in Calc
Elevator	200	Not Included in Calc
Storage	143	Not Included in Calc
Unit Balconies	9,550	Not Included in Calc
Total Common Area	29,913	23,184
% Difference		**-22.50%**

1c

BOARD ACTION REQUEST

BOND FINANCE DIVISION

MARCH 10, 2022

Presentation, discussion, and possible action on Inducement Resolution No. 22-016 for Multifamily Housing Revenue Bonds regarding authorization for filing applications for private activity bond authority

RECOMMENDED ACTION

WHEREAS, three bond pre-applications, as further detailed below, were submitted to the Department for consideration of an inducement resolution;

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, approval of the inducement will allow staff to submit an application to the Bond Review Board (BRB) for the issuance of a Certificate of Reservation associated with the Development;

NOW, therefore, it is hereby

RESOLVED, that based on the foregoing, Inducement Resolution No. 22-016 to proceed with the application submission to the BRB for possible receipt of State Volume Cap issuance authority under the Private Activity Bond Program for the pre-applications listed herein, is hereby approved in the form presented to this meeting.

BACKGROUND

General Information: The BRB administers the 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 180 days to close on the private activity bonds.

During the 180-day process, the Department will review the complete application for compliance with the Department's Rules, including, but not limited to, site eligibility and threshold, as well as previous participation as it relates to developments previously funded through the Department. During the review of the full application, 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.

This inducement resolution would reserve approximately $115 million in private activity bond volume cap. Staff notes that the Department's set-aside for the 2022 program year is $170,523,859 and has been reserved with applications submitted as part of the 2022 Lottery. The pre-applications listed below will be added to the Department's waiting list for a bond reservation.

22612 – Fieldcrest Apartments

New construction of 312 units is proposed for this multifamily development to be located at approximately 742 N Goode Road, Wilmer, Dallas County. The applicant has disclosed a Neighborhood Risk Factor (NRF) related to the underperformance of Kennedy-Curry Middle School. Pursuant to §11.101(a)(3)(C) of the 2022 QAP, no mitigation is required for this NRF. This transaction is proposed to be Priority 1b, and will serve the general population. The development proposes 312 units, 265 of which will be rent and income restricted at 60% of Area Median Family Income (AMFI), with the remaining 47 units being rent and income restricted at 30% of AMFI. The Department has received no letters of support or opposition for the proposed development.

Bond Inducement Amount: $35,000,000

22613 – The Crossing at Clear Creek

New construction of 264 units is proposed for this multifamily development to be located at approximately the northeast corner of Highway 175 and Woody Road in Dallas, Dallas County. This transaction is proposed to be Priority 3, and will serve the general population. The development proposed 264 units, 238 of which will be will be rent and income restricted at 60% of Area Median Family Income (AMFI), with the remaining 26 units being market rate. The Department has received no letters of support or opposition for the proposed development.

Bond Inducement Amount: $50,000,000

22615 – Worthington Point

The acquisition and rehabilitation of 248 units is proposed for this multifamily development to be located at 12301 Hemphill Street in Fort Worth, Tarrant County. The applicant has disclosed an NRF related to the underperformance of Sidney H. Poytner Elementary School. Pursuant to §11.101(a)(3)(C) of the 2022 QAP, no mitigation is required. This transaction is proposed to be Priority 1c, and will continue to serve the general population. The development proposes the rehabilitation of 248 units, all of which will be rent and income restricted at 60% of Area Median Family Income (AMFI). The Department has received no letters of support or opposition for the proposed development.

Bond Inducement Amount: $30,860,000

RESOLUTION NO. 22-016

RESOLUTION DECLARING INTENT TO ISSUE MULTIFAMILY REVENUE BONDS OR NOTES 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 or notes for the purpose, among others, of obtaining funds to make such loans and provide financing, to establish necessary reserve funds and to pay administrative and other costs incurred in connection with the issuance of such bonds or notes; and (c) to pledge all or any part of the revenues, receipts or resources of the Department, including the revenues and receipts to be received by the Department from such multifamily residential rental development loans, and to mortgage, pledge or grant security interests in such loans or other property of the Department in order to secure the payment of the principal or redemption price of and interest on such bonds or notes; and

WHEREAS, it is proposed that the Department issue its revenue bonds or notes 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 acquisition, construction, reconstruction or renovation of 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, as applicable, 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 some or all of 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, as applicable, 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, as applicable, 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 or notes 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 or Notes (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 or notes 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 or a portion of the 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, reconstruction or renovation, as applicable, 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 and equipping 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 certain 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 aggregate 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, rehabilitating, or reconstructing, as applicable, improving, equipping, 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 or notes); (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 Director of Administration of the Department, the Director of Bond Finance and Chief Investment Officer of the Department, the Director of Multifamily Bonds, the Director of Texas Homeownership 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 10th day of March, 2022.

EXHIBIT "A"

Descriptions of the Owner and the Development

Project Name	Owner	Principals	Amount Not to Exceed
Fieldcrest Apartments	MHP Wilmer, Ltd., a to-be-formed Texas limited partnership	General Partner: OTM Wilmer GP, LLC, a Texas limited liability company (or other affiliate of On Track Ministries, Inc.)	$35,000,000
Costs: Acquisition/construction of a 312-unit affordable, multifamily housing development to be known as Fieldcrest Apartments, to be located at approximately 742 North Goode Road, Wilmer, Dallas County, Texas 75172			

Project Name	Owner	Principals	Amount Not to Exceed
The Crossing at Clear Creek	LDG The Crossing at Clear Creek, LP, a to-be-formed Texas limited partnership	General Partner: LDG The Crossing at Clear Creek GP, LLC, a to-be-formed Texas limited liability company	$50,000,000
Costs: Acquisition/construction of an approximately 264-unit affordable, multifamily housing development to be known as The Crossing at Clear Creek, to be located at approximately the Northeast corner of US Highway 175 Frontage Rd and South Woody Road, Dallas, Dallas County, Texas 75253.			

Project Name	Owner	Principals	Amount Not to Exceed
Worthington Point Apartments	Worthington Point Apartments LP, a Texas limited partnership	General Partner: Worthington Point Member LLC, a Delaware limited liability company	$30,860,000
Costs: Acquisition/rehabilitation of a 248-unit affordable, multifamily housing development to be known as Worthington Point Apartments, to be located at approximately 12301 Hemphill Street, Fort Worth, Tarrant County, Texas 76036.			

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

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BOARD ACTION REQUEST

PROGRAMS DIVISION

MARCH 10, 2022

Presentation, discussion, and possible action on the statutory four-year rule review and order of proposed readoption for 10 TAC Chapter 1, Administration, Subchapter A, General Policies and Procedures, §1.16, Ethics and Disclosure Requirements for Outside Financial Advisors and Service Providers, and directing its publication for public comment in the *Texas Register*

RECOMMENDED ACTION

WHEREAS, pursuant to Tex. Gov't Code §2306.053, the Texas Department of Housing and Community Affairs (the Department) is authorized to adopt rules governing the administration of the Department and its programs;

WHEREAS, Tex. Gov't Code §2001.039 requires state agencies to review a rule every four years to assess whether the reasons for initially adopting the rule continue to exist;

WHEREAS, staff has assessed 10 TAC §1.16, Ethics and Disclosure Requirements for Outside Financial Advisors and Service Providers, and confirms that the reasons for the initial adoption of this rule continue to exist, which is to comply with Tex. Gov't Code Chapters 2263, 2270, and 2252 as it relates to the conduct applicable to financial advisors or service providers;

WHEREAS, staff has evaluated the rule and recommends that no changes to the rule as currently in effect are necessary, and as such staff is requesting Board approval to submit the proposed readoption of the rule as required by Tex. Gov't Code, §2001.039 for a public comment period as part of the four-year rule review process; and

WHEREAS, such proposed action will be published in the *Texas Register* for public comment from March 25, 2022, through April 25, 2022, and subsequently returned to the Board for final adoption;

NOW, therefore, it is hereby

RESOLVED, that the Executive Director and his designees be and each of them hereby are authorized, empowered, and directed, for and on behalf of the Department, to cause the proposed action herein in the form presented to this meeting, to be published in the *Texas Register* for public comment, and in connection therewith, make such non-substantive technical corrections as they may deem necessary to effectuate the foregoing including any requested revisions to the preambles.

BACKGROUND

The Department last amended 10 TAC §1.16, Ethics and Disclosure Requirements for Outside Financial Advisors and Service Providers, in September 2018. Therefore, under Tex. Gov't Code §2001.039, which requires that state agencies review a rule every four years to assess whether the reasons for initially adopting the rule continue to exist, the rule is due to be evaluated in 2022. Staff has determined that there is a continuing need for this rule to exist and that no revisions are currently warranted. The Secretary of State requires that even when no revisions are proposed, the rule be released for a public comment period. Therefore, the rule will be made available for public comment from March 25, 2022, through April 25, 2022, and returned to the Board for final approval.

Note that while the submission to the *Texas Register* does not require the text of the rule be included in the submission or publication, staff has included the text of the rule for the Board's convenience.

Attachment 1: Notice of Proposed Rule Review for 10 TAC Chapter 1, Administration, Subchapter A, General Policies and Procedures, §1.16, Ethics and Disclosure Requirements for Outside Financial Advisors and Service Providers

The Texas Department of Housing and Community Affairs (the Department) files this notice of rule review for 10 TAC Chapter 1, Administration, Subchapter A, General Policies and Procedures, 10 TAC §1.16, Ethics and Disclosure Requirements for Outside Financial Advisors and Service Providers. The purpose of the proposed action is to conduct a rule review in accordance with Tex. Gov't Code §2001.039, which requires a state agency to review its rules every four years.

At this time, the Department has determined that there continues to be a need for this rule, which is to comply with Tex. Gov't Code Chapters 2263, 2270, and 2252 as it relates to the conduct applicable to financial advisors or service providers. The Department has also determined that no changes to this rule as currently in effect are necessary. This rule proposed for readoption will be noted in the Texas Register's Review of Agency Rules section without publication of the text.

REQUEST FOR PUBLIC COMMENT. All comments or questions in response to this notice of rule review may be submitted in writing from March 25, 2022, through April 25, 2022. Written comments may be submitted to Brooke Boston, Texas Department of Housing and Community Affairs, P.O. Box 13941, Austin, Texas 78711-3941, or by email to bboston@tdhca.state.tx.us. ALL COMMENTS MUST BE RECEIVED BY 5:00 p.m. Austin local time, April 25, 2022.

Attachment 2: Text of Rule as Currently in Effect for 10 TAC §1.16, Ethics and Disclosure Requirements for Outside Financial Advisors and Service Providers

(a) Purpose. The purpose of this section is to establish standards of conduct applicable to financial advisors or service providers in accordance with Tex. Gov't Code Chapters 2263, 2270, and 2252.
(b) Definitions. The following words and terms, when used in this section, shall have the following meanings, unless the context clearly indicates otherwise.
(1) Department--The Texas Department of Housing and Community Affairs, (the "Department").
(2) Board--The Governing Board of the Department.
(3) Financial advisor or service provider--A person or business entity who acts as a financial advisor, financial consultant, money or investment manager, or broker who:
(A) may reasonably be expected to receive, directly or indirectly, more than $10,000 in compensation from the Department during a fiscal year; or
(B) renders important investment or funds management advice to the Department or a member of the Board.
(c) Anti-Boycott Verification. Financial advisors and service providers are required to comply with the requirements of Tex. Gov't Code Chapter 2270, which requires a representation by each financial advisor or service provider that their firm (including any wholly owned subsidiary, majority-owned subsidiary, parent company, or affiliate):
(1) does not boycott Israel; and
(2) will not boycott Israel during the term for which they provide services to the Department.
(d) Iran, Sudan and Foreign Terrorist Organizations. Financial advisors and service providers are required to comply with the requirements of Tex. Gov't Code Chapter 2252, which requires a representation by each financial advisor or service provider that their firm (including any wholly owned subsidiary, majority-owned subsidiary, parent company, or affiliate) is not an entity listed by the Texas Comptroller of Public Accounts under Tex. Gov't Code §2252.153 or §2270.0201.
(e) Exemption from Disclosure of Interested Parties. Financial advisors and service providers are required to comply with the requirements of Tex. Gov't Code Chapter 2252. Financial advisors and service providers that make a representation that their firm (including any wholly owned subsidiary, majority-owned subsidiary, parent company, or affiliate) is a publicly traded business entity are exempt from Tex. Gov't Code §2252.908.
(f) Disclosures and Statement.
(1) A financial advisor or service provider shall disclose in writing to the Executive Director of the Department and to the state auditor:
(A) any relationship the financial advisor or service provider has with any party to a transaction with the Department, other than a relationship necessary to the investment or funds management services that the financial advisor or service provider performs for the Department, if a reasonable person could expect the relationship to diminish the financial advisor's or service provider's independence of judgment in the performance of the person's responsibilities to the Department; and
(B) all direct or indirect pecuniary interests the financial advisor or service provider has in any party to a transaction with the Department, if the transaction is connected with any financial advice or

service the financial advisor or service provider provides to the Department or to a member of the Board in connection with the management or investment of state funds.

(2) The financial advisor or service provider shall disclose a relationship described by this subsection without regard to whether the relationship is a direct, indirect, personal, private, commercial, or business relationship.

(3) A financial advisor or service provider shall file annually a statement with the Executive Director of the Department and with the state auditor. The statement must disclose each relationship and pecuniary interest described by this subsection, or if no relationship or pecuniary interest described by that subsection existed during the disclosure period, the statement must affirmatively state that fact.

(4) The annual statement must be filed not later than April 15 in the following form. The statement must cover the reporting period of the previous calendar year.

[Attached Graphic]

(5) The financial advisor or service provider shall promptly file a new or amended statement with the Executive Director of the Department and with the state auditor whenever there is new information to report under this subsection.

(6) A contract under which a financial advisor or service provider renders financial services or advice to the Department or a member of the Board is voidable by the Department if the financial advisor or service provider violates a standard of conduct adopted under this section.

Figure: 10 TAC §1.16(f)(4)

TEXAS DEPARTMENT OF HOUSING AND COMMUNITY AFFAIRS

ANNUAL DISCLOSURE STATEMENT FOR FINANCIAL ADVISORS AND SERVICE PROVIDERS
DUE NO LATER THAN APRIL 15

INSTRUCTIONS:

1) THE REPORTING PERIOD COVERED BY THIS STATEMENT CONSISTS OF THE PRECEDING CALENDAR YEAR.
2) A NEW OR AMENDED STATEMENT MUST BE PROMPTLY FILED WITH THE PARTIES LISTED IN STEP 4 WHENEVER THERE IS NEW INFORMATION TO REPORT UNDER TEXAS GOVERNMENT CODE, SECTION 2263.005(a).
3) THIS STATEMENT MUST BE SUBMITTED EVEN IF YOU ANSWER "NO" TO QUESTIONS 1 AND 2 IN PART 2.
4) SUBMIT A COPY OF THIS STATEMENT TO THE FOLLOWING (FOR EACH GOVERNMENTAL ENTITY TO WHICH YOU PROVIDE SERVICES):
   a. ADMINISTRATIVE HEAD OF THE STATE GOVERNMENTAL ENTITY
   b. THE STATE AUDITOR (mail to P.O. Box 12067, Austin, TX, 78711-2067)
5) PROMPT FILING REQUIRES A POSTMARK DATE NO LATER THAN APRIL 15 IF THE COMPLETED FORM IS RECEIVED AT THE CORRECT ADDRESS.

PART 1: GENERAL INFORMATION

FILING TYPE (Check one) ☐ ANNUAL DISCLOSURE FOR YEAR ENDING DECEMBER 31, 20___ ☐ UPDATED DISCLOSURE

NAME OF INDIVIDUAL ______________________________ JOB TITLE______________________________

NAME OF BUSINESS ENTITY______________________________ TYPE OF SERVICE PROVIDED______________________________

ADDRESS____

CITY____________________ STATE________ ZIP____________ PHONE______________________________

NAME OF STATE GOVERNMENTAL ENTITY AND/OR GOVERNING BOARD MEMBER TO WHICH YOU ARE PROVIDING SERVICES______________________________

PART 2: DISCLOSURES

DEFINITION: (Texas Government Code, Section 2263.002)

Financial advisor or service provider includes a person or business entity who acts as a financial advisor, financial consultant, money or investment manager, or broker.

DISCLOSURE REQUIREMENTS FOR OUTSIDE FINANCIAL ADVISOR OR SERVICE PROVIDER (Texas Government Code, Section 2263.005)

Financial advisors and service providers (see definition) must disclose information regarding certain relationships with, and direct or indirect pecuniary interests in, any party to a transaction with the state governmental entity, without regard to whether the relationships are direct, indirect, personal, private, commercial, or business relationships.

1) Do you or does your business entity have any relationship with any party to a transaction with the state governmental entity (other than a relationship necessary to the investment or funds management services that you or your business entity performs for the state governmental entity) for which a reasonable person could expect the relationship to diminish your or your business entity's independence of judgment in the performance of your responsibilities to the state entity?
   Yes_____ No_____
   If yes, please explain in detail. (Attach additional sheets as needed.)
   ____
   ____

2) Do you or does your business entity have any direct or indirect pecuniary interests in any party to a transaction with the state governmental entity if the transaction is connected with any financial advice or service that you or your business entity provides to the state governmental entity or to a member of the governing body in connection with the management or investment of state funds?
   Yes_____ No_____
   If yes, please explain in detail. (Attach additional sheets as needed.)
   ____
   ____

PART 3: SIGNATURE AND DATE

I hereby attest that all information provided above is complete and accurate. I acknowledge my or my firm's responsibility to submit promptly a new or amended disclosure statement to the parties listed in step 4 of the instructions if any of the above information changes.

Signature____ Date______________

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BOARD ACTION REQUEST

PROGRAMS DIVISION

MARCH 10, 2022

Presentation, discussion, and possible action on an order adopting the repeal, and new rule, for 10 TAC Chapter 1, Administration, Subchapter A, General Policies and Procedures, §1.5 Waiver Applicability in the Case of Federally Declared Disasters, and an order directing their publication in the *Texas Register*

RECOMMENDED ACTION

WHEREAS, the current rule relating to the applicability of waivers in the case of disasters is in need of revisions to address instances where waivers by the Governor or state legislature have been authorized, and to include state declared disasters;

WHEREAS, such revisions are being adopted through the repeal of the current rule and a simultaneous new rule to be adopted in its place; and

WHEREAS, such rulemaking was published in the *Texas Register* for public comment from January 28, 2022, through February 28, 2022, and no comment was received;

NOW, therefore, it is hereby

RESOLVED, that the Executive Director and his designees be and each of them hereby are authorized, empowered, and directed, for and on behalf of the Department, to cause the adopted actions herein in the form presented to this meeting, to be published in the *Texas Register*, and in connection therewith, make such non-substantive technical corrections as they may deem necessary to effectuate the foregoing including any requested revisions to the preambles.

BACKGROUND

Staff has identified that 10 TAC §1.5 Waiver Applicability in the Case of Federally Declared Disasters needs revisions. Currently this rule provides that when a federal waiver, suspension, or contract amendment relating to a federal regulation is granted, and that requirement has been codified in the Department's rules, the Executive Director can then also waive, suspend or modify the rule to conform to the federal action. This is conditioned on the fact that the Executive Director must determine that not performing the waiver, suspension or modification would negatively affect program recipients; that the waiver suspension or modification to the rule, is limited to the waiver, suspension or modification federally provided; and that the action would not negatively affect selecting awardees of Department programs.

The revisions to the rule expand this authority for the Executive Director to identify waivers, suspensions, or contract modifications made to state statutes so that state requirements – which may be applicable to state programs or to state-added requirements on federal programs – in this Title can also be waived.

An example of this would be the Governor waiving a statutory requirement in Chapter 2306, Texas Government Code relating to the state Housing Trust Fund or to the Housing Tax Credit Program that had also been included in our TAC rule. The Executive Director would be authorized to extend that waiver of statute to those parts of the rules that complied with the statute.

The revision also expands these provisions to state declared disasters. While a federal agency would be unlikely to waive, suspend, or modify a contract based on a state declared disaster, the Governor may elect to do so based on a state declared disaster.

A condition is also added that in the case of state waivers, or in response to state disasters, the Executive Director must determine that waiving the requirement in rule is not inconsistent with any applicable federal regulations or requirements.

The rule, as adopted, was released for public comment from January 28, 2022, to February 28, 2022, and no comment was received. The rule is being adopted without changes from the version proposed.

Attachment 1: Preamble, including required analysis, for adoption of repeal of 10 TAC Chapter 1, Administration, Subchapter A, General Policies and Procedures, §1.5 Waiver Applicability in the Case of Federally Declared Disasters

The Texas Department of Housing and Community Affairs (the Department) adopts the repeal of 10 TAC Chapter 1, Administration, Subchapter A, General Policies and Procedures, §1.5 Waiver Applicability in the Case of Federally Declared Disasters. The purpose of the adopted repeal is to clarify the rule's applicability in the case of state waivers and state declared disasters.

Tex. Gov't Code §2001.0045(b) does not apply to the rule because it was determined that no costs are associated with this action, and therefore no costs warrant being offset.

The Department has analyzed this rulemaking and the analysis is described below for each category of analysis performed.

a. GOVERNMENT GROWTH IMPACT STATEMENT REQUIRED BY TEX. GOV'T CODE §2001.0221.

Mr. Bobby Wilkinson has determined that, for the first five years the adopted repeal would be in effect:

1. The repeal does not create or eliminate a government program but relates to the handling of waivers in the case of a declared disaster.

2. The repeal does not require a change in work that would require the creation of new employee positions, nor are the rule changes significant enough to reduce work load to a degree that eliminates any existing employee positions.

3. The repeal does not require additional future legislative appropriations.

4. The repeal will not result in an increase in fees paid to the Department, nor in a decrease in fees paid to the Department.

5. The repeal is not creating a new regulation, except that it is being replaced by a new rule simultaneously to provide for revisions.

6. The repeal will expand the applicability of an existing regulation. The current rule limits its applicability to federal waivers and federally declared disasters. The rule expands this applicability to state waivers and state declared disasters as well.

7. The repeal will not increase or decrease the number of individuals subject to the rule's applicability as the rule itself is not applicable to individuals, but to state rules and procedures.

8. The repeal will not negatively or positively affect the state's economy.

b. ADVERSE ECONOMIC IMPACT ON SMALL OR MICRO-BUSINESSES OR RURAL COMMUNITIES AND REGULATORY FLEXIBILITY REQUIRED BY TEX. GOV'T CODE §2006.002.
The Department has evaluated the repeal and determined that the repeal will not create an economic effect on small or micro-businesses or rural communities.

c. TAKINGS IMPACT ASSESSMENT REQUIRED BY TEX. GOV'T CODE §2007.043. The adopted repeal does not contemplate or authorize a taking by the Department; therefore, no Takings Impact Assessment is required.

d. LOCAL EMPLOYMENT IMPACT STATEMENTS REQUIRED BY TEX. GOV'T CODE §2001.024(a)(6).
The Department has evaluated the repeal as to its possible effects on local economies and has determined that for the first five years the repeal would be in effect there would be no economic effect on local employment; therefore, no local employment impact statement is required to be prepared for the rule.

e. PUBLIC BENEFIT/COST NOTE REQUIRED BY TEX. GOV'T CODE §2001.024(a)(5). Mr. Wilkinson has determined that, for each year of the first five years the repeal is in effect, the public benefit anticipated as a result of the repealed and new sections would be an updated and more germane rule. There will not be economic costs to individuals required to comply with the repealed section.

f. FISCAL NOTE REQUIRED BY TEX. GOV'T CODE §2001.024(a)(4). Mr. Wilkinson also has determined that for each year of the first five years the repeal is in effect, enforcing or administering the repeal does not have any foreseeable implications related to costs or revenues of the state or local governments.

SUMMARY OF PUBLIC COMMENT. The public comment period was held January 28, 2022, to February 28, 2022. No public comment was received.

STATUTORY AUTHORITY. The repeal is adopted pursuant to Tex. Gov't Code §2306.053, which authorizes the Department to adopt rules. Except as described herein the adopted action affects no other code, article, or statute.

§1.5. Waiver Applicability in the Case of Federally Declared Disasters.

Attachment 2: Preamble, including required analysis, for new 10 TAC Chapter 1, Administration, Subchapter A, General Policies and Procedures, §1.5 Waiver Applicability in the Case of State or Federally Declared Disasters

The Texas Department of Housing and Community Affairs (the Department) adopts new 10 TAC Chapter 1, Administration, Subchapter A, General Policies and Procedures, §1.5 Waiver Applicability in the Case of State or Federally Declared Disasters.

The purpose of the adopted rule is to clarify the rule's applicability in the case of state waivers and state declared disasters.

Tex. Gov't Code §2001.0045(b) does not apply to the rule because it was determined that no costs are associated with this action, and therefore no costs warrant being offset.

The Department has analyzed this rulemaking and the analysis is described below for each category of analysis performed.

a. GOVERNMENT GROWTH IMPACT STATEMENT REQUIRED BY TEX. GOV'T CODE §2001.0221.

Mr. Bobby Wilkinson has determined that, for the first five years the adopted new section would be in effect:

1. The new section does not create or eliminate a government program but relates to the handling of waivers in the case of a declared disaster.

2. The new section does not require a change in work that would require the creation of new employee positions, nor are the rule changes significant enough to reduce work load to a degree that eliminates any existing employee positions.

3. The new section does not require additional future legislative appropriations.

4. The new section will not result in an increase in fees paid to the Department, nor in a decrease in fees paid to the Department.

5. The new section does not creating a new regulation, except that they are replacing sections being repealed simultaneously to provide for revisions.

6. The new section will expand the applicability of an existing regulation. The current rule limits its applicability to federal waivers and federally declared disasters. The adopted rule expands this applicability to state waivers and state declared disasters as well.

7. The new section will not increase or decrease the number of individuals subject to the rule's applicability as the rule itself is not applicable to individuals, but to state rules and procedures.

8. The new section will not negatively or positively affect the state's economy.

b. ADVERSE ECONOMIC IMPACT ON SMALL OR MICRO-BUSINESSES OR RURAL COMMUNITIES AND REGULATORY FLEXIBILITY REQUIRED BY TEX. GOV'T CODE §2006.002.
The Department has evaluated the new section and determined that the action will not create an economic effect on small or micro-businesses or rural communities.

c. TAKINGS IMPACT ASSESSMENT REQUIRED BY TEX. GOV'T CODE §2007.043. The new section does not contemplate or authorize a taking by the Department; therefore, no Takings Impact Assessment is required.

d. LOCAL EMPLOYMENT IMPACT STATEMENTS REQUIRED BY TEX. GOV'T CODE §2001.024(a)(6).
The Department has evaluated the new section as to its possible effect on local economies and has determined that for the first five years the new section would be in effect there would be no economic effect on local employment; therefore, no local employment impact statement is required to be prepared for the rule.

e. PUBLIC BENEFIT/COST NOTE REQUIRED BY TEX. GOV'T CODE §2001.024(a)(5). Mr. Wilkinson has determined that, for each year of the first five years the new section is in effect, the public benefit anticipated as a result of the new section would be an updated and more germane rule. There will not be economic costs to individuals required to comply with the new section.

f. FISCAL NOTE REQUIRED BY TEX. GOV'T CODE §2001.024(a)(4). Mr. Wilkinson also has determined that for each year of the first five years the new section are in effect, enforcing or administering the rule does not have any foreseeable implications related to costs or revenues of the state or local governments.

SUMMARY OF PUBLIC COMMENT. The public comment period was held January 28, 2022, to February 28, 2022. No public comment was received.

STATUTORY AUTHORITY. The new section is adopted pursuant to Tex. Gov't Code §2306.053, which authorizes the Department to adopt rules. Except as described herein the adopted new section affects no other code, article, or statute. The rule has been reviewed by legal counsel and found to be a valid exercise of the agency's legal authority.

10 TAC Chapter 1, Subchapter A, §1.5 Waiver Applicability in the Case of State or Federally Declared Disasters

(a) When the federal government has provided the Department a waiver, suspension, or contract amendment of a federal programmatic regulation, federal statute, or contract term in response to a state or federally declared disaster, and the requirement waived, suspended, or amended had been codified in this Title, the Executive Director or designee may waive, suspend, or modify the rule within this Title, if:

(1) the Executive Director or designee has determined that not doing so may negatively affect the health, safety, or welfare of program recipients;

(2) such waiver, suspension, or modification to the rule within this Title is clearly related to the federally provided waiver, suspension, or modification; and

(3) such waiver or suspension would not have negatively affected the selection of an award of Department resources.

(b) When the state government has provided the Department a waiver or suspension of a state statute in response to a state or federally declared disaster, and the requirement waived or suspended had been codified in this Title, the Executive Director or designee may waive, suspend, or modify the rule within this Title, if:

(1) the Executive Director or designee has determined that not doing so may negatively affect the health, safety, or welfare of program recipients;

(2) such waiver, suspension, or modification to the rule within this Title must be clearly related to the state provided waiver or suspension;

(3) such waiver or suspension would not have negatively affected the selection of an award of Department resources; and

(4) the Executive Director or designee has determined that doing so is not inconsistent with any applicable federal statute, regulations or contract requirements.

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BOARD ACTION REQUEST

SECTION 811 PROGRAM

MARCH 10, 2022

Presentation, discussion, and possible action on an order adopting the repeal of 10 TAC Chapter 8, Project Rental Assistance Program Rule; the adoption of new 10 TAC Chapter 8, Project Rental Assistance Program Rule; and directing their submission for adoption in the *Texas Register*

RECOMMENDED ACTION

WHEREAS, the U.S. Department of Housing and Urban Development (HUD) awarded the Texas Department of Housing and Community Affairs (the Department) with awards of Section 811 Project Rental Assistance Program (811 PRA Program) funds, to provide rental assistance for extremely low-income Texans with disabilities;

WHEREAS, the Department administers the 811 PRA Program in a specific manner that necessitates this Project Rental Assistance Program Rule;

WHEREAS, pursuant to Tex. Gov't Code §2306.053, the Department is authorized to adopt rules governing the administration of itself and its programs; and

WHEREAS, such proposed rulemaking was published in the *Texas Register* for public comment from January 28, 2022, to February 28, 2022, no comment was received, and the rule is now being recommended for adoption without changes;

NOW, therefore, it is hereby

RESOLVED, that the Executive Director and his designees be and each of them are hereby authorized, empowered, and directed, for and on behalf of the Department, to cause repeal of 10 TAC Chapter 8, Project Rental Assistance Program Rule, and the adopted 10 TAC Chapter 8, Project Rental Assistance Program Rule, in the form presented to this meeting, to be published in the *Texas Register* and in connection therewith, and make such non-substantive technical corrections as they may deem necessary to effectuate the foregoing, including the preparation of the subchapter specific preambles and any requested revisions to the preambles.

BACKGROUND

Tex. Gov't Code §2306.053 authorizes the Department to adopt rules governing the administration of the Department and its programs. The Project Rental Assistance Program Rule

(811 Rule) sets forth the parameters for administration of the Section 811 Project Rental Assistance Program, and was proposed for revision to establish greater clarity in program operations.

This rule considers staff and stakeholder input establishing greater clarity in program operations for properties that will result in fewer compliance findings and a better experience for participating households. Specifically, it provides additional guidance on how to comply with federal requirements, updates definitions used by the U.S. Department of Housing and Urban Development, and aligns with changes that have been made to other Department rules since the 811 Rule was first adopted.

The rule was released for public comment from January 28, 2022, through February 28, 2022, and no comments were received. Staff is recommending adoption without changes.

Attachment A: Preamble, including required analysis, for adoption of repeal of 10 TAC Chapter 8, the Project Rental Assistance Rule

The Texas Department of Housing and Community Affairs (the Department) adopts the repeal of 10 TAC Chapter 8, Project Rental Assistance Program Rule, §§ 8.1, 8.2, 8.3, 8.4, 8.5, 8.6, and 8.7. The purpose of the repeal is to provide clarification of the existing rule through new rulemaking action.

The Department has analyzed this rulemaking and the analysis is described below for each category of analysis performed.

a. GOVERNMENT GROWTH IMPACT STATEMENT REQUIRED BY TEX. GOV'T CODE §2001.0221.

1. Mr. Bobby Wilkinson, Executive Director, has determined that, for the first five years the repeal would be in effect, the repeal does not create or eliminate a government program, but relates to the repeal, and simultaneous readoption making changes to an existing activity, administration of the Section 811 PRA Program.

2. The repeal does not require a change in work that would require the creation of new employee positions, nor is the repeal significant enough to reduce workload to a degree that any existing employee positions are eliminated.

3. The repeal does not require additional future legislative appropriations.

4. The repeal does not result in an increase in fees paid to the Department nor in a decrease in fees paid to the Department.

5. The repeal is not creating a new regulation, except that it is being replaced by a new rule simultaneously to provide for revisions.

6. The action will repeal an existing regulation, but is associated with a simultaneous readoption making changes to an existing activity, administration of the Section 811 Program.

7. The repeal will not increase or decrease the number of individuals subject to the rule's applicability.

8. The repeal will not negatively or positively affect this state's economy.

b. ADVERSE ECONOMIC IMPACT ON SMALL OR MICRO-BUSINESSES OR RURAL COMMUNITIES AND REGULATORY FLEXIBILITY REQUIRED BY TEX. GOV'T CODE §2006.002.

The Department has evaluated this repeal and determined that the repeal will not create an economic effect on small or micro-businesses or rural communities.

c. TAKINGS IMPACT ASSESSMENT REQUIRED BY TEX. GOV'T CODE §2007.043.
The repeal does not contemplate nor authorize a taking by the Department; therefore no Takings Impact Assessment is required.

d. LOCAL EMPLOYMENT IMPACT STATEMENTS REQUIRED BY TEX. GOV'T CODE §2001.024(a)(6).
The Department has evaluated the repeal as to its possible effects on local economies and has determined that for the first five years the repeal would be in effect there would be no economic effect on local employment; therefore no local employment impact statement is required to be prepared for the rule.

e. PUBLIC BENEFIT/COST NOTE REQUIRED BY TEX. GOV'T CODE §2001.024(a)(5).
Mr. Wilkinson has determined that, for each year of the first five years the repeal is in effect, the public benefit anticipated as a result of the repealed section would be increased clarity and improved access to the 811 Program. There will not be economic costs to individuals required to comply with the repealed section.

f. FISCAL NOTE REQUIRED BY TEX. GOV'T CODE §2001.024(a)(4).
Mr. Wilkinson also has determined that for each year of the first five years the new sections are effect, enforcing or administering the repeal does not have any foreseeable implications related to costs or revenues of the state or local governments.

SUMMARY OF PUBLIC COMMENT. The public comment period was held January 28, 2022, to February 28, 2022, to receive input on the rule. No comment was received.

STATUTORY AUTHORITY. The repeal is made pursuant to Tex. Gov't Code §2306.053, which authorizes the Department to adopt rules. Except as described herein the repealed sections affect no other code, article, or statute.

10 TAC Chapter 8, Project Rental Assistance Program Rule

§8.1 Purpose
§8.2 Definitions
§8.3 Participation as a Proposed Development
§8.4 Qualification Requirements for Existing Developments
§8.5 List of Qualified Existing Developments
§8.6 Disposition of Conflicts with other Department Rules
§8.7 Program Regulations and Requirements

Attachment B: Preamble, including required analysis, for adoption of new 10 TAC Chapter 8, the Project Rental Assistance Rule

The Texas Department of Housing and Community Affairs (the Department) adopts without change new 10 TAC Chapter 8, Project Rental Assistance Program Rule, §§ 8.1, 8.2, 8.3, 8.4, 8.5, 8.6, and 8.7. The purpose of the action is to provide clarification of the existing rule through new rulemaking action.

The Department has analyzed this rulemaking and the analysis is described below for each category of analysis performed.

a. GOVERNMENT GROWTH IMPACT STATEMENT REQUIRED BY TEX. GOV'T CODE §2001.0221.
1. Mr. Bobby Wilkinson, Executive Director, has determined that, for the first five years the new rule would be in effect, the rule does not create or eliminate a government program, but relates to the repeal, and simultaneous readoption making changes to an existing activity, administration of the Section 811 PRA Program.

2. The new rule does not require a change in work that would require the creation of new employee positions, nor is the new rule significant enough to reduce workload to a degree that any existing employee positions are eliminated.

3. The new rule does not require additional future legislative appropriations.

4. The new rule does not result in an increase in fees paid to the Department nor in a decrease in fees paid to the Department.

5. The new rule is not creating a new regulation, except that it is replacing the existing rule simultaneously to provide for revisions.

6. The action will repeal an existing regulation, but is associated with a simultaneous readoption making changes to an existing activity, administration of the Section 811 Program.

7. The new rule will not increase or decrease the number of individuals subject to the rule's applicability.

8. The new rule will not negatively or positively affect this state's economy.

b. ADVERSE ECONOMIC IMPACT ON SMALL OR MICRO-BUSINESSES OR RURAL COMMUNITIES AND REGULATORY FLEXIBILITY REQUIRED BY TEX. GOV'T CODE §2006.002.

The Department has evaluated this new rule and determined that the new rule will not create an economic effect on small or micro-businesses or rural communities.

c. TAKINGS IMPACT ASSESSMENT REQUIRED BY TEX. GOV'T CODE §2007.043.
The new rule does not contemplate nor authorize a taking by the Department; therefore no Takings Impact Assessment is required.

d. LOCAL EMPLOYMENT IMPACT STATEMENTS REQUIRED BY TEX. GOV'T CODE §2001.024(a)(6).
The Department has evaluated the new rule as to its possible effects on local economies and has determined that for the first five years the new rule would be in effect there would be no economic effect on local employment; therefore no local employment impact statement is required to be prepared for the rule.

e. PUBLIC BENEFIT/COST NOTE REQUIRED BY TEX. GOV'T CODE §2001.024(a)(5).
Mr. Wilkinson has determined that, for each year of the first five years the new rule is in effect, the public benefit anticipated as a result of the new rule would be increased clarity and improved access to the 811 Program. There will not be economic costs to individuals required to comply with the new rule.

f. FISCAL NOTE REQUIRED BY TEX. GOV'T CODE §2001.024(a)(4).
Mr. Wilkinson also has determined that for each year of the first five years the new rule is in effect, enforcing or administering the rule does not have any foreseeable implications related to costs or revenues of the state or local governments.

SUMMARY OF PUBLIC COMMENT. The public comment period was held January 28, 2022, through February 28, 2022, to receive input on the action. No comments were received.

STATUTORY AUTHORITY. The new sections are adopted pursuant to Tex. Gov't Code §2306.053, which authorizes the Department to adopt rules. Except as described herein the new sections affect no other code, article, or statute. The rule has been reviewed by legal counsel and found to be a valid exercise of the agency's legal authority.

TITLE 10 COMMUNITY DEVELOPMENT

PART 1 TEXAS DEPARTMENT OF HOUSING AND COMMUNITY AFFAIRS

CHAPTER 8, PROJECT RENTAL ASSISTANCE PROGRAM RULE

§8.1 Purpose

The purpose of the Section 811 Project Rental Assistance Program ("Section 811 PRA Program") is to provide federally funded project-based rental assistance to participating multifamily properties on behalf of extremely low-income persons with disabilities linked with long term services provided through a formalized partnership and other state of Texas agencies that provide health and human services.

§8.2 Definitions

Terms defined in this chapter apply to the 811 PRA Program administered by the Department. Any capitalized terms not specifically mentioned in this section or any section referenced in this document shall have the meaning ascribed to them in or for the purposes of the Program Requirements or in Chapters 1, 2, 10, or 11 of the Texas Administrative Code, as applicable.

(1) Assisted Units--rental units made available to or occupied by an Eligible Tenant in Eligible Multifamily Properties receiving assistance under 42 U.S.C. §8013(b)(3)(A).

(2) Contract Rent--the total amount of rent specified in the Rental Assistance Contract (RAC) as payable to the Owner for the Assisted Unit.

(3) Cooperative Agreement--the Section 811 Project Rental Assistance Program Cooperative Agreement including all exhibits and attachments thereto, by and between the Department as "Grantee" and HUD, entered into as a condition to and in consideration of the Department's participation in the Section 811 Project Rental Assistance Program.

(4) Eligible Applicant--an Extremely Low-Income Person with Disabilities, between the ages of 18 and 61 and who meets the requirements of the Target Population, and Extremely Low Income Families, which includes at least one Person with a Disability, who is between the ages of 18 and 61 and who meets the requirements of the Target Population, at the time of admission. The Person with a Disability must be eligible for community-based, long-term care services as provided through Medicaid waivers, Medicaid state plan options, comparable state funded services or other appropriate services related to the type of disability(ies) targeted under the Inter-Agency Partnership Agreement.

(5) Eligible Families or Eligible Family--shall have the same meaning as Eligible Tenant.

(6) Eligible Multifamily Property or Eligible Multifamily Properties--any new or existing property owned by a private or public nonprofit, or for-profit entity with at least five (5) housing units and as specifically identified in a Participation Agreement.

(7) Eligible Tenant--an Eligible Applicant, also referred to as an Eligible Family, who is being referred to available Assisted Units in accordance with the Inter-Agency Partnership Agreement and for whom community-based, long-term care services are available at time of referral. Such services are voluntary; referral shall not be based on willingness to accept such services. Eligible Tenant also means an Extremely Low-Income Person with a Disability, between the ages of 18 and 61 at the time of referral, who meets the requirements of the Target Population and Extremely Low-Income Families, which includes at least one Person with a Disability, who is between the ages of 18 and 61 at the time of referral and who meets the requirements of the Target Population.

(8) Enterprise Income Verification System (EIV)--a HUD web-based application which provides Owners with employment, unemployment and Social Security benefit information for tenants participating in U.S. Department of Housing and Urban Development assisted housing programs.

(9) Existing Development--for purposes of 811 PRA Program participation, a property within the Department's Multifamily Program Applicant's portfolio that is not actively applying for multifamily award at the time, and is being considered to serve as the Eligible Multifamily Property as part of an Applicant's or an Affiliate's current multifamily application. For full applications made on or after January 1, 2018, Existing Developments do not include properties for which the only Ownership interest is through the participation of a Historically Underutilized Business, which owns less than 50% of an Existing Development.

(10) Extremely Low-Income--a household whose annual income does not exceed thirty percent (30%) of the median income for the area, as determined by HUD's Extremely-Low Income Limit: families whose incomes do not exceed the higher of The Federal Poverty Level; or 30 percent of Area Median Income, as determined by HUD, with adjustments for smaller and larger families, except that HUD may establish income ceilings higher or lower than thirty percent (30%) of the median income for the area if HUD finds that such variations are necessary because of unusually high or low family incomes. HUD's income exclusions, as defined under 24 CFR §5.609 (as amended), apply in determining income eligibility and Eligible Tenant's rent. **(11) HUD--**the U. S. Department of Housing and Urban Development.

(12) Inter-Agency Partnership Agreement--the Inter-Agency Partnership Agreement between TDHCA and State Health and Human Services Medicaid Agency(ies) that provides a formal structure for collaboration to participate in TDHCA's Section 811 Project Rental Assistance Program to develop permanent supportive housing for Extremely Low-Income Persons with Disabilities.

(13) Multifamily Rules--Chapters 10, 11, and/or 13 of this Title, as applicable.

(14) Owner--the entity that owns the Eligible Multifamily Property. Additionally, Owner means the entity named as such in the Property Agreement, its successors, and assigns.

(15) Owner & Property Management Manual--a set of guidelines designed to be an implementation tool for the Program, which allows the Owner and the Owner's designated property manager to better administer the Program, which also includes adherence to the "Owner Occupancy Requirements" set forth in Section IV of HUD Notice H 2013-24.

(16) Participation Agreement--(also known as Property Agreement) agreement to be executed by the Owner and the Department reflecting the agreement of participation in the Section 811 Project Rental Assistance Program with regards to a given number of assisted housing units on a certain multifamily rental housing property.

(17) Persons with Disability or Persons with Disabilities--shall have the same meaning as defined under 42 U.S.C. §8013(k)(2) and 24 CFR §891.305.

(18) Program--The Department's Section 811 Project Rental Assistance Program under Section 811 of the Cranston-Gonzales National Affordable Housing Act (42 U.S.C. §8013(b)(3)(A)), as amended by the Frank Melville Supportive Housing Investment Act of 2010 (Public Law 111-374) designed to provide permanent supportive housing for Extremely Low-Income persons with disabilities receiving long term supports and services in the community.

(19) Program Requirements--means but is not limited to: the Participation Agreement; Tex. Gov't Code Ann. Chapter 2306; the applicable state program rules under Title 10, Chapters 1, 2, and 8of the Texas Administrative Code; the Owner & Property Management Manual; the Cooperative Agreement; HUD Notice 2013-24 issued on August 23, 2013; Section 811 of the Cranston-Gonzales National Affordable Housing Act (42 U.S.C. §8013(b)(3)(A)), as amended by the Frank Melville Supportive Housing Act of 2010 (Public Law 111-374; Consolidated and Further Continuing Appropriations Act of 2012 (Public Law 112-55); Notice of Funding Availability (NOFA) for Fiscal Year 2012 Section 811 Project Rental Assistance Program published on May 15, 2012; (NOFA) for Fiscal Year 2013 Section 811 Project Rental Assistance Program published on March 4, 2014, for Fiscal Year 2019 Project Rental Assistance Section 811 Program for Persons with Disabilities published on October 8, 2019, and Technical Corrections to NOFA; and all laws applicable to the Program.

(20) Proposed Development--the Development proposes to be awarded funds or an allocation as part of a Multifamily application.

(21) Rental Assistance Contract (RAC)--the HUD contract (form HUD-92235-PRA and form HUD-92237-PRA) by and between the Department and the Owner of the Eligible Multifamily Property which sets forth additional terms, conditions and duties of the Parties with respect to the Eligible Multifamily Property and the Assisted Units.

(22) Rental Assistance Payments--the payment made by the Department to Owners as provided in the Rental Assistance Contract. Where the Assisted Units are leased to an Eligible Tenant, the payment is the difference between the Contract Rent and the Tenant Rent. An additional payment is made to the Eligible Tenant when the Utility Allowance is greater than the Total

Tenant Payment. A vacancy payment may be made to the Owner when an Assisted Unit is vacant, in accordance with the RAC and other Program Requirements.

(23) Target Population--the specific group or groups of Eligible Applicants and Eligible Tenants described in the Department's Inter-Agency Partnership Agreement who are intended to be solely served or to be prioritized under the Department's Program.

(24) Tenant Rent--the rent as defined in 24 CFR Part 5.

(25) Total Tenant Payment--the payment as defined in 24 CFR Part 5.

(26) Use Agreement--an agreement by and between the Department and Owner in the form prescribed by HUD under Exhibit 10 of the Cooperative Agreement (form HUD-92238-PRA) encumbering the Eligible Multifamily Property with restrictions and guidelines under the Program for operating Assisted Units during a thirty (30) year period, to be recorded in the official public property records in the county where the Eligible Multifamily Property is located.

§8.3 Participation as a Proposed Development

(a) To the extent that Applications under Department's rules or NOFAs allow for and/or require use of a Proposed Development to participate in the 811 PRA Program, the Proposed Development must satisfy the following criteria:

(1) Unless the Development is also proposing to use any federal funding or has received federal funding after 1978, the Development must not be originally constructed before 1978;

(2) The Development Site must be located in one of the following areas: Austin-Round Rock MSA, Brownsville-Harlingen MSA, Corpus Christi MSA; Dallas-Fort Worth-Arlington MSA; El Paso MSA; Houston-The Woodlands-Sugar Land MSA; McAllen-Edinburg-Mission MSA; or San Antonio-New Braunfels MSA; and

(3) No new construction of structures shall be located in the mapped 500-year floodplain or in the 100-year floodplain according to FEMA's Flood Insurance Rate Maps (FIRM). Rehabilitation Developments that have previously received HUD funding or obtained HUD insurance do not have to follow subparagraphs (A) - (C) of this paragraph. Except for sites located in coastal high hazard areas (V Zones) or regulatory floodways, existing structures are eligible in these areas, but must meet the following requirements:

(A) The existing structures must be flood-proofed or must have the lowest habitable floor and utilities elevated above both the 500-year floodplain and the 100-year floodplain.

(B) The project must have an early warning system and evacuation plan that includes evacuation routing to areas outside of the applicable floodplains.

(C) Existing structures in the 100-year floodplain must obtain flood insurance under the National Insurance Program. No activities or projects located within the 100-year floodplain may be assisted in a community that is not participating in or has been suspended from the National Flood Insurance Program.

(b) The following requirements must be satisfied for the Units that participate in the 811 PRA Program. Failure for a Unit to meet these requirements does not make the entire Development ineligible, rather only those Units.

(1) Units in the Development are not eligible for Section 811 assistance if they have an existing or proposed project-based or an operating housing subsidy attached to them or if they have received any form of long-term operating subsidy within six months prior to receiving Section 811 Rental Assistance Payments.

(2) Units with an existing or proposed 62 or up age restriction are not eligible.

(3) Units with an existing or proposed limitation for persons with disabilities are not eligible. A Development having a preference for Persons with Disabilities, or a use restriction for Special Needs Populations, which could include but is not limited to Persons with Disabilities, is not a Unit limitation for purposes of this item.

(4) Units with an existing or proposed occupancy restriction for households at 30% or below are not eligible, unless there are no other Units at the Development.

(c) Developments cannot exceed the integration requirements of the Department and HUD. Properties that are exempt from the Department's Integrated Housing Rule at §1.15 of this Title are not exempt from HUD's Integration Requirement maximum of 25%. The maximum number of units a Development can exclusively set aside or have an occupancy preference for persons with disabilities, including Section 811 PRA units is 25% of the total units in the Eligible Multifamily Property.

(d) Section 811 PRA units must be dispersed throughout the Development.

§8.4 Qualification Requirements for Existing Developments

Eligible Existing Developments must meet all of the requirements in §8.3 of this chapter. In addition, the Existing Development must meet the following requirements:

(1) The Development received an award (tax credit, direct loan, etc.) under a Department administered program in or after 2002, or has been otherwise approved by the Department in writing;

(2) The Development has at least 5 housing units;

(3) For Developments that were placed in service on or before January 1, 2017, the most current vacancy report as reflected in CMTS evidences that the Development maintained at least 85% physical occupancy for a period of at least 3 consecutive months.;

(4) For Developments that have received a UPCS inspection, the Development received a UPCS score of at least 80 on its most recent Department REAC inspection and all compliance issues associated with that inspection have been resolved;

(5) 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; and

(6) The Development is not Transitional Housing as defined in the 2018 Uniform Multifamily Rules.

§8.5 Disposition of Conflicts with other Department Rules

To the extent that any conflicts arise between this rule and the rules provided in Chapter 1, Administration, Chapter 2 Enforcement, Chapter 10, Uniform Multifamily Rules, Chapter 11, Qualified Allocation Plan, and Chapter 13, Multifamily Direct Loan Rule, federal requirements will first prevail, after which the requirements of the other Multifamily Rules will take precedence.

§8.6 Program Regulations and Requirements

(a) Participation in the 811 PRA Program is encouraged and may be incentivized through the Department's Rules and NOFAs. Once committed in the Multifamily Application, a Development must not accept a fund source that would prevent it from participating in the 811 PRA Program.

(b) An Existing Development that is already participating in the 811 PRA Program is eligible to have an additional commitment of 811 PRA Units as long as the integrated housing requirements as noted in §8.3(c) of this chapter (relating to Participation as a Proposed Development) are not violated.

(c) The types (e.g., accessible, one bedroom, first floor, etc.) and the specific number of Assisted Units (e.g., units 101, 201, etc.) will be "floating" (flexible) and dependent on the needs of the Department and the availability of the Assisted Units on the Eligible Multifamily Property.

(d) Occupancy Requirements. Owner is required to follow all applicable Program Requirements including but not limited to the following occupancy requirements found in HUD Handbook 4350.3 REV-1 and Housing Notices:

(1) H 2012-06, Enterprise Income Verification (EIV) System;

(2) H 2012-26, Extension of Housing Notice 2011-25, Enterprise Income Verification (EIV) & You Brochure-Requirements for Distribution and Use;

(3) H 2012-22, Further Encouragement for O/As to Adopt Optional Smoke-Free Housing Policies;

(4) H 2012-11, State Registered Lifetime Sex Offenders in Federally Assisted Housing;

(5) H 2012-09, Supplemental Information to Application for Assistance Regarding Identification of Family Member, Friend or Other Persons or Organization Supportive of a Tenant for Occupancy in HUD Assisted Housing;

(6) H 2017-05, Violence Against Women Act (VAWA) Reauthorization Act of 2013, Additional Guidance for Multifamily Owners and Management Agents; or

(7) H 2013-24, Section 811 Project Rental Assistance (PRA) Occupancy Interim Notice.

(e) Use Agreements. The Owner must execute the Use Agreement at the execution of the RAC and comply with the following:

(1) Use Agreement must be properly recorded according to local laws in the official public records on the Eligible Multifamily Property. The Owner shall provide to the Department within 30 days of its receipt of the recorded Use Agreement, a copy of the executed, recorded Use Agreement.

(2) From the date the Property Agreement is entered into, the Owner shall not enter into any future use agreements or other subsidy programs that would diminish the number of Assisted Units that can be placed on the Eligible Multifamily Property.

(3) The Department will enforce the provisions of the Use Agreement and RAC consistent with HUD's internal control and fraud monitoring requirements.

(f) TRACS & EIV, Reporting, Tenant Certifications and Compliance.

(1) TRACS & EIV Systems. The Owner shall have appropriate methods to access the Tenant Rental Assistance Certification System (TRACS) and the EIV System. The Owner shall be responsible for ensuring Program information is entered into these systems. TRACS is the only system by which an Eligible Multifamily Property can request Project Rental Assistance payments.

(2) EIV Policies and Procedures. Upon the execution of a RAC, the Owner must submit a copy of the property's EIV Policies and Procedures to the Department for review. If deficiencies are identified, the Owner will be required to correct and resubmit to the Department until all deficiencies have been properly corrected.

(3) Outside Vendors. The Owner has the right to refuse assistance from outside vendors hired by the Department, but is still required to satisfy the Program Requirements.

(4) Tenant Certification. The Owner shall transmit Eligible Tenant's certification and recertification data, transmit voucher data, and communicate errors electronically in a form consistent with HUD reporting requirements for HUD Secure Systems.

(5) Compliance Reviews. The Department's Compliance Division will conduct a monitoring review in conjunction with the review of any other Department administered housing program layered with the Development. If the Development is layered with Housing Tax Credits and has exceeded the 15-year Federal Compliance Period, monitoring reviews of the Program will still be conducted at least every three years.

(g) Tenant Selection and Screening.

(1) Target Population. The Department will screen Eligible Applicants for compliance with the Department's Program Target Population criteria and do an initial screening for Program Requirements. The Inter-Agency Partnership Agreement describes the specific Target Population eligible for the Department's Program. The Target Population may be revised, with HUD approval.

(2) Tenant Selection Plan. Upon the execution of the Participation Agreement, the Owner will submit the Eligible Multifamily Property's Tenant Selection Criteria, as defined by and in accordance with 10 TAC §10.8.02, to the Department for approval.

(3) Tenant Eligibility and Selection. The Owner is responsible for ultimate eligibility and selection of an Eligible Tenant and will comply with the following:

(A) The Owner must accept referrals of an Eligible Tenant from the Department and retain copies of all applications received. The Owner is responsible for notifying the prospective Eligible Tenant and the Department in writing regarding any denial of a prospective Eligible Tenant's application to an Eligible Multifamily Property and the reason for said denial. In the notice of denial, the Owner is responsible for notifying the Eligible Tenant of the right to dispute a denial, as outlined in HUD Handbook 4350.3. The results of the dispute must be sent to the Eligible Tenant and the Department in writing.

(B) The Owner is responsible for determining age of the qualifying member of the Eligible Families. Eligible Family member must be at least 18 years of age and under the age of 62.

(C) The Owner is responsible for criminal background screening as required by HUD Handbook 4350.3.

(D) Verification of Income, Assets, and Deductions. The Owner is responsible for determining income of Eligible Families. The Owner shall verify income through the Enterprise Income Verification (EIV) System per HUD Handbook 4350.3 and HUD Notices. The Owner must certify an Eligible Tenant and Eligible Families at least annually and verify their income. Use of the EIV system as third party verification is not acceptable for the Housing Tax Credit or Multifamily Direct Loan Program.

(h) Rental Assistance Contracts.

(1) Applicability. If requested by the Department, the Owner shall enter into a RAC. Not all properties with an Owner Participation Agreement will have a RAC, but when notified by the

Department, the Eligible Multifamily Property must enter into a RAC(s) and begin serving Eligible Applicants.

(2) Notice. The Department will provide written notice to the Owner if and when it intends to enter into a RAC with the Owner.

(3) Assisted Units. The Department will determine the number of Units (up to the maximum listed in the Property Agreement) to place in the RAC(s) which may be fewer than the number of Units identified in the Property Agreement.

(4) The Department will designate the bedroom composition of the Assisted Units, as required by the RAC. However, based on an actual Eligible Tenant, this may fluctuate. It is possible that an Eligible Multifamily Property will have a RAC for fewer units than the number committed in the Participation Agreement.

(5) If no additional applicants are referred to the Development, the Department may begin a RAC amendment to reduce the number of Assisted Units. An Owner who has an amended, executed RAC must continue to notify the Department of units that become vacant that are committed under the Agreement.

(6) Amendments. The Owner agrees to amend the RAC(s) upon request of the Department. Some examples are amendments that may either increase or decrease the total number of Assisted Units or increase or decrease the associated bedroom sizes; multiple amendments to the RAC may occur over time. The total number of Assisted Units in the RAC will not exceed the number of Assisted Units committed in the Participation Agreement, unless by request of the Owner.

(7) Contract Term. The Department will specify the effective date of the RAC. During the first year of the RAC and with approval from HUD, the Owner may request to align the anniversary date of the RAC with existing federal or state housing programs layered on the Eligible Multifamily Property.

(8) Rent Increase. Owners must submit a written request to the Department 30 days prior to the anniversary date of the RAC to request an annual increase.

(9) Utility Allowance. The RAC will identify the Department approved Utility Allowance used for the Assisted Units for the Eligible Multifamily Property. The Owner must notify the Department if there are changes to the Utility Allowance calculation methodology being used.

(10) Termination. Although the Department has discretion to terminate a RAC due to good cause, an Owner cannot opt-out of a RAC. The RAC survives a foreclosure, assignment, sale in lieu of foreclosure, or sale of the Eligible Multifamily Property to the extent allowed by law.

(11) Foreclosure of Eligible Multifamily Property. Upon foreclosure, assignment, sale in lieu of foreclosure, or sale of the Eligible Multifamily Property to the extent allowed by law:

(A) The RAC shall be transferred to new owner by contractual agreement or by the new owner's consent to comply with the RAC, as applicable;

(B) Rental Assistance Payments will continue uninterrupted in accordance with the terms of the RAC; and

(C) Voluntary and involuntary transfers or conveyances of property must adhere to the ownership transfer process in 10 TAC §10.406 (as amended), regarding Ownership Transfer requests.

(i) Advertising and Affirmative Marketing.

(1) Advertising Materials. Upon the execution of the Property Agreement, the Owner must provide materials for the purpose of advertising the Eligible Multifamily Property, including but not limited to:

(A) Depictions of the units including floor plans;

(B) Brochures;

(C) Tenant selection criteria;

(D) House rules;

(E) Number and size of available units;

(F) Number of units with accessible features (including, but not limited to units designed to meet Uniform Federal Accessibility Standards, the Fair Housing Act, or the Americans with Disabilities Act);

(G) Documentation on access to transportation and commercial facilities; and

(H) A description of onsite amenities.

(2) Affirmative Marketing. The Department and its service partners are responsible for affirmatively marketing the Program to Eligible Applicants.

(3) At any time, the Department may choose to advertise the Eligible Multifamily Property, even if the Eligible Multifamily Property has not yet entered into a RAC.

(j) Leasing Activities.

(1) Segregation of Assisted Units. The Owner must take actions or adopt procedures to ensure that the Assisted Units are not segregated to one area of a building (such as on a particular floor or part of a floor in a building) or in certain sections within the Eligible Multifamily Property.

(2) Form of Lease. The Owner will use the HUD Section 811 PRA Model Lease (HUD-92236-PRA), Exhibit 11 of the Cooperative Agreement and any Department approved Addendums, for all Eligible Families once a RAC is signed. The initial lease will be for not less than one year.

(3) Communication. Owners are required to document in writing all communication between the Eligible Tenant and the Owner, or Owner-designated agent regarding applications, notifications, evictions, complaints, non-renewals and move outs.

(4) Lease Renewals and Changes. The Owner must notify the Department of renewals of leases with Eligible Families and any changes to the terms of the lease.**(5) Development Policies.** Upon the execution of the RAC, an Owner is required to submit a copy of the Development Policies (House Rules) to the Department for review. If deficiencies are noted, the Development will be required to correct and resubmit to the Department until all deficiencies have been properly corrected. The Owner is required to send a copy of amendments to the House Rules to the Department before implementing changes.

(k) Rent.

(1) Tenant Rent Payment.. The Owner will determine the Tenant Rent payment of the Eligible Tenant, based on HUD Handbook 4350.3 and HUD Notices, and is responsible for collecting the Tenant Rent payment.

(2) Utility Reimbursement. The Owner is responsible for remitting any Tenant Rent payment due to the Eligible Tenant if the Utility Allowance exceeds the Total Tenant Payment no later than the 5th day of each month, beginning 30 days after initial move in.

(3) Rent Increase. Owner must provide the Eligible Tenant with at least 30 days notice before increasing rent, in accordance with HUD Handbook 4350.3.

(4) Rent Restrictions. Owner will comply with the following rent restrictions:

(A) If a Unit at the Development has a Department enforced rent restriction that is equal to or lower than Fair Market Rent (FMR), the initial rent is the maximum Department enforced rent restriction for that Unit, not to exceed the 60% Area Median Family Income limit.

(B) If there is no existing Department enforced rent restriction on the Unit, or the existing Department enforced rent restriction is higher than FMR, the Department will work with the Owner to conduct a market analysis of the Eligible Multifamily Property to support that a rent higher than FMR is attainable.

(C) After the signing of the original RAC with the Department, the Owner may request a new anniversary date to be consistent with other rent restrictions on the Eligible Multifamily Property allowed by the Department.

(D) After the signing of the original RAC, upon request from the Owner to the Department, Rents may be adjusted on the anniversary date of the RAC.

(E) Adjustments may not result in higher rents charged for an Assisted Unit as compared to a non-assisted unit. The calculation or methodology used for the annual increase amount will be identified in the Eligible Multifamily Property's RAC.

(F) Owner can submit a request for a rent increase or to change the contract anniversary date using HUD Form 92458.

(l) Vacancy; Household Changes; Transfers; Eviction.

(1) Holding Assisted Units. Once an Owner signs a RAC, the Eligible Multifamily Property must hold an available Assisted Unit for 60 days while a qualified Eligible Applicant applies for and moves into the Assisted Unit.

(2) Notification. Owner will notify the Department of determination of ineligibility or the termination of any participating Eligible Families or any member of a participating Eligible Family.

(3) Initial Lease-up. Owners of a newly constructed, acquired and/or rehabilitated Eligible Multifamily Property must notify the Department no later than 180 days before the Eligible Multifamily Property will be available for initial move-in. Failure to reserve the agreed upon number of Assisted Units for Eligible Families will be cited as noncompliance, be referred for administrative penalties, and be considered possible grounds for Debarment.

(4) Vacancy. Upon execution of the RAC, the Owner must notify the Department of any vacancy of an Assisted Unit at the Eligible Multifamily Property as soon as possible, not to exceed seven calendar days from when the Owner becomes aware of the eligible Unit availability. Once the Department acknowledges receipt of the notice, the Department will notify the Owner within three business days if the Unit is acceptable and submit a referral. If the qualifying Eligible Tenant vacates the Assisted Unit, the Department will determine if the remaining family member(s) is eligible for continued assistance from the Program.

(5) Vacancy Payment. The Department may provide vacancy payments that cannot exceed 80% of the Contract Rent for up to 60 days from the effective date of the RAC. After the 60 days, the Owner may lease the Assisted Unit to a non-Eligible Tenant. Developments without an executed RAC are not eligible for vacancy payments.

(6) Household Changes. Owner will notify the Department of any changes in family composition in an Assisted Unit within three business days. If the change results in the Assisted Unit being smaller or larger than is appropriate for the Eligible Family size, the Owner must refer to the Department's written policies regarding family size, unit transfers and waitlist management.

If the Department discovers the Eligible Family is ineligible for the size of the Assisted Unit, the Owner will be notified but Rental Assistance Payments will not be reduced or terminated until the Eligible Family can be transferred to an appropriate sized Assisted Unit.

(7) Transfers. Owner must notify the Department if the Eligible Family requests a transfer to another Assisted Unit within the Development. The Department will determine if the Eligible Family qualifies for the unit transfer, if the new Unit is eligible as an Assisted Unit and then notify the Owner. If the Department determines the Eligible Family is ineligible for the size of the Assisted Unit, the Department will notify the Owner and Rental Assistance Payments will not be reduced or terminated until the Eligible Family can be transferred to an appropriate sized Assisted Unit.

(8) Notice to Vacate and Nonrenewal. Owners are required to notify the Department at least three calendar days prior to issuing a Notice to Vacate or a Notice of Non-Renewal to the Eligible Family. Notices must be compliance with HUD Handbook 4350.3 8-13(B)(2) and HUD Notices. A copy of the applicable Notice must be submitted via email to 811info@tdhca.state.tx.us.

(A) Owner is required to notify the Department within seven calendar days of when the Development is notified that the Eligible Family will vacate or in the event that the Eligible Family vacates without notice, upon discovery that the Assisted Unit is vacant. Notification of vacancy must be submitted to 811info@tdhca.state.tx.us.

(B) Upon move out, Owner must submit a move out disposition to the Department to ensure proper processing of the security deposit per HUD Handbook 4350.3 6-18.

(m) Construction Standards, Inspections, Repair and Maintenance, and Accessibility.

(1) Construction Standards. Upon execution of a RAC, the Eligible Multifamily Property shall be required to conform to Uniform Physical Conditions Standards (UPCS) which are uniform national standards established by HUD for housing that is decent, safe, sanitary, and in good repair. The site, building exterior, building systems, dwelling units and common areas of the Eligible Multifamily Property, as more specifically described in 24 CFR §5.703, must be inspected in any physical inspection of the property.

(2) Inspection. Prior to occupancy, the Eligible Tenant must be given the opportunity to be present for the move-in unit inspection.

(3) Repair and Maintenance. Owner will perform all repair and maintenance functions, including ordinary and extraordinary maintenance; will replace capital items; and will maintain the premises and equipment, appurtenant thereto, in good repair, safe and sanitary condition consistent with HUD and Department requirements.

(4) Accessibility. Owner must ensure that the Eligible Multifamily Property meets or exceeds the accessibility requirements under 24 CFR Part 8, which implements Section 504 of the Rehabilitation Act of 1973; the Fair Housing Act Design Manual; Titles II and III of the Americans with Disabilities Act (42 U.S.C. §§12131 - 12189), as implemented by the U.S. Department of Justice regulations at 28 CFR Parts 35 and 36; and the Federal Fair Housing Act as implemented by HUD at 24 CFR Part 100. However, Assisted Units can consist of a mix of accessible units for those persons with physical disabilities and non-accessible units for those persons without physical disabilities.

(n) Owner Training. The Owner is required to train all property management staff engaging with Eligible Families on the requirements of the Program. Owner training must include, but is not limited to the HUD Handbook 4350.3 and the Department's webpage at https://www.tdhca.state.tx.us/section-811-pra/index.htm.

(o) Reporting Requirements. Owner shall submit to the Department such reports on the operation and performance of the Program as required by the Participation Agreement and as may be required by the Department. Owner shall provide the Department with all reports necessary for the Department's compliance with 24 CFR Part 5, or any other federal or state law or regulation.

(p) Environmental Laws and Regulations.

(1) Compliance with Laws and Regulations. Owner must comply with, as applicable, any federal, state, or local law, statute, ordinance, or regulation, whether now or hereafter in effect, pertaining to health, industrial hygiene, or the environmental conditions on, under, or about the Land or the Improvements, including without limitation, the following, as now or hereafter amended:

(A) Hazardous Materials Transportation Act (49 U.S.C.A. §1801 et seq.);

(B) Insecticide Fungicide and Rodenticide Act (7 U.S.C.A. §136 et seq.);

(C) National Environmental Policy Act (42 U.S.C. §4321 et seq.) (NEPA);

(D) Comprehensive Environmental Response, Compensation, and Liability Act of 1980 (42 U.S.C.A. §9601 et seq.) (CERCLA), as amended by the Superfund Amendments and Reauthorization Act of 1986 (Pub. L. No. 99-499, 100 Stat. 1613, as amended Pub. L. No. 107-377) (Superfund or SARA);

(E) Resource, Conservation and Recovery Act (24 U.S.C.A. §6901 et seq.) (RCRA);

(F) Toxic Substances Control Act, (15 U.S.C.A. §2601 et seq.);

(G) Emergency Planning and Community Right to Know Act of 1986 (42 U.S.C.A. §1101 et seq.);

(H) Clean Air Act (42 U.S.C.A. §7401 et seq.) (CAA);

(I) Federal Water Pollution Control Act and amendments (33 U.S.C.A. §1251 et seq.) (Clean Water Act or CWA);

(J) Any corresponding state laws or ordinances including but not limited to Chapter 26 of the Texas Water Code regarding Water Quality Control;

(K) Texas Solid Waste Disposal Act (Chapter 361 of the Texas Health & Safety Code, formerly Tex. Rev. Civ. Stat. Ann. Art. 4477-7);

(L) Comprehensive Municipal Solid Waste Management, Resource Recovery, and Conservation Act (Chapter 363 of the Texas Health & Safety Code);

(M) County Solid Waste Control Act (Chapter 364 of the Texas Health & Safety Code);

(N) Texas Clean Air Act (Chapter 382 of the Texas Health & Safety Code);

(O) Hazardous Communication Act (Chapter 502 of the Texas Health & Safety Code); and

(P) Regulations, rules, guidelines, or standards promulgated pursuant to such laws, statute and regulations, as such statutes, regulations, rules, guidelines, and standards, as amended from time to time.

(2) Environmental Review. The environmental effects of each activity carried out with funds provided under this Agreement must be assessed in accordance with the provisions of the Program Requirements, National Environmental Policy Act of 1969 (NEPA) (42 U.S.C. §432 et seq.). Each such activity must have an environmental review completed and support documentation prepared in accordance with 10 TAC §10.305 complying with the NEPA, including screening for vapor encroachment following American Society for Testing and Materials (ASTM) 2600-10.

(q) Labor Standards.

(1) Owner understands and acknowledges that every contract for the construction (rehabilitation, adaptive reuse, or new construction) of housing that includes 12 or more units assisted with Program funds must contain provisions in accordance with Davis-Bacon Regulations.

(2) Owner understands and acknowledges that every contract involving the employment of mechanics and laborers of said construction shall be subject to the provisions, as applicable, of the Contract Work Hours and Safety Standards Act, as amended (40 U.S.C. §§3701 to 3708), Copeland (Anti-Kickback) Act (40 U.S.C. §3145), the Fair Labor Standards Act of 1938, as amended (29 U.S.C. §201, et seq.) and Davis-Bacon and Related Acts (40 U.S.C. §§3141 - 3148).

(3) Owner further acknowledges that if more housing units are constructed than the anticipated 11 or fewer housing units, it is the Owner's responsibility to ensure that all the housing units will comply with these federal labor standards and requirements under the Davis-Bacon Act as supplemented by the U.S. Department of Labor regulations ("Labor Standards Provisions Applicable to Contracts Covering Federally Financed and Assisted Construction" at 29 CFR Part 5).

(4) Owner also understands that structuring the proposed assistance for the rehabilitation or construction of housing under this Agreement to avoid the applicability of the Davis-Bacon Act is prohibited.

(5) Construction contractors and subcontractors must comply with regulations issued under these federal acts described herein, with other federal laws, regulations pertaining to labor standards, including but not limited to "Labor Standards Provisions Applicable to Contracts Covering Federally Financed and Assisted Construction" at 29 CFR Part 5, HUD Federal Labor Provisions (HUD form 4010).

(r) Lead-Based Paint. Housing assisted with Program funds is subject to the Lead-Based Paint Poisoning Prevention Act (42 U.S.C. §§4821 - 4846), the Residential Lead-Based Paint Hazard Reduction Act of 1992 (42 U.S.C. §§4851 - 4856), and implementing regulations Title X of the 1992 Housing and Community Development Act at 24 CFR Part 35, (including subparts A, B, J, K, M and R). Owner shall also comply with the Lead: Renovation, Repair, and Painting Program Final Rule, 40 CFR Part 745 and Response to Children with Environmental Intervention Blood Lead Levels. Failure to comply with the lead-based paint requirements may be subject to sanctions and penalties pursuant to 24 CFR §35.170.

(s) Limited English Proficiency. Owner shall comply with the requirements in Executive Order 13166 of August 11, 2000, reprinted at 65 FR 50121, August 16, 2000, Improving Access to Services for Persons with Limited English Proficiency and 67 FR 41455. To ensure compliance the Owner must take reasonable steps to insure that LEP persons have meaningful access to the program and activities. Meaningful access may entail providing language assistance services, including oral and written translation, where necessary.

(t) Procurement of Recovered Materials. Owner, its subrecipients, and its contractors must comply with Section 6002 of the Solid Waste Disposal Act, as amended by the Resource Conservation and Recovery Act. The requirements of Section 6002 include procuring only items designated in guidelines of the Environmental Protection Agency (EPA) at 40 CFR Part 247 that contain the highest percentage of recovered materials practicable, consistent with maintaining a satisfactory level of competition, where the purchase price of the item exceeds $10,000 or the value of the quantity acquired by the preceding fiscal year exceeded $10,000; procuring solid waste management services in a manner that maximizes energy and resource recovery; and establishing an affirmative procurement program for procurement of recovered materials identified in the EPA guidelines.

(u) Drug-Free Workplace. Owner will follow the Drug-Free Workplace Act of 1988 (41 U.S.C §701, et seq.) and HUD's implementing regulations at 2 CFR Part 2429. Owner affirms by executing the Certification Regarding Drug-Free Workplace Requirements attached hereto as Addendum B, that it is implementing the Drug-Free Workplace Act of 1988.

(v) Equal Opportunity, Fair Housing, Nondiscrimination, and Equal Access .

(1) Equal Opportunity. The Owner agrees to carry out an Equal Employment Opportunity Program in keeping with the principles as provided in President's Executive Order 11246 of September 24, 1965, as amended, and its implementing regulations at 41 CFR Part 60.

(2) Fair Housing Poster. The Owner is required to place a fair housing poster (HUD-928.1 and HUD-9281.A) provided by the Department in the leasing office, online, or anywhere else rental activities occur pursuant to 24 CFR §200.620(e). A copy of the poster in Spanish and in English can be found at http://www.tdhca.state.tx.us/section-811-pra/participating-agents.htm.

(3) Nondiscrimination Laws. Owner shall ensure that no person shall, on the grounds of race, color, religion, sex, disability, familial status, or national origin, be excluded from participation in, be denied the benefits of, or be subjected to discrimination under, any Program or activity funded in whole or in part with funds provided under this Agreement. Owner shall follow Title VI of the Civil Rights Act of 1964, as amended (42 U.S.C. §2000d et seq.), the Age Discrimination Act of 1975 (42 U.S.C. §6101 et seq.) and its implementing regulations at 24 CFR Part 146, Titles II and III of the Americans with Disabilities Act (42 U.S.C. §§12131 - 12189; 47 U.S.C. §§155, 201, 218 and 255) as implemented by U.S. Department of Justice at 28 CFR Parts 35 and 36, Section 527 of the National Housing Act (12 U.S.C. §1701z-22), the Equal Credit Opportunity Act (15 U.S.C. §1691 et seq.), the Equal Opportunity in Housing (Executive Order 11063 as amended by Executive Order 12259) and its implementing regulations at 24 CFR Part 107 and The Fair Housing Act (42 U.S.C. §3601 et seq.), as implemented by HUD at 24 CFR Part 100-115.

(4) Affirmatively Furthering Fair Housing. By Owner's execution of the Agreement and pursuant to Section 808(e)(5) of the Fair Housing Act, Owner agrees to use funds in a manner that follows the State of Texas' "Analysis of Impediments" or "Assessment of Fair Housing", as applicable and as amended, and will maintain records in this regard.

(5) Protections for Victims of Domestic Violence, Dating Violence, Sexual Assault, or Stalking. Subpart L of 24 CFR part 5 shall apply to the Assisted Units in Eligible Multifamily Properties.

(w) Security of Confidential Information.

(1) Systems Confidentiality Protocols. Owner must undertake customary and industry standard efforts to ensure that the systems developed and utilized under this Agreement protect the confidentiality of every Eligible Applicant's and Eligible Tenant's personal and financial information, both electronic and paper, including credit reports, whether the information is received from the Eligible Applicants, Tenants or from another source. Owner must undertake customary and industry standard efforts so that neither they nor their systems vendors disclose any Eligible Applicant's or Tenant's personal or financial information to any third party, except for authorized personnel in accordance with this Agreement.

(2) Protected Health Information. If Owner collects or receives documentation for disability, medical records or any other medical information in the course of administering the Program, Owner shall comply with the Protected Health Information state and federal laws and regulations, as applicable, under 10 TAC §1.24, (relating to Protected Health Information), Chapter 181 of the Texas Health and Safety Code, the Health Insurance Portability and Accountability Act of 1996 (HIPAA) (Pub. L. 104-191, 110 Stat. 1936, enacted August 21, 1996), and the HIPAA Privacy Rules (45 CFR Part 160 and Subparts A and E of 45 CFR Part 164).

(x) Real Property Acquisition and Relocation. Except as otherwise provided by federal statute, HUD-assisted programs or projects are subject to the Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970, as amended (Uniform Act or URA) (42 U.S.C. §4601), and the government wide implementing regulations issued by the U.S. Department of Transportation at 49 CFR Part 24. The Uniform Act's protections and assistance apply to acquisitions of real property and displacements resulting from the acquisition, rehabilitation, or demolition of real property for federal or federally assisted programs or projects. With certain limited exceptions, real property acquisitions for a HUD-assisted program or project must comply with 49 CFR Part 24, Subpart B. To be exempt from the URA's acquisition policies, real property acquisitions conducted without the threat or use of eminent domain, commonly referred to as voluntary acquisitions, the Owner must satisfy the applicable requirements of 49 CFR §24.101(b)(1) - (5). Evidence of compliance with these requirements must be maintained by the recipient. The URA's relocation requirements remain applicable to any tenant who is displaced by an acquisition that meets the requirements of 49 CFR §24.101(b)(1) - (5). The relocation requirements of the Uniform Act, and its implementing regulations at 49 CFR Part 24, cover any person who moves permanently from real property or moves personal property from real property as a direct result of acquisition, rehabilitation, or demolition for a program or project receiving HUD assistance. While there are no statutory provisions for temporary relocation under the URA, the URA regulations recognize that there are circumstances where a person will not be permanently displaced but may need to be moved from a project for a short period of time. Appendix A of the URA regulation (49 CFR §24.2(a)(9)(ii)(D)) explains that any tenant who has been temporarily relocated for a period beyond one year must be contacted by the displacing agency and offered URA relocation assistance.

(y) Dispute Resolution; Conflict Management.

(1) Eligible Tenant Disputes. The Owner or Owner's representative is required to participate in a Dispute Resolution process, as required by HUD, to resolve an appeal of an Eligible Tenant dispute with the Owner.

(2) Agreement Disputes. In accordance with Tex. Gov't Code 2306.082, it is the Department’s policy to encourage the use of appropriate alternative dispute resolution procedures (ADR) under the Governmental Dispute Resolution Act and the Negotiated Rulemaking Act (Chapters

2009 and 2006 respectively, Tex. Gov't Code), to assist in the fair and expeditious resolution of internal and external disputes involving the Department and the use of negotiated rulemaking procedures for the adoption of Department rules. As described in Chapter 154, Civil Practices and Remedies Code, ADR procedures include mediation. Except as prohibited by the Department's ex parte communications policy, the Department encourages informal communications between Department staff and the Owner, to exchange information and informally resolve disputes. The Department also has administrative appeals processes to fairly and expeditiously resolve disputes. If at any time the Owner would like to engage the Department in an ADR procedure, the Owner may send a proposal to the Department's Dispute Resolution Coordinator. For additional information on the Department’s ADR policy, see the Department's Alternative Dispute Resolution and Negotiated Rulemaking at 10 TAC §1.17.

(3) Conflict Management. The purpose of the Conflict Management process is to address any concerns that Owner or Owner's agent or representative may have with an Eligible Family. At any time, an Eligible Family may choose to give consent to their Section 811 service coordinator to work directly with the property manager of the Eligible Multifamily Property. However, such consent cannot be made a condition of tenancy.

1h

BOARD ACTION REQUEST

COMMUNITY AFFAIRS DIVISION

MARCH 10, 2022

Presentation, discussion, and possible action on approval of the draft 2022 Department of Energy Weatherization Assistance Program state plan for public comment and awards

RECOMMENDED ACTION

WHEREAS, the Energy Conservation in Existing Buildings Act of 1976 (42 USC §6851), as amended in Title II, Part 2 of the National Energy Conservation Policy Act allows Department of Energy (DOE) Weatherization Assistance Program (WAP) funds to be utilized to carry out a program of weatherization assistance for low-income persons;

WHEREAS, the Department develops and submits a State Plan to the DOE each year to administer the WAP;

WHEREAS, the Department has prepared this draft Plan for public comment which includes a list of subgrantees to be awarded funds and the proposed award amounts based on the formula contained in 10 TAC §6.404, Distribution of WAP Funds, subject to a positive recommendation or a recommendation with conditions from the Executive Award Review Advisory Committee (EARAC) and subject to any EARAC conditions;

WHEREAS, the Department has not yet received notice of Program Year (PY) 2022 DOE WAP funds and has therefore developed this draft Plan using the same funding level as PY 2021; and

WHEREAS, upon approval the attached draft 2022 DOE WAP State Plan will be made available for public comment;

NOW, therefore, it is hereby

RESOLVED, that the draft 2022 DOE WAP State Plan, in the form presented to this meeting, is hereby approved for public comment;

FURTHER RESOLVED, that if public comment and revisions are significant, the final plan with consideration for public comment, updated PY 2022 DOE WAP Appropriated Funds, corrections required by DOE, and technical corrections made by staff, along with award recommendations for Subgrantees as indicated in Section IV.1 of the State Plan will be presented to the Board no later than the meeting of May 12, 2022, and will serve as a public hearing as required by 10 CFR §440.14(a); and

FURTHER RESOLVED, that if public comment and revisions are not significant, that the Executive Director and his designees each of them be and they hereby are, authorized, empowered, and directed, for and on behalf of this Board, to submit the Final Plan to DOE and upon DOE approval of such Plan to contract for the awards represented in Section IV.1 of the Plan only upon confirmation of previous participation review (PPR) by the Compliance Division, and subject to a positive recommendation from EARAC and subject to any EARAC conditions, and in connection therewith to execute, deliver, and cause to be performed such amendments, documents, and other writings such as grant guidance on development of the Plan from DOE or to make such non-substantive technical corrections as they or any of them may deem necessary or advisable to effectuate the foregoing.

BACKGROUND

The DOE WAP funding provides for the installation of weatherization measures to increase energy efficiency of a home including caulking; weather-stripping; adding ceiling, wall, and floor insulation; patching holes in the building envelope; duct work; and repair or replacement of energy inefficient heating and cooling systems. Additionally, the funds allow Subgrantees to complete financial audits, household energy audits, outreach and engagement activities, and program administration. Also, the funding provides for state administration and state training and technical assistance activities. The list of Subgrantees and proposed award amounts based on PY 2021 funding levels are included in the State Plan in section IV.1, Subgrantees.

Currently, DOE WAP is operating under a Continuing Resolution for FY 2022. For planning purposes, until a final full year FY 2022 budget is passed by Congress and signed by the President, the Department has been directed by DOE to develop the Plan using the same funding level as the DOE 2021 Appropriated Funding level which is $7,908,820. When DOE adjusts the allocations based on final FY 2022 appropriations, the Department will also adjust its FY 2022 DOE WAP budget activities and Subgrantee awards accordingly in the DOE State Plan.

Subgrantees had two previous opportunities to provide input into the drafting of this Plan. The first opportunity included a 14-day timeframe in early December to provide comments on what they wanted changed from the 2021 DOE Plan, and the second opportunity included another 14-day period of time in January to comment on the draft Plan before presenting it to the Board at this Board meeting.

An announcement of the availability of the draft Plan and details regarding the timeframe to accept comments from the public and the public hearing will be posted on the Department's website no later than March 14, 2022, and published in the *Texas Register* on March 25, 2022. The period to accept comments from the public regarding the Plan will be open from Friday, March 25, 2022, through Monday, April 18, 2022, at 5:00 p.m. Austin local time. Written comments concerning the Plan may be submitted to the Texas Department of Housing and Community Affairs, Community Affairs Division, P.O. Box 13941, Austin, TX 78711-3941, or by email to gavin.reid@tdhca.state.tx.us. Comments are due no later than 5:00 p.m. Austin local time on Monday, April 18, 2022.

The Department will also conduct a virtual public hearing for the draft Plan at 10 a.m. Austin local time on Wednesday, April 7, 2022, through GoToWebinar. Meeting details are:

- Wednesday, April 7, 2022 from 10 a.m. - 11 a.m.
  - Via GoToWebinar
  - To Register: https://attendee.gotowebinar.com/register/4244901454695472912
  - Dial-in number: +1 (562) 247-8422, Webinar ID: 581-553-475, Audio Access Code 957-986-481

Upon completion of the public comment period and public hearing, staff will modify the Plan, if appropriate, based on public comment. Staff will also include any changes required by federal guidance. If public comment and revisions are significant and substantive, staff will present the revised Plan, along with recommendations for Subgrantee awards, to the Board for review and final approval on May 12, 2022. If public comment and revisions are not significant and substantive, staff will submit the final 2022 DOE WAP State Plan to DOE without further approval from the Board and upon DOE approval of the Plan will contract for the awards represented in Section IV.1 of the Plan only upon confirmation of previous participation review (PPR) by the Compliance Division, and subject to a positive recommendation from EARAC and subject to any EARAC conditions.

DOE regulations require a Weatherization Policy Advisory Council be designated in the Plan in order to provide guidance and comment on the Plan. The Policy Advisory Council is composed of four individuals appointed by the Department. The Policy Advisory Council meeting is scheduled to occur on April 19, 2022, after the public hearing and public comment period.

The full text of the draft 2022 DOE WAP State Plan may be viewed at the Department's website: https://www.tdhca.state.tx.us/public-comment.htm. The public may also receive a copy of the draft 2022 DOE WAP State Plan by contacting Gavin Reid at gavin.reid@tdhca.state.tx.us.

OMB Number: 4040-004
Expiration Date: 10/31/2019

APPLICATION FOR FEDERAL ASSISTANCE SF-424

Version 02

1. Type of Submission: ☐ Preapplication ☒ Application ☐ Changed/Corrected Application	2. Type of Application: ☒ New ☐ Continuation ☐ Revision If Revision, select appropriate letter(s) Other (specify):

3. Date Received 07/01/2022	4. Applicant Identifier:
5a. Fed Entity Identifier:	5b. Federal Award Identifier: DE-EE0009933

State Use Only:

6. Date Received by State: 07/01/2022

7. State Application Identifier: TX-W-200

8. APPLICANT INFORMATION:

a. Legal Name: State of Texas

b. Employer/Taxpayer Identification Number (EIN/TIN): 742610542	c. Organizational DUNS: 806781902 UEI: MNGDPFC1X5E4

d. Address:

Street 1: P.O. BOX 13941

Street 2:

City: Austin

County: TRAVIS County

State: TX

Province:

Country: U.S.A.

Zip / Postal Code: 787113941

e. Organizational Unit:

Department Name: Texas Department of Housing and Community Affairs	Division Name: Community Affairs Division

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

Prefix: Mr

First Name: Michael

Middle Name:

Last Name: DeYoung

Suffix:

Title: Community Affairs Division Director

Organizational Affiliation: Texas Dept. of Housing and Community Affairs

Telephone Number: 5124752125

Fax Number: 5124753935

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

APPLICATION FOR FEDERAL ASSISTANCE SF-424 Version 02

9. Type of Applicant:

A State Government

10. Name of Federal Agency:

U. S. Department of Energy

11. Catalog of Federal Domestic Assistance Number:

81.042

CFDA Title:

Weatherization Assistance Program

12. Funding Opportunity Number:

DE-WAP-0002022

Title:

2022 Weatherization Assistance Program

13. Competition Identification Number:

Title:

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

Statewide

15. Descriptive Title of Applicant's Project:

Provide Statewide Weatherization Assistance

OMB Number: 4040-004
Expiration Date: 10/31/2019

APPLICATION FOR FEDERAL ASSISTANCE SF-424 Version 02

16.Congressional District Of:

a. Applicant: Texas Congressional District 25

b. Program/Project: TX-Statewide

Attach an additional list of Program/Project Congressional Districts if needed:

17. Proposed Project:

a. Start Date: 07/01/2022

b. End Date: 06/30/2023

18. Estimated Funding ($):

a. Federal	7,908,820.00
b. Applicant	0.00
c. State	0.00
d. Local	0.00
e. Other	0.00
f. Program Income	0.00
g. TOTAL	7,908,820.00

19. Is Application subject to Review By State Under Executive Order 12372 Process?:

☐ a. This application was made available to the State under the Executive Order 12372 Process for review

☐ b. Program is subject to E.O. 12372 but has not been selected by the State for review.

☒ c. Program is not covered by E.O. 12372

20. Is the applicant Delinquent On Any Federal Debt? (If "Yes", provide explanation)

No

21. By signing this application, I certify (1) to the statements contained in the list of certifications and (2) that the statements herein are true, complete and accurate to the best of my knowledge. I also provide the required assurances** and agree to**

☒ I AGREE

** The list of certifications and assurances, or an internet site where you may obtain this list, is contained in the announcement or agency

Authorized Representative:

Prefix: Mr First Name: Bobby

Middle Name:

Last Name: Wilkinson

Suffix:

Title: Executive Director

Telephone Number: 5124753296 Fax Number:

Email: bobby.wilkinson@tdhca.state.tx.us

Signature of Authorized Representative: Signed Electronically **Date Signed:**

Authorized for Local Reproduction

Standard Form 424 (Revised 10/2005)
Prescribed by OMB Circular A-102

OMB Approval No. 0348-0044

BUDGET INFORMATION - Non-Construction Programs

1. Program/Project Identification No. EE0009933	2. Program/Project Title Weatherization Assistance Program	
3. Name and Address	State of Texas P.O. BOX 13941 Austin, TX 787113941	4. Program/Project Start Date 07/01/2022 5. Completion Date 06/30/2023

SECTION A - BUDGET SUMMARY

Grant Program Function or Activity (a)	Federal Catalog No. (b)	Estimated Unobligated Funds		New or Revised Budget		
		Federal (c)	Non-Federal (d)	Federal (e)	Non-Federal (f)	Total (g)
1. DOE WAP Formula Funds	81.042	$ 0.00		$ 7,908,820.00		$ 7,908,820.00
2.						
3.						
4.						
5. TOTAL		$ 0.00	$ 0.00	$ 7,908,820.00	$ 0.00	$ 7,908,820.00

SECTION B - BUDGET CATEGORIES

6. Object Class Categories	Grant Program, Function or Activity				Total (5)
	(1) GRANTEE ADMINISTRATION	(2) SUBGRANTEE ADMINISTRA	(3) GRANTEE T&TA	(4) SUBGRANTEE T&TA	
a. Personnel	$ 200,520.00	$ 0.00	$ 210,570.00	$ 0.00	$ 411,090.00
b. Fringe Benefits	$ 69,781.00	$ 0.00	$ 73,278.00	$ 0.00	$ 143,059.00
c. Travel	$ 0.00	$ 0.00	$ 27,720.00	$ 0.00	$ 27,720.00
d. Equipment	$ 0.00	$ 0.00	$ 0.00	$ 0.00	$ 0.00
e. Supplies	$ 3,000.00	$ 0.00	$ 2,001.00	$ 0.00	$ 5,001.00
f. Contract	$ 0.00	$ 692,137.00	$ 50,000.00	$ 675,000.00	$ 7,117,654.00
g. Construction	$ 0.00	$ 0.00	$ 0.00	$ 0.00	$ 0.00
h. Other Direct Costs	$ 14,000.00	$ 0.00	$ 3,250.00	$ 0.00	$ 17,250.00
i. Total Direct Charges	$ 287,301.00	$ 692,137.00	$ 366,819.00	$ 675,000.00	$ 7,721,774.00
j. Indirect Costs	$ 91,237.00	$ 0.00	$ 95,809.00	$ 0.00	$ 187,046.00
k. Totals	$ 378,538.00	$ 692,137.00	$ 462,628.00	$ 675,000.00	$ 7,908,820.00
7. Program Income	$ 0.00	$ 0.00	$ 0.00	$ 0.00	$ 0.00

OMB Approval No. 0348-0044

BUDGET INFORMATION - Non-Construction Programs

1. Program/Project Identification No.	2. Program/Project Title	
EE0009933	Weatherization Assistance Program	
3. Name and Address: State of Texas, P.O. BOX 13941, Austin, TX 787113941	4. Program/Project Start Date	07/01/2022
	5. Completion Date	06/30/2023

SECTION A - BUDGET SUMMARY

Grant Program Function or Activity (a)	Federal Catalog No. (b)	Estimated Unobligated Funds: Federal (c)	Estimated Unobligated Funds: Non-Federal (d)	New or Revised Budget: Federal (e)	New or Revised Budget: Non-Federal (f)	New or Revised Budget: Total (g)
1.						
2.						
3.						
4.						
5. TOTAL		$ 0.00	$ 0.00	$ 7,908,820.00	$ 0.00	$ 7,908,820.00

SECTION B - BUDGET CATEGORIES

6. Object Class Categories	Grant Program, Function or Activity				Total
	(1) PROGRAM OPERATIONS	(2) HEALTH AND SAFETY	(3) LIABILITY INSURANCE	(4) FINANCIAL AUDITS	(5)
a. Personnel	$ 0.00	$ 0.00	$ 0.00	$ 0.00	$ 411,090.00
b. Fringe Benefits	$ 0.00	$ 0.00	$ 0.00	$ 0.00	$ 143,059.00
c. Travel	$ 0.00	$ 0.00	$ 0.00	$ 0.00	$ 27,720.00
d. Equipment	$ 0.00	$ 0.00	$ 0.00	$ 0.00	$ 0.00
e. Supplies	$ 0.00	$ 0.00	$ 0.00	$ 0.00	$ 5,001.00
f. Contract	$ 4,723,071.00	$ 833,483.00	$ 123,963.00	$ 20,000.00	$ 7,117,654.00
g. Construction	$ 0.00	$ 0.00	$ 0.00	$ 0.00	$ 0.00
h. Other Direct Costs	$ 0.00	$ 0.00	$ 0.00	$ 0.00	$ 17,250.00
i. Total Direct Charges	$ 4,723,071.00	$ 833,483.00	$ 123,963.00	$ 20,000.00	$ 7,721,774.00
j. Indirect Costs	$ 0.00	$ 0.00	$ 0.00	$ 0.00	$ 187,046.00
k. Totals	$ 4,723,071.00	$ 833,483.00	$ 123,963.00	$ 20,000.00	$ 7,908,820.00
7. Program Income	$ 0.00	$ 0.00	$ 0.00	$ 0.00	$ 0.00

OMB Control No: 1910-5127
Expiration Date: 05/31/2023

U.S. Department of Energy

WEATHERIZATION ASSISTANCE PROGRAM (WAP)

WEATHERIZATION ANNUAL FILE WORKSHEET

(Grant Number: EE0009933, State: TX, Program Year: 2022)

IV.1 Subgrantees

Subgrantee (City)	Planned Funds/Units
Alamo Area Council of Governments (San Antonio)	$582,841.00 70
BakerRipley (Houston)	$866,482.00 108
Brazos Valley Community Action Program (College Station)	$234,818.00 26
Combined Community Action, Inc. (Giddings)	$160,544.00 16
Community Action Committee of Victoria Texas (Victoria)	$214,245.00 23
Community Action Corporation of South Texas (Alice)	$777,649.00 96
Community Council of South Central Texas, Inc (Seguin)	$234,461.00 26
Concho Valley Community Action Agency (San Angelo)	$136,955.00 13
Dallas County Health & Human Services (Dallas)	$563,174.00 68
Economic Opportunities Advancement Corporation (Waco)	$202,958.00 22
El Paso Community Action Program, Project Bravo (El Paso)	$314,932.00 36
Fort Worth, City of (Fort Worth)	$337,090.00 39
Greater East Texas Community Action Program (Nacogdoches)	$648,056.00 79
Hill Country Community Action Association, Inc. (San Saba)	$194,141.00 20
Nueces County Community Action Agency (Corpus Christi)	$124,829.00 12
Panhandle Community Services (Amarillo)	$197,397.00 21
Rolling Plains Management Corporation (Crowell)	$297,030.00 33
South Plains Community Action Association, Inc. (Levelland)	$180,782.00 19
Texoma Council of Governments (Sherman)	$388,208.00 44
Travis County Health and Human Services and Veterans Services (Austin)	$215,562.00 23
West Texas Opportunities (Lamesa)	$195,500.00 21
Total:	**$7,067,654.00** **815**

IV.2 WAP Production Schedule

Planned units by quarter or category are no longer required, no information required for persons.

U.S. Department of Energy

WEATHERIZATION ASSISTANCE PROGRAM (WAP)

WEATHERIZATION ANNUAL FILE WORKSHEET

(Grant Number: EE0009933, State: TX, Program Year: 2022)

Weatherization Plans	Units
Total Units (excluding reweatherized)	815 815
Reweatherized Units	0 0

Average Unit Costs, Units subject to DOE Project Rules

VEHICLE & EQUIPMENT AVERAGE COST PER DWELLING UNIT (DOE RULES)

A Total Vehicles & Equipment ($5,000 or more) Budget	$0.00
B Total Units Weatherized	815
C Total Units Reweatherized	0
D Total Dwelling Units to be Weatherized and Reweatherized (B + C)	815
E Average Vehicles & Equipment Acquisition Cost per Unit (A divided by D)	$0.00

AVERAGE COST PER DWELLING UNIT (DOE RULES)

F Total Funds for Program Operations	$4,723,071.00
G Total Dwelling Units to be Weatherized and Reweatherized (from line D)	815
H Average Program Operations Costs per Unit (F divided by G)	$5,795.18
I Average Vehicles & Equipment Acquisition Cost per Unit (from line E)	$0.00
J Total Average Cost per Dwelling (H plus I)	$5,795.18

IV.3 Energy Savings

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

	Units	Savings Calculator (MBtus)	Energy Savings
This Year Estimate	815	29.3	23880
Prior Year Estimate	1269	29.3	37182
Prior Year Actual	222	29.3	6505

Method used to calculate savings description:

IV.4 DOE-Funded Leveraging Activities

N/A

IV.5 Policy Advisory Council Members

☐ Check if an existing state council or commision serves in this category and add name below

Combined Community Action Inc.	Type of organization: Non-profit (not a financial institution) Contact Name: Kelly Franke Phone: (979)540-2985 Email: KJFranke@ccaction.com
Greater East Texas Community Action Program	Type of organization: Non-profit (not a financial institution) Contact Name: Karen Swenson, Executive Director Phone: (936)564-2491 Email: kswenson@sbcglobal.net
Health and Human Services Commission	Type of organization: Unit of State Government Contact Name: Gina Carter Phone: 5124366627 Email: gina.carter@hhsc.state.tx.us
Ysleta Del Sur Pueblo-tigua Indian Reservation	Type of organization: Indian Tribe Contact Name: Albert Alvidrez Phone: 9158344925 Email: albert.alvidrez@tdhca.state.tx.us

U.S. Department of Energy

WEATHERIZATION ASSISTANCE PROGRAM (WAP)

WEATHERIZATION ANNUAL FILE WORKSHEET

(Grant Number: EE0009933, State: TX, Program Year: 2022)

IV.6 State Plan Hearings (Note: attach notes and transcripts to the SF-424)

Date Held	Newspapers that publicized the hearings and the dates the notice ran
03/10/2022	TDHCA Board of Directors authorizes release of draft State Plan for public comment.
03/14/2022	Draft State Plan and notice of public hearing posted on the TDHCA website; public listserv announcement sent announcing availability of draft State Plan and public hearing details.
03/25/2022	Announcement of public hearing for draft State Plan published in Texas Register. Public comment period for draft State Plan begins.
04/07/2022	Public Hearing Webinar for the DOE State Plan. Conducted virtually in accordance with DOE guidance as a result of the COVID19 pandemic.
04/18/2022	Comment period for the DOE State Plan ends at 5:00 pm (CST).
04/19/2022	WAPAC meeting regarding DOE State Plan.
05/03/2022	If no significant public comment is received, Final DOE State Plan and list of awardees submitted to DOE.
05/12/2022	If significant public comment is received, Final DOE State Plan and list of awardees will be presented at TDHCA Board of Directors meeting for approval and submitted to DOE thereafter. The meeting also serves as a Public Hearing.

IV.7 Miscellaneous

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Policy Advisory Council

The Weatherization Assistance Program Policy Advisory Council (PAC) currently has four slots and is representative of organizations and agencies and provides balance, background, and sensitivity with respect to solving the problems of low-income persons, including weatherization and energy conservation problems. The PAC meets annually at the end of the public hearing period to discuss the DOE plan and comments received.

Two of the slots, filled by the PAC members from Combined Community Action and the Greater East Texas Community Action Program, represent the low-income, elderly, and disabled population. The third slot, filled by the PAC member from the Health and Human Services Commission, represents the low-income, elderly and persons with disabilities. A fourth slot representing Native Americans is occupied by a member of the Ysleta Del Sur Pueblo-Tigua Indian Reservation.

Liability Insurance

The liability insurance separate line item includes pollution occurrence insurance in addition to the general liability insurance. Most regular liability insurance policies do not provide coverage for potential effects of many health and safety measures, such as lead disturbances and other pollution occurrence items. The Department strongly recommends the Subgrantees require their contractors to carry pollution occurrence insurance to avoid liability for any mistakes the contractors may make. Each Subgrantee should get a legal opinion regarding the best course to take for implementing the pollution occurrence insurance coverage.

U.S. Department of Energy

WEATHERIZATION ASSISTANCE PROGRAM (WAP)

STATE PLAN/MASTER FILE WORKSHEET

(Grant Number: EE0009933, State: TX, Program Year: 2022)

This worksheet should be completed as specified in Section III of the Weatherization Assistance Program Application Package.

V.1 Eligibility

V.1.1 Approach to Determining Client Eligibility

Provide a description of the definition of income used to determine eligibility

Eligibility for program assistance is determined under the Federal Poverty Income Guidelines and calculated as described in 10 TAC §6.4.

Describe what household eligibility basis will be used in the Program

During the application process, households will be screened for DOE Weatherization benefits and determined eligible if their income is at or below 200% of the Federal Poverty Income Guidelines. Categorical eligibility exists when at least one person in the household receives assistance payments under Title IV or XVI of the Social Security Act at any time during the 12-month period preceding the determination of eligibility. An applicant may also be categorically eligible if the applicant at the time of certification of eligibility is concurrently meeting the income requirements in a HUD means-tested program. Application eligibility expires 12 months from certification of eligibility date if work on dwelling unit has not been initiated.

Describe the process for ensuring qualified aliens are eligible for weatherization benefits

The Welfare Reform Act, officially referred to as the Personal Responsibility and Work Opportunity Act of 1996, H.R. 3734, placed specific restrictions on the eligibility of aliens for "Federal means-tested public benefits" for a period of five years. As defined in a Federal Register notice dated August 26, 1997 (62 FR 45256) the Department of Health and Human Services (HHS) is interpreting "Federal means-tested public benefits" to include only those benefits provided under Federal means-tested, mandatory spending programs. HHS Information Memorandum LIHEAP-IM-25 dated August 28, 1997, states that all qualified aliens, regardless of when they entered the U.S., continue to be eligible to receive assistance and services under the Low-Income Home Energy Assistance Program (LIHEAP) if they meet other program requirements.

To ensure program continuity between LIHEAP and DOE Weatherization for all Subgrantees operating both programs, the DOE Weatherization Assistance Program will follow the interpretation as adopted by HHS. The Department has provided training and will continue to provide training to those Subgrantees who have elected to use the SAVE system to verify legal status.

The DOE and LIHEAP WAP are in compliance with LIHEAP-IM-99-10, issued June 15, 1999, which states that weatherization in a multifamily building is not a covered activity for status verification.

V.1.2 Approach to Determining Building Eligibility

Procedures to determine that units weatherized have eligibility documentation

Dwelling Units that can be weatherized include a house, stationary mobile home, an apartment, a group of rooms, or a single room occupied as separate living quarters. For DOE WAP, a Household is an individual or group of individuals, excluding unborn children, who are living together as one economic unit in a Dwelling Unit. A Household whose total combined annual income is at or below 200% of the Federal Poverty Income guidelines, or a Household who is Categorically Eligible; is considered to be eligible. It is the subgrantee's responsibility to establish Dwelling Unit ownership through collected documentation at time of application and determine applicant income eligibility according to 10 TAC §6.4 (Income Determination) and 10 TAC §6.406 (Subrecipients Requirements for Establishing Priority for Eligible Households and Customer Eligibility).

For multifamily/shelter applications, it is a subgrantee requirement to apply the additional eligibility requirements for multifamily dwelling units and shelters according to 10 TAC §6.414 (Eligibility for Multifamily Dwelling Units and Shelter).

Subgrantees maintain a client file for each unit weatherized, including documented proof that the Dwelling Unit is an eligible Dwelling Unit as defined above. The Department verifies that subgrantees have taken the proper steps to ensure that weatherized units are eligible, and review the documentation during their annual monitoring reviews.

U.S. Department of Energy

WEATHERIZATION ASSISTANCE PROGRAM (WAP)

STATE PLAN/MASTER FILE WORKSHEET

(Grant Number: EE0009933, State: TX, Program Year: 2022)

Describe Reweatherization compliance

Texas permits reweatherization of a unit if 15 years have passed from the unit's previous weatherization completion date in accordance with the Consolidated Appropriations Act of 2021 below. Otherwise, a unit may only be re-weatherized if such dwelling unit has been damaged by fire, flood, or an act of God and repair of the damage to weatherization materials is not paid for by insurance, per 10 CFR §440.18(f)(2)(ii).

Language from the Consolidated Appropriations Act of 2021 (Page 3269):

AMENDING RE-WEATHERIZATION DATE.—Paragraph (2) of section 415(c) of the Energy Conservation and Production Act (42 U.S.C. 6865(c)) is amended to read as follows:

(2) Dwelling units weatherized (including dwelling units partially weatherized) under this part, or under other Federal programs (in this paragraph referred to as 'previous weatherization'), may not receive further financial assistance for weatherization under this part until the date that is 15 years after the date such previous weatherization was completed. This paragraph does not preclude dwelling units that have received previous weatherization from receiving assistance and services (including the provision of information and education to assist with energy management and evaluation of the effectiveness of installed weatherization materials) other than weatherization under this part or under other Federal programs, or from receiving non-Federal assistance for weatherization.''

Previously Weatherized Home Tracking Procedure

Previously weatherized homes and their completion dates are recorded and tracked in the TDHCA Community Affairs Contract System's Previously Weatherized Database by subgrantees and verified by TDHCA through monitoring.

Describe what structures are eligible for weatherization

10 TAC §6.2 and §6.403 includes the following definitions which describe structures eligible for weatherization:

Dwelling Unit--A house, including a stationary mobile home, an apartment, a group of rooms, or a single room occupied as separate living quarters. (This is the same as the definition for Dwelling Unit in 10 CFR §440.3 Definitions)

Multifamily Dwelling Unit--A structure containing more than one Dwelling Unit.

Rental Unit--A Dwelling Unit occupied by a person who pays rent for the use of the Dwelling Unit.

Shelter--A Dwelling Unit or Units whose principal purpose is to house on a temporary basis individuals who may or may not be related to one another and who are not living in nursing homes, prisons, or similar institutional care facilities.

Single Family Dwelling Unit--A structure containing no more than one Dwelling Unit.

Buildings with more than one Dwelling Unit under one roof must follow 10 TAC §6.414, Eligibility for Multifamily Dwelling Units and Shelters.

Describe how Rental Units/Multifamily Buildings will be addressed

In accordance with 10 CFR §440.22(b)(3), the Department requires that Subgrantees keep on file procedures that address protection of renters' rights, to ensure:

- Written permission of the building owner or his agent before commencing work.
- Cash/in-kind contribution from building owner when feasible.
- Benefits of the services accrued primarily to the low-income tenants residing in such units.
- For a reasonable period of time after completion, the household will not be subjected to rent increases (unless those increases are demonstrably related to other matters other than the weatherization work performed).
    - There are adequate procedures whereby the Grantee can receive tenant complaints and owners can appeal, should rental increases occur.
- No undue or excessive enhancement shall occur to the value of the Dwelling Unit.
- To secure the federal investment and to address issues of eviction from and sale of property, per 10 CFR §440.22(c), Grantees may seek landlord agreement to placement of a lien (or other contractual restrictions) upon the property being weatherized.

The Department will abide by 10 CFR §440.22, ensuring that not less than 66% of the eligible building units (50% for duplexes and four-unit buildings, and certain eligible types of large multifamily buildings) are dwelling units occupied by low-income households, or will become occupied by low-income households, within 180 days under a Federal, State or local government program for rehabilitating the building or making similar improvements. WPN 22-05 provides guidance on the review and verification required for Department of Housing and Urban Development (HUD). Assessments and client file documentation for rental units and multifamily units are also detailed in the Multifamily Weatherization Best Practice posted on the Department's website at:

https://www.tdhca.state.tx.us/community-affairs/wap/wap-best-practices.htm

In order to weatherize large multifamily buildings containing 25 or more dwelling units or those with shared central heating (e.g., boilers) and/or shared cooling plants (e.g., cooling tower that use water as the coolant) regardless of the number of dwelling units, Subgrantees must obtain prior written approval through the Department. When necessary, the Department will seek DOE approval.

Subgrantees must submit to the Department a request for approval to weatherize large multifamily buildings. Request for permission must include evidence of significant energy savings because of upgrades to equipment, energy systems, common space, or the building shell. A significant energy savings is defined as having an SIR of 1.0 or greater in the energy audit.

Describe the deferral Process

Deferral of a dwelling unit can occur when an otherwise eligible dwelling unit (e.g., income eligible) cannot receive weatherization services due to certain occupant issues or dwelling characteristics that are beyond the scope of the weatherization program. A Dwelling Unit shall not be weatherized when there is a potentially harmful situation that may adversely affect the occupants or the Subgrantee's weatherization crew and staff, or when a Dwelling Unit is found to have structural concerns that render the Dwelling Unit unable to benefit from weatherization. The Subgrantee must declare their intent to defer weatherization on an eligible unit on the assessment form. The assessment form must include the client's name and address, dates of the assessment, and the date on which the client was informed of the issue in writing. A written notice is required to be given to the client and must include a clear description of the issue(s) causing deferral, conditions under which weatherization could continue, the responsibility of all parties involved, any rights or options the client has (e.g., appeals process), and the process by which the client may re-apply upon requalification for weatherization. A copy of the notice must be signed by the Subgrantee and placed in the client application file while documenting the date it was sent/provided to the client. Only after the issue has been corrected to the satisfaction of the Subgrantee shall weatherization work begin. Subgrantees shall maintain a deferral tracking list which documents all deferrals and their status within the respective service area.

If structural concerns or health and safety issues identified (which would be exacerbated by any weatherization work performed) on an individual unit cannot be abated within program rules or within the allowable WAP limits, the unit exceeds the scope of this program.

Crewmembers or contractors who work on a unit that could or should be a deferral or walk-away do so at their own risk.

V.1.3 Definition of Children

Definition of children (below age): **19**

V.1.4 Approach to Tribal Organizations

☐ Recommend tribal organization(s) be treated as local applicant?

If YES, Recommendation. If NO, Statement that assistance to low-income tribe members and other low-income persons is equal.

The 70th Texas Legislature created the Native American Restitutionary Program (Oil Overcharge Restitutionary Act, Texas Government Code, Chapter 2305) for the purposes of providing oil overcharge restitution to Texas Native Americans. In the Texas WAP, the Native-American Indian population is treated and served in the same manner as other applicants.

V.2 Selection of Areas to Be Served

The Texas WAP is available to eligible low-income households in all 254 counties of the state. Subgrantees are held responsible for all intake, eligibility, and weatherization activities. If the Subgrantee's performance record is satisfactory according to both state and federal regulations, then the Department may offer to renew the contract if the Subgrantee so desires. The Department's award committee may decline to recommend an award or place conditions on an award based upon its previous participation review as outlined in 10 TAC §1.302.

New or additional DOE subgrantees for counties that become unserved by the DOE WAP will be selected according to DOE regulations found in 10 CFR§440.15 and 10 TAC §1.302. If the Department determines it is necessary to permanently reassign a service area to a new subgrantee, the subgrantee will be chosen in accordance with 10 CFR §440.15 and 10 TAC §1.411. A new or additional subgrantee is defined as a CAA or other public or nonprofit entity that is not currently operating a Department-funded Weatherization Assistance Program. All counties are served by 21 Subgrantees.

The Department may deobligate all or part of the funds provided under this contract as outlined in 10 TAC §6.405 and 10 TAC §1.411. A Subgrantee's failure to expend the funds provided under this State plan in a timely manner may also result in the Subgrantee's ineligibility to receive additional funding during the program year.

Formula Distribution
The Department updates the budget allocation proportion by county and Subgrantee based on poverty income, elderly poverty, median household income (from the most recent decennial U.S. Census data), and climate data (from the National Climatic Data Center, Climate Normals, 2010), as outlined in 10 TAC §6.404.

The Department allocates funds to Subgrantees by applying a formula based upon the DOE allocation for program year; or if the allocation amount is not known, based on an assumption of level funding from the previous program year. Once the allocation amount is known, the formula is re-run. The allocation formulas reflect the most recent decennial U.S. Census data. If any carryover funds are available, they will be distributed by allocation formula and used to increase the number of units to be weatherized. The Department will adjust guidance to reflect the adjusted average expenditure limit per unit for the program year.

The fund allocations for individual service areas are determined by a 5-factor distribution formula as outlined in 10 TAC §6.404:
(1) Number of non-elderly poverty households per county;
(2) Number of elderly poverty households per county;
(3) Median income variance per county;
(4) Inverse poverty household density ratio per county; and
(5) County Weather Factor (Heating/Cooling Degree days per county) as a portion of State County Weather.

V.3 Priorities

The Department will ensure by contract that its Subgrantees give priority to weatherizing dwellings owned or occupied by low-income persons who are particularly vulnerable such as the Elderly, Persons with Disabilities, Families with Young Children, Households with High Energy Burden, and Households with High Energy Consumption. Applicants from these groups must be placed at the top of a Subgrantee's waiting list. The Department ensures that Subgrantees give proper attention to these requirements through monitoring/evaluation of the Subgrantee.

V.4 Climatic Conditions

The climatic conditions for the State of Texas are imbedded in the algorithms of the Weatherization Assistant (WA 8.9) energy audit software developed by the Oak Ridge National Laboratory for the Department of Energy. As part of the energy audit modeling, the Department requires the Subgrantee network to select the nearest weather station to the dwelling units. The Weather files imbedded in the WA 8.9 contains 30 year data of Heating and Cooling degree days for each weather station.

As described in the report prepared by the Pacific Northwest National Laboratory for the Department of Energy, the state of Texas has several IECC climate zones. https://www.energy.gov/sites/prod/files/2015/10/f27/ba_climate_region_guide_7.3.pdf

These climate zones are used as an aid in helping Subgrantees to identify the appropriate climate designation for the counties in which they are providing WAP services. In addition to prescribing appropriate mechanical equipment (example of climate specific measures would be evaporative cooling which may be prescribed in the Hot Dry climate of Texas and not in the Mixed Humid part of Texas) the IRC prescriptive thermal envelope of measures are different. The climate zones found in Texas are as follows:

1. Hot-Humid

A hot-humid climate is defined as a region that receives more than 20 inches (50 cm) of annual precipitation and where one or both of the following occur:

- A 67°F (19.5°C) or higher wet bulb temperature for 3,000 or more hours during the warmest six consecutive months of the year; or
- A 73°F (23°C) or higher wet bulb temperature for 1,500 or more hours during the warmest six consecutive months of the year.

IRC Prescriptive Thermal Envelope Measures:

Zone 2A		Zone 3A
Ceiling	R 38	R38
Windows	U 0.40	U 0.35
Walls	R13	R13 + 5
Floors	R13	R19
SHGC	0.25	0.25

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2. Hot-Dry

A hot-dry climate is defined as a region that receives less than 20 inches (50 cm) of annual precipitation and where the monthly average outdoor temperature remains above 45°F (7°C) throughout the year.

IRC Prescriptive Thermal Envelope Measures:

Zone 3B	
Ceiling	R38
Windows	U 0.35
Walls	R13 + 5
Floors	R19
SHGC	0.25

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3. Mixed-Humid

A mixed-humid climate is defined as a region that receives more than 20 inches (50 cm) of annual precipitation, has approximately 5,400 heating degree days (65°F basis) or fewer, and where the average monthly outdoor temperature drops below 45°F (7°C) during the winter months.

IRC Prescriptive Thermal Envelope Measures:

Zone 3A	
Ceiling	R38
Windows	U 0.35
Walls	R13 + 5
Floors	R19
SHGC	0.25

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4. Mixed-Dry

A mixed-dry climate is defined as a region that receives less than 20 inches (50 cm) of annual precipitation, has approximately 5,400 heating degree days (50°F basis) or less, and where the average monthly outdoor temperature drops below 45°F (7°C) during the winter months.

IRC Prescriptive Thermal Envelope Measures:

Zone 4

Ceiling	R49
Windows	U 0.35
Walls	R13 + 5
Floors	R19
SHGC	0.40

In addition to the 2015 IRC adopted by the State of Texas, several individual cities have adopted amendments to the code. The adoption and amendments to the 2015 IRC impact the WA 8.9 energy audits in that cities are required to evaluate user defined measures to meet the codes adopted by each individual city.

V.5 Type of Weatherization Work to Be Done

V.5.1 Technical Guides and Materials

Technical Guides and Materials
All technical guides (for all single family, mobile home, and multifamily buildings) and materials meet the specifications, objectives and desired outcomes outlined in the Standard Work Specifications (SWS). Provided below is an electronic link to all the current, DOE approved field guides and/or standards for single family, mobile homes, and multifamily buildings as well as all other relevant program guidance materials. These materials are available to all Subgrantees and contractors at any time.

https://www.tdhca.state.tx.us/community-affairs/wap/guidance.htm

Further, the Department has several Weatherization Best Practices posted at: https://www.tdhca.state.tx.us/community-affairs/wap/wap-best-practices.htm

Best practices are developed based upon repeat questions that require more clarity than an FAQ. These have proved highly effective in multiple ways: increased compliance, better understanding on how to assess and proceed, increased consistency across the Network, and reduction in calls for same issues. They often have multiple references and are based upon sound building science principles.

Materials and Work Standards

Subgrantee will include the substance of this section in all subcontracts.

A. Subrecipient shall weatherize eligible dwelling units using only weatherization materials which meet or exceed the standards prescribed by DOE in Appendix A of 10 CFR Part 440, Standard Work Specifications (SWS), and added approved materials noted in WPN 19-4.

B. All weatherization measures installed shall meet or exceed the standards prescribed by DOE in WPN 22-4 regarding Standard Work Specifications, as detailed in the Department's Standard Work Specifications. All Subgrantee agreements and vendor contracts contain language which clearly documents the SWS specifications for work quality outlined in WPN 22-4, Section 2. A signed contract shall confirm that the organization understands and agrees to these expectations.

C. All weatherization work must be performed in accordance to the DOE approved energy audit procedures, 10 CFR Part 440 Appendix A, SWS, State of Texas adopted International Residential Code (or that of jurisdictions authorized by State law to adopt later editions).

Field guide types approval dates

Single-Family:	6/15/2018
Manufactured Housing:	6/15/2018
Multi-Family:	

V.5.2 Energy Audit Procedures

Audit Procedures and Dates Most Recently Approved by DOE

Audit Procedure: Single-Family

Audit Name: Other (specify)

NEAT: On October 20, 2020, DOE approved June 2, 2021 to June 2, 2026.

Approval Date:

Audit Procedure: Manufactured Housing

Audit Name: Other (specify)

MHEA: On October 20, 2020, DOE approved June 2, 2021 to June 2, 2026.

Approval Date:

Audit Procedure: Multi-Family

Audit Name: Other (specify)

NEAT: 5-24 individually heated and cooled units - DOE approved June 2, 2016, and June 2, 2021, to June 2, 2026. For Multifamily buildings of 25 units or more the Department will seek DOE approval prior to the installation of any weatherization measures.

Approval Date:

Comments

On October 20, 2020, TDHCA received DOE approval for the State of Texas Energy Audit Procedures (i.e., the National Energy Audit Tool (NEAT) and Manufactured Home Energy Audit (MHEA) for Site-Built Single Family, Manufactured, and Small Multifamily Housing for the WAP, effective June 2, 2021 and expiring June 2, 2026. Additionally, TDHCA received approval to utilize Refrigerators and General Heat Waste Measures (i.e., Low Faucet aerators (1.0 gpm or less) and Furnace/Air Conditioner Filters) which were not listed in 10 CFR 440 Appendix A. TDHCA had already received approval on July 1, 2016 to utilize LEDs which were not listed in 10 CFR 440 Appendix A.

To comply with the requirement outlined in WPN 19-4 (Section 2), once the updated version of the NEAT and MHEA audit tool (version 10) is migrated to the web and approved for use by DOE, TDHCA will transition fully to the online version (v10).

V.5.3 Final Inspection

The Department has provided Subgrantees with sufficient T&TA funding to obtain and/or maintain required QCI and MF-QCI certifications by an IREC certified training provider. The Department tracks Subgrantee compliance with unit inspection requirements of WPN 22-4.

The Department has five certified QCI staff who maintain their certifications. The Department annually requires all Subgrantees to report the following for determining the number of units that the Department will inspect for compliance at each agency:

Option 1 (at minimum 5% compliance final inspection required): The Subgrantee will NOT allow the QCI staff member (or third party QCI) who conducts the Final Inspection on any DOE funded/reported unit to perform any other aspect(s) associated with that same unit. E.g., Initial Assessment, NEAT Audit, Work Order, etc.

Option 2 (10% compliance final inspection required): The Subgrantee will have a QCI staff member conduct the Final Inspection on every DOE funded/reported unit AND will also perform other aspect(s) associated with that same unit. E.g., Initial Assessment, NEAT Audit, Work Order, etc.

NOTE: As scheduling permits, compliance will conduct 10% final inspections on completed units for Option 1 as well.

TDHCA survey's the WAP network annually to determine which option is appropriate for each Subgrantee while developing the monitoring schedule. Prior to conducting an onsite monitoring, the option will be verified to ensure an adequate number of units are inspected.

All units are inspected by a certified QCI. In addition to final inspections, a completed QCI Final Inspection Certification Form is required. The form can be found at: https://www.tdhca.state.tx.us/community-affairs/wap/guidance.htm.

Subgrantees are required to follow work standards as per the SWS guidelines. This requirement is within Subgrantee contracts, and the SWS guide is posted on the Department's WAP Program Guidance Webpage at https://www.tdhca.state.tx.us/community-affairs/wap/guidance.htm

All units are required to be in compliance with DOE/SWS guidelines and successfully pass a local QCI inspection. If a local QCI fails to adequately inspect a unit to meet the most recent DOE/SWS guidelines, the Subgrantee would be out of compliance and reported to the TDHCA Compliance Department for the appropriate action. Any unit that fails to be brought into compliance with current DOE/SWS requirements and/or successfully pass a QCI inspection will require TDHCA to disallow the unit and associated costs. A report will be generated issuing the Subgrantee a finding(s) for the reason(s) of the disallowed cost. In severe or repetitive cases the local QCI will be reported to the certifying agency for further action. In less severe or isolated cases the local QCI would be provided individualized T&TA or a referral to the appropriate Comprehensive training provider.

V.6 Weatherization Analysis of Effectiveness

Pursuant to 10 TAC, Chapter 1, Subchapter C, §1.302, a review of a Subgrantee's compliance history in Department programs must be approved by the Department's Executive Award and Review Advisory Committee (EARAC) and provided to the Department's Board of Directors in order that the Board may consider the compliance history and make and document its award decisions with full knowledge of these matters. Prior to the award of DOE funds to any

Subgrantee, EARAC reviews:

1. Deficiencies, Findings and Concerns identified during the last three years;

2. Any changes in debarment status;

3. Complaint history of the applicant; and

4. If the Subgrantee is subject to the requirement of an annual single audit: Single Audit status, any findings noted in the Single Audit, and the recommendation of the Single Audit Committee.

The Compliance Division submits the results of the information noted above to EARAC. If EARAC finds that a Subgrantee has outstanding monitoring or Single Audit issues, their WAP award may be subject to conditions intended to avoid future noncompliance, and limit disallowed costs.

Additionally and in a separate process, T&TA staff are copied on all monitoring reports and/or a staff meeting is held for monitors to debrief T&TA staff after each visit. In those meetings, monitoring staff relay issues found related to the Subgrantee as well as overall trends identified. Following the monitoring report, T&TA staff provide an initial email to the Subgrantee to provide resources for identified issues. T&TA staff applies this debrief information when determining the needs for agency wide specific T&TA and to plan the training curriculum. When circumstances warrant due to a high amount or degree of monitoring findings and concerns related to energy audit procedures, focused and intensive T&TA from a Weatherization Trainer will take place.

Further, Subgrantee performance is reviewed periodically and at the end of the program year. The Department tracks subgrantee performance over time by reviewing their monthly production and expenditure reports. Subgrantees are required to submit a Production Report on the 15th of each month. If staff determines that a benchmark is missed or a Subgrantee is falling behind on expenditure and/or production, a letter is issued from the Department and the subgrantee is required to submit a written Mitigation Action Plan according to 10 TAC §6.405.

Additionally, based upon monthly submitted production and expenditure reports, individualized TA is provided to ensure full expenditure and an adequate rate of production. T&TA staff analyze the reports submitted by subgrantees and provide T&TA when necessary. Such T&TA may include a course on production oriented management, proper reporting, procurement, and/or other relevant topics.

Analysis of reports includes the following:

- Number of homes completed;
- Number of applications pending;
- Number of homes in progress;
- Contract amount;
- Total funds expended;
- Balance of funds; and
- Special comments

The Department enforces the Deobligation/Reobligation of Awarded Funds rule as laid out in 10 TAC §6.405. While the Department's performance review process has not achieved full expenditure of funds each Program Year (e.g., PY 2017 due to Hurricane Harvey), the Department continuously assesses its processes and researches potential modifications in order to improve. For example, as mentioned previously, the Department oversees the performance and expenditure report and production schedule process and provides technical assistance to individual subgrantees who are on a pathway to nonexpenditure of the full amount of their allocation.

U.S. Department of Energy

WEATHERIZATION ASSISTANCE PROGRAM (WAP)

STATE PLAN/MASTER FILE WORKSHEET

(Grant Number: EE0009933, State: TX, Program Year: 2022)

V.7 Health and Safety

Attached to SF-424

V.8 Program Management

V.8.1 Overview and Organization

The Department is the state's lead agency responsible for affordable housing and community assistance programs. The Department annually administers funds derived from mortgage revenue bond financing and refinancing, federal grants, and federal tax credits.

In 1991, the 72nd Texas Legislature created the Department. The Department's enabling legislation combined programs from the Texas Housing Agency, the Community Development Block Grant Program from the Texas Department of Commerce, and the Texas Department of Community Affairs.

On September 1, 1992, two programs were transferred to the Department from the Texas Department of Human Services: the Low Income Home Energy Assistance Program and the Emergency Nutrition and Temporary Emergency Relief Program. Effective September 1, 1995, in accordance with House Bill 785, regulation of manufactured housing was transferred to the Department. In accordance with House Bill 7, effective September 1, 2002, the Community Development Block Grant and Local Government Services Programs were transferred to the newly created Office of Rural Community Affairs. Effective September 1, 2002, in accordance with Senate Bill 322, the Manufactured Housing Division became an independent entity administratively attached to TDHCA. As a state agency, the Department is under the authority of the Governor of the State of Texas.

The Department's services are offered through three program categories: Single Family Programs, Multifamily Finance Production, and Community Affairs, which administers the WAP.

Prior to PY 22, the Department only subcontracted with a network of Subgrantees that provide WAP services. The network is comprised of community action agencies (CAAs), regional Councils of Government (COGs), and organizations in the other public or private nonprofit entity category. To prepare for the increased WAP funding from the Infrastructure Investment and Jobs Act signed into law on November 15, 2021, the Department may procure a statewide or regional WAP provider(s) to support the Department and the network in providing weatherization assistance throughout all 254 counties in Texas. In addition, the statewide or regional WAP provider(s) can be allocated direct funding, or any voluntarily relinquished or deobligated WAP funds from Subgrantees' annual allocations to ensure full utilization of WAP funds thereby reducing carryover and/or return of funds.

All network Subgrantees are provided a draft copy of the yearly weatherization state plan and a notice of the state public hearing. The public and all Subgrantees are invited and encouraged to participate in the public comment process.

Historically, the regular weatherization program year ran from April through March. Starting PY 2015, the weatherization program year has run from July through June.

The Department will continue to administer the program through Subgrantees in accordance with 10 CFR §440.15 provisions and State regulations. If existing Subgrantees are successfully administering the Program, the Department will offer to renew the contract if the Subgrantee so desires and if grant funds are available. When the Department determines that an organization is not administering the program satisfactorily, it may take the following action:

- Correction of the problem(s) with training or technical assistance;
- Reassignment of the service area (or service area portion) to another existing Subgrantee; or,
- Solicitation or selection of a new or additional Subgrantee in accordance with 10 CFR §440.15 provisions.

A new or additional Subgrantee is defined as a CAA or other public or nonprofit entity that is not currently operating a DOE Weatherization Assistance Program.

Consolidation/downsizing: Any downsizing will occur through normal attrition through a Subgrantee's determination that it can no longer administer the program efficiently/effectively, or through the Department's determination that a Subgrantee can no longer administer the program efficiently/effectively.

Reassignment of service areas for just cause: In the event that a service area can no longer be served by a Subgrantee, the Department reserves the right to reassign service areas. If it appears necessary to permanently reassign the service area, a new Subgrantee may be chosen in an open, competitive solicitation process in accordance with 10 CFR §440.15.

V.8.2 Administrative Expenditure Limits

The Department may keep up to 7.5% of its grant funds for state administration. An additional 7.5% will be distributed for local WAP field operations under contract. Contract funds are intended for local administration, liability insurance coverage, local fiscal audit, materials, labor, program support and health and safety measures. To help ensure that Subgrantees comply with the full and proper use of all the contract funds, written definitions are provided to Subgrantees on budget categories as deemed necessary. The Department has elected to provide the maximum allowable funds for Subgrantee administration to Subgrantees receiving less than $350,000, so it has not included procedures for deciding which Subgrantees will receive additional funds. This decision is based on the following factors:

- Subgrantees often have to rely on other programs for WAP outreach and other administrative support;
- Subgrantees have had to adjust budgeting to keep pace with cost-of-living increases -- staff salaries, fringe benefits, rent, postage, travel, etc.;
- The State of Texas is 877 miles from Northern to Southern tips, 834 miles from Eastern to Western tips, and is comprised of a total of 266,807 square miles. The extra geography that Subgrantees have to cover to serve all the area's clients equitably requires additional staff, staff time, postage and phone costs, and vehicle wear and maintenance. (Source of Mileage Data: Texas Department of Transportation);
- Salaries, space, utilities, telephone, and similar costs associated with program support personnel should be charged to program support; and
- The increasing cost of maintaining appropriate qualified staff is challenging.

For Subgrantees receiving over $350,000, the administrative allowance will be at least 7.5% of each subgrant. For Subgrantees receiving less than $350,000, the administrative allowance may be increased up to an additional 5% for each subgrant.

V.8.3 Monitoring Activities

The Department will monitor the Weatherization Assistance Program (WAP) with the Monitoring staff included in the budget. Subgrantee is defined as an organization with whom the Department contracts and provides WAP funds, including a statewide or regional WAP provider(s). Names and credentials of Department staff dedicated to monitoring DOE activities are:

- Robert Moore – 11+ years of weatherization experience including as a Texas WAP Subgrantee, BPI QCI, BPI Building Analyst Professional, BPI EA, Lead certified, OSHA 30 and attended DOE sponsored conferences.
- Ben Rose – 7+ years of weatherization experience including as a Texas WAP Subgrantee, BPI QCI, BPI EA, BPI Building Analyst Professional, and Lead certified.
- Open Position - Posted 12/21/2021 - Open until filled.

All staff listed above conduct fiscal/administrative and inspection monitoring activities and are paid for out of the T&TA (40%) budget category.

Compliance Subrecipient Monitoring is staffed with 10 additional monitors not dedicated to weatherization. All of these qualified monitors may be tasked with fiscal and programmatic activities through funds provided by this State plan.

The Department will attempt to monitor each of the DOE Subgrantees during the contract period which will be July 1, 2022 through June 30, 2023. Many of the DOE Subgrantees also receive funds through the Department of Health and Human Services Community Service Block Grant, Low Income Home Energy Assistance Program, Housing and Urban Development HOME Program and Housing and Urban Development Emergency Solutions Grant Program. Whenever possible, all programs that are funded by the Department will be monitored during one visit to the Subgrantee; this may result in a monitoring outside of the regular DOE contract period.

(See attached PY2022 Tentative Monitoring Schedule)

The Department understands DOE's expectation and will conduct at least one on-site visit annually to each Subrecipient for technical and fiscal/administrative monitoring.

Financial and Administrative monitoring will include, at minimum, a review of the Subgrantee’s General Ledgers and policies and procedures (including procurement) as well as support documentation for reported expenditures. These documents will be reviewed to ensure compliance with DOE, Department and other applicable rules and regulations. The Department will monitor for eligibility through sampled client file reviews. Through sampled unit inspections, Department staff will monitor for installed measures that are allowable and meet or exceed DOE requirements. The Department will review whether charged measures were installed properly and determine compliance with health and safety procedures, client eligibility, energy audit procedures, client education procedures and compliance with the SWS.

The Department will inspect 5-10% of all completed weatherized units. In order to achieve the 5-10% inspection rate and comply with the requirements of WPN 15-4, the Department is requesting that Subgrantees with a QCI on staff do not have that staff member involved with the weatherized unit prior to final inspection. The Department defines prior involvement as performing the audit, creating the work order or performing any weatherization work on the weatherized unit. The Department has created a QCI Final Inspection Form for Subgrantees which will allow TDHCA to determine if a QCI employed by the Subgrantee had prior involvement with that unit. The Department will review each sampled QCI final inspection document to ensure compliance with the requirement to inspect 5% and will increase the required inspections if necessary.

The Department recognizes that there may be a need to perform additional unit inspections towards the end of the contract period to comply with the requirements of WPN 22-4 if there were not enough units available to sample during the full monitoring review.

More frequent monitoring visits (Fiscal/Administrative and/or Technical) may be conducted for Subgrantees with significant identified risk.

Monitors will complete evaluation instruments to determine a Subgrantee’s compliance. The instruments cover Financial and Administrative requirements, health and safety procedures, client eligibility, energy audit procedures, client education procedures, and compliance with the SWS. Compliance Monitors also review the hard copy of the NEAT or MHEA audit which is required to be in the client file to assure that the scope of the work was directed by the audit. Monitors scan documents as support if findings are noted.

The following list provides additional monitoring details that may occur during the monitoring review:

- Monitors may request copies of fiscal records/support documentation and perform a desk review to gauge the fiscal condition of the Subgrantee prior to onsite monitoring.
- As needed, monitors may perform a desk review of records requested but not provided during the onsite review and records requested to clarify issues identified during the onsite monitoring visit. The Department recognizes the requirement to issue the monitoring letter within 30 days of the review. The Department does not consider the review complete until receipt of information needed to ascertain compliance. Monitoring letters will be issued within 30 days of receipt of all necessary information.
- Monitors may test that weatherization activities including but not limited to: energy audits, energy conservation measures, incidental repair measures and health and safety measures are only performed by properly trained Retrofit Installer/Technicians, Crew Leaders, and Energy Auditors that have received comprehensive training (not necessarily certification) that is aligned with DOE's Job Task Analysis for the position in which the weatherization worker is employed.

The Department will issue monitoring reports within 30 days of completion of the review. Subgrantees are provided a 30 day corrective action period to respond and provide evidence of correction. On a case by case basis, the Department may grant an extension to respond to the report if there is good cause and the request is made during the corrective action period. The Department will review each response and determine if the Subgrantee has resolved the compliance issue. If the Department determines the issue is not resolved, the Subgrantee will be notified and required to submit an additional response(s) until the compliance issue is resolved. In certain circumstances, the Department may “close” a compliance issue when there remains no additional actions that can be taken to resolve the issue. At the conclusion of this process, any unresolved compliance issues will be reported to DOE, as will any noncompliance that appears in two consecutive monitoring reports. Instances of suspected fraud, waste, or program abuse will be reported immediately to DOE and the Texas State Auditors Office.

The Department will review the annual Single Audits of each Subgrantee agency. The Department requires each Subgrantee to complete an Audit Certification form within 60 days of the end of the entity’s fiscal year. This is used to determine if a Single Audit is required. All single audits must be uploaded to the Federal Clearinghouse within nine months of the Subgrantee's fiscal year end or within 30 days of completion. Upon receipt of the Single Audit, a review is completed to determine if the packet submitted is complete and all opinions are provided. If the audit contains findings for Department issued funds, they are reviewed and discussed by the Director of Internal Audit, the Director of Subrecipient Monitoring, the Director for Community Affairs and staff to determine the appropriate steps to ensure the entity addresses the concerns identified in the audit report or management letter. The Department issues correspondence to the entity, identifying what the entity must address, what support documentation is needed and the corrective action measures that must be performed. The entity is provided a time frame to complete the corrective action and to respond to the correspondence.

The Department’s Compliance Monitor(s) keep abreast of the required timeframe for the entity to complete the corrective action and to provide the response. When the response is received, the Department reviews the documentation to determine if the corrective action requirements have been met and whether or not to refer the matter to the Department’s Enforcement Committee in accordance with Department rules and standard operating procedures. During the next monitoring visit to the entity, the Department will determine if the selection of expenditures or materials reviewed reflect compliance with the respective requirement.

If it is determined that the Subgrantee is not able to administer the weatherization program, the Department will follow the requirements in 10 TAC §2.202 Contract Closeout.

Virtual Monitoring Overview

In light of the continued health concerns surrounding Coronavirus (COVID-19) and to promote the safety of our citizens, the Department developed a virtual monitoring inspection plan and received approval from DOE to move forward with virtual inspections according to the virtual monitoring inspection plan. The Department will conduct inspections virtually until such time that restrictions are lifted and the safety of our citizens is assured.

Virtual (video) monitoring inspections, being similar to on-site inspections, will be performed to minimize contact and exposure. This type of monitoring encompasses current comprehensive desk review procedures of all digitized client file documentation from intake to the final Subgrantee inspection as well as review of fiscal support documentation. During the desk review continued focus will include eligibility, complete whole house assessment leading to audit measures and needed health and safety measures. Any issue(s) identified will be noted on monitoring report for further follow-up and verification during the remote virtual (video) inspection.

Identified discrepancies, serious and/or questionable health and safety concerns will trigger intensified corrective action or possible onsite examination and confirmation.

Virtual Unit Inspection Technical Monitoring Procedures

Continue utilizing Texas State Plan Monitoring Process inserting virtual unit inspections in lieu of onsite physical inspections.

1. TDHCA issues Subgrantee Technical Monitoring Review Notification Letter.

2. TDHCA communicates with Subgrantee selecting specific weatherized unit to be reviewed.

3. Subgrantee submits selected specific weatherized units client file documentation, final inspection pictures and video recording through TDHCA secure file transfer system.

4. Comprehensive client file desk review completed.

    a. Performed with evaluation instruments to determine a Subgrantee’s compliance, with all questions or concerns noted.

5. Virtual Unit Inspection Technical Monitoring

    a. Standard final Subgrantee QCI inspections to be completed and videoed

    b. Schedule virtual instruction training with each Subgrantee to ensure understanding of required photographic and video records of final inspection.

    c. Conducted by QCI certified TDHCA Staff for units completed and reported.

    d. Requires Subgrantee’s final inspection video recording, pictures and documentation.

    e. TDHCA Monitor reviews video for completion and SWS and IRC compliance.

        1. If video contains required inspection support, no additional visit is necessary.

        2. If video doesn’t adequately address all applicable QCI requirements, then TDHCA requests/schedules an additional Subgrantee visit as a final inspection, that would be interactive (smart phone face time, zoom, etc.) for measures testing missed in the original video.

    f. Video begins at the street view and continue around entire unit allowing clear observation of all exterior surfaces.

    g. Continued tour of the unit’s interior allowing survey of general condition.

        1. Close-up (zoomed) view of specific areas of work performed and compared against work scope, SWS, and Texas Administrative Code (TAC) standards.

    h. Subgrantee videos diagnostic testing set up, staff performing tests and final test results.

    i. Required items to be provided by Subgrantee:

- Blower Door
- CAZ Testing
- Zonals
- Exhaust Flow
- Pressure Pans
- Installed Measures

j. Compliance Monitor develops summary notes on testing processes and final test results based on Standard Work Specifications, DOE approved Field Guide, current Weatherization Program Notices, and Texas Administrative Code.

k. Subgrantee required to address any identified Health and Safety issues immediately with appropriate notice to the affected household and to the Department.

l. Subgrantee afforded the opportunity to address any additional non H&S identified issues prior to required monitoring review report release.

6. DEPARTMENT ISSUED MONITORING REPORT

a. The Department will issue monitoring reports within 30 days of completion of the review.

b. Subgrantees are provided a 30 day corrective action period to respond and provide evidence of correction.

c. The Department will review each response and determine if the Subgrantee has resolved the compliance issue.

d. If the Department determines the issue is not resolved, the Subgrantee will be notified and required to submit an additional response(s) within 30 days. Failure to resolve findings may result in disallowed costs.

V.8.4 Training and Technical Assistance Approach and Activities

TDHCA ensures all provided trainings are in compliance with the Quality Work Specification and provides Subgrantees with sufficient T&TA funding to:

- Obtain and/or maintain required certifications such as: QCI, MFQCI, Energy Auditor, Lead Safe Renovator, Lead Safe Worker, OSHA 10/30, etc.
- Receive Comprehensive training on a regular basis for occupation-specific training to train on curriculum aligned with the topics within the job task analyses (JTAs). All Comprehensive trainings are administered either by or in cooperation with IREC accredited facilities.
- Receive Specific training to address single-issue, short-term training to address technical skills/knowledge gaps, attend conference trainings, or attend trainings not aligned with a Home Energy Professional (HEP) job task analyses (JTAs). Specific trainings are conducted by Department training and technical staff or a Department approved designee with the exception of training conferences.

Training needs are determined and based upon the following:

- Individual Subgrantee Training Needs Assessments (TNA)
  - TDHCA implemented a new requirement that requires each Subgrantee to complete DOE's WAP T&TA Planning & Reporting Template to identify each Subgrantee's specific training needs. The initial report is required to be submitted within sixty (60) days of the contract execution and is reviewed by TDHCA training staff to ensure each Subgrantee is planning to receive training in needed areas. Throughout the contract terms TDHCA staff monitor for training expenditures to ensure Subgrantee is obtaining needed trainings. Upon the completion of the contract a final version is required to be submitted to document and support training assistance received.
- Grant Requirements or as directed by DOE monitor or audit reports.
- Subgrantee Request. The Department has an online request system, with a T&TA menu list, or section for the Subgrantee to make a specific request or ask specific questions. The Department will contact the requestor and customize training to meet the need. https://tdhca.wufoo.com/forms/requestforcaprogramassistance
  - In addition, submitted questions or requests are reviewed for creating Best Practices/FAQs or to identify topics for regional trainings, workshops, webinars or individualized training.
- Monitoring Reports. The Department's compliance team shares monitoring issues with the training team. The training team will initially provide resources and guides to address any findings, and follow up with T&TA as required.
- Subgrantee expenditure performance
  - TDHCA utilizes an online contract system to collect expenditure and performance data from Subgrantees and compares that data to a production

tool at minimum on the third, fifth, and seventh program reporting deadline as identified within 10 TAC §6.405.

- Trends across the Network are addressed in regional trainings, workshops, webinars or quarterly webinar calls with the network.
- Management Request. Management may make a specific request and dictate the type of training needed.
- Grantee identified needs
    - Two (2) key areas of a special focus for 2022 are as follows:
        - Quality work through initial assessments
        - Accurate Energy Audit Modeling

The Department has five certified EA/QCI staff who monitor and/or train weatherization Subgrantees on quality weatherization work, proper diagnostics, documentation, and compliance. The Department continues to provide T&TA to assist Subgrantees in preparing for and obtaining required certifications. The Department created an online Web page dedicated to Quality Work Plan requirements that contains guidance and resources. https://www.tdhca.state.tx.us/community-affairs/wap/quality-work-plan.htm

NOTE: New Mexico Energy Smart Academy sometimes partners with local Subgrantees to provide IREC certified courses in Texas including MFQCI and Energy Auditor

Comprehensive Training:

Comprehensive trainings are defined as occupation–specific trainings which is part of an overall curriculum aligned with the topics within the given JTA being trained and will be administered by or in cooperation with accredited IREC training providers credentialed for the JTA being taught. Additionally, required all certification testing will be conducted by BPI certified proctors.

The current focus for Comprehensive training will include the following:

- Ensuring all twenty one (21) Subgrantees have staff (or subcontractors as applicable) certified and trained in the profession in which the worker is employed.
    - Employment categories include: Energy Auditor (EA), Quality Control Inspector (QCI), Retrofit Installer (RI) and Crew Leader (CL).
    - As a prerequisite to BPI advanced certifications, TDHCA recommends successful training and completion of an appropriate BPI core certification on such as Building Analyst or Envelope Professional.
- Ensuring all twenty one (21) Subgrantees continue to receive Comprehensive training on a regular basis for occupation-specific topics within the perspective job task analyses (JTAs) the worker is employed.
- Ensuring all 21 Subgrantees receive Energy Audit Modeling or Assessment related training to address identified monitoring concerns.
    - To comply with the requirement outlined in WPN 194 (Section 2), once the updated version of the NEAT and MHEA audit tool (version 10) is migrated to the web and approved for use by DOE, TDHCA will plan the training approach and transition fully to the online version (v10).

In compliance with Section 2 of WPN 22-4, the Department will perform a training needs assessment (TNA) to ensure comprehensive training for each category listed above is planned for and that required certification are maintained as applicable. Whereas it is the responsibility of the Department to provide funds for training through or in conjunction with IREC training providers, it is the responsibility of the Subgrantee to ensure training is completed by staff and/or subcontractors. The Department will monitor Subgrantee training plan progress and track credentials. Weatherization staff that do not meet the requirements outlined within WPN 22-4 may not function unsupervised until training and/or certification requirements are met.

Specific Training:

Specific trainings are defined as training for single-issue, short-term training to address technical skills or knowledge gaps. Conference trainings and any training not aligned with a Home Energy Professional JTA are included in this category. Specific training will be provided by Department training and technical assistance staff or a designee with the exception of training conferences. With experience as Program Officers and Trainers, the staff has experience in Subgrantee monitoring, unit assessments, audits, materials installation, inspections, and the training and technical assistance that support each. The staff consists of:

- Chad Turner – 20+ years of WAP experience including as a Texas WAP Subgrantee, BPI QCI, MFQCI, BPI EA, BPI Building Analyst Professional, OSHA 30 and attended DOE sponsored conferences.
- Laura Saintey-10+ years experience in the construction industry and 9+ years experience in the WAP. QCI certified, OSHA 10, BPI Building Analyst Professional, and attended DOE sponsored conferences.
- Kevin Glienke – 11+ years in WAP as a monitor/trainer, BPI Building Analyst Professional, BPI QCI, MFQCI, BPI EA, and attended DOE sponsored conferences.
- Robert Moore – 12+ years of weatherization experience including as a Texas WAP Subgrantee, BPI QCI, BPI Building Analyst Professional, BPI EA, Lead certified, OSHA 30 and attended DOE sponsored conferences.
- Ben Rose – 8+ years of weatherization experience including as a Texas WAP Subgrantee, BPI QCI, BPI EA, BPI Building Analyst Professional, and Lead certified

The current focus for Specific trainings will include the following:

- New manager training
  - New manager training is required within three months of being hired and may be requested through the online training request system. Training includes a broad overview of the program history, applicable rules, reporting requirements, and available resources.
- Monitoring report based training
  - Another form of specific trainings are trainings that arise out of necessity due to monitoring issues. Subgrantees are monitored as described in V.8.3 Monitoring Activities of this Plan and results of those monitoring visits are shared with T&TA staff. Any issues as a result of a monitoring visit are analyzed by T&TA staff to determine how best to train the Subgrantee to resolve the issue(s).
  - While the majority of monitoring issues are addressed through the Comprehensive training approach, T&TA staff often provide short-term training to address technical skills or knowledge gaps through the Specific approach. Additionally T&TA staff help Subgrantees review their monitoring report to develop a training plan and to identify Comprehensive training(s) needs. After Comprehensive training(s) are performed a follow-up is performed by T&TA staff to ensure of training comprehension. If necessary T&TA staff provide one on one assistance to ensure the issue(s) are fully addressed/resolved.
- One-on-one technical assistance request for WAP Subgrantees.
  - T&TA staff are available daily to answer specific T&TA request, discuss/provide options for encountered scenarios, help locate applicable program guidance, etc.
  - Grantee/subgrantee knowledge and understanding of virtual platforms has increased capacity in this area tremendously.
- Quarterly Network Calls
  - Quarterly Network Webinar Call will cover topics based upon need and identified areas of concern. Topics typically include:
    - Program Requirements and Updates
    - Monitoring Concerns
    - Technical Issues
    - Health & Safety Concerns
    - Upcoming Training Dates
    - Resources
- WAP E-Newsletter
  - A WAP newsletter will be emailed to the network on an as needed basis (i.e., as information becomes available) to provide WAP related information to the network (e.g., program and technical requirements, updates, training opportunities).

For formal specific trainings requested by the subgrantee, a report will be produced indicating Subgrantee staff present, materials and documents presented to the Subgrantee, and expected outcomes.

Ramifications for Noncompliance with Training Requirements

Ramifications for noncompliance with Comprehensive training and/or Specific training can be awards that contain condition(s) which the noncompliant Subgrantee must comply with in order to receive funding. Conditions can be minor (e.g., submittal of a credential to the Department) or severe (e.g., closely supervised final QCIs by Department training staff to determine quality of weatherization measures installed).

Subgrantee Evaluation of Training Activities

Subgrantees will be given the opportunity to provide feedback through online training evaluations. These evaluations are reviewed to make improvements to future T&TA. Training staff will conduct periodic surveys to solicit input from Subgrantees and will evaluate pass rates for certification testing. In order to evaluate compliance with the Quality Work Specifications and the efficacy of its training activities, the training staff will review a Subgrantee's training activities semiannually and compare those to the Subgrantee's monitoring reports.

Client Education

The Department requires Subgrantees to provide client education to each client. Subgrantees are required to provide (at a minimum) educational materials in verbal and written format. Client education may include temperature strips that indicate the temperature in the room, energy savings materials, and instructions for equipment operation and/or maintenance.

Percent of overall trainings

Comprehensive Trainings:	34.0
Specific Trainings:	66.0

Breakdown of T&TA training budget

Percent of budget allocated to Auditor/QCI trainings:	15.0
Percent of budget allocated to Crew/Installer trainings:	15.0
Percent of budget allocated to Management/Financial trainings:	15.0

V.9 Energy Crisis and Disaster Plan

n/a

Weatherization Grantee Health and Safety (H&S) Plan- *Optional Template*

Texas Department of Housing and Community Affairs

1.0 – General Information

Additional information that does not fit neatly in one of the other sections of this document.

Allowable Department of Energy (DOE) related health and safety (H&S) actions and expenditures are those necessary to maintain the physical well-being of both the occupants and/or weatherization workers where:

- Costs are reasonable as determined by The Department of Energy (DOE) in accordance with this approved Plan;
- The actions must be taken to effectively perform weatherization; or
- The actions are necessary as a result of weatherization work.

This plan will provide guidance to the Texas Weatherization Network. Health and Safety issues will be identified by Program Assessors during the initial assessment. Weatherization Crews (either subcontracted or in house) will perform the task(s) identified in the initial assessment and listed in the work order(s). Weatherization agencies and their representatives, including subcontractors, are required to take all reasonable precautions against performing work on homes that will subject the occupants or themselves to health and/or safety risks.

This health and safety plan is taken from a DOE approved template. Much of the text in this template is DOE prescribed boilerplate language and may not always apply to activities described in TDHCA's DOE plan.

2.0 – Budgeting

Grantees are encouraged to budget H&S costs as a separate category and, thereby, exclude such costs from the Average Cost Per Unit (ACPU) cost limitation. This separate category also allows these costs to be isolated from energy efficiency costs in program evaluations. H&S costs that are budgeted and reported under the Program Operations category rather than the H&S category, the related H&S costs must be included in the calculation of the ACPU and cost-justified through the Grantee's Department of Energy (DOE)-approved energy audit tool.

Select which option used below.

Separate H&S Budget ☑	Contained in Program Operations ☐

3.0 – H&S Expenditure Limits

Pursuant to 10 CFR 440.16(h), Grantees must establish H&S expenditure limits for their Program and provide justification for those limits by explaining the basis and related historical H&S expenditures. DOE acknowledges that it may be necessary for Grantees to deviate from historical expenditures when certain circumstances arise (e.g., funding source changes).

10 CFR 440.16(h)(2) dictates that these limits must be expressed as a percentage of the ACPU. To calculate this percentage, use the following formula:

$$Total\ Average\ H\&S\ Cost\ per\ Unit = \frac{H\&S\ budget\ amount}{Program\ Operations\ budget\ amount}$$

For example, if the ACPU is $5,000 and a Grantee's Program expends an average of $750 per dwelling on energy-related H&S measures, the Total Average H&S Cost per Unit would equal 15 percent. DOE acknowledges that this percentage may vary significantly between Grantees due to different geographical areas and depending upon the availability of other funding sources, resource availability, etc. Low percentages should include a statement of what other funding supports H&S costs, while larger percentages will require greater justification and relevant historical support.

15 percent is not a maximum limit on H&S expenditures. DOE will conduct a secondary level of review on H&S Plans with a Grantee request of more than 15 percent of Program Operations used for H&S purposes. ***DOE strongly encourages using the table below in developing justification for the requested H&S budget amount.*** *In accordance with 10 CFR 440.18(d)(15), these funds are to be expended by the Program in direct weatherization activities, "of which is necessary before, or because of, installation of weatherization materials." This same section of the regulation excludes the H&S costs from the ACPU limitation if H&S costs are budgeted separately.*

DOE recommends reviewing recent budget requests and compare those to actual H&S expenditures to see if previous budget estimates have been accurate. The resulting Total Average H&S Cost per Unit multiplied by the Grantee's production estimate in the Annual File should correlate to the H&S budget amount listed in the Grantee's annual plan.

H&S expenditure limits and justification explaining the basis for setting the limits.

A thorough review of historical H&S expenditure data along with network provided feedback to aid in the completion of the H&S Measure Matrix is analyzed annually to determine the H&S expenditure limit requested.

Utilizing the spreadsheet embedded below, provide a full list of H&S measures using historical data from your program, including average cost, and frequency rate. If installing more than a single instance of one measure in a unit (e.g. multiple CO alarms), Grantees may aggregate costs so that frequency does not exceed 100%, or enter a justification into the measure column, which explains why that measure has a frequency rate of over 100%. The spreadsheet will auto calculate your expected Total Average H&S Cost per Unit.

Instructions: Double-click icon directly below to open, view and edit Measure Matrix Spreadsheet. Complete the spreadsheet by entering the required information. To save, close the spreadsheet and it will save to this document.

Measure Matrix
Final.xlsx

4.0 – Incidental Repair Measures

Any measures that could potentially be identified as H&S, but the Grantee chooses to instead identify and treat those measures as incidental repair measures (IRMs), must be implemented consistently throughout the Grantee's weatherization program. The measure must fit the regulatory definition of an IRM and be cost justified along with the associated energy conservation measure and/or package of measures. 10 CFR 440.3 defines Incidental Repairs as, "those repairs necessary for the effective performance or preservation of weatherization materials."

H&S measures identified and treated as IRMs within your Program.

N/A-TDHCA strives to limit IRMs and H&S measures when feasible in an effort to maintain program focus/intent of energy efficiency.

5.0 – Occupant Pre-Existing or Potential Health Conditions and Hazard Identification and Notification Form(s)

Grantees must develop a written policy that includes, at a minimum, the following documentation relating to H&S Plan implementation and maintain signed copies in each client file. Each notification must include the occupant(s) (and landlord if applicable) name and address, be signed and dated by the occupant (and landlord if applicable) indicating that they understand and have been informed of their rights and options and signed by the Subgrantee personnel collecting the information.
Required topics are:

- ***Occupant Pre-existing or Potential Health Condition Screening***
  - *Provides documentation that allows occupant(s) to self-report known or suspected health concerns as part of initial application for weatherization, during the energy audit, or other part of the weatherization process as specified. Must minimally contain the following:*
    - *Any known risks associated with the measures and materials being installed*
    - *Subgrantee point of contact information for occupant(s)*
    - *Date of screening*
- ***Hazard Identification Notification***
  - *Provides documentation that the occupant and landlord (if applicable), have been informed of any potential hazards identified during the energy audit or intake process. Must minimally contain the following:*
    - *Date(s) of the energy audit/assessment and when the occupant(s) (and landlord, if applicable) was informed of a potential H&S issue*
    - *A clear description of the problem, including any testing results*
    - *A statement indicating if, or when weatherization could continue*

Radon Informed Consent Form

- *Provides documentation that the occupant(s) (and landlord if applicable) have been informed of any potential hazards associated with radon in weatherized dwellings. The form must minimally contain the following:*
  - *An explanation on the potential small risk of increasing radon levels when building tightness is improved. This is based on the results of the Buildings Assessment of Radon Reduction Interventions with Energy retrofits Expansion Study (The BEX Study)*
  - *A list of precautionary measures WAP will install based on EPA Healthy Indoor Environment Protocols.*
  - *Some of the benefits of Weatherization including energy savings, energy cost savings, improved home comfort, and increased safety.*

Procedure for soliciting occupants' health and safety concerns related to components of their homes

A Health & Safety Questionnaire/ Checklist was developed by the Department to aid Subgrantees with screening occupants for known or suspected health concerns and to identify H&S concerns related to components of their homes. Obtained information must be taken into consideration when determining the units work scope to ensure occupant safety. The form must is located under Client and Field Assessment Forms on the Department Website:

- Health & Safety Client Questionnaire & Inspection Checklist

In addition to the Health & Safety Questionnaire/Checklist, TDHCA will update its Radon Informed Consent Form to align with DOE's template form to ensure clients are informed of any potential hazards associated with radon in weatherized dwellings.

Procedure for determining whether occupants suffer from health conditions which may be negatively impacted by the act of weatherizing their dwelling	
Subgrantee must discuss information obtained from the questionnaire with clients and identify potential measures being considered for installation to determine if any measures could have an effect on the occupant's health. Precautions taken to avoid client health and/or safety should be well documented in the client file.	
Procedure for addressing potential health concerns including pre-existing health conditions when they are identified	
Weatherization agencies and their representatives, including subcontractors, are required to take all reasonable precautions against performing work on homes that will subject the occupants or themselves to health and/or safety risks. In cases where an occupant's health is fragile, or an occupant has been identified to have a health condition, and/or the crew work activities would themselves constitute a health and/or safety hazard, the occupant(s) at risk shall be required to leave during the performance of the work activities. In cases where specific weatherization material(s) present an occupant health concern, crews/contractors may substitute a comparable alternative material that meets DOE specifications. If no safe alternative material meeting DOE standards is available, subgrantees should receive case by case guidance from Department training staff. Precautions taken to avoid client health and/or safety should be well documented in the client file.	
Location where forms have been uploaded/submitted	
Separate attachment to SF424 ☐	Separate attachment to H&S Plan ☐

6.0 – HEALTH AND SAFETY CATEGORIES

For each of the following H&S categories identified by DOE in the following tables, follow the directions below.

- Any section that is "Required" below must be explicitly detailed in the H&S Plan regardless of funding source used. If the Grantee checks the box for "Concurrence with DOE Guidance" the contents of the box may be left as it exists or reference the section/location within Grantee Policy and Procedure manual that contains language or insert Grantee specific language. If the "Alternative Guidance" box is checked, the Grantee must provide that alternative guidance in the box.
    - If a Grantee is proposing an alternative action/allowability for a "Required" item, the alternative requires comprehensive explanation of how it meets the intent of the DOE program notice.
    - If a "Required" item/category will not be addressed with any funding source and will always result in deferral, the H&S Plan must state that.
- Any section that is "Allowable" below must be detailed only if DOE WAP funds are used to implement the measures. If the Grantee uses DOE funds for any "Allowable" activities from the Table of Issues then they must be described here in detail, including defining "minor", "major", "limited", "case-by-case", and "at-risk" if the term is applied. If you only check the box "Allowed with Alternative Funds" then no additional information is required.
- Any section that is "Prohibited" below may not be addressed with DOE WAP H&S funds and does not need to be specifically addressed in the H&S Plan. The Grantee simply needs to check the "Concur with DOE guidance" box and indicate if the condition will result in deferral/referral.
- The Grantee H&S Plan may address additional H&S hazards specific to their program that are not included in the Table of Issues. If a Grantee chooses to include additional measures as DOE WAP funded H&S costs, the H&S Plan must include details pertaining to the measures allowed, testing required, and client education for these specific hazards.
- All required "Testing/Inspection" related items must be documented in the client file to verify completion and results.

6.1 – Air-Conditioning, Heating Systems, and Combustion Appliances		
Required Actions		
Concur with DOE Guidance ☑	Alternative Guidance ☐	Results in Deferral/Referral ☐
DOE WAP H&S Funds ☑	Alternative Funds ☐	

- Replace, repair, or install primary heating systems when existing primary heating systems are unsafe, inoperable, or nonexistent. No home may be left without a safe primary heating system after weatherization where climate conditions require heating (i.e., all climate zones except zone 1 as defined by ASHRAE). If unable to meet this requirement, deferral is required.
- No DOE-funded weatherization work is permitted if the completed dwelling unit will be heated with an unvented combustion space heater as the primary heat source. The primary heat source must be replaced with a vented unit prior to or by weatherization. The replacement unit must be sized to heat the entire dwelling unit.
- Unsafe secondary units, including space heaters, must be repaired, or removed and disposed of, or deferral is required. Secondary unvented space heaters are considered unsafe if they:
    - are not listed and labeled as meeting ANSI Z21.11.2;
    - have an input rating of more than 40,000 BTU/hour;
    - are in a bedroom and have an input rating of more than 10,000 BTU/hour;
    - are in a bathroom and have an input rating of more than 6,000 BTU/hour;
    - are operating in an unsafe manner (e.g., high carbon monoxide (CO) readings, too close to combustible materials, lack sufficient combustion air volume);
    - or are not permitted by the Authority Having Jurisdiction (AHJ).
- DOE WAP Grantees must comply with the Manufactured Home Construction and Safety Standards which mandates that:
    - All fuel-burning appliances in manufactured homes except: ranges, ovens, illuminating appliances, clothes dryers, solid fuel-burning fireplaces and solid fuel-burning stoves, must be installed to provide for the complete separation of the combustion system from the interior atmosphere of the manufactured home (i.e., to draw their combustion air from outside), and be vented to outside the dwelling.
    - All appliances installed by or left in place after weatherization in manufactured homes must meet these standards, including secondary heating sources. If an occupant will not allow the removal of an unsafe combustion appliance from the home, deferral is required.
    - Repair or replace combustion gas venting to ensure proper combustion gas venting to outside the dwelling for all combustion appliances, including but not limited to gas dryers and refrigerators, furnaces, vented space heaters, and water heaters.
- If weatherization installs an appliance that is vented into a masonry chimney, the chimney must be lined in compliance with the International Fuel Gas Code (IFGC) or local AHJ if more stringent.
- Install adequate combustion air for all combustion appliances left after weatherization.
- If permits are required for heating/cooling system work, they must be secured and are a program operation cost if the installation is an ECM or may be included in the H&S cost if installed as a H&S measure.
- If unsafe conditions relating to existing combustion appliances require remediation to safely perform weatherization and cannot be remedied by repair or tuning, replacement is an allowable H&S measure unless prevented by other guidance herein.
- Documentation justifying the replacement with a cost comparison between replacement and repair must be maintained in the client file.

<table>
<tr><th colspan="2">Allowable Actions</th></tr>
<tr><td>Allowed with DOE WAP H&S Funds ☑</td><td>Allowed with Alternative Funds ☐</td></tr>
<tr><td colspan="2">• Replace, repair, or install primary air conditioning in homes where current occupants meet Grantee’s definition of “at-risk”
o TDHCA’s defines an “at-risk” as a household containing at least one member that would meet the definition of Vulnerable Populations. Vulnerable Populations are elderly persons (60 or older), persons with a disability, and households with a child at or below the age of five.
• Repair or removal of primary and secondary solid fuel heating appliances.
• Replacement of unsafe primary solid fuel heating appliances.</td></tr>
<tr><th colspan="2">Prohibited Actions</th></tr>
<tr><td colspan="2">Concur with DOE Guidance ☑</td></tr>
<tr><td colspan="2">• Using DOE WAP H&S funds for replacement or installation of secondary heat sources is prohibited.</td></tr>
<tr><th colspan="2">Required Testing/Inspection</th></tr>
<tr><td>Concur with DOE Guidance ☑</td><td>Alternative Guidance ☐</td></tr>
<tr><td colspan="2">• Verify that primary heating systems are present, operable, and performing correctly.
• Conduct combustion appliance testing and visual inspection of all combustion appliances and their related venting.
• Depressurization and spillage testing is required for all Category 1 appliances pre- and post-weatherization and before leaving the home on any day when work has been done that could affect draft (e.g., air or duct sealing, adding exhaust ventilation).
• CO testing is required for all combustion appliances, regardless of venting type.
• Verify proper clearances for all combustion venting types
• Visually inspect the entirety of solid fuel-fired appliance installations (e.g., wood stoves, coal stoves, pellet stoves, fireplaces) including the venting system to ensure it adheres to the applicable code or local authority having jurisdiction. Appliances must be inspected pre- and post-weatherization.
• Conduct pre- and post- weatherization worst case CAZ depressurization testing in spaces having a fireplace or woodstove. Since there is no consensus method for verifying safe operation of fireplaces and woodstoves, Grantees can propose testing policies and limits. If the Grantee does not propose a policy and fireplaces or woodstoves are left operational, the vent must meet national or local codes, or the home cannot be weatherized.
• Safety inspections related to space heaters, fireplaces, and woodstoves must include, but not be limited to, verification of adequate floor protection, and code-compliant clearances to walls and other combustible materials.</td></tr>
<tr><th colspan="2">Grantee Combustion Testing Action Levels</th></tr>
</table>

TDHCA has adopted **ANSI/BPI-1200-S-2017** combustion testing standards and action levels with the following exception:

- In addition to BPI-1200 range top burners visual inspection requirement, each burner shall be tested to meet the current adopted **International Residential Code** (**IRC)** Range Top Burner CO threshold. Current threshold is ***25ppm as measured (per burner)***.

All combustion testing processes must meet the requirements detailed in ANSI/BPI-1200-S-2017 standards.

Depressurization and Spillage assessment action levels shall be based on the following criteria:

- Spillage assessed at 2 minutes of main burner operation for warm vent applications and domestic water heaters *(utilize appropriate action outlined in TABLE D.1.A)*
- Spillage assessed at 5 minutes of main burner operation for cold vent except domestic water heaters *(utilize appropriate action outlined in TABLE D.1.A)*

TABLE D.1.A ACTION LEVELS FOR SPILLAGE IN COMBUSTION APPLIANCES
The following actions shall be taken when spillage occurs under the specific circumstances detailed below.

TEST RESULT	ACTION REQUIRED
Greatest CAZ depressurization occurs with the air handler on*	Conduct further analysis of the distribution system to determine if leaky ducts or other HVAC-induced imbalances are the cause of the spillage. If so, recommend distribution system repairs that will reduce or eliminate the CAZ depressurization.
Greatest CAZ depressurization occurs with door to CAZ closed, but is alleviated when door to CAZ is open*	Recommend measures to improve air transfer between the CAZ and the core of the house
The cause of spillage has been traced to excessive exhaust** independent of CAZ door position, air handler, or a problem with the flue†	Verify that sufficient combustion air is available per *ANSI Z223.1/NFPA 54* for gas-fired appliances and *NFPA 31* for oil-fired appliances or recommend verification by a qualified professional and/or Recommend further evaluation/service by a qualified professional to address the venting/combustion air issues

*In the case where both spillage and excessive CO are present, in addition to the specific recommendations above, recommend that the appliance be shut down until it can be serviced by a qualified professional.
** Refers to exhaust caused by mechanical ventilation and/or other means of exfiltration.
†When a recommendation to replace atmospherically-vented combustion equipment inside the pressure boundary is made, and when cost-effective, recommend replacement with direct-vented, or power-vented equipment (or non-combustion equipment, such as a heat pump), which is ENERGY STAR®-labeled.

Ambient CO and Lower Explosive Limit (LEL) assessment action levels shall be based on the following criteria:

- Ambient CO and LEL shall be monitored at all times while in the work enviroment utilizing a designated ambient monitor.
  - If the monitor indicates an ambient CO level of 70 ppm or greater, the auditor shall immediately terminate the inspection and notify the homeowner/occupant of the need for all building occupants to evacuate the building. The auditor shall immediately leave the building and the appropriate emergency services shall be notified from outside the home.
  - If the monitor indicates an ambient CO reading in the range of 36 ppm to 69 ppm, the auditor shall advise the homeowner/occupant that elevated levels of ambient CO have been detected. Windows and doors shall be opened. The auditor shall recommend that all possible sources of CO be turned off immediately. Where it appears that the source of CO is a permanently installed appliance, the auditor shall recommend that the appliance be turned off, and the homeowner/occupant shall be advised to contact a qualified professional.
  - If the monitor indicates an ambient CO reading in the range of 9 ppm to 35 ppm, the auditor shall advise the homeowner/occupant that CO has been detected and recommend that all possible sources of CO be checked and windows and doors opened. Where it appears that the source of CO is a permanently installed appliance, the homeowner/occupant shall be advised to contact a qualified professional.

- If any measured concentrations of combustible fuel gas exceed 10% of the LEL, the auditor shall inform the homeowner/occupants of the unsafe condition and advise evacuation of the home. The auditor shall leave the home, and the appropriate emergency services and fuel gas providers shall be notified from outside the home.

<u>CO measurement result action levels shall be based on the following criteria:</u>

- CO measured at 5 minutes of main burner operation;
- CO level at or below threshold in ***Section 7.9.5, Table 1*** for the appliance being tested is ACCEPTABLE ***(utilize appropriate action outlined in TABLE D.1.B);***
- CO level exceeding threshold in ***Section 7.9.5, Table 1*** for the appliance being tested is UNACCEPTABLE***(utilize appropriate action outlined in TABLE D.1.B)*** **; and**
- In addition to BPI-1200 range top burners visual inspection requirement, each burner shall be tested to meet the current adopted IRC Range Top Burner CO threshold. ***(utilize appropriate action outlined in TABLE D.1.B),***
    - Current **IRC Range Top Burner CO threshold** is ***25ppm as measured (per burner)***.

7.9.5 Table 1: CO Thresholds for Fossil Fuel-Fired Combustion Appliances

Table 1
CO Thresholds for Fossil-Fuel Fired Combustion Appliances

Appliance	Threshold Limit
Central Furnace (all categories)	400 ppm air free[4]
Boiler	400 ppm air free
Floor Furnace	400 ppm air free
Gravity Furnace	400 ppm air free
Wall Furnace (BIV)	200 ppm air free
Wall Furnace (Direct Vent)	400 ppm air free
Vented Room Heater	200 ppm air free
Unvented Room Heater	200 ppm air free
Water Heater	200 ppm air free
Oven/Broiler	225 ppm as measured
Clothes Dryer	400 ppm air free
Refrigerator	25 ppm as measured
Gas Log (gas fireplace)	25 ppm as measured in vent
Gas Log (installed in wood burning fireplace)	400 ppm air free in firebox

Note-Carbon Monoxide (CO) Air Free Air free emission levels are based on a mathematical equation (involving carbon monoxide and oxygen or carbon dioxide readings) to convert an actual diluted flue gas carbon monoxide testing sample to an undiluted air free flue gas carbon monoxide level utilized in the appliance certification standards. For natural gas or LP gas, using as-measured CO ppm and O2 percentage:

CO AF ppm=(20.9/20.9-O2) × CO ppm

Where:

- COAF ppm = Carbon monoxide, air-free ppm
- CO ppm = As-measured combustion gas carbon monoxide ppm
- O2 = Percentage of oxygen in combustion gas, as a percentage

TABLE D.1 B. ACTION LEVELS FOR CO IN COMBUSTION APPLIANCES	
TEST RESULT	ACTION REQUIRED
Unacceptable CO level	Advise the homeowner/occupant that the appliance should be serviced immediately by a qualified professional Note: If ambient CO levels do not exceed 70 ppm, testing of other appliances and other audit procedures may continue at the discretion of the auditor
Acceptable CO level	No action required

Grantee Woodstove & Fireplace inspection/testing policy including actions/limits

Concur with DOE Guidance ☑	Alternative Guidance ☐

- Fireplace or woodstove venting that is left operational after weatherization must meet current local or national standards or the home must be deferred.

Required Occupant Education

Concur with DOE Guidance ☑	Alternative Guidance ☐

- Appropriate use and maintenance of units.
- Provide all paperwork and manuals for any equipment installed by weatherization.
- Discuss and provide information on proper disposal of bulk fuel tanks when not removed as part of the weatherization work.
- Where combustion equipment is present, provide combustion safety and hazards information including how to recognize depressurization, dangers of CO poisoning, and fire risks associated with combustion appliance use.

6.2 – Asbestos (Confirmed and/or Presumed Asbestos Containing Material)

Required Actions

Concur with DOE Guidance ☑	Alternative Guidance ☐	Results in Deferral/Referral ☐

DOE WAP H&S Funds ☑	Alternative Funds ☐

- When suspected friable Asbestos Containing Materials (ACM) are present, including vermiculite, assume they contain asbestos and take precautionary measures to prevent disturbing it during the audit and work unless testing determines otherwise.
- Grantees must have written policy included in their H&S plan for:
    - Identifying and managing suspected ACM that provides for reasonable and necessary precautions to prevent asbestos contamination in the home.
    - Addressing blower door testing where suspected friable ACM is present (as defined by EPA), including vermiculite.

Grantee ACM policy

If asbestos containing material (ACM) is suspected within the components of the structure, the Subgrantee must determine if the material is friable, if there would be a disturbance of that material during the weatherization process, and determine the size of the area affected.

- Where suspected ACM will not be disturbed during the weatherization process, is not creating a hazard due to being friable, or vermiculite is not present, weatherization work may proceed at the Subgrantee's discretion. If the Subgrantee proceeds with providing weatherization services, they must ensure of the following during the weatherization process:
    - All reasonable and necessary precautions are taken to prevent asbestos contamination in the home
    - Suspected ACM will not be cut, drilled, sanded, scraped, or otherwise disturbed
    - Measures taken to prevent suspected ACM disturbance and precautions taken to ensure of occupant/worker safety are documented/retained
- Where suspected ACM is present on small surfaces (pipes, ductwork, furnaces, other small covered surfaces, etc.) and must be addressed to safely weatherize the dwelling, limited encapsulation or removal of suspected ACM materials can be allowed by an appropriately trained asbestos control professional at the Subgrantee's discretion.
    - Documentation that the hazard has been eliminated through remediation or encapsulation from the certified asbestos professional must be maintained in the client file.
    - Limited encapsulation or removal cost of suspected ACM material does not exceed $750.
- Where suspected ACM will be disturbed during the weatherization process, prevent a major measure installation, the suspected ACM is creating a hazard due to being friable, or vermiculite is present, weatherization services must be deferred. Before the weatherization process can proceed, the client must provide documentation that a certified asbestos professional has certified the suspected ACM is free of asbestos, encapsulated, or the asbestos hazard has been remediated. A copy of the documentation must be kept in the client file.
    - An exception to this guidance is removal of suspected ACM siding in good condition for wall insulation installation where insulation cannot be installed from the interior of the structure. This exception is at the Subgrantee's discretion and would require the following precautions:
        - All reasonable and necessary precautions are taken to prevent asbestos contamination in the home;
        - Siding will only be removed where necessary to install wall insulation;
        - Siding will not be cut, drilled, sanded, scraped, etc; and
        - Precautions are taken to not damage the siding during the removal and reinstallation process.

Grantee Blower Door Testing Policy When Suspected ACM Exists

Suspected ACM's overall condition and potential for disturbing the suspected material through blower door testing will be evaluated.

- Blower door testing ***allowed*** where suspected ACM will not be disturbed during blower door testing process, is intact and not creating a hazard due to being friable, and/or vermiculite is not present.
- Blower door testing ***not allowed*** where suspected ACM may be disturbed during the blower door testing process, the suspected ACM is not intact and creating a hazard due to being friable, and/or vermiculite is present. Unit must be deferred until a certified asbestos professional has certified the suspected ACM is free of asbestos, encapsulated, asbestos hazard has been remediated, and blower door testing can proceed.

Allowable Actions

Allowed with DOE WAP H&S Funds ☑	Allowed with Alternative Funds ☐

- Temporary removal and reinstallation of ACM siding to perform an ECM (e.g., wall insulation).
- Limited encapsulation or removal of suspected ACM on small surfaces (pipes, ductwork, furnaces, other small, covered surfaces, etc.) by an appropriately trained asbestos control professional if necessary to safely weatherize the dwelling as defined by the Grantee's H&S Plan.
    - TDHCA defines "Limited" as an encapsulation or removal of suspected ACM material that does not exceed $750.

Prohibited Actions
Concur with DOE Guidance ☑
• Using DOE WAP H&S funds for general abatement/removal/or replacement of asbestos siding, thermal system insulation (TSI) or Transite, or vermiculite is prohibited.

Required Testing/Inspection		
Concur with DOE Guidance ☑	Alternative Guidance ☐	Results in Deferral/Referral ☐
DOE WAP H&S Funds ☐	Alternative Funds ☐	
• Visually inspect all surfaces (i.e., walls, floors, ceilings, roofs) for suspected ACM prior to drilling or cutting. • Assume asbestos is present in suspect materials unless testing reveals otherwise.		

Allowable Testing/Inspection	
Allowed with DOE WAP H&S Funds ☐	Allowed with Alternative Funds ☐
• Other than the required testing/inspection of suspected ACM, additional testing will not be allowed with H&S funding.	

Required Occupant Education	
Concur with DOE Guidance ☑	Alternative Guidance ☐
• Formally notify the occupant, and landlord if applicable, in writing: o of suspected ACMs that are present and what precautions will be taken to ensure the occupants' and workers' safety during weatherization; o of results if testing was performed; o not to disturb suspected ACM; o When deferral is necessary due to asbestos, occupant, or landlord if applicable, must provide documentation that a certified professional performed the remediation before work continues.	

6.3 – Biologicals and Unsanitary Conditions

Required Actions		
Concur with DOE Guidance ☑	Alternative Guidance ☐	Results in Deferral/Referral ☐
DOE WAP H&S Funds ☐	Alternative Funds ☐	
• Deferral where conditions (odors, bacteria, raw sewage, rotting wood, etc.) in the home pose a health risk to occupants and/or weatherization workers or may be worsened by weatherization activities (e.g., air sealing) and will not be resolved by weatherization.		

Allowed Actions	
Allowed with DOE WAP H&S Funds ☑	Allowed with Alternative Funds ☐
• Limited remediation of conditions that may lead to or promote biological concerns and unsanitary conditions (e.g., repairing leaking sewage pipes, minor plumbing repairs, areas of water intrusion, etc.) as defined in the Grantee's H&S Plan o TDHCA defines "Limited" as a remediation that does not exceed $750. • Limited cleaning of the workspace to protect the health and safety of workers and occupants as defined in the Grantee's H&S Plan o TDHCA defines "Limited" as cleaning that does not exceed $750.	

Required Testing/Inspection		
Concur with DOE Guidance ☑	Alternative Guidance ☐	Results in Deferral/Referral ☐
DOE WAP H&S Funds ☐	Alternative Funds ☐	
• Sensory inspection of interior, exterior, attics, and subspaces of the dwelling.		

Prohibited Testing/Inspection
Concur with DOE Guidance ☑
• DOE WAP H&S funds may not be used for testing of materials for biological contaminants.

Required Occupant Education	
Concur with DOE Guidance ☑	Alternative Guidance ☐

- Inform occupant in writing of observed biological and unsanitary conditions.

6.4 – Building Structure and Roofing (e.g., roofing, wall, foundation)

Allowable Actions	
Allowed with DOE WAP H&S Funds ☑	Allowed with Alternative Funds ☐

- Minor repairs to building structure or roofs as defined by the Grantee's H&S plan.
    - Minor repairs are defined as repairs that are necessary for weatherization work to proceed and determined allowable by guidance outlined within WPN 19-5. All repairs invoiced to the H&S category must meet the following criteria:
        - Meet the definition of Health and Safety (H&S) measure as defined within WPN 19-5
        - Directed to be installed as a H&S measure by the guidance outlined within *Attachment 1 - WPN 19-5 Definition Flow Chart*
        - Roof, Door, or Window repairs are only allowed to be invoiced as an H&S measure if the repair resolves a bulk water intrusion issue that is the cause of visible biological and cost shall not exceed $750.

Prohibited Actions
Concur with DOE Guidance ☑

Using DOE WAP H&S funds for major repairs as defined by Grantee's H&S Plan.

- Using DOE WAP H&S funds for building rehabilitation.

Define "major" repairs

- Major repairs are defined as home repairs that would generally be classified as building rehabilitation, does not meet the definition of incidental repair measure (IRM) as defined within WPN 19-5, and/or would normally be considered beyond the scope of weatherization. Examples of major repairs include roof replacement, foundation repair, extensive siding repair, major structural repair, etc.

Required Testing/Inspection		
Concur with DOE Guidance ☑	Alternative Guidance ☐	Results in Deferral/Referral ☐

DOE WAP H&S Funds ☐	Alternative Funds ☐

- Visual inspection of building structure and roofing for damages that compromise building durability and to verify that portions of the home where weatherization will occur are safe for entry and performance of assessments, work, and inspections.

Allowable Testing/Inspection	
Allowed with DOE WAP H&S Funds ☐	Allowed with Alternative Funds ☐

- Other than required testing/inspection of building structure and roofing, additional testing will not be allowed with H&S funding

Prohibited Testing/Inspection
Concur with DOE Guidance ☑

- Using DOE WAP H&S funds for any testing/evaluation of structural materials by a third-party is prohibited.

Required Occupant Education	
Concur with DOE Guidance ☑	Alternative Guidance ☐

- Notify occupant in writing of structurally compromised areas.

6.5 – Code Compliance		
Allowable Actions		
Allowed with DOE WAP H&S Funds ☑	Allowed with Alternative Funds ☐	
• Correction of preexisting code compliance issues triggered by weatherization measures being installed in a specific room or area of the home. If the installation of a weatherization measure triggers the correction of a preexisting code compliance issue, and is paid for with WAP funds, the specific code requirements with reference to the weatherization measure(s) that triggered the code compliance issue must be documented in the occupant file		
Prohibited Actions		
Concur with DOE Guidance ☑		
• Using DOE WAP H&S funds for correction of preexisting code compliance issues not directly related to the installation of specific weatherization measures in the home is prohibited. • Using DOE WAP funds for work on condemned properties and properties where H&S conditions exist that cannot be corrected under this guidance is prohibited		
Required Testing/Inspection		
Concur with DOE Guidance ☑	Alternative Guidance ☐	Results in Deferral/Referral ☐
DOE WAP H&S Funds ☑	Alternative Funds ☐	
• Visual inspection.		
Allowable Testing/Inspection		
Allowed with DOE WAP H&S Funds ☑	Allowed with Alternative Funds ☐	
• Testing/Inspection cost associated with code compliance is only an allowable H&S cost when required by a code official within the authority having jurisdiction (AHJ) and must be triggered by the installation of a weatherization measure.		
Required Occupant Education		
Concur with DOE Guidance ☑	Alternative Guidance ☐	
• Inform occupant in writing of observed code compliance issues when it results in a deferral.		

6.6 – Electrical		
Required Actions		
Concur with DOE Guidance ☑	Alternative Guidance ☐	Results in Deferral/Referral ☐
DOE WAP H&S Funds ☑	Alternative Funds ☐	
• Provide sufficient over-current protection and damming prior to insulating building components containing knob and tube wiring, as required by the AHJ.		
Allowable Actions		
Allowed with DOE WAP H&S Funds ☑	Allowed with Alternative Funds ☐	
• Minor electrical repairs (e.g., junction box covers, improper splices, exposed electrical connections, damaged/non-working switches/receptacles, etc.) to protect the occupant or workers from electrical hazards within the living area or in the immediate area where weatherization activities will occur, as defined by the Grantee's H&S plan. o TDHCA defines minor electrical repairs as repairs to electrical hazards that do not exceed $750. In unforeseen limited instances, TDHCA reserves the right to provide case-by-case exceptions that will require prior written approval from TDHCA training staff. Training staff will factor in the reason for exception, reason of the additional cost, energy benefit provided by WAP services vs. non-energy benefit such as H&S/repair expenditures, and current reported subgrantee H&S expenditure level in the approval/denial determination process. In cases the where excessive cost are determined to exceed the unit's energy benefit, are determined to be unreasonable, or the cost is prohibitive by available H&S funding within the Subgrantee H&S budget the unit will be deferred.		

Prohibited Actions
Concur with DOE Guidance ☑
• Using DOE WAP H&S funds for ***major*** electrical repairs as defined by the Grantee's H&S plan is prohibited
Define "major" repairs
• Major electric repairs are defined as extensive repairs that affect a large area, generally be classified as rehabilitation, and/or normally be considered beyond the scope of weatherization due to being cost prohibitive. Examples of major electrical repairs include total wiring replacement, replacement of greater than three (3) electrical circuits, etc.

Required Testing/Inspection		
Concur with DOE Guidance ☑	Alternative Guidance ☐	Results in Deferral/Referral ☐
DOE WAP H&S Funds ☑	Alternative Funds ☐	
• Visual inspection for presence and condition of knob-and-tube wiring. • Evaluate knob-and-tube wiring for safety prior to work. • Check for alterations that may create an electrical hazard.		

Allowable Testing/Inspection	
Allowed with DOE WAP H&S Funds ☑	Allowed with Alternative Funds ☐
• Voltage drop and voltage detection testing.	

Required Occupant Education	
Concur with DOE Guidance ☑	Alternative Guidance ☐
• Provide occupant with written documentation of any electrical hazards identified that will not be addressed by weatherization • Provide information to occupant on over-current protection, overloading circuits, and basic electrical safety/risks if conditions warrant.	

6.7 – Fuel Leaks

Required Actions		
Concur with DOE Guidance ☑	Alternative Guidance ☐	Results in Deferral/Referral ☐
DOE WAP H&S Funds ☑	Alternative Funds ☐	
• When a gas leak is found on the utility side of service, the utility service must be contacted, work must be temporarily halted, and the leak must be repaired before work may proceed. • Fuel leaks that are the responsibility of the occupant (vs. the utility) must be repaired before installing weatherization measures in the home.		

Allowable Actions	
Allowed with DOE WAP H&S Funds ☑	Allowed with Alternative Funds ☐
• Replacement or repair of leaking bulk fuel tanks and/or lines if connected systems will remain after weatherization. • Replacement of flexible appliance gas connectors that are not compliant with current fuel gas codes.	

Prohibited Actions
Concur with DOE Guidance ☑
• Using DOE WAP H&S funds to repair leaks that are the responsibility of the utility to correct is prohibited. • Using DOE WAP H&S funds for environmental cleanup resulting from bulk fuel leaks is prohibited

Required Testing/Inspection		
Concur with DOE Guidance ☑	Alternative Guidance ☐	Results in Deferral/Referral ☐
DOE WAP H&S Funds ☑	Alternative Funds ☐	

- Test all exposed gas lines, fittings, valves, and connections for fuel leaks from utility connection to the appliance throughout the home.
- Test all gas appliances for fuel leaks at all connections, valves, fittings, and burners.
- Conduct sensory inspection of all bulk fuels lines and storage tanks to determine if leaks exist.

Allowable Testing/Inspection

Allowed with DOE WAP H&S Funds ☑	Allowed with Alternative Funds ☐

- Pressurized leak testing of complete gas distribution system to determine if a leak is present should LEL levels exceed 10% or sensory inspection lead subgrantee staff to believe a concealed gas leak is present.

Prohibited Testing/Inspection

Concur with DOE Guidance ☑

- Using DOE WAP H&S funds for environmental testing of soil or water is prohibited.

Required Occupant Education

Concur with DOE Guidance ☑	Alternative Guidance ☐

- Inform occupants in writing of fuel leak testing results, including specific location if fuel leaks are detected.

6.8 – Gas Ovens/Stovetops/Ranges

Allowable Actions

Allowed with DOE WAP H&S Funds ☑	Allowed with Alternative Funds ☐

- Limited cleaning or repair of ovens/ranges/stovetops as defined by the Grantee's H&S plan.
    - TDHCA defines "Limited" cleaning or repair that does not exceed $200.

Prohibited Actions

Concur with DOE Guidance ☑

- Using DOE WAP H&S funds for replacement of gas ovens/ranges/stovetops is prohibited.

Required Testing/Inspection

Concur with DOE Guidance ☑	Alternative Guidance ☐	Results in Deferral/Referral ☐

DOE WAP H&S Funds ☑	Alternative Funds ☐

- Test gas ovens for CO.
- Grantee H&S plan must define action levels and resulting actions.
- Visually inspect cooking burners and ovens for operability and flame quality.

Define action levels for oven CO testing and resulting actions

TDHCA has adopted **ANSI/BPI-1200-S-2017** combustion testing standards and action levels with the following exception:

- In addition to BPI-1200 range top burners visual inspection requirement, each burner shall be tested to meet the current adopted **International Residential Code (IRC)** Range Top Burner CO threshold. Current threshold is ***25 ppm as measured (per burner)***.
- Oven CO Thresholds 225 ppm as measured.
- Action Levels identified in Table D.1.B. ACTION LEVELS FOR CO IN COMBUSTION APPLIANCES below:

TABLE D.1 B. ACTION LEVELS FOR CO IN COMBUSTION APPLIANCES

TEST RESULT	ACTION REQUIRED
Unacceptable CO level	Advise the homeowner/occupant that the appliance should be serviced immediately by a qualified professional Note: If ambient CO levels do not exceed 70 ppm, testing of other appliances and other audit procedures may continue at the discretion of the auditor
Acceptable CO level	No action required

Allowable Testing/Inspection	
Allowed with DOE WAP H&S Funds ☐	Allowed with Alternative Funds ☐
• Other than the required testing/inspection of ovens/ranges/stovetops, additional testing will not be allowed with H&S funding.	
Required Occupant Education	
Concur with DOE Guidance ☑	Alternative Guidance ☐
• Inform occupants of the importance of using exhaust ventilation when cooking and the importance of keeping burners and broilers clean to limit the production of CO.	

6.9 – Hazardous Materials

Required Actions		
Concur with DOE Guidance ☑	Alternative Guidance ☐	Results in Deferral/Referral ☐
DOE WAP H&S Funds ☑	Alternative Funds ☐	
• Hazardous Waste Materials generated by weatherization work (e.g., refrigerant, asbestos, lead, mercury, CFL lighting bulb/ballasts, etc.) must be disposed of according to all local and federal laws, regulations, and guidelines, as applicable. Costs specifically related to disposal may be charged as a H&S expense. • Subgrantees must document disposal requirements in contract language with the responsible party. • ***Limited*** removal of pollutants that pose a risk to workers is required (e.g., flammable liquids, hazardous chemicals, and other air pollutants) as defined the Grantee's H&S Plan. • If removal cannot be performed or is not allowed by the occupant, the unit must be deferred.		
Define "limited" removal of pollutants		
• Limited removal of pollutants is defined and limited to the hazardous waste materials generated by the weatherization activities (e.g., refrigerant, asbestos, lead, mercury, CFL lighting bulb/ballast, etc.) as listed in the required actions above. Limited removal of additional pollutants is not allowed by Subgrantee staff. Removal of pollutants must be done by the client or a contracted professional prior to weatherization work being performed. If pollutants pose a risk to workers and removal cannot be performed by a professional or the client refuses to remove the pollutants, the unit must be deferred.		
Allowable Actions		
Allowed with DOE WAP H&S Funds ☑	Allowed with Alternative Funds ☐	
• Limited removal of pollutants that pose a risk to the occupant as defined in the Grantee H&S Plan o See Define "limited" removal of pollutants guidance above.		
Prohibited Actions		
Concur with DOE Guidance ☑		
• Using DOE WAP H&S funds for Lead, Asbestos, and Radon abatement is prohibited.		
Required Testing/Inspection		
Concur with DOE Guidance ☑	Alternative Guidance ☐	Results in Deferral/Referral ☐
DOE WAP H&S Funds ☐	Alternative Funds ☐	
• Sensory inspection.		
Allowable Testing/Inspection		
Allowed with DOE WAP H&S Funds ☐	Allowed with Alternative Funds ☐	
• Other than the required sensory inspection of hazardous materials, additional testing will not be allowed with H&S funding.		
Prohibited Testing/Inspection		
Concur with DOE Guidance ☑		

• Using DOE WAP H&S funds for any testing for hazardous materials other than that specifically permitted in the asbestos, lead, and radon sections of this document is prohibited.

Required Occupant Education	
Concur with DOE Guidance ☑	Alternative Guidance ☐
• Inform occupant in writing of hazards associated with hazardous waste materials being generated/handled in the home. • Inform occupant in writing of observed hazardous condition and associated risks. • Provide occupant written materials on safety issues and proper disposal of household pollutants.	

6.10 - Injury Prevention of Occupants

Allowable Actions	
Allowed with DOE WAP H&S Funds ☑	Allowed with Alternative Funds ☐
• Minor repairs and installations (e.g., repairing stairs, replacing handrails, etc.) as defined by the Grantee's H&S plan. o TDHCA defines minor repairs as injury prevention of occupant repairs that do not exceed $750.	
Prohibited Actions	
Concur with DOE Guidance ☑	
• Using DOE WAP H&S funds for ***major*** repairs, as defined by the Grantee's H&S Plan is prohibited	
Define "major" repairs	
• Major injury prevention of occupant repairs are defined as repairs that would exceed $750. Example injury prevention of occupant repairs would include complete porch replacements, extensive repairs to walkways/porches/stair that exceed $750, etc.	

Required Testing/Inspection		
Concur with DOE Guidance ☑	Alternative Guidance ☐	Results in Deferral/Referral ☐
DOE WAP H&S Funds ☐	Alternative Funds ☐	
• Visually inspect for dangers that would prevent weatherization.		

Allowable Testing/Inspection	
Allowed with DOE WAP H&S Funds ☑	Allowed with Alternative Funds ☐
• Other than the required visual inspection of dangers that would prevent weatherization, additional testing will not be allowed with H&S funding.	
Required Occupant Education	
Concur with DOE Guidance ☑	Alternative Guidance ☐
• If identified hazardous conditions will not be corrected during weatherization, inform occupant in writing of observed hazards and associated risks utilizing the "Hazard Identification Notification Form" required by WPN 22-7.	

6.11 – Lead-Based Surface Coverings (Paint, Varnishes, Roofing, etc.)

Required Actions		
Concur with DOE Guidance ☑	Alternative Guidance ☐	Results in Deferral/Referral ☐
DOE WAP H&S Funds ☑	Alternative Funds ☐	

- Subgrantees must comply with EPA's Lead; Renovation, Repair and Painting Program (RRP) rules when working in pre-1978 housing unless testing confirms the work area to be lead free. This includes, but is not limited to:
  - Client file documentation including the Certified Renovator's certification; any training provided on-site; description of specific actions taken; lead testing and assessment documentation; and photos of site and containment set up. Include the location of photos referenced if not in file.
  - Certification and training requirements of the RRP rule.
  - Job site set up and cleaning verification by a Certified Renovator.
- Only those costs directly associated with lead safe work practices for surfaces directly disturbed during weatherization activities are allowable WAP H&S expenses.

Allowable Actions	
Allowed with DOE WAP H&S Funds ☑	Allowed with Alternative Funds ☐

- Only those costs directly associated with the testing and lead safe practices for surfaces directly disturbed during weatherization activities are allowable.

Prohibited Actions
Concur with DOE Guidance ☑

- Using DOE WAP H&S funds for lead abatement is prohibited.
- Using DOE WAP H&S funds for purchase, resourcing, or maintenance of X-ray Fluorescence (XRF) devices is prohibited.

Allowable Testing/Inspection	
Allowed with DOE WAP H&S Funds ☑	Allowed with Alternative Funds ☐

- Testing to determine the presence of lead on surfaces that will be disturbed by WAP measure installation is allowed with EPA-approved testing methods.
- Alternatively, if EPA-approved testing is not conducted, the Subgrantee may assume lead is present and work in compliance with EPA RRP rule.

Required Occupant Education	
Concur with DOE Guidance ☑	Alternative Guidance ☐

- Follow pre-renovation education requirements per EPA RRP rules.

6.12 – Mold and Moisture

Allowable Actions	
Allowed with DOE WAP H&S Funds ☑	Allowed with Alternative Funds ☐

- Limited water damage repairs that can be addressed by weatherization workers are allowed when necessary to weatherize the home and to ensure the long-term stability and durability of the measures as defined in the Grantee's H&S plan.
  - TDHCA defines limited water damage repairs as repairs that do not exceed $750.
- Source control (i.e., correction of moisture and mold creating conditions) when necessary, to weatherize the home and to ensure the long-term stability and durability of the measures. Source control is independent of latent damage and related repairs. Source control includes, but is not limited to site drainage, gutters, down spouts, extensions, flashing, sump pumps, dehumidifiers, landscape, leaking roofs, vapor retarders, moisture barriers, etc.
- Window and door repairs are allowed with H&S funds to resolve a bulk water intrusion issue that is the cause of visible biological growth and in compliance with the most current program notice (WPN 19-5 at the time of this writing).

Prohibited Actions
Concur with DOE Guidance ☑

- Using DOE WAP H&S funds for mold cleanup is prohibited.
- Using DOE WAP H&S funds for window and door replacements is prohibited

Required Testing/Inspection		
Concur with DOE Guidance ☑	Alternative Guidance ☐	Results in Deferral/Referral ☐
DOE WAP H&S Funds ☐	Alternative Funds ☐	

- Visual assessment for moisture or mold damage including exterior drainage.

Allowable Testing/Inspection	
Allowed with DOE WAP H&S Funds ☑	Allowed with Alternative Funds ☐

- Diagnostics such as material moisture content, or relative humidity measurements at the audit and/or final inspection.

Prohibited Testing/Inspection
Concur with DOE Guidance ☑

- Using DOE WAP H&S funds for mold testing of any type is prohibited.

Required Occupant Education	
Concur with DOE Guidance ☑	Alternative Guidance ☐

- Provide occupant written notification of identified mold/moisture hazards and information regarding the associated hazard.

6.13 - Occupant Pre-existing or Potential Health Conditions

Required Actions		
Concur with DOE Guidance ☑	Alternative Guidance ☐	Results in Deferral/Referral ☐

DOE WAP H&S Funds ☑	Alternative Funds ☐

- When a person's health may be at risk and/or WAP work activities could constitute an H&S hazard, the occupant is required to take appropriate action based on severity of risk.
- Deferral, if occupant risk cannot be mitigated.

Allowable Actions	
Allowed with DOE WAP H&S Funds ☑	Allowed with Alternative Funds ☐

- Occupant temporary relocation costs on a case-by-case basis.
- Grantee must define the allowable costs, relocations options, procedure for this case-by case determination, and what documentation is required from the client if DOE WAP funds are used for this purpose.
  - Allowable cost is defined as cost associated with relocation of occupant's whose health is fragile, or an occupant has been identified to have a health condition, and/or the crew work activities would themselves constitute a health and/or safety hazard to allow for weatherization services to proceed when no other reasonable solution(s) exist.
  - Relocation options shall be limited to providing at risk occupant temporary lodging to not exceed the current approved GSA lodging rate (cost must be paid to directly to the temporary lodging vendor).
  - Procedure for cases-by-case approval are as follows:
    - Subgrantee are required to contact TDHCA training staff for prior approval before proceeding with temporary location of occupants. Training staff will factor in the reason for client relocation, weatherization measure(s)/practice(s) requiring the relocation, available client documentation, energy benefit provided by WAP services vs. non-energy benefit such as H&S/repair expenditures, and current reported Subgrantee H&S expenditure level in the approval/denial determination process. In cases the where relocation cost are determined to exceed the unit's energy benefit, are determined to be unreasonable, or the Subgrantee does not have funding available to relocate the client within its existing H&S budget the unit will be deferred.
  - Required client documentation must be kept in client file and shall consist of the following:
    - Reason the client has to be relocated to include identification of the weatherization measure(s)/work practice(s) requiring the client to be relocated.
    - Documentation that a safe alternative material/work practice meeting DOE standards is not reasonably possible.
    - Any client volunteered support documents not violating HIPPA requirements from a certified medical professional.

Required Testing/Inspection		
Concur with DOE Guidance ☑	Alternative Guidance ☐	Results in Deferral/Referral ☐

DOE WAP H&S Funds ☑	Alternative Funds ☐

- Screen occupants for known or suspected health concerns either as part of initial application for weatherization, during the audit, or both.
- This is done utilizing the "Occupant Pre-existing or Potential Health Condition Screening Form" required by WPN 22-7.

Allowable Testing/Inspection

Allowed with DOE WAP H&S Funds ☑	Allowed with Alternative Funds ☐

- Other than the required screening for known or suspected health concerns, additional screening/testing will not be allowed with H&S funding.

Required Occupant Education

Concur with DOE Guidance ☑	Alternative Guidance ☐

- Inform occupant in writing of any known risks and provide pre-weatherization screening form.
- Provide occupant with Subgrantee point of contact information in writing.

6.14 – Pests

Required Actions

Concur with DOE Guidance ☑	Alternative Guidance ☐	Results in Deferral/Referral ☐

DOE WAP H&S Funds ☑	Alternative Funds ☐

- Deferral of homes where infestation of pests cannot be reasonably removed or poses H&S concern for workers.

Allowable Actions

Allowed with DOE WAP H&S Funds ☑	Allowed with Alternative Funds ☐

- Limited pest removal is allowed only where infestation would prevent weatherization as defined by Grantee's H&S Plan.
    - TDHCA defines limited pest removal as removal that does not exceed $200.
- Screening of windows and points of access and incorporating pest exclusion into air sealing practices to prevent intrusion.

Allowable Testing/Inspection

Allowed with DOE WAP H&S Funds ☑	Allowed with Alternative Funds ☐

- Visual assessment of presence and degree of infestation and risk to worker .

Required Occupant Education

Concur with DOE Guidance ☑	Alternative Guidance ☐

- Inform occupant in writing of observed conditions and associated risks.

6.15 – Radon

Required Actions

Concur with DOE Guidance ☑	Alternative Guidance ☐	Results in Deferral/Referral ☐

DOE WAP H&S Funds ☑	Alternative Funds ☐

- Cover exposed dirt floors within the pressure/thermal boundary with a sealed soil gas retarder
- Cover sump well/pits with airtight covers
- Implement ventilation as required by ASHRAE 62.2-2016

Allowable Actions

Allowed with DOE WAP H&S Funds ☑	Allowed with Alternative Funds ☐

- In homes where radon may be present, work scope may include additional precautionary measures based on EPA Healthy Indoor Environment Protocols for Home Energy Upgrades.
- Other precautions may include, but are not limited to, sealing any observed floor and/or foundation penetrations, isolating the basement from the conditioned space, and ensuring crawl space venting is installed and operable.

Prohibited Actions	
Concur with DOE Guidance ☑	
• Using DOE WAP H&S funds for radon mitigation is prohibited.	
Allowable Testing/Inspection	
Allowed with DOE WAP H&S Funds ☐	Allowed with Alternative Funds ☐
• Testing is not authorized in Texas WAP. Texas has no areas of "Highest Potentials," according to the United States Environmental Protection Agency standards.	
Required Occupant Education	
Concur with DOE Guidance ☑	Alternative Guidance ☐
• Provide all occupants EPA's A Citizen's Guide to Radon and inform them of radon related risks. • Occupants must sign an informed consent form prior to receiving weatherization services.	

6.16 – Safety Devices: Smoke and Carbon Monoxide Alarms, Fire Extinguishers

Required Actions		
Concur with DOE Guidance ☑	Alternative Guidance ☐	Results in Deferral/Referral ☐
DOE WAP H&S Funds ☑	Alternative Funds ☐	
• Install CO alarms in every home where alarms are not present or are inoperable in compliance with ASHRAE 62.2-2016 which references NFPA 720 (note: NFPA 720 has been incorporated into NFPA 72).		
Allowable Actions		
Allowed with DOE WAP H&S Funds ☑	Allowed with Alternative Funds ☐	
• Install smoke alarms where the AHJ requires them if alarms are not present or are inoperable. • Replace functional smoke alarms and carbon monoxide alarms if they are beyond the manufacturer's stated lifetime (usually 10 years). • Replace functional smoke or CO alarms batteries if designed to be replaceable. • Provide fire extinguishers where solid fuel burning equipment is present.		
Prohibited Actions		
Concur with DOE Guidance ☑		
• Using DOE WAP H&S funds for replacement of functional smoke or CO alarms that are not beyond the manufacturer's stated lifetime is prohibited.		
Required Testing/Inspection		
Concur with DOE Guidance ☑	Alternative Guidance ☐	Results in Deferral/Referral ☐
DOE WAP H&S Funds ☐	Alternative Funds ☐	
• Verify operation and age of installed alarms.		
Allowable Testing/Inspection		
Allowed with DOE WAP H&S Funds ☐	Allowed with Alternative Funds ☐	
• Other than the required testing/inspection, additional testing/inspection will not be allowed with H&S funding.		
Required Occupant Education		
Concur with DOE Guidance ☑	Alternative Guidance ☐	
• Provide occupant with verbal and written information on use of newly installed devices and the potential risks of not properly maintaining these devices.		

6.17 – Ventilation and Indoor Air Quality

Required Actions

Concur with DOE Guidance ☑	Alternative Guidance ☐	Results in Deferral/Referral ☐
DOE WAP H&S Funds ☑	Alternative Funds ☐	

- Install ventilation as required by ASHRAE 62.2 - 2016. If occupant refuses ventilation as required by ASHRAE 62.2, the home must be deferred.

Allowable Actions

Allowed with DOE WAP H&S Funds ☐	Allowed with Alternative Funds ☐

- N/A-Texas does not wish to request a variance to ASHRAE Implementation, adopt the most recent version of ASHRAE, and has no counties located within Climate Zone 1.

Required Testing/Inspection

Concur with DOE Guidance ☑	Alternative Guidance ☐	Results in Deferral/Referral ☐
DOE WAP H&S Funds ☑	Alternative Funds ☐	

- ASHRAE 62.2 evaluation to determine required post-weatherization ventilation.
- Measure fan flow of existing fans and of installed equipment to verify performance.

Allowable Testing/Inspection

Allowed with DOE WAP H&S Funds ☐	Allowed with Alternative Funds ☐

- Other than the required testing/inspection, additional testing/inspection will not be allowed with H&S funding

Required Occupant Education

Concur with DOE Guidance ☑	Alternative Guidance ☐

- Provide occupant with information on function, use, and maintenance (including location of service switch and cleaning instructions) of ventilation system and components.
- Provide occupant with equipment manuals for installed equipment.
- Include disclaimer that ASHRAE 62.2 does not account for high polluting sources or guarantee indoor air quality.

6.18 – Water Heaters

(see Combustion Appliances for combustion related requirements)

Allowable Actions

Allowed with DOE WAP H&S Funds ☑	Allowed with Alternative Funds ☐

- Limited case-by-case replacement of water heaters if the water heater poses a life-safety risk to occupants (e.g., leaking primary tank, high CO measurements). Grantee must define "limited case-by-case" replacements if they utilize DOE H&S funds for this measure.
  - TDHCA defines limited case-by-case replacements of water heater as water heater replacements when the current appliance is creating moisture, combustion, and/or electrical related hazards that could impact occupant(s) Health and Safety. The Subgrantee must initially attempt to qualify existing Water Heater as an ECM. If the Water Heater does not rank, the Subgrantee may repair or replace the existing unit as a Health and Safety Measure with the caveat that there is a documented threat to the health and/or safety of the occupant(s).
- Minor safety repairs of water heaters (e.g., T&P valve piping, backflow prevention devices, expansion tanks) as defined by the Grantee's H&S plan.
- Replace, repair, or install primary water heater heaters when existing primary water heater is unsafe, inoperable, or nonexistent.

Required Testing/Inspection

Concur with DOE Guidance ☑	Alternative Guidance ☑	Results in Deferral/Referral ☐
DOE WAP H&S Funds ☑	Alternative Funds ☐	

• Visual inspection of all water heaters and related piping for safety and leaks • See Combustion Appliances section for related combustion safety testing requirements.

Allowable Testing/Inspection	
Allowed with DOE WAP H&S Funds ☐	Allowed with Alternative Funds ☐
• Other than the required testing/inspection, additional testing/inspection will not be allowed with H&S funding.	

Required Occupant Education	
Concur with DOE Guidance ☑	Alternative Guidance ☐
• Appropriate use and maintenance of units. • Provide all paperwork and manuals for any installed equipment. • Where combustion equipment is present, provide combustion safety and hazards information including how to recognize depressurization, dangers of CO poisoning, and fire risks associated with combustion appliance use.	

6.19 – Worker Safety

Required Actions		
Concur with DOE Guidance ☑	Alternative Guidance ☐	Results in Deferral/Referral ☐
DOE WAP H&S Funds ☑	Alternative Funds ☐	
• Adherence to all federal, state, and local worker safety regulations (e.g., OSHA, EPA).		

Allowable Actions	
Allowed with DOE WAP H&S Funds ☑	Allowed with Alternative Funds ☐
• Minor repairs and installations (e.g., repairing stairs, replacing handrails, etc.) as defined by the Grantee's H&S Plan, are allowable when necessary to safely weatherize the dwelling. o TDHCA defines minor repairs as worker safety repairs that do not exceed $750. • Equipment purchases to protect the health and safety of the worker (e.g., Personal Protective Equipment (PPE), jobsite cleaning supplies).	

Prohibited Actions
Concur with DOE Guidance ☑
• Using DOE WAP H&S funds for ***major*** repairs as defined by the Grantee's H&S Plan is prohibited.
Define "major" repairs
• Major worker safety repairs are defined as repairs that would exceed $750. Example worker safety repairs are repairs to address/prevent falls, being stuck by objects, prevent dangers to electrical hazards, caught in-between hazards, extensive repairs to walkways/porches/stair that exceed $750.

Allowable Testing	
Allowed with DOE WAP H&S Funds ☑	Allowed with Alternative Funds ☐
• Environmental and surveillance testing required by OSHA regulation.	

6.X – (Insert Additional H&S Items for Use of DOE WAP H&S funds)

Required Actions		
Concur with DOE Guidance ☑	Alternative Guidance ☐	Results in Deferral/Referral ☐
DOE WAP H&S Funds ☐	Alternative Funds ☐	
Insert required item text		

Allowable Actions	
Allowed with DOE WAP H&S Funds ☑	Allowed with Alternative Funds ☐
If DOE WAP H&S Funds are used for any "allowable" actions, detail them here.	

<table>
<tr><th colspan="6">Prohibited Actions</th></tr>
<tr><td colspan="6">Concur with DOE Guidance ☐</td></tr>
<tr><td colspan="6">What is prohibited</td></tr>
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<tr><td colspan="2">Concur with DOE Guidance ☑</td><td colspan="2">Alternative Guidance ☐</td><td colspan="2">Results in Deferral/Referral ☐</td></tr>
<tr><td colspan="3">DOE WAP H&S Funds ☐</td><td colspan="3">Alternative Funds ☐</td></tr>
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<tr><td colspan="6">Insert required item text</td></tr>
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PY2022 Monitoring Schedule*			
June - August 2022	**September – November 2022**	**December 2022 - February 2023**	**March - May 2023**
Brazos Valley Community Action Programs	Baker Ripley	Community Action Corporation of South Texas	Alamo Area Council of Governments
Concho Valley Community Action Agency	Dallas County Dept of Health & Human Services	Greater East Texas Community Action Program	Travis County Health and Human Services Department
Nueces County Community Action Agency	Rolling Plains Management Corporation	Community Council of South Central Texas	City of Fort Worth Department of Housing
West Texas Opportunities, Inc.	South Plains Community Action Association, Inc.	Economic Opportunities Advancement Corporation of PR XI	Hill Country Community Action Association, Inc.
Community Action Committee of Victoria, Texas	Panhandle Community Services, Inc	El Paso Community Action Program, Project BRAVO	Combined Community Action Corporation
	Texoma Council of Governments		

* Schedule is subject to change based on production, contract extensions, and/or other unforeseen circumstances.

Fiscal/Administrative (F/A)

These reviews will typically start as a desk review. The F/A reviews will happen in the same month as the technical visit and will be issued as one WAP monitoring report. F/A reviews will be done by any available qualified compliance staff.

Technical/Inspections

These reviews will always be conducted onsite. Inspections will be conducted by state staff that are QCI certified. Full QCI inspections will be conducted on each unit reported as "inspected" by the state. Inspection percentages at each Subrecipient will be based off QCI staff and separation of assignments in accordance with WPN 15-4 (5 or 10%). TDHCA staff will also conduct LIHEAP inspections on the same trip to minimize visits to the Subrecipient, which is why trips begin so early in the DOE program year (LIHEAP program year ends December 31).

TRAINING AND TECHNICAL ASSISTANCE (T&TA) PLAN

1.0 – GENERAL INFORMATION

COMMENTS THAT DO NOT GENERALLY FIT INTO THE AVAILABLE TABLES BELOW

TDHCA ensures Subgrantees have sufficient T&TA funding and direct TDHCA T&TA assistance available to maintain/improve Subgrantee performance and work quality. To address network training needs, TDHCA budgets T&TA funds both internally and directly to our Subgrantees.

T&TA needs are determined and based upon factors such as the following:

- Individual Subgrantee Training Needs Assessments (TNA)
  - TDHCA implemented a new requirement that requires each Subgrantee to complete DOE's WAP T&TA Planning & Reporting Template to identify each Subgrantee's specific training needs.
    - The initial report is reviewed by TDHCA training staff to ensure each Subgrantee is planning to receive training in needed areas and for compliance with WPN 22-4 requirements.
    - Throughout the contract terms TDHCA staff monitor for training expenditures to ensure Subgrantee is obtaining needed trainings.
    - Upon the completion of the contract, a final version is required to be submitted to document and support training assistance received.
- Grant Requirements or as directed by DOE monitor or audit reports.
- Subgrantee Request
  - The Department has an online request system, with a T&TA menu list, or section for the Subgrantee to make a specific request or ask specific questions.
    - https://tdhca.wufoo.com/forms/requestforcaprogramassistance
    - The Department will contact the requestor to answer the submitted question **OR**
    - Customize a training to meet the need or help to find a list of T&TA providers for the requested topic.
    - In addition, submitted questions or T&TA requests are reviewed for creating Best Practices/FAQs or to identify topics for regional trainings, workshops, webinars, or individualized training.
- Grantee Monitoring Reports.
  - The Department's compliance team shares monitoring issues with the training team. The training team will initially provide resources and guides to address any findings, and follow up with T&TA as required.
- Subgrantee expenditure performance.
  - TDHCA utilizes an online contract system to collect expenditure and performance data from Subgrantees and compares that data to their production tool at minimum on the third, fifth, and seventh program reporting deadlines as identified within 10 TAC §6.405.
- Network Trends.
- Management Request.
  - Management may make a specific request and dictate the type of training needed.
- Grantee identified needs.
  - Two (2) key areas of a special focus for 2022 are as follows:
    - Quality work through initial assessments
    - Accurate Energy Audit Modeling

Internal T&TA funds are often limited unless determined otherwise by need and utilized to address individual, network-wide, or regional T&TA needs. Internal budgeted T&TA funds are utilized for T&TA activities such as the following:

- Internal Grantee staff training
- TDHCA direct T&TA assistance
- Develop and provide T&TA resources
- Department provided specific trainings

- Network-wide and Regional comprehensive trainings when determined feasible
- Etc.

Subgrantees receive the majority of T&TA funds which are utilized to address Subgrantee specific T&TA needs. TDHCA's reason for this approach is network-wide or regional T&TA activities often present unique challenges such as geographical challenges, multiple climate zones, network size, limited one-on-one engagement, differences of capacity levels noted within our network, etc. Specifics of the challenges include:

- Travel time, cost, and/or loss of production can often be prohibitive for centralized or even regional trainings.
- Mixed climate zones often require specific training to the location of the Subgrantee.
- Texas has twenty one (21) Subgrantees that makeup our network and as a result often network-wide/regional trainings consist of large attendance numbers which are often prohibitive of providing one-on-one engagement to gauge training comprehension.
- Different capacity levels noted within network often present challenges to facilitate a network-wide course that would be beneficial and appeal to a network-wide or regional audience.

TDHCA T&TA staff provide oversight on the use of Subgrantee budgeted T&TA funds by reviewing the Subgrantee TNA to ensure training is obtained for needed areas, projected T&TA activities are in compliance with WPN 22-4 requirements, and T&TA funding is expended in a timely manner. Additionally, TDHCA staff monitor training expenditures throughout the contract terms and contracts require Subgrantees to receive prior approval for all T&TA expenses to ensure T&TA activities remain focused on the Subgrantee's T&TA needs. Subgrantee T&TA funds are utilized for T&TA activities such as the following:

- Obtain and/or maintain required certifications such as QCI, MFQCI, Energy Auditor, Lead Safe Renovator, Lead Safe Worker, OSHA 10/30, etc.
- Receive Comprehensive training on a regular basis for occupation-specific training to train on curriculum aligned with the topics within the job task analyses (JTAs).
  - All Comprehensive trainings are administered either by or in cooperation with IREC accredited facilities.
- Receive Specific training to address single-issue, short-term training to address technical skills/knowledge gaps, attend conference trainings, or attend trainings beneficial to the program but not necessarily aligned with a Home Energy Professional (HEP) job task analyses (JTAs).

2.0 – Overall T&TA Plan

YOUR OVERALL T&TA PLAN MUST INCORPORATE SUGGESTIONS AND FEEDBACK THE FOLLOWING ELEMENTS.

FEEDBACK FROM INTERNAL AND EXTERNAL REVIEWS, EXAMPLES INCLUDE:

- FEEDBACK FROM DEPARTMENT OF ENERGY (DOE) PROJECT OFFICER (PO) MONITORING VISITS
- INTERNAL STATE AUDITS
- GRANTEE MONITORING OF THE SUBGRANTEES
- OFFICE OF INSPECTOR GENERAL (OIG) REPORTS
- AMERICAN CUSTOMER SATISFACTION INDEX FEEDBACK, AND
- OTHER. EXAMPLES INCLUDE:
  - TRAINING FEEDBACK
  - TRAINING RETENTION ACTIVITIES

TDHCA incorporates the following suggestions and feedback when developing the statewide T&TA Plan:

- Subgrantees Training Needs Assessments (TNA)
- Grant requirements
- Feedback from Department of Energy (DOE) Project Officers (PO) and monitoring reports
- Grantee Monitoring Reports of the Subgrantees
- Subgrantee submitted questions and training requests through the TDHCA WUFOO portal

- Subgrantee feedback collected and provided through the Texas Association of Community Action Agencies (TACAA)
- Network trends
- American Customer Satisfaction Index survey feedback
- Internal State Audits
- Office of Inspector General (OIG) Reports
- Public Comment received during the Public Comment period for the DOE State Plan
- WAP PAC feedback
- Grantee identified key topics of special focus to improve overall network performance

EXISTING OR PLANNED ACCREDITED TRAINING CENTER PARTNERSHIP OR WORKING RELATIONSHIP.

TDHCA and Subgrantees have historically partnered with Santa Fe Community College's EnergySmart Academy (SFCCEA) to provide IREC accredited comprehensive trainings. Additionally, SFCCEA has helped TDHCA with the development of SWS field guides and allowed TDHCA training staff maintaining BPI Proctor certifications to proctor BPI written exams.

PREPARATIONS FOR FUTURE/UPCOMING PROGRAM REQUIREMENTS, EXAMPLES INCLUDE:

- **UPDATED STANDARD WORK SPECIFICATIONS (SWS)**
- **MIGRATION TO ONLINE WEATHERIZATION ASSISTANT**
- **INCLUSION OF SPECIFIC LANGUAGE FROM WEATHERIZATION PROGRAM NOTICES (WPN)**

TDHCA is preparing for the following upcoming program requirements:

- Infrastructure Investment and Jobs Act increase funding levels
- Migration to the online Weatherization Assistant v10 when fully implemented and directed by DOE
- Inclusion of specific updated language from Weatherization Program Notices (WPN)
  - TDHCA updates specific language on an as-needed basis.

WHAT PROTOCOLS ARE IN PLACE WHICH ENSURE UNTRAINED STAFF ARE NOT LEFT WITHOUT SUPERVISIONS DURING FIELD OPERATIONS?

Per Title 10 Texas Administrative Code (TAC) 6.6 (e), Subgrantees are required, upon hiring of a new program coordinator, to contact the Department with written notification within 30 calendar days of hiring to receive new manager/coordinator T&TA. Non-coordinator staff are required to be supervised during their introductory period and initial training is conducted by Subgrantee staff utilizing training resources available on TDHCA's website until the staff has received the necessary comprehensive/specific training to function independently. On an as-needed basis TDHCA training staff is available to assist with T&TA upon request and provide program oversight if associated risks warrant such an approach.

Partnerships with the statewide home performance industry on training issues; if applicable.

TDHCA does not currently partner with any statewide home performance industries.

HOW DOES ANALYSIS CONDUCTED, AS DETAILED IN SECTION V.6 OF THE ANNUAL APPLICATION, INFLUENCE THE DEVELOPMENT OF T&TA ACTIVITIES AND PRIORITIES?

Subgrantees are reviewed by TDHCA's Executive Award & Review Advisory Committee (EARAC) and monitored as described in V8.3 Monitoring Activities. Results of the EARAC review and monitoring visit(s) are shared with T&TA staff. Identified issue(s) as a result of the EARAC review and/or monitoring visits are analyzed by T&TA staff to determine how to best resolve the issue(s) and address the Subgrantee's training needs. T&TA staff requires subgrantee to update their TNA to reflect the required actions to resolve the identified issue(s) and provides follow-up activities to ensure the identified issue(s) are corrected in a timely fashion.

3.0 – Workforce Credentials

Describe the following aspects of your T&TA plan related to workforce credentials.

Federally Required Credentials. Examples Include:

- **Environmental Protection Agency Lead Renovation, Repair, and Painting Program**
- **Home Energy Professionals Quality Control Inspector Certification**

Federally Required Credentials:

- Environmental Protection Agency (EPA) Lead Renovator Certification
- Environmental Protection Agency (EPA) Certified Firm Certification
- Home Energy Professionals Quality Control Inspector (QCI) certification
- Home Energy Professionals Energy Auditor (EA) certification
- AHERA or state certification to test, encapsulate, abate, etc., asbestos containing material (ACM) as outlined within WPN 22-7 and allowed within Texas's H&S plan

Grantee/State Required Credentials. Examples Include:

- **Building Performance Institute Building Analyst**
- **Grantee-Developed Certifications**

TDHCA does not currently require any credentials outside of the Federal or Subgrantee/Local identified credentials for the Weatherization Assistance Program; however, TDHCA does strongly encourage the following as prerequisites to advanced Home Energy Professional Certifications:

- BPI Building Science Principles Certificate
- BPI Building Analyst Certification

Subgrantee/Local Required Credentials. Examples Include:

- **Contractor Licensing**

Subgrantee/Local required credentials:

- State Contractor Licensing for required services, i.e. HVAC, plumbing, electrical, etc.
- OSHA 30 Construction Safety Course (for supervisors)
- OSHA 10 Construction Safety Course (for crew members)

Industry Required Credentials. Examples include:

- **Equipment/Material Manufacture Certification**
- **Vendor Certification**
  (e.g. Equipment/Material Manufacture Certification, Vendor Certification)

Industry required credentials are as follows:

- Equipment/Material Manufacture Certification
- Vendor Certification (e.g. Equipment/Material Manufacture Certification, Vendor Certification)

Process For Maintaining Workforce Credentials

Subgrantees are required to have an internal process in place to ensure all required workforce credentials are obtained, tracked, and maintained. As part of each Subgrantees annual monitoring scope, TDHCA compliance monitoring staff test to ensure workforce credential compliance.

How Credentials Are Tracked

Subgrantees each have their own internal tracking process in place to ensure all workforce credentials are obtained and/or retained, which is tested by TDHCA compliance monitoring staff to ensure compliance. Additionally, Subgrantees are required annually to update their agency contact information to TDHCA which includes the reporting of the following certifications for Grantee tracking purposes:

- QCI
- Multi-Family QCI
- Energy Auditor
- Retrofit Installer
- Crew Leader

- Lead Safe Renovator
- OSHA 10
- OSHA 30

4.0 – Training

Grantees have two options to describe their training.

A) Use the embedded spreadsheet* to Identify and describe the training schedule for Grantee and Subgrantee staff. Include technical and non-technical training.

B) OR Use the fields below to identify and describe the training schedule for Grantee and Subgrantee staff. Include technical and non-technical training.

Grantee's are to include the following in their descriptions regardless of what option is being used to describe their training plan:

- Specify whether attendance is mandatory, and the ramifications for non-compliance.
- Specify If the T&TA plan spans multiple Program Years (PY), indicate which trainings are intended in the current PY and which are planned for future PYs.

* The embedded spreadsheet, if completed at the end of the year to record delivered training, can be used as Documentation for the required annual T&TA report. Double click to open spreadsheet. Enter information and close. It will automatically save your information

TTA Planning and Reporting Template F

Programmatic/Administration Training

- Financial (i.e. 2 CFR 200)
- Management (i.e. 10 CFR 440)

Programmatic/Administration training is available to each Subgrantee through the following:

- Financial (i.e. 2 CFR 200)
  - Onsite and/or virtual fiscal trainings are available through TDHCA training staff upon request or as deemed necessary by Grantee staff to address day to day needs such as procurement, rule clarifications/references, contractual requirements, reporting, expenditure allowability, etc.
  - Intensive Subgrantee fiscal training is available upon request and provided by contracted consultants for complex needs such as cost allocation, budgeting, grant fund accounting, etc.
    - Peer-to-Peer training is available from recognized experienced WX network Subgrantees
    - Training conferences
- Management (i.e. 10 CFR 440)
  - New program coordinator trainings are available and required for all newly hired staff that cover WX timeline, program rules, available resources, reporting requirements, etc.
  - Onsite and/or virtual management trainings are available through TDHCA training staff upon request or as deemed necessary by Grantee staff to address management training needs
  - Peer-to-Peer training from recognized experienced WX network Subgrantees

- Training conferences

Additional Programmatic/Administration training is handled on an ongoing and as-needed basis as identified by network request, new/updated requirements, new staff hires, results of monitoring reports, or as deemed necessary by Grantee staff.

COMPREHENSIVE TECHNICAL TRAINING ALIGNED TO THE JOB TASK ANALYSIS (IDENTIFY AT WHAT INTERVALS WORKERS WILL RECEIVE REGULAR, COMPREHENSIVE TRAINING AS REQUIRED BY WEATHERIZATION PROGRAM NOTICE (WPN) 22-4)

- QUALITY CONTROL INSPECTOR
- ENERGY AUDITOR
- CREW LEAD
- RETROFIT INSTALLER/TECHNICIAN

TDHCA requires each of the professional certifications listed below to receive a refresher course and recertify every three years through an accredited IREC training provider:

- Quality Control Inspector
- Energy Auditor

In accordance with WPN 22-4, Subgrantees must plan and ensure all WAP field workers receive regular comprehensive training for the position in which the worker is employed. Additionally, the Subgrantee must identify all identified/planned/required comprehensive trainings within their TNA as outlined within WPN 22-4 and ensure the trainings are provided by an accredited IREC training facility certified in the occupation-specific Job Task Analysis (JTA) being taught. Comprehensive trainings identified with the TNA will be prioritized based on compliance mandates, monitoring results, occupation-specific JTA staff weaknesses, T&TA staff input, staff request, and fund availability. In the event a Subgrantee experiences unforeseen issues and their training needs will exceed their normal allotted T&TA budget, TDHCA has set aside additional funding to be available on an as-needed basis. Examples of unforeseen issues include but are not limited to key staff turnover affecting program compliance/production, compliance/monitoring mandates, etc.

SPECIFIC TECHNICAL TRAINING

- TOPICS IDENTIFIED DURING MONITORING VISIT(S)
- ENERGY MODELING
- HEALTH & SAFETY. ALL H&S TOPICS IN WPN 22-7 REQUIRE SOME LEVEL OF TRAINING FOR ALL AFFECTED WORKERS, THE FREQUENCY OF THIS TRAINING IS A GRANTEE DECISION. EXAMPLES INCLUDE:
  - AIR CONDITIONING, HEATING SYSTEMS, AND COMBUSTION APPLIANCES
  - ASBESTOS
  - BIOLOGICALS AND UNSANITARY CONDITIONS
  - BUILDING STRUCTURE AND ROOFING
  - CODE COMPLIANCE
  - ELECTRICAL
  - FUEL LEAKS
  - GAS OVENS/STOVETOPS/RANGES
  - HAZARDOUS MATERIALS
  - INJURY PREVENTION OF OCCUPANTS
  - LEAD BASED SURFACE COVERINGS (PAINT, VARNISHES, ROOFING, ETC.)
    - EPA'S LEAD RENOVATION, REPAIR & PAINTING PROGRAM (RRP)MOLD/MOISTURE
  - MOLD AND MOISTURE
  - OCCUPANT PRE-EXISTING OR POTENTIAL HEALTH CONCERNS
  - PESTS
  - RADON
  - SAFETY DEVICES
  - VENTILATION AND INDOOR AIR QUALITY
    - AMERICAN SOCIETY OF HEATING REFRIGERATION AND AIR-CONDITIONING ENGINEERS (ASHRAE)

- Water Heaters
- Worker Safety
  - OSHA
- Client Education (training workers to conduct client education). Examples include:
  - Energy Savings strategies
  - Program-specific information. Examples include:
    - What to expect
    - Additional resources
  - Health & Safety issues

Specific Training offerings are available to all Subgrantees as follows:

- Topics (s) identified during monitoring visit(s)
  - Feedback from Department of Energy (DOE) Project Officers (PO) and monitoring reports
    - Feedback from Project Officers and DOE identified monitoring issues/network trends are addressed in network-wide training(s)
    - Subgrantee specific trainings are performed for all Subgrantees selected as part of the monitoring sample and training is performed to correct the specific areas of deficiency identified in the agency's DOE monitoring report
    - TDHCA WAP monitors utilize the DOE monitoring report to adjust sampling and increase focus in the identified areas. Identified issues/network trends are addressed utilizing network-wide or Subgrantee specific trainings
  - Grantee Monitoring Reports of the Subgrantees
    - TDHCA T&TA staff are copied on all monitoring reports and/or a staff meeting is held for monitors to debrief T&TA staff after each visit. In those meetings, monitoring staff relay issues found related to the Subgrantee as well as overall trends identified. Following the monitoring report, T&TA staff provide an initial email to the Subgrantee to provide resources for identified issues. T&TA staff applies this debrief information when determining the needs for Subgrantee specific T&TA and to plan any needed training curriculum
- Energy Modeling
  - Weatherization Assistant online training is available for Subgrantees on demand through the TDHCA website at the following link: Weatherization Assistant Online Training
  - TDHCA has created a Weatherization Assistant (NEAT/MHEA) training guide to aid Subgrantees in energy audit modeling and is available for Subgrantees on the TDHCA website at the following link: Weatherization Assistant (NEAT/MHEA) -Student Guide
  - Specific energy audit training/questions in regards to energy audit modeling is readily available upon Subgrantee request or as determined necessary by Grantee staff.
- Health & Safety. All H&S topics in WPN 22-7 require some level of training for all affected workers, the frequency of these type trainings are based on workforce needs. All WAP H&S training include review of required, allowable, and prohibited activities listed within WPN 22-7. Additional topics covered in H&S trainings include the following:
  - Air Conditioning, Heating Systems, Combustion Appliances
    - WAP H&S Policy training on allowable activities
    - Licensing and/or certifications for HVAC installers as required by authority having jurisdiction
    - Testing and inspection training
    - Combustion Gases
      - How to perform appropriate testing, determine when a building is excessively depressurized, and the difference between air free and as-measured CO
  - CO action levels Asbestos (Confirmed and/or Presumed Asbestos Containing Material)
    - How to identify suspected ACM
    - Licensing/certification/training requirements
    - Safe work practices
  - Biologicals and Unsanitary Conditions

- How to recognize unsafe conditions and when to defer
- Safe work practices when encountering such conditions

- Building Structure and Roofing
  - How to identify structural and roofing issues
- Code Compliance
  - How to determine what code compliance may be required
- Electrical
  - How to identify electrical hazards
  - Local or Authority Having Jurisdiction (AHJ)) code compliance
- Fuel Leaks
  - Fuel leak testing
- Gas Ovens/Stovetops/Ranges
  - Testing techniques
  - CO action levels
- Hazardous Materials
  - Appropriate Personal Protective Equipment (PPE) for working with hazardous waste materials
  - Disposal requirements and locations
  - Health and environmental risks related to hazardous materials
- Injury Prevention of Occupants and Weatherization Workers
  - Hazard identification
- Lead Based Surface Coverings (Paints, Varnishes, Roofing, etc.)
  - Lead Based Paint & EPA's Lead Renovation, Repair & Painting Program (RRP)
    - All employees and contractors working on pre-1978 homes must receive training to install measures in a lead-safe manner in accordance with the SWS and EPA protocols, and installation must be overseen by an EPA Certified Renovator
    - Grantee Monitors and Inspectors must be Certified Renovators
- Mold/Moisture
  - National curriculum on mold and moisture or equivalent
  - How to recognize drainage issues
- Occupant Pre-existing or Potential Health Conditions
  - How to assess occupant preexisting conditions and determine what action to take if the home is not deferred
  - Awareness of potential hazards
- Pests
  - How to assess presence and degree of infestation, associated risks, and deferral policy
- Radon
  - Auditors, assessors, and inspectors must have knowledge of radon, what it is and how it occurs, including what factors may make radon worse, and precautionary measures that may be helpful
  - Workers must be trained in proper vapor retarder installation
  - Provide zonal radon map resources
- Safety Devices
  - Where to install alarms
  - Local code compliance
- Ventilation and Indoor Air Quality
  - American Society of Heating Refrigeration and Air-Conditioning Engineers (ASHRAE) requirements
  - ASHRAE 62.2 training including proper sizing, evaluation of existing and new systems
  - If the grantee opts to adopt a new version of ASHRAE 62.2 then training and technical assistance should be planned to prepare crews to implement the new standard
- Water Heater Replacement
  - Water temperature testing
  - How to identify if repair or replacement is warranted

- Worker Safety
  - Use and importance of PPE
  - Safety training appropriate for job requirements. OSHA 30 for supervisors and OSHA 10 for crew members
  - Ongoing training as required in Hazard Communication Program
- Client Education (training workers to conduct client education). Examples include:
  - Importance of providing both written and verbal education for each client
  - How to review energy savings materials
  - Steps to properly educate clients on instructions for equipment operation and/or maintenance

Additional Specific Training is handled on an ongoing and as-needed basis as identified by network request, new/updated requirements, new staff hires, results of monitoring reports, or as deemed necessary by Grantee staff.

CONFERENCES. EXAMPLES INCLUDE:

- **ENERGY OUTWEST**
- **BUILDING PERFORMANCE ASSOCIATION**
- **NATIONAL ASSOCIATION FOR STATE AND COMMUNITY SERVICE PROVIDERS**
- **COMMUNITY ACTION PARTNERSHIP**

TDHCA relays all conference related Weatherization Memorandums/Notifications allowing use of training funds to Subgrantees. Conference attendance examples include:

- Energy OutWest
- Building Performance Association
- National Association for State and Community Service Providers
- Community Action Partnership

OTHER, PLEASE SPECIFY:

TDHCA budgets T&TA funds for both the Grantee and Subgrantees which are utilized as described in Section 1.0 General Information of this plan.

5.0 – TECHNICAL ASSISTANCE

DESCRIBE THE TECHNICAL ASSISTANCE ACTIVITIES INCLUDED IN THE T&TA BUDGET CATEGORY.

PROGRAMMATIC/ADMINISTRATION SUPPORT

Programmatic/Administration technical assistance is readily available and provided to all Subgrantees utilizing TDHCA training staff through the following methods:

- Questions and/or technical assistance is continuously available for all Subgrantees through the TDHCA WUFOO online portal at the following link: Submit a Program Question or Request T&TA.
- Virtual technical assistance is provided utilizing platforms such as GoTo Meeting, Microsoft® Teams, FaceTime, etc.
- Subgrantee onsite or network trainings
- TDHCA website resources such as TDHCA developed Best Practices, Frequently Asked Questions, training videos, etc.
- Peer-to-Peer technical assistance/information exchange is available from recognized experienced WX network Subgrantees
- Activities in coordination with Texas Association of Community Action Agencies (TACAA)
- Quarterly Network Calls
- WAP E-Newsletters

Additional Programmatic/Administration technical assistance methods are created/utilized on an as-needed basis to improve program administration, effectiveness, and delivery of services.

Technical Support
Technical Support is readily available and provided to Subgrantees utilizing TDHCA training staff through the following methods: • Questions and/or technical assistance is continuously available for all Subgrantees through the TDHCA WUFOO online portal at the following link: [Submit a Program Question or Request T&TA](). • Virtual support is provided utilizing platforms such as GoTo Meeting/Webinar, Microsoft® Teams, FaceTime, etc. • Subgrantee onsite or network trainings • TDHCA website resources such as TDHCA developed Best Practices/Forms, training videos, etc. • Peer-to-Peer technical assistance/information exchange is available from recognized experienced WX network Subgrantees • Activities in coordination with TACAA • Quarterly Network Calls • WAP E-Newsletters Additional technical support methods are created/utilized on an as-needed basis to improve program administration, effectiveness, and delivery of services.
Health & Safety Support Activities
H&S support is readily available and provided to Subgrantees utilizing TDHCA training staff through the following methods: • Questions and/or technical assistance is continuously available for all Subgrantees through the TDHCA WUFOO online portal at the following link: [Submit a Program Question or Request T&TA](). • Virtual support is provided utilizing platforms such as GoTo Meeting/Webinar, Microsoft® Teams, FaceTime, etc. • Subgrantee onsite or network trainings • TDHCA website resources such as TDHCA developed Best Practices/Forms, training videos, etc. • Peer-to-Peer technical assistance/information exchange is available from recognized experienced WX network Subgrantees • Activities in coordination with TACAA • Quarterly Network Calls • WAP E-Newsletters Additional H&S support methods are created/utilized on an as-needed basis to improve program administration, effectiveness, and delivery of services.
Monitoring **What percentage of T&TA funding is allocated to monitoring? (If defined in section B of the budget details within the annual application, include that within your description below.)**
TDHCA WAP Monitoring staff who conduct fiscal/administrative and inspection monitoring activities are paid out of the T&TA (40%) budget category.
Other, please specify
TDHCA is very fortunate to have a Compliance Monitoring staff experienced in Subgrantee monitoring, unit assessments, audits, material installation, inspections, and the training and technical assistance that support each. TDHCA Compliance staff work in conjunction with Department Training staff to continuously improve our weatherization program.

6.0 Client Education

Describe what current and planned client education materials and/or activities are included in the T&TA budget category. Only those paid for with T&TA funds need to be mentioned.

Note: This does not include training workers to deliver client education. This should be described in the Training section, above.

Client education activities prior to, during and after weatherization which address the weatherization process and energy savings details

TDHCA requires Subgrantees to provide client education to each client. Subgrantees are required to provide, at minimum, educational materials in verbal and written format. Client education may include temperature strips that indicate the temperature in the room, energy savings tips and materials, and instructions for equipment operation and/or maintenance. Compliance staff reviews materials and procedures during each Subgrantees annual onsite monitoring.

Client education activities regarding H&S issues as indicated in WPN 22-7

- Air Conditioning, Heating Systems, and Combustion Appliances
- Asbestos – Confirmed and/or Presumed Asbestos Containing Material
- Biologicals and Unsanitary Conditions
- Building Structure and Roofing
- Code Compliance
- Combustion Gases
- Electrical
- Fuel Leaks
- Gas Ovens/Stovetops/Ranges
- Hazardous Materials
- Injury Prevention of Occupants
- Lead Based Surfaces (Paints, Varnishes, Roofing, etc.)
- Mold and Moisture
- Occupant Pre-existing or Potential Health Conditions
- Pests
- Radon
- Safety Devices
- Ventilation and Indoor Air Quality
  - American Society of Heating Refrigeration and Air-Conditioning Engineers (ASHRAE)
- Water Heaters
- Worker Safety
  - OSHA
- Additional topics as described in Health & Safety Plan

Client education activities/resources regarding H&S issues are provided by Subgrantees to ensure compliance with WPN 22-7 as follows:

- A Client H&S Questionnaire is required to be completed by Subgrantees for each unit weatherized. Questionnaire can be located on the TDHCA website at the following links:
  - Client H&S Questionnaire
- When deferral is necessary, Subgrantees are required to provide information to the client, in writing, describing conditions that must be met in order for weatherization to commence and if applicable, include any of the additional specific information detailed below. A copy of the notification must also be retained within the client file.
  - Appropriate referral resources shall also be provided to the client.
- H&S client education resources can be located at the following links:
  - WPN 22-7 Additional Resources and References
  - TDHCA Program Guidance

- Air Conditioning, Heating Systems, and Combustion Appliances
  - Appropriate use and maintenance of units.
  - Provide all paperwork and manuals for any installed equipment.
  - Discuss and provide information on proper disposal of bulk fuel tanks when not removed as part of the weatherization work.
  - Where combustion equipment is present, provide combustion safety information, including how to recognize depressurization, dangers of CO poisoning, and fire risks associated with combustion appliance use.
- Asbestos
  - Formally notify the occupant and landlord if applicable, in writing:
    - of suspected ACMs that are present and what precautions will be taken to ensure the occupants' and workers' safety during weatherization;
    - of results if testing was performed;
    - not to disturb suspected ACM;
    - When deferral is necessary due to asbestos, occupant, or landlord if applicable, must provide documentation before work continues.
- Biologicals and Unsanitary Conditions
  - Inform client, in writing, of observed conditions.
- Building Structure and Roofing
  - Notify client, in writing, of structurally compromised areas.
- Code Compliance
  - Inform client, in writing, of observed code compliance issues when it results in deferral.
- Electrical
  - Provide occupant with written documentation of any electrical hazards identified that will not be addressed by weatherization.
  - Provide information to occupant on over-current protection, overloading circuits, and basic electrical safety/risks if conditions warrant.
- Fuel Leaks
  - Inform clients in writing of fuel leak testing results, including specific location if fuel leaks are detected.
- Gas Ovens/Stovetops/Ranges
  - Inform clients of the importance of using exhaust ventilation when cooking and the importance of keeping burners clean to limit the production of CO.
- Hazardous Materials Disposal
  - Inform occupant in writing of hazards associated with hazardous waste materials being generated/handled in the home.
  - Inform occupant in writing of observed hazardous conditions and associated risks.
  - Provide occupant written materials on safety issues and proper disposal of household pollutants.
- Injury Prevention of Occupants
  - If identified hazardous conditions will not be correct during weatherization, inform occupant in writing of observed hazards and associated risks utilizing the "Hazard Identification Notification Form" required by WPN 22-7.
- Lead Based Surface Coverings (Paint, Varnishes, Roofing, etc.)
  - Follow pre-renovation education requirements per EPA RRP rules.
- Mold/Moisture
  - Provide occupant written notification of identified mold/moisture hazards and information regarding the associated hazard.
- Occupant Pre-existing or Potential Health Conditions
  - Inform client in writing of any known risks and provide pre-weatherization screening form.
  - Provide client with Subgrantee point of contact information in writing.
- Pests

- Inform client in writing of observed conditions and associated risks.

- Radon
  - Provide all clients *EPA's A Citizen's Guide to Radon* and inform them of radon related risks.
  - Occupants must sign informed consent form prior to receiving weatherization
- Safety Devices
  - Provide client with verbal and written information on use of newly installed devices and the potential risks of not properly maintaining these devices.
- Ventilation and Indoor Air Quality (ASHRAE)
  - Provide client with information on function, use, and maintenance (including location of service switch and cleaning instructions) of ventilation system and components.
  - Provide client with equipment manuals for installed equipment.
  - Include disclaimer that ASHRAE 62.2 does not account for high polluting sources or guarantee indoor air quality.
- Water Heaters
  - Appropriate use and maintenance of units.
  - Provide all paperwork and manuals for any installed equipment.
  - Where combustion equipment is present, provide combustion safety and hazards information including how to recognize depressurization, dangers of CO poisoning, and fire risks associated with combustion appliance use.

REPORT ITEMS

2a

TDHCA Outreach and Media Analysis, January 2022

A compilation of TDHCA media analysis designed to enhance the awareness of TDHCA programs and services among key stakeholder groups and the general public, and outreach activities, such as trainings and webinars. The following is an analysis of print and broadcast news, and social media reporting for the time period of January 1 through January 31, 2022 (news articles specifically mentioned the Department and/or Texas Rent Relief Program).

Total number of articles referencing TDHCA: 43
Breakdown by Medium:[1]

- Print: 18 (Editorials/Columnists = 2)
- Broadcast: 4
- Trade, Government or Internet-Based Publications: 21

Figure 1 News Tone

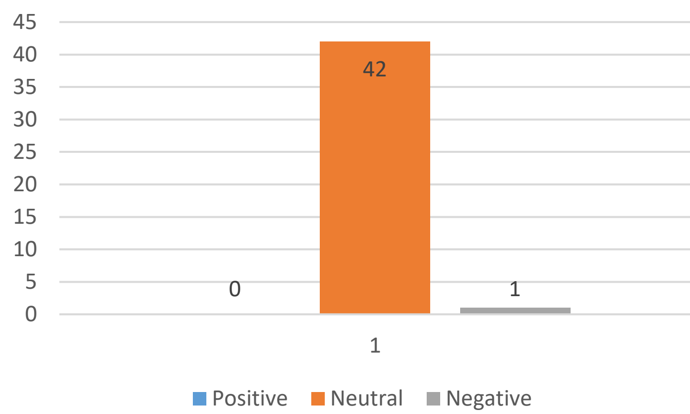
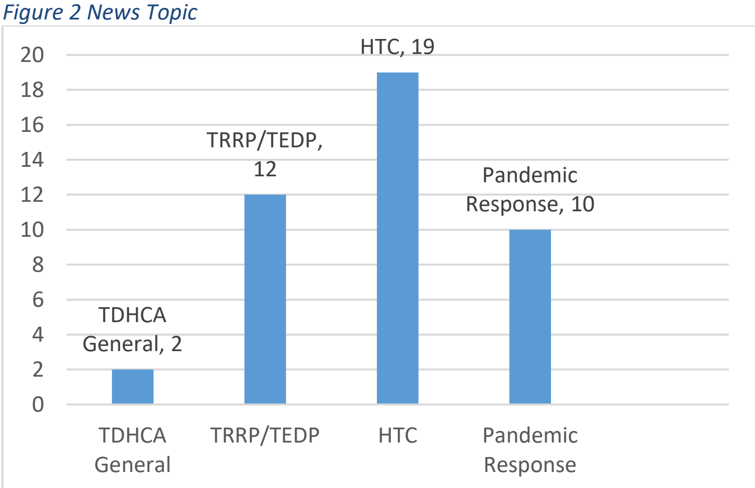
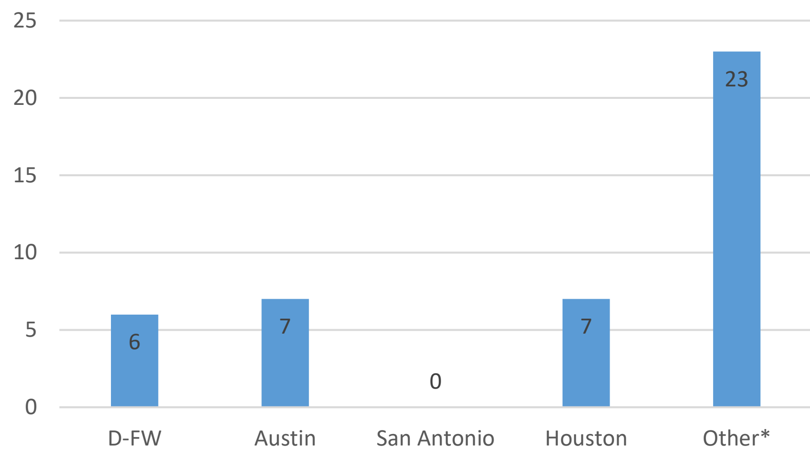


Figure 2 News Topic



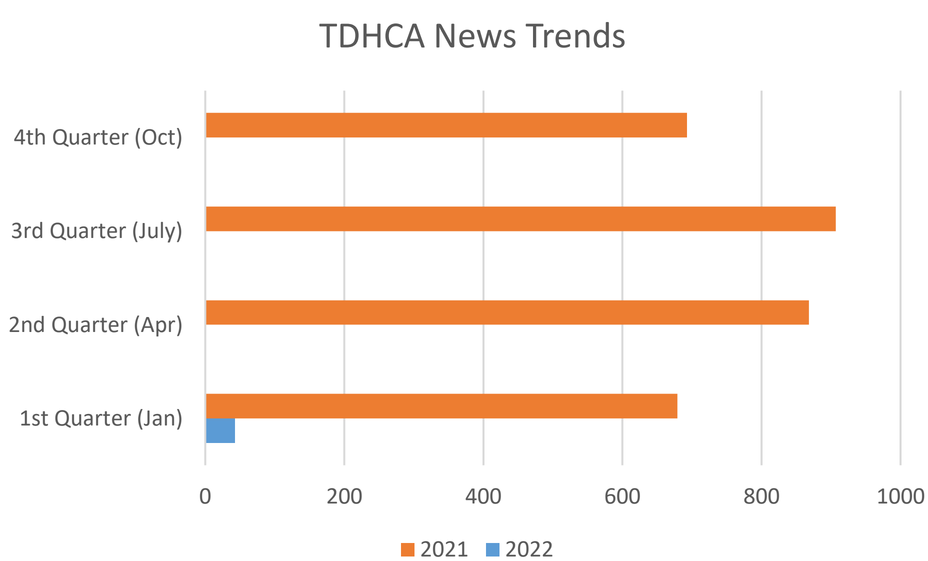
[1] *Broadcast numbers may represent instances in which TDHCA was referenced on a television or radio station's website, rather than in a specific broadcast news segment*

Figure 3 Media Market



Summary:
Reporting on Department activities by the news media totaled 43 references in January 2022. Several news articles (neutral tone) referenced the Texas Community Resiliency Program to help local governments fund rehabilitation of city-owned community facilities. Articles referencing the Texas Rent Relief Program have slowly declined since Fall 2021 into the beginning of 2022, and are no longer representative of TDHCA mentions within the overall news cycle.

The following table illustrates the number of news mentions during each month or quarter of 2022 compared to 2021. With the start of 2022, news mentions of TDHCA and/or TRR were nearly double (43 total news mentions) when compared to January 2021 (total news mentions equaled 23).



Social media:

Through January 2022, TDHCA has gained 3,200 followers to its Twitter account and nearly 6,500 followers to its Facebook account. TDHCA's YouTube channel had more than 3,400 views in January. The following is a summary analysis of TDHCA's efforts to engage stakeholders and the public on federal and state resources, initiatives and programs.

Month/Yr	**Posts**	**Clicks**	**Engagements**	**Shared posts**	**Liked posts**
January 2022	35	14	118	12	46

* Clicks = number of times an individual clicked on a link provided in a post. Engagements = any action a person takes on our post

Month/Yr	**Tweets**	**Clicks**	**Engagements**	**Retweets**	**Liked posts**
January 2022	35	128	20	7	13

* Clicks = number of times an individual clicked on a link provided in a post. Engagements = any action a person takes on our post

Month	Views	Watch time (hours)	Avg. view duration	Impressions	Impressions click-through rate
January 2022	3,478	176.9	3:03	19,871	4.0%

January 2022

Video	Views		Watch time (hours)		Subscribers		Impressions	Impressions click-through rate
Total	**3,478**		**176.9**		**32**		**19,871**	**4.0%**
Texas Rent Relief Program Tutorial – Setting Up Bill.com Account f...	1,282	36.9%	20.4	11.5%	14	43.8%	1,250	6.3%
Texas Rent Relief Program Completing Application Tutorial	611	17.6%	5.9	3.3%	7	21.9%	2,877	5.6%
Texas Rent Relief Program Registration Tutorial	223	6.4%	1.5	0.8%	1	3.1%	556	1.6%
Texas Rent Relief Program Landlord Tips	205	5.9%	3.7	2.1%	0	0.0%	2,670	3.5%
Texas Rent Relief Program Landlord Application Tutorial	158	4.5%	4.0	2.2%	1	3.1%	1,366	4.5%
Texas Eviction Diversion Program Overview – September 9, 2021	111	3.2%	8.5	4.8%	1	3.1%	791	5.8%
Compliance Monitoring & Tracking System (CMTS) Training	96	2.8%	8.7	4.9%	0	0.0%	1,678	2.9%
ERA2 Housing Stability Services NOFA Application Webinar	93	2.7%	22.7	12.9%	0	0.0%	688	4.7%
20 IncomeDeterminationTraining	68	2.0%	7.3	4.1%	0	0.0%	71	11.3%
Texas Emergency Mortgage Assistance Program TEMAP Webinar -...	65	1.9%	5.8	3.3%	3	9.4%	748	2.9%
Texas Community Resiliency Program (CRP) NOFA & Application W...	47	1.4%	9.0	5.1%	0	0.0%	247	2.8%
Fair Housing 101: The Basics of Fair Housing in Texas	46	1.3%	13.9	7.8%	2	6.3%	312	6.7%
Low Income Household Water/Wastewater Assistance Program (LI...	38	1.1%	6.0	3.4%	0	0.0%	719	2.5%

Fair Housing Special Topics: How to Create an Affirmative Marketin...	33	1.0%	3.9	2.2%	1	3.1%	151	6.0%
Utility Allowance Training - May 5, 2021	32	0.9%	5.3	3.0%	0	0.0%	203	3.9%
Como Completar Su Aplicación para el Programa de Asistencia de ...	30	0.9%	0.3	0.2%	0	0.0%	144	4.2%
Housing Stability Services Contract Implementation Webinar	30	0.9%	8.6	4.9%	1	3.1%	307	5.2%
Accessing Texas Department of Aging and Disability Services	26	0.8%	1.1	0.6%	0	0.0%	225	6.2%
Introduction to the Low Income Water/Wastewater Assistance Pro...	23	0.7%	3.4	1.9%	1	3.1%	488	2.5%
Fair Housing Special Topics: Assistance Animals, Service Animals, ...	23	0.7%	5.2	3.0%	0	0.0%	333	4.8%
Housing Contract System and TEMAP Monthly Reporting Webinar ...	21	0.6%	4.3	2.4%	0	0.0%	167	1.2%
Fair Housing Special Topics: Reasonable Accommodations, Modifi...	19	0.6%	4.1	2.3%	0	0.0%	257	3.9%
Overview of Updates to Compliance, Affirmative Marketing and Writ...	19	0.6%	2.6	1.5%	1	3.1%	167	4.8%
TEMAP Implementation Workshop - June 8, 2021	17	0.5%	2.9	1.7%	0	0.0%	220	1.4%
Fair Housing Special Topics: The Violence Against Women Act in F...	12	0.4%	2.0	1.1%	0	0.0%	146	3.4%
TEMAP Monthly Reporting Webinar for Part C Programs - October ...	12	0.4%	0.6	0.4%	0	0.0%	184	1.1%
Consejos para la solicitud de inquilinos	12	0.4%	0.2	0.1%	0	0.0%	115	5.2%
Section 811 PRA Updates for Referral Agents	11	0.3%	0.7	0.4%	0	0.0%	95	4.2%
Housing Stability Services Reporting and Housing Contract System...	11	0.3%	2.4	1.4%	0	0.0%	361	0.6%
Como Registrarse Para el Programa de Asistencia de Pago de Rent...	11	0.3%	0.1	0.1%	0	0.0%	111	7.2%
Cost Certification Roundtable - November 18, 2020	10	0.3%	2.9	1.6%	0	0.0%	51	9.8%
TERAP Application Workshop	10	0.3%	0.7	0.4%	0	0.0%	288	1.7%
TERAP Implementation Workshop	9	0.3%	0.6	0.3%	0	0.0%	85	3.5%
TDHCA Utility Allowance Roundtable - Oct. 13, 2020	8	0.2%	0.4	0.2%	0	0.0%	106	2.8%
TDHCA's Multifamily Direct Loan Training - Sept. 24, 2020	8	0.2%	3.4	1.9%	1	3.1%	150	4.0%
TEMAP NOFA 2 Implementation Workshop	7	0.2%	0.3	0.2%	0	0.0%	133	2.3%
Consejos para la solicitud del propietario	5	0.1%	0.1	0.0%	0	0.0%	92	2.2%
TERAP Webinar on Monthly Reporting and Duplication of Benefits	4	0.1%	0.3	0.2%	0	0.0%	116	1.7%
TERAP Demographics Reporting Update Workshop	4	0.1%	0.6	0.4%	0	0.0%	138	1.5%
TDHCA Board Audit & Finance Committee - June 17, 2021	3	0.1%	0.0	0.0%	0	0.0%	53	5.7%
TDHCA Governing Board meeting - June 17, 2021	3	0.1%	0.0	0.0%	0	0.0%	86	0%
Compliance Round Table - April 21, 2021	3	0.1%	0.0	0.0%	0	0.0%	64	4.7%
Energy Assistance	3	0.1%	0.1	0.1%	0	0.0%	40	7.5%
Average Income Webinar - Sept. 2, 2020	3	0.1%	0.1	0.1%	0	0.0%	104	1.0%
Fair Housing Special Topics: Limited English Proficiency and Langu...	2	0.1%	0.9	0.5%	0	0.0%	33	3.0%
TEMAP Reporting Webinar Program Part C	2	0.1%	0.0	0.0%	0	0.0%	77	2.6%
Accessing Texas Department of State Health Services	2	0.1%	0.0	0.0%	0	0.0%	52	3.9%
2020 04 14 10 00 Fair Housing Month 2020 Assistance Animals	1	0.0%	0.5	0.3%	0	0.0%	28	3.6%
TDHCA Governing Board meeting - July 22, 2021	1	0.0%	0.1	0.0%	0	0.0%	57	1.8%
TEMAP Reporting Webinar	1	0.0%	0.2	0.1%	0	0.0%	89	1.1%

TDHCA Outreach January 2022

A compilation of outreach activities such as meetings, trainings and webinars.

Last Name	Meeting Date	Meeting Title	Attendees (includes organizer)
Housing Stability Services	Jan 11, 2022	Office hours for HHS Subrecipients	9

Housing Resource Center	Jan 12, 2022	Draft 2022 State Low-Income Housing Plan (SLIHP) Public Hearing	12
ESG CARES	Jan 13, 2022	CARES Conversation: How to use your street outreach program	46
Home Ownership	Jan 18, 2022	Lender Lunch and Learn	102
Housing Resource Center	Jan 19, 2021	Housing and health Services Coordination Council (HHSCC) Quarterly Meeting	23
Housing Resource Center	Jan 25, 2022	Texas Interagency Council for the Homeless (TICH) Quarterly Meeting	22
HOME ARP	Jan 21, 2022	Public hearing	38

2b

TEXAS DEPARTMENT OF HOUSING AND COMMUNITY AFFAIRS

TDHCA One-Time or Temporary Allocations – Pandemic Response and Other Initiatives
Report for March 10, 2022

This report has now been updated to include other one-time or temporary federally awarded allocations of funds, in addition to those funds reflected in this report in the past that were focused specifically on the programs TDHCA has targeted to assist with Texas' response to COVID-19. Programs reflected include those that were reprogramming of existing funds and those awarded through the administration of federal bills.

Shaded rows reflect completed programs for which assistance is no longer available.

Program	Timelines / Contract Periods	Planned Activities	Waivers and Initial Approvals Needed	Program Status	Staffing Admin Funds	Served to Date	Total Program Funding Obligated (%) Drawn (%)	Other Notes
EARLY REPROGRAMMING OF EXISTING TDHCA PROGRAM FUNDS								
HOME Program Tenant Based Rental Assistance (TBRA) for COVID-19 DR	NA: Reservation Agreements	Program provided 3-6 months of rental assistance through existing or new HOME subrecipients. *Geography:* Was available where subrecipients applied. 23 administrators covered 120 counties *Income Eligibility:* Households at or below 80% AMFI based on current circumstances	All necessary waivers for this activity were authorized by the OOG and HUD via HUD's mega-waiver of April 10, 2020. The HUD waivers were extended by HUD in December 2020 to expire September 30, 2021.	**COMPLETED***	No added TDHCA staffing No added admin funds	2,612 house-holds	$11,026,701* $11,026,701 100% $11,026,701 100%	* Total Program Funding was originally authorized up to $11,290,076. Ultimately 97.7% of that ($11,026,701) was obligated and utilized.
Reprogram 2019 and 2020 CSBG Discretionary and Admin. Funds	• Board approval March 2020 • Recipients contracts were effective March 26, 2020 • Expenditure Deadline was August 31, 2020	Used the existing network of Community Action Agencies to provide direct client assistance to low income households economically impacted by COVID-19 *Geography*: Available statewide (excluding CWCCP and CSI) *Income Eligibility*: 200% poverty (normally is 125%)	None	**COMPLETED** 100% expended	No added TDHCA staffing No added admin funds	9,468 persons	$1,434,352 1,434,352 100% $1,434,352 100%	38 CAA subs

Program	Timelines / Contract Periods	Planned Activities	Waivers and Initial Approvals Needed	Program Status	Staffing Admin Funds	Served to Date	Total Program Funding Obligated (%) Expended (%)	Other Notes
Recaptured 2018/2019 HHSP	• Board approval March 2020 • 2018 had to be spent by August 31, 2020; 2019 had to be spent by December 31, 2020	Allow subrecipients to perform HHSP eligible activities in addressing homelessness and those at risk of homelessness *Geography*: Available 9 largest metro areas *Income Eligibility*: Generally 30% AMFI if applicable	Approval from Comptroller granted	**COMPLETED** 100% expended	No added TDHCA staffing No added admin funds	462 persons	$191,939.53 $191,939.53 100% $191,939.53 100%	9 subs
CARES ACT FUNDS								
CSBG CARES	• Board approved April 2020 • Must expend 90% by August 31, 2022 • 45 day closeout period	90% to CAAs using regular CSBG formula for households affected by COVID-19; 2% ($949,120) to Texas Homeless Network[1]; 7% for an eviction diversion pilot program; 1% for state admin *Geography*: Available statewide *Income Eligibility*: 200% of poverty (normally is 125%)	The flexibilities allowed by USHHS have been accepted.	All contracts are in progress. The Eviction Diversion program has been completed.	1 Art. IX FTE for CSBG reporting 1% admin ($474,560)	136,098 persons	$48,102,282 $48,102,282 100% $41,864,054 87%	40 CAA subs
LIHEAP CARES	• Board approved April 2020 • Must expend by September 30, 2021 • 45 day closeout period	99% to CEAP subs for households affected by COVID-19; 1% for state admin (no weatherization) *Geography*: Available statewide *Income Eligibility*: 150% of poverty	The flexibilities allowed by USHHS have been accepted	**COMPLETED**	1 Art. IX FTE for CEAP TA/capacity (1 Filled) 1% admin ($892,670)	181,215 persons	$94,023,896 $93,483,658 99% $64,347,342 69%	An estimated $29,676,554 was not expended by subrecipients by the deadline. Unused funds were returned to HHS.

[1] The award to THN is to address homelessness and those at risk of homelessness as a result of COVID-19.

Program	Timelines / Contract Periods	Planned Activities	Waivers and Initial Approvals Needed	Program Status	Staffing Admin Funds	Served to Date	Total Program Funding Obligated (%) Expended (%)	Other Notes
CDBG CARES – Phases I, II and III	Board approved general use of the funds for CDBG Phase I in April 2020 and Plan Amendments in October 2020, January 2021, and July 2021 80% of funds must be expended by November 3, 2023; remaining 20% by November 3, 2026 90-day closeout period	Planned Usage: rental assistance in 40 cities/counties; mortgage payment assistance in 40 counties; legal services; assistance for providers of persons with disabilities; food expenses; community resiliency activities; and possible HMIS data warehouse funds. *See Also Attached Report.* *Geography:* Varies by activity type.	HUD agreement executed November 3, 2020. All Plan Amendments approved.	*See Attached Report.* Staff has been receiving technical assistance from HUD's TA provider.	CDBG Director position filled. 7 other positions filled. All FTES are Art. IX Up to 7% admin and TA budget ($9,929,238)	9,976 house-holds	1st allocation: $40,000,886 2nd Allocation: $63,546,200 3rd Allocation: $38,299,172 Total: $141,846,258 $101,034,321* 71.22% $47,307,300* 33.35%	*Income Eligibility:* For households at or below 80% of AMI. * Figure includes TDHCA admin funds.
ESG CARES – Phase I & 2	• Board approved programming plan for ESG1 on April 2020. ESG1 awards made July 23, 2020 and ESG2 awards made January 14, 2021. • Deadline to expend 80% by March 31, 2022 was removed by HUD • Expend by September 30, 2022 • 90 day closeout period	• ESG1: Existing subs were offered funds. ESG Coordinators decided via local process for their CoC, in three areas without ESG Coordinators awards offered to CoC awardees. Also used for Legal/ HMIS. • ESG2: Funds for use for Homelessness Prevention, Rapid Rehousing, HMIS, Street Outreach & Emergency Shelter. • *Geography:* Locations of all funded grantees • *Income Eligibility*: 50% AMI for homeless prevention	• HUD mega-waivers accepted • HUD signed grant 1st agreement in May 2020 and 2nd agreement in October 2020. • Plan amendment s to HUD in May 2020 and October 2020.	• 152 contracts executed • Actively evaluating providers for contract performance • Obligated balance updates ongoing due to reallocation of funds	4 Art. IX FTE (for all phases of ESG) Up to 5 % admin ($4,894,981). This number may shift over time if unused funds are shifted to subrecipient contracts.	71,533 persons	$97,792,616 $97,271,523* 99.47% $51,847,689* 53.02% *Includes TDHCA admin	Note that this row now reflects ESG CARES 1 <u>and</u> 2; HUD reporting combines these two programs.

Program	Timelines / Contract Periods	Planned Activities	Waivers and Initial Approvals Needed	Program Status	Staffing Admin Funds	Served to Date	Total Program Funding Obligated (%) Expended (%)	Other Notes
Housing Choice Voucher Program Admin	Expend by December 31, 2021 1st Award: $117,268 2nd Award: $140,871 (8/10/2020)	• Software upgrades with Housing Pro to allow more efficient remote interface • Landlord incentive payments • Ordered 3 tablets for inspections • October 2020 Board approved use of funds for retention payments to existing owners to ensure their ongoing participation in the program	Received HUD interpretation that using funds for software upgrades are acceptable. $11,620 was paid for the system purchase.	**COMPLETED***	No added TDHCA staffing.	142 Land-lord renewals 17 new landlords added	$258,139 $83,700 32.42% $83,700 32.42%	* These admin funds were not fully utilized. $174,439 is being returned to HUD. Funds were not allowed to be used for direct household assistance nor were there higher admin expenses.
Housing Choice Voucher Program MVP	Have to issue vouchers by December 31, 2021. Orig. Allocation: $105,034*	15 additional MVP vouchers consistent with our award of MVP, which for TDHCA is for Project Access households. Received award from HUD. Issued the 15 vouchers on May 22, 2020. All 15 were leased.	None needed.	**COMPLETED** 100% of vouchers utilized	No added TDHCA staffing. No added admin funds.	15 families in current leases	$110,302 HAP Paid* $53,664 48.65%	Effective December 31, 2021, the funding authority for the 15 housed families has now been rolled into TDHCA's regular yearly HAP authority. While not all allotted HAP was used, all vouchers will continue to be funded.

Program	Timelines / Contract Periods	Planned Activities	Waivers and Initial Approvals Needed	Program Status	Staffing Admin Funds	Served to Date	Total Program Funding Obligated (%) Expended (%)	Other Notes
CORONAVIRUS RELIEF BILL – PART OF THE CONSOLIDATED APPROPRIATIONS ACT OF 2021								
Texas Rent Relief (TRR) Program (Funded with ERA1 and ERA2)	The program dedicates funds through Treasury specifically for rental and utility assistance. The first allocation through the Consolidated Appropriations Act is called ERA1. The second allocation from the American Rescue Plan Act, Section 3201, is called ERA2. ERA1: Required to expend all funds by September 30, 2022. ERA2: Required to expend all funds by September 30, 2025.	Program provides up to 15 months of rental and utility assistance including arrears for ERA1 (up to 18 months for ERA2). Households must reapply every 3 months. Program is run by the state with no subrecipients. 10% of funds are for Housing Stability Services (see following row). Established a 10% set-aside for eviction diversion; households facing eviction and utility disconnections are prioritized for processing. Treasury has provided periodic updated FAQs as informal guidance – most recently August 25, 2021. *Geography:* Statewide. *Income Eligibility:* For households at or <80% AMI.	*Treasury Reallocation*: Based on performance, TRR is eligible to receive additional funds recaptured from other ERA grantees. To date, TRR has received $31M in reallocated funds from Combined Collin & Montgomery Counties & Frisco City. Awaiting additional reallocation decisions.	As of February 25, 2022, TRR has committed 99.8% of its total funding available. Staff continues to process a small number of assistance payments awarded through appeals. Some additional funds will become available after being returned by participating tenants and/or landlords; these funds will be used to process additional appeals or previously submitted applications contingent on funding availability.	Positions filled include Director and 20 positions. Staffing now includes a team for the Housing Stability Services activity. All FTES are Art. IX *Admin Allowed*: 10% ERA1 15% ERA2 $274,285,279	310,592 house-holds served (As of 02/25/22)	Allocations ERA1: $1,308,110,630 ERA2: $1,079,786,857 Reallocated: $31,135,178 Interest*: $2,652,665 Available for Rent/Utility Payments** $1,998,235,278 Expended*** $1,993,504,282 99.8% Admin. Expended**** $139,870,570 51%	* Interest was Allocated on 12/2/21 ** Amount is total allocation less funds for HSS and Adm. ***Expended per Internal Report Feb. 25, reflects all payments made, plus payments in process. **** Figure is per Internal Report as of 02/25/22.
Housing Stability Services (HSS) Program (funded by ERA1 and 2)	These funds are a subset of the ERA funds in the row above. Up to 10% of the funds from ERA1 and ERA2 are authorized for housing stability. ERA1: Expend funds by September 30, 2022 ERA2: Must expend funds by September 30, 2025	Program provides funds to local communities or nonprofits for them to provide eligible Texans with a variety of services that help household maintain or obtain stable housing including legal services, outreach services, shelter services, community services, and services offered at permanent supportive housing properties *Geography:* Available where Subrecipients are located. *Income Eligibility:* For households at or below 80% AMI.	Treasury has provided periodic updated FAQs as informal guidance – most recently August 25, 2021. As they are released, HSS policies are adjusted.	All ERA1 contracts are executed with Subrecipient service providers. MOU with TVC executed. ERA2 contract with the THN executed to support work on EHV program. ERA2 award recommendations are on Board agenda for meeting of March 10, 2022; this action obligates $104,000,000 to an estimated 45 organizations. Contracts will be effective 3/31/2022.	See above	14,712 house-holds served 239,270 meals served	Total (est.) $163,552,903 HSS ERA1 Avail: $71,552,903 Obligated: $71,363,823 99.7% Expended: $14,754,215 20.7% HSS ERA2 Avail: $105,328,160 Obligated*: $104,750,000 99.5% Expended: $0 0	* Obligations include actions taken on the March 10, Board meeting agenda.

Program	Timelines / Contract Periods	Planned Activities	Waivers and Initial Approvals Needed	Program Status	Staffing Admin Funds	Served to Date	Total Program Funding Obligated (%) Expended (%)	Other Notes
Low-Income Household Water Assistance Program (LIHWAP1)	Part of the appropriation bill; provides dedicated funds through HHS for the Low-Income Household Drinking Water and Wastewater Emergency Assistance Program Must obligate and expend funds by: September 30, 2023	Program provides funds to assist low-income households by providing funds to owners/operators of public water and treatment systems to reduce arrearages charged. HHS has encouraged that grantees model the LIHEAP program and utilize their LIHEAP networks of subs. *Geography:* Statewide *Income Eligibility:* TBD	Executed agreement for funds on April 22, 2021. HHS approved TDHCA's LIHWAP Plan on October 22, 2021.	Contracts have not been released as of February 28. CA Contract System is under revisions to accommodate the new program.	3 Art. IX FTEs Admin 15% Any FTES will be Art. IX	0	$51,801,876 $0 0% $0 0%	$638M Nationally
AMERICAN RESCUE PLAN (ARPA) – Public Law 117-2								
HOME ARP Program	Passed as Section 3205 of the American Rescue Plan, the program dedicates funds through HUD allowing flexible uses that can include typical HOME activities as well as homeless services and non-congregate shelter Must expend funds by September 30, 2030	Funds can be used for tenant based rental assistance, development of supportive rental housing, supportive services, non-congregate shelter, and operating costs/capacity building for eligible nonprofit organizations. *Geography:* Available where Subrecipients are located *Households Eligibility: (See Other Notes)*	The existing waiver from the Governor relating to limits on using the funds in rural areas will be utilized to allow the funds to assist homeless persons in urban and rural areas.	HUD released guidance September 13, 2021. Grant agreement signed on September 23, 2021 and program has access to an initial 5% of funds. Draft plan approved by Board in January 2022 for public comment. Comments were received by 15 commenters. Plan expected to be presented to Board for final approval March 2022.	A HOME-ARP Division has been established. Director and Manager have been hired; other positions are being filled. All FTES are Art. IX Up to 15% for admin/planning ($19,945,372)	0	$132,969,147 $0 0% $0 0%	$5B nationally Eligibility: homeless, at risk of homelessness with incomes up to 50% AMI, those fleeing Domestic Violence, populations with housing instability
LIHEAP	Passed as Section 2911 of the American Rescue Plan, dedicates funds through HHS for home energy costs. Must expend funds by: September 30, 2022	99% of funds were programmed in April 2021 to CEAP subs using a modified formula; 1% for state admin. *Geography*: Available statewide *Income Eligibility*: 150% of poverty	None needed.	Contracts have been executed. On March 1, 2022, flexibilities were granted and TRR applicant pool data was provided.	FTEs noted under CARES LIHEAP will be utilized for both allocations. 1% admin (TBD)	34,039	$134,407,308 $134,407,308 100% $10,248,887 7.6%	$4.5B nationally.

Program	Timelines / Contract Periods	Planned Activities	Waivers and Initial Approvals Needed	Program Status	Staffing Admin Funds	Served to Date	Total Program Funding Obligated (%) Expended (%)	Other Notes
Homeowner Assistance Fund (HAF)	Passed as section 3206 of the American Rescue Plan, dedicates funds through Treasury specifically for preventing mortgage delinquencies, defaults, foreclosures, loss of utilities and displacement. Must expend funds by September 30, 2026	The HAF Plan includes: 1) a Reinstatement Program to reinstate delinquent mortgage loans, including principal and interest, as well amounts advanced by the servicer for property charges (taxes, insurance, condo and homeowner association fees, and other related expenses advanced to protect lien position, 2) a Loan Modification with HAF Contribution Program to reduce the monthly PITI for delinquent mortgage loans, and 3) a Property Charge Default Resolution Program, to bring current delinquent property charges, including past due property taxes, insurance premiums, condo and homeowner association fees, and cooperative maintenance or common charges, including up to 90 days of upcoming property charges.	Treasury approved the HAF Plan on January 28, 2022. *Geography:* Statewide *Income Eligibility:* Household income at or below greater of 100% AMI or 100% of national median income.	All funding has been received. Two program pilots are currently underway, and the program became available statewide on March 2, 2022.	10 positions filled including the Director, 3 program managers, 1outreach manager and 5 Community Services Managers. Additional hires are in process. All FTES are Art. IX Up to 15% ($126,332,101) for admin, planning, community engagement and needs assessment	547 *(Pilot Phase in Process)*	$842,214,006 <u>Expended</u> $4,220,462 0.5%	$9.9B nationally. Treasury encourages states to use initial disbursement of 10% of funds for creating or funding pilot programs to serve targeted populations, and focus on rapid assistance options such as mortgage reinstatement programs.
LIHWAP2	Passed as Section 2912 of the American Rescue Plan, dedicates funds through HHS for home water costs Must obligate and expend funds by: September 30, 2023	See LIHWAP1 above. HHS will administer LIHWAP1 and 2 under one LIHWAP Plan. Because of the different funding sources, separate contracts will be required *Geography:* Statewide *Income Eligibility:* TBD	Executed agreement for funds on April 22, 2021. HHS approved TDHCA's LIHWAP Plan on October 22, 2021	Contracts have not been released as of February 28. CA Contract System is under revisions to accommodate the new program.	FTEs noted under Appropriation Act LIHWAP will be utilized for both allocations. Admin % not yet known	0	$40,597,082 $0 0% $0 0%	$500M Nationally

Program	Timelines / Contract Periods	Planned Activities	Waivers and Initial Approvals Needed	Program Status	Staffing Admin Funds	Served to Date	Total Program Funding Obligated (%) Expended (%)	Other Notes
Emergency Housing Vouchers (EHV)	Passed as Section 3202 of the American Rescue Plan, dedicates vouchers through HUD for emergency rental assistance. HUD Authority to Recapture May Occur as Early As: 1 Year from Funding (if vouchers are unissued) Initial Funding Term Expires: Dec. 31, 2022 Can Reissue EHV until: Sept. 30, 2023 Renewal Funds Available for 'Occupied Units' through: Sept. 30, 2030	TDHCA was allocated 798 vouchers by HUD. The award includes funds for the vouchers ($7,933,560) plus funds to provide services ($2,793,000) and funds for admin ($763,788). Vouchers are for households who are: (1) homeless, (2) at risk of homelessness, (3) fleeing, or attempting to flee, domestic violence, dating violence, sexual assault, stalking, or human trafficking, or (4) recently homeless. *Geography*: TDHCA is working with CoC partners and HUD to make a final service area determination based on the number of vouchers allocated to the Department and input from CoC partners *Income Eligibility*: Not to exceed 50% of AMI	Significant waivers have been authorized by HUD. TDHCA will seek to maximize its use of these waivers to the extent that households will not be offered a voucher if they would be ineligible at renewal. TDHCA has a request to HUD pending on how vouchers not committed to the 2 CoCs will be used. TDHCA is required to update its PHA Admin Plan to reflect our plan for the service fee (see last column) and other program elements.	HUD-required MOUs and contracts have now been executed with CoC partners, the Heart of Texas Homeless Coalition and Texas Homeless Network (the Balance of State CoC). THN started making referrals in January 2022.	Program is being administered jointly by the Section 8 and Section 811 areas due to the unique nature of the program. 3-4 positions to be filled. To be paid for by EHV Admin and CSBG Admin. FTES are Art. IX Admin fee structure is complex, variable and tied to timing of household having found a unit, hence the use of CSBG Admin to support the positions.	0	Total $11,490,348 Rent Payments Avail: $7,933,560 Obligated: $0 0% Expended: $0 0% Service Contracts Avail: $2,793,000 Obligated: $1,504,868 53.88% Expended: $0 0%	$5 billion Nationally A service fee of $3,500 per unit is authorized separate from the rental assistance payment. The fee total is not tied to each voucher, but is a combined total of funds for services. Services may include: housing search assistance; deposits, holding fees, and application fees; owner-related uses; and other eligible uses.
INFRASTRUCTURE INVESTMENT AND JOBS ACT – Public Law 117-58								
LIHEAP	Passed as Section 501 of the Infrastructure Investment and Jobs Act, dedicates funds through HHS for home energy costs. Must expend funds by: September 30, 2026	Funds nationally to be released in annual increments of $100 million each year for the next 5 years. These funds will be made available to each state as part of its annual LIHEAP allocation; the Department therefore will handle these as part of our annual allocation. *Geography*: Available statewide *Income Eligibility*: 150% of poverty	Not yet known.	Not yet available.	No FTEs will be added as these funds will be part of a regular annual administration of the LIHEAP. 1% admin (TBD)	0	TBD	$500 million nationally

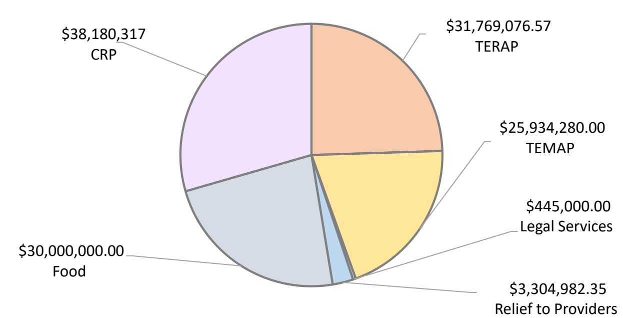
Program	Timelines / Contract Periods	Planned Activities	Waivers and Initial Approvals Needed	Program Status	Staffing Admin Funds	Served to Date	Total Program Funding Obligated (%) Expended (%)	Other Notes
DOE WAP	Passed as Section 40551 of the Infrastructure Investment and Jobs Act, dedicates funds through Department of Energy for home weatherization. Law has no date by which funds must be expended; DOE may proscribe this, but has not yet	Formula by which DOE will release the funds is still to be determined. Staff's rough estimate is that the Texas allocation may be around $200 million, which is 25 times our typical allocation of roughly $8 million. In anticipation of this significant increase staff obtained Board authority in December 2021 to procure a statewide DOE WAP administrator to augment the work of the network. *Geography*: Available statewide *Income Eligibility*: 200% of poverty	Not yet known.	Not yet available.	FTEs will be added once further guidance and information is available from DOE Admin. TBD	0	$ TBD (amount per state not yet determined by DOE)	$3.5 billion nationally

As of February 24, 2022

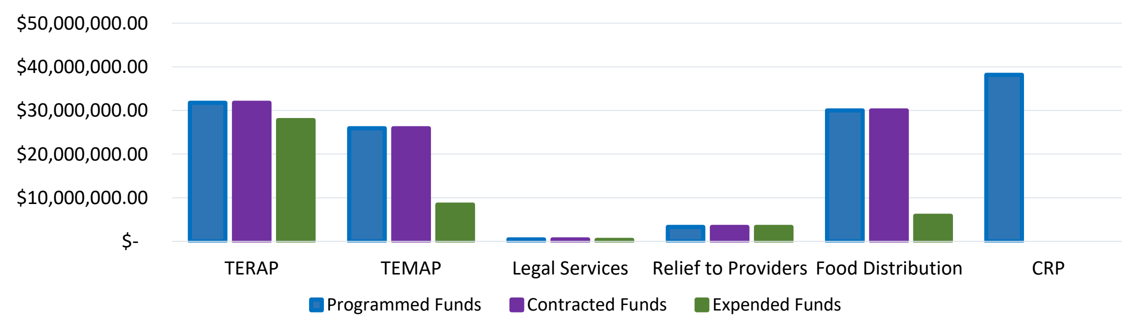
Texas Department of Housing and Community Affairs
CDBG CARES (Coronavirus Aid, Relief, and Economic Security) Act Programs

Texas Emergency Rental Assistance Program (TERAP)	Texas Emergency Mortgage Assistance Program (TEMAP)	Legal Services to Persons with Disabilities	Relief to Service Providers for Persons with Disabilities	Food Distribution	Community Resiliency Program
Rental assistance (up to six months, including arrears) to income-eligible households impacted by COVID-19 to help provide housing stability during the pandemic. Funds can also be used for eviction diversion, which provides rental assistance to tenants who have been sued for eviction. TERAP was initially funded for $33,981,073.89, however small amounts of funds have been unused or deobligated*.	Mortgage assistance (up to six months, including arrears) to income-eligible homeowners who have been economically impacted by COVID-19 to help provide housing stability during the pandemic.	Legal services assistance for persons with disabilities to obtain or retain housing as a result of COVID-19. Legal services include legal advice and legal representation by licensed attorneys in good standing with the State Bar of Texas.	Assistance to help providers continue serving residential persons with disabilities during the pandemic by reimbursing for allowable expenses undertaken to prevent, prepare for, or respond to COVID-19. Assistance was initially programmed for $5,000,000, but $1,695,017.65 was unused and deobligated by the administrator*.	Assistance to eligible food bank providers that have been economically impacted by COVID-19. Funds will be utilized to reimburse food banks for bulk food purchases to be distributed statewide.	Assistance to low- and moderate-income persons, and rural and small metro communities, to create, expand or enhance public facilities that provide medical care, social services, and/or emergency housing to prevent the transmission of COVID-19 and allow for adequate social distancing or remote access.
Start Date: January 15, 2021 **Households Assisted to Date:** 6,611	**Start Date:** June 15, 2021 **Households Assisted to Date:** 1,719	**Start Date:** April 1, 2021 **Households Assisted to Date:** 250	**Start Date:** April 15, 2021 **Households Assisted:** 1,396 **Providers Assisted:** 50	**Start Date:** October 1, 2021 **Persons Assisted to Date:** 247,689	**NOFA Release Date:** October 1, 2021 **NOFA Deadline Date:** January 19, 2022
Program Administrators: 41 entitlement city and county governments throughout Texas	**Program Administrators:** 48 cities, counties and other local and regional service providers	**Program Administrator:** Disability Rights Texas	**Program Administrator:** My Health My Resources of Tarrant County	**Program Administrator:** Feeding Texas, a network of 21 member food banks	**Program Administrators:** Awards expected in April 2022
Service Area: 41 entitlement cities and counties	**Service area:** Statewide - All 254 counties in Texas	**Service area:** Statewide - All 254 counties in Texas	**Service area:** Statewide - All 254 counties in Texas	**Service area:** Statewide - All 254 counties in Texas	**Service Area:** Non-Entitlement communities
Programmed Funds: **$31,769,076.57**	**Programmed Funds:** **$25,934,280.00**	**Programmed Funds:** **$445,000.00**	**Programmed Funds:** **$3,304,982.35**	**Programmed Funds:** **$30,000,000.00**	**Programmed Funds:** **$38,180,317.03**
Contracted Funds: **$31,769,076.57**	**Contracted Funds:** **$25,934,280.00**	**Contracted Funds:** **$445,000.00**	**Contracted Funds:** **$3,304,982.35**	**Contracted Funds:** **$30,000,000.00**	**Contracted Funds:** **$0.00**
Expended Funds: **$27,790,021.21**	**Expended Funds:** **$8,441,082.52**	**Expended Funds:** **$356,483.98**	**Expended Funds:** **$3,304,982.35**	**Expended Funds:** **$5,851,337.91**	**Expended Funds:** **$0.00**

CDBG CARES Funds by Program



CDBG CARES Program Funds by Status



* In the case of funds unused by administrators or deobligated, funds will be reprogrammed and used for awards under the Community Resiliency Program or another existing program.

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BOARD REPORT ITEM

BOND FINANCE DIVISION

MARCH 10, 2022

Report on the closing of the Department's Residential Mortgage Revenue Bonds, Series 2022A (Non-AMT) (Social Bonds)

BACKGROUND

On December 9, 2021, the Board approved the issuance of Residential Mortgage Revenue Bonds, Series 2022A (2022A Bonds). The Preliminary Official Statement was published January 5, 2022, with the final Official Statement published on January 28, 2022. The Retail Order Period was January 19, 2022, and the Institutional Order Period was January 19, 2022. The Bonds closed February 24, 2022.

The 2022A Bonds were designated as Social Bonds, and were the Department's third issuance of social bonds for single family.

The financing team included Bracewell LLP, Bond Counsel; McCall, Parkhurst & Horton L.L.P., Disclosure Counsel; Stifel, Nicolaus & Co., Inc., Financial Advisor; and an underwriting team led by RBC Capital Markets, as Book Running Senior Manager, Barclays, and Jefferies as co-senior managers, and Morgan Stanley, Piper Sandler & Co., and Ramirez & Co., Inc. as co-managers.

The 2022A Bonds, issued to provide funds for new loan origination, were structured to maximize premium received while keeping mortgage rates as low as possible. Fixed rate and tax-exempt, the bond structure included par and premium serial bonds, par and premium term bonds, and a premium PAC (Planned Amortization Class) bond. The par amount of 2022A Bonds sold was $190,000,000, and the premium received was $11,560,741, for total 2022A Bond proceeds of $201,560,741. The premium will fund down payment and closing cost assistance (DPA) for loans originated through this bond issue, as well as a portion of the lender compensation.

This series made $190,000,000 available for assisted loans, providing 4 and 5 points of DPA. Eligible loan types are FHA, VA, and USDA-RD loans. Borrowers can choose Repayable DPA, structured as a 30-year, 0% interest, second mortgage loan that is due on sale of the property, refinance, or payment in full of the first mortgage, or Forgivable DPA, structured as a 3-year, 0% interest, second mortgage loan that is repayable in full within the first three years upon sale of the property, refinance, or payment in full of the first mortgage, and fully forgiven on the third-year anniversary of the mortgage loan. The interest rate for the first mortgage is higher for Forgivable DPA than for Repayable DPA.

Below is a summary of the rates provided through the tax-exempt bond issue, and a comparison of those rates with current taxable rates offered through the Department's TBA program. Funds made available through this issue have already been over 40% committed.

	Repayable DPA		Forgivable DPA	
DPA AND CLOSING COST ASSISTANCE	**4 Points**	**5 Points**	**4 Points**	**5 Points**
Mortgage Rate, First Mortgage, Tax-Exempt Bond	3.625%	3.875%	4.000%	4.375%
Mortgage Rate, First Mortgage, TDHCA Taxable TBA Rates 2/28/2022	4.875%	5.250%	5.125%	5.625%
Rate Benefit of Tax Exempt Bonds	**-1.250%**	**-1.375%**	**-1.125%**	**-1.250%**

MONTHLY MORTGAGE PAYMENT COMPARISON			**Loan Amount**	**235,000**
Mortgage Payment (P&I) Tax-Exempt Bond	$1,072	$1,105	$1,122	$1,173
Mortgage Payment (P&I) Taxable TBA	$1,244	$1,298	$1,280	$1,353
HOMEBUYER SAVINGS, Monthly Mortgage Payment (P&I) with Tax-Exempt Bond	**($172)**	**($193)**	**($158)**	**($179)**

Attached is a Pricing Book prepared by RBC Capital Markets that details the bond sale.

$190,000,000

Texas Department of Housing and Community Affairs

Residential Mortgage Revenue Bonds
Series 2022A (Non-AMT) (Social Bonds)

Final Pricing Book

Retail Pricing: January 19, 2022
Institutional Pricing: January 19, 2022
Closing: February 24, 2022

Prepared By

RBC Capital Markets

TABLE OF CONTENTS

SECTION 1
Overview of Financing

EXECUTIVE SUMMARY

Timing and Underwriting	**Retail Order Period:**	Wednesday, January 19, 2022
	Institutional Pricing:	Wednesday, January 19, 2022
	Closing Date:	Thursday, February 24.2022
	Method of Sale:	Negotiated
Underwriters	**Senior Manager:**	RBC Capital Markets, LLC
	Co-Senior Managers:	Barclays Capital Inc. Jefferies LLC
	Co-Managers:	Morgan Stanley. Piper Sandler Ramirez & Co

Use of Proceeds

The Series 2022A Bonds are being issued for the primary purpose of providing funds for the purchase of mortgage-backed, pass-through certificates. The Mortgage Certificates purchased with the proceeds of the Series 2022A Bonds will be guaranteed as to timely payment of principal and interest by Government National Mortgage Association.

Bond Structure

The 2022A Non-AMT bonds are structured with semi-annual par serial bonds from 1/1/2023 through 7/1/2026, and 1/1/2032 through 7/1/2033, semi-annual premium serial (lock out) bonds 1/1/2027 through 7/1/2030, a super sinker term bond due in 2037, par term bonds due 2031 and 2042, premium term bonds due 2047 and 2052, and a 5.5 yr avg life (monthly pay) Premium PAC bond structured pro rata @ 100% - 400% PSA to yield 1.61%.

Ratings

Moody's: Aaa
S&P: AA+

Bondholder Security

Principal or Redemption Price of and interest on all Bonds are payable solely from and are secured by a pledge of and lien on the Trust Estate, which consists generally of the Revenues, Mortgages, Mortgage Loans (including Mortgage Certificates), money and Investment Securities held in the Funds (excluding the Rebate Fund), and other property pledged under the Trust Indenture and any Supplemental Indenture. Revenues include all payments with respect to the Mortgage Loans (net of servicing, accounting and collection fees) which include Mortgage Certificates (net of servicing and guaranty fees) and the earnings on investments of amounts held under the Trust Indenture and any Supplemental Indenture. Revenues do not include payments made in order to obtain or maintain mortgage insurance and fire and other hazard insurance with respect to Mortgage Loans (including Mortgage Certificates), and any payments required to be made with respect to Mortgage Loans (including Mortgage Certificates) for taxes, other governmental charges, and other similar charges customarily required to be escrowed on mortgage loans or commitment fees or other financing charges paid by a Mortgage Lender or the Master Servicer to the Department in connection with a commitment to sell and deliver Mortgage Loans (including Mortgage Certificates) to the Department.

Investment of Proceeds

Moneys in all Funds will be invested pursuant to the Depository Agreement with the Texas Treasury Safekeeping Trust Company in Investment Securities. Moneys held or invested in all Funds and Accounts under the Trust Indenture (other than the Rebate Fund) are for the equal and ratable benefit of all owners of the Bonds.

Results of Sale

Bond Issue Component Series 2022A		**Buyer Profile by Allotments**
$14,075,000 2023 – 2026 and 2032 – 2033 Par Serial Bonds	Retail: Institutional:	60% 40%
$10,135,000 2027-2030 Premium Serial Bonds	Retail: Institutional:	51% 49%
$2,855,000 2031 Par Term Bonds	Retail: Institutional:	59% 41%
$13,175,000 2037 Par Priority Term Bonds	Retail: Institutional:	0% 100%
$19,080,000 2042 Par Term Bonds	Retail: Institutional:	0% 100%
$22,790,000 2047 Premium Term Bonds	Retail: Institutional:	0% 100%
$24,505,000 2052 Premium Term Bonds	Retail: Institutional:	4% 96%
$83,385,000 2052 Premium PAC Bonds	Retail: Institutional:	0% 100%

Borrowing Cost

Bond Yield – Series 2022A 2.3472%

MARKET CONDITIONS AND COMMENTARY

Market Conditions

- 2022 started with a dramatic change following the quiet days of December when rates were static for weeks.
- The week prior to pricing, rates in fixed income markets moved sharply higher as market participants generally coalesced around the idea that that the Federal Reserve would begin raising interest rates sooner rather than later. Municipal rates followed the lead of Treasuries, despite both an extremely light new issue calendar and the receipt of the January 1 coupon payment.
- UST yield rose across the curve as investors continued to price in a more aggressive path of Fed rate hikes for this year.
- Tax-exempt benchmark yields rose 2bps in 2023-2028 and 3bps in 2029-2052
- On the day of pricing, tax-exempt benchmark yields rose up to 4bps in the short end of the curve and 2bps in the long end.
- Municipal yields are now at levels not seen since the asset class was in the thick of the COVID-19-induced selloff in March and April of 2020.

Commentary

- This transaction marked TDHCA's third issuance of Social Bonds with Kestrel Verifiers designating the Bonds as Social Bonds, based on the use of proceeds, consistent with the International Capital Markets Association's Social Bond Principles and certain United Nations Sustainable Development goals. The Department released an Investor Roadshow Presentation highlighting the strengths and attributes of the Indenture.
- The Series 2022A issue consisted of premium bonds including a 5.5-year average life PAC bond, lockout premium serial bonds with 5% coupons and premium term bonds with 3.125% coupons that generated $11.56 million of total premium proceeds for the Department's down payment and closing cost assistance programs.
- With a very crowded new issue calendar the week of January 10th, TDHCA opted to price the week of January 18th which was a very light week for housing bonds. RBC CM successfully orchestrated, in a very difficult market, a one day combined retail and institutional order period for the Bonds on January 19th.
- Despite an expectation that a structure with lockout premium serial bonds, call protected premium term bonds and a long premium PAC would not appeal as much to retail investors, the 2022 A Bonds generated approximately $24.5 million of retail orders (Texas and National including SMAs)
- In addition to modest retail participation, over $430 million of institutional priority orders were placed. While some of the Term bonds generated substantial demand (the 2022A Premium PAC Bond was 3.7x over-subscribed, the super sinker 4x over-subscribed, and the 2042 Par Term bond was 2x over-subscribed), the Premium Term Bonds, which were initially offered 10bp through the PAR market given their call protection, needed to be adjusted +10bp, at a level comparable to where Par bonds of the same maturity were priced.
- At the end of a challenging day to price bonds, the super sinker term bond was repriced down 5bps in yield and the PAC bond down 1bp to yield a 1.61% (@ 68bp spread to MMD). The resulting overall bond yield allowed TDHCA to lock in a full-spread mortgage rate which will result in a competitive loan program moving in to 2022.

PARTICIPANTS

Issuer	Texas Department of Housing and Community Affairs
Bond Counsel	Bracewell LLP
Disclosure Counsel	McCall, Parkhurst & Horton, L.L.P.
Financial Advisor	Stifel, Nicolaus & Company
Senior Manager	RBC Capital Markets, LLC
Co-Senior Managers	Jefferies LLC Barclays Capital Inc.
Co-Managers	Ramirez & Co. Morgan Stanley Piper Sandler
Underwriter's Counsel	Chapman and Cutler LLP
Trustee	The Bank of New York Mellon Trust Company, N.A.
Trustee's Counsel	McGuire, Craddock & Strother, P.C.
Master Servicer	Idaho Housing and Finance Association
Rating Agencies	Moody's Investors Service Standard & Poor's Rating Services
Printer	ImageMaster

GROSS SPREAD

	$190,000,000	Series 2022A
	TOTAL	TOTAL/BOND
Underwriting Fee		
Takedown	$1,065,800.00	$5.609
Management Fee	190,000.00	1.000
Expenses	75,897.78	0.399
Total UW Fee	**$1,331,697.78**	**$7.009**

BREAKDOWN OF SYNDICATE EXPENSES

	$190,000,000	Series 2022A
	TOTAL	TOTAL/BOND
Day Loan	5,277.78	$0.028
CUSIP	873.00	0.005
Ipreo	17,622.00	0.093
DTC Fees	800.00	0.004
UW Counsel	50,000.00	0.263
DAC Fee	825.00	0.004
T&E	500.00	0.003
Total Underwriter Expenses	**$75,897.78**	**$0.399**

SOURCES AND USES OF FUNDS

	Series 2022A
Par Amount of Bonds	$ 190,000,000.00
Bond Premium	11,560,741.20
Total Bond Proceeds	**$ 201,560,741.20**
Issuer Contribution	4,764,081.58
TOTAL SOURCES	**$ 206,324,822.78**
Uses of Funds	
2022 A Mortgage Loan Account	$ 203,917,500.00
Underwriter Compensation	1,331,697.78
Costs of Issuance	1,075,625.00
TOTAL USES	**$ 206,324,822.78**

SECTION 2
Bond Offering Documents and Pricing Wires

OFFICIAL STATEMENT DATED JANUARY 20, 2022

NEW ISSUE – BOOK ENTRY ONLY

RATINGS:
Moody's: "Aaa"
S & P: "AA+"
See "RATINGS" herein

Bracewell LLP, Bond Counsel, is of the opinion that, subject to certain conditions described herein and under existing law, (i) interest on the Series 2022A Bonds is excludable from gross income for federal income tax purposes and (ii) interest on the Series 2022A Bonds is not a specific preference item subject to the alternative minimum tax. See "TAX MATTERS RELATING TO THE SERIES 2022A BONDS" herein.

TEXAS DEPARTMENT OF HOUSING AND COMMUNITY AFFAIRS

KESTREL VERIFIERS™

$190,000,000
Residential Mortgage Revenue Bonds
Series 2022A (Non-AMT)
(Social Bonds)

Dated Date/Delivery Date:	February 24, 2022
Due:	January 1 and July 1, as shown on the inside cover.
Interest Payment Dates:	Interest accrued on the Series 2022A Bonds will be payable on each January 1 and July 1, commencing July 1, 2022 as described herein.
Interest Rates:	Payable at the rates as shown on the inside cover.
Redemption:	The Series 2022A Bonds are subject to redemption on the dates and at the Redemption Prices more fully described herein. See "THE SERIES 2022A BONDS – Redemption Provisions."
Denominations:	The Series 2022A Bonds will be available to purchasers in book-entry form only in $5,000 or any integral multiple thereof as described herein.
Tax Matters:	Bracewell LLP, Bond Counsel, is of the opinion that, subject to certain conditions described herein and under existing law, (i) interest on the Series 2022A Bonds is excludable from gross income for federal income tax purposes and (ii) interest on the Series 2022A Bonds is not a specific preference item subject to the alternative minimum tax. See "TAX MATTERS RELATING TO THE SERIES 2022A BONDS" herein.
Purpose:	The Series 2022A Bonds are being issued for the primary purpose of providing funds for the purchase of mortgage-backed, pass-through certificates (the "Mortgage Certificates"), funding loans for down payment and closing cost assistance, and paying lender compensation related to the Mortgage Loans. The Mortgage Certificates purchased with the proceeds of the Series 2022A Bonds will be guaranteed as to timely payment of principal and interest by the Government National Mortgage Association ("Ginnie Mae") ("Ginnie Mae Certificates" or "GNMA Certificates"). See "APPENDIX B-1 – GNMA AND THE GNMA CERTIFICATES."
Security:	The Series 2022A Bonds, the Prior Bonds (as defined herein), and, unless subordinated, all Bonds subsequently issued under the Trust Indenture (as defined herein) are equally and ratably secured by the Trust Estate (as defined herein) held by the Trustee under the Trust Indenture. The Series 2022A Bonds are limited obligations of the Department and are payable solely from the revenues and funds pledged for the payment thereof as more fully described herein. Neither the State of Texas (the "State") nor any agency of the State, other than the Department, nor the United States of America or any agency, department or other instrumentality thereof, including Ginnie Mae, is obligated to pay the principal or Redemption Price of or interest on the Series 2022A Bonds. Neither the faith and credit nor the taxing power of the state or the United States of America is pledged, given or loaned to such payment. The Department has no taxing power. Ginnie Mae guarantees only the payment of the principal of and interest on the Ginnie Mae Certificates when due and does not guarantee the payment of the Series 2022A Bonds or any other obligations issued by the Department. See "SECURITY FOR THE BONDS" and "THE TRUST INDENTURE."
Book-Entry Only System:	The Series 2022A Bonds will be registered in the name of Cede & Co., as nominee of The Depository Trust Company, New York, New York ("DTC"). See "APPENDIX H – SUMMARY OF INFORMATION REGARDING THE PROGRAM AND MORTGAGE LOANS AND OTHER MATTERS – DTC and Book-Entry."
Trustee:	The Bank of New York Mellon Trust Company, N.A.
Bond Counsel:	Bracewell LLP
Disclosure Counsel:	McCall, Parkhurst & Horton L.L.P.
Underwriters' Counsel:	Chapman and Cutler LLP
Financial Advisor:	Stifel, Nicolaus & Co., Inc.

RBC Capital Markets

Barclays **Jefferies**

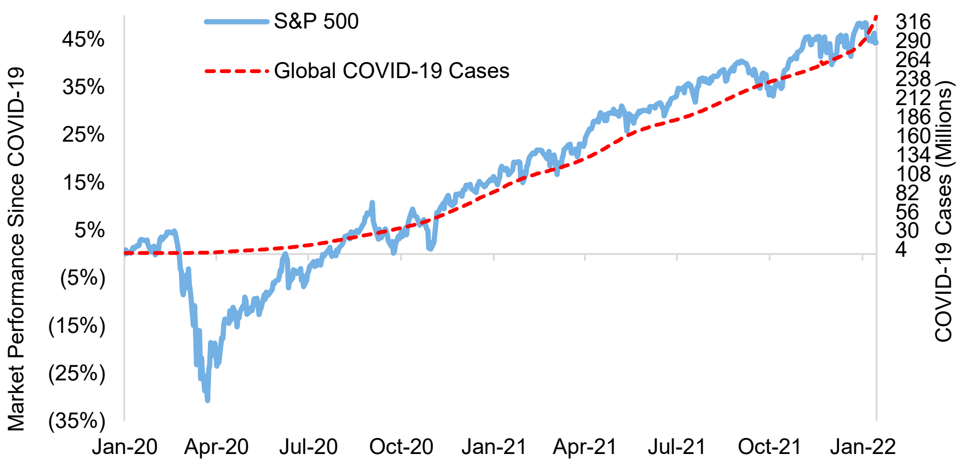
Piper Sandler & Co. **Morgan Stanley** **Ramirez & Co., Inc.**

Municipal Market Update –
Week of Sale Pre-Pricing Conditions

January 18, 2022

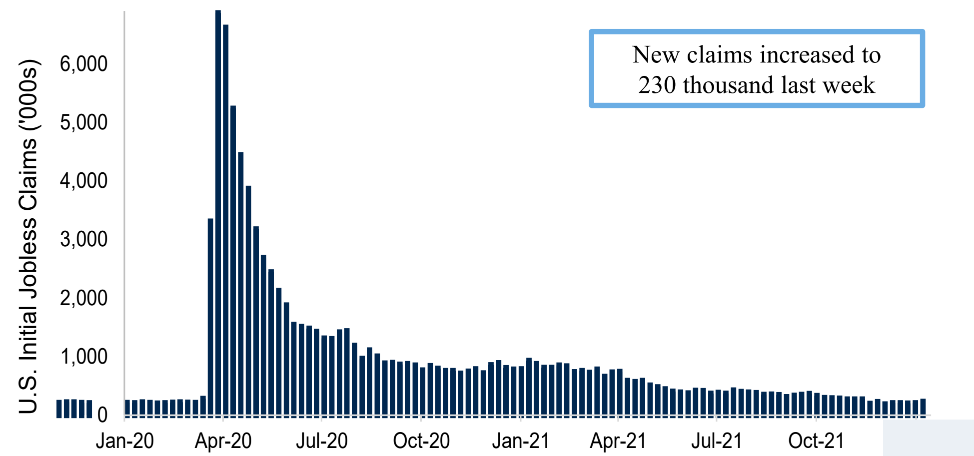
RBC Capital Markets

Equity Market Performance vs. Global Confirmed Coronavirus Cases



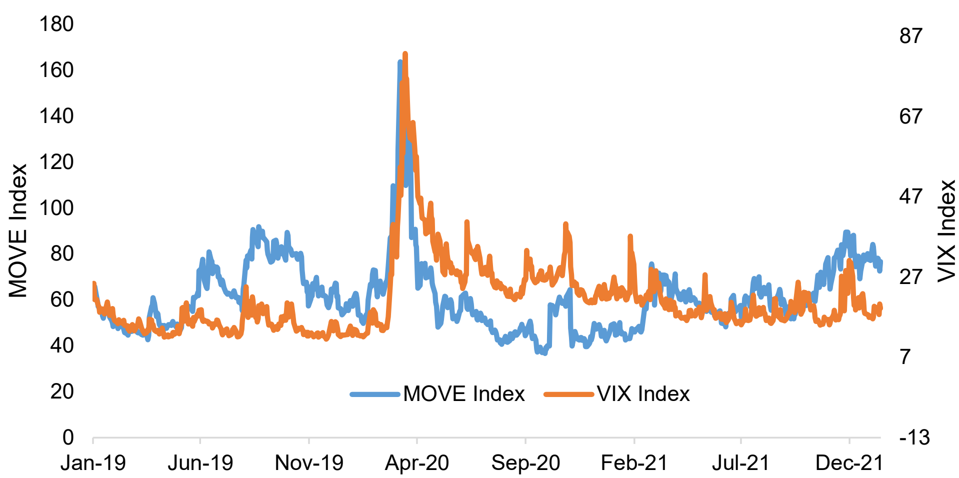
Source: Bloomberg, as of market close January 14, 2022

U.S. Initial Jobless Claims



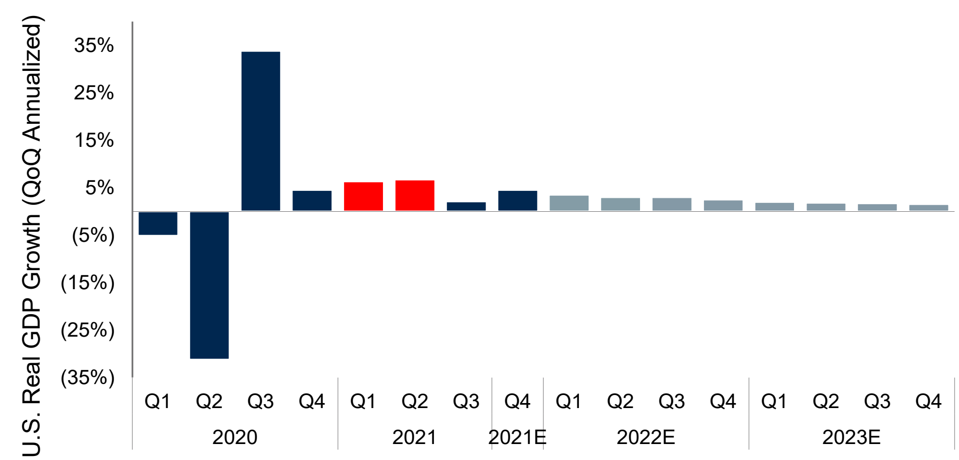
Source: Bloomberg, latest data for week ending January 7, 2022

Equity Volatility is Approaching Pre-COVID Levels while Treasury Volatility has Increased Over the Last Several Months



Source: RBC Economics

U.S. GDP Growth



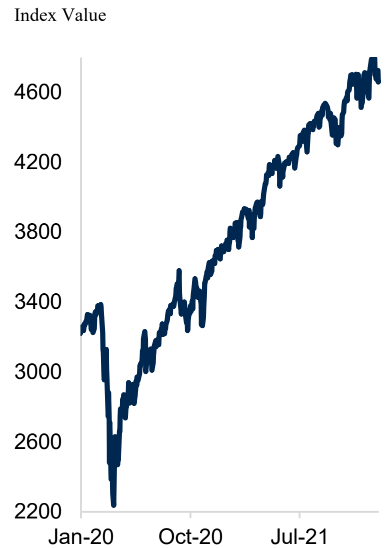
Source: RBC Economics

Recent Performance of Major Asset Classes

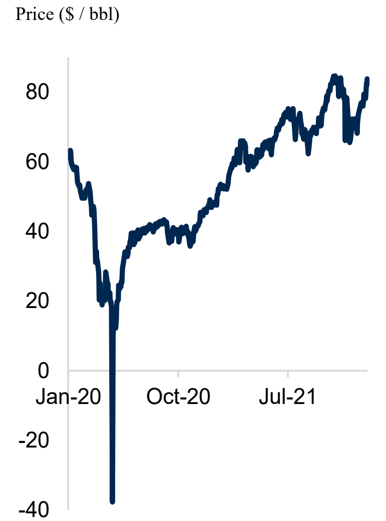
Commentary

- US shares declined last week, pulling the DJIA lower by 0.9%
  - The S&P500 and Nasdaq both declined 0.3%
- Consumer prices rose at an annualized rate of 7.0% in December, while core CPI rose 5.5%
- Producer prices spiked at an annualized pace 9.7% in December, while core PPI increased 8.3%
- Retail sales and industrial production both unexpectedly declined in December
- Markets remain focused on hawkish messaging out of the Fed
  - Futures are pricing in four rate hikes for 2022, with the first in March
  - St. Louis Fed President Bullard, typically dovish, said he sees four rate hikes in 2022, up from his December forecast of three
  - The next FOMC meeting takes place on Wednesday, January 26th, and markets will scrutinize changes to policy and messaging
- Economic highlights this week include housing starts, Philly Fed, jobless claims, existing home sales, and leading indicators
- US IG/corporate supply totaled $39.8bn last week
  - Banks will lead this week's supply, as deals follow earnings announcements

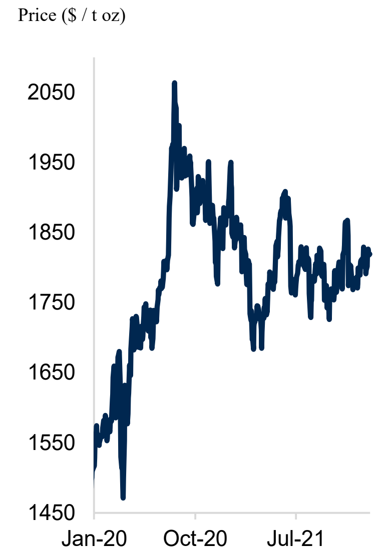
S&P 500 Index



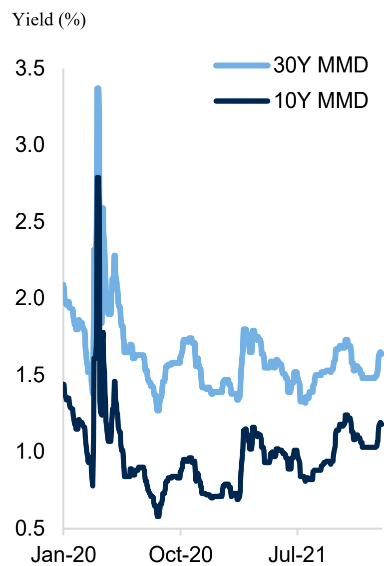
Oil (WTI)



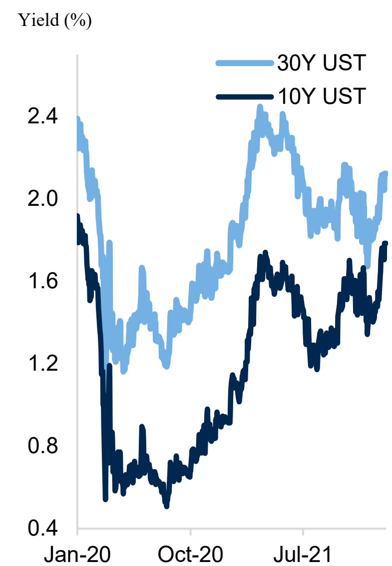
Gold



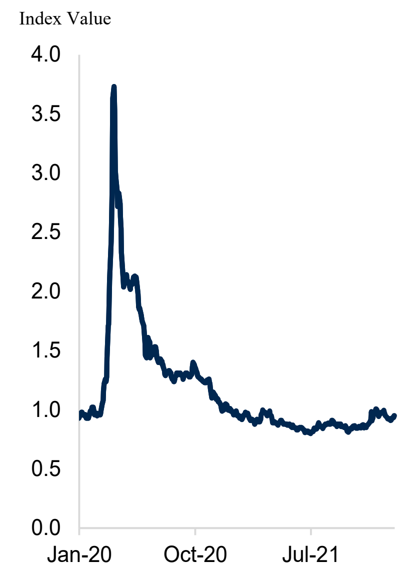
MMD Yields



U.S. Treasury Yields



IG Corporate Bond Spreads



Source: Bloomberg, RBC Capital Markets as of January 14, 2022. For more sources, see disclaimer slide.

Overview of Key US Market Themes

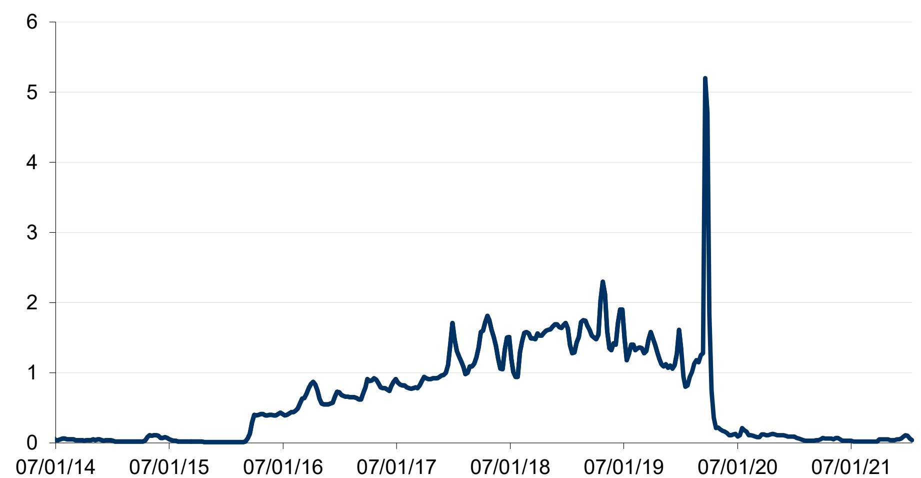
Municipal Markets Commentary

- Rates in fixed income markets held steady last week, particularly in the intermediate to long maturity ranges, before moving higher at the week's close
- Rates in the shorter maturity ranges were under pressure all week as inflation readings and comments from Federal Reserve officials made it apparent to market participants that several interest rate increases are possible this year
  - By the close of the week, US Treasuries were six basis points higher in the five year range, three basis points higher in the ten year range, and unchanged in the thirty year range
- Municipal rates generally followed the lead of Treasuries, but managed to close the week mostly unchanged in the intermediate to long range
  - The Municipal Market Data AAA yield closed eight basis points higher week/week in the five year range and one basis point higher in the ten and thirty year ranges
- Municipal/Treasury yield ratios closed the week approximately three percentage points higher in the five year range but were close to unchanged in the ten and thirty year ranges
- Municipal supply totaled $9.8bn last week, including $1.7bn of taxables comprising 17% of the calendar
  - New issues were generally well-received, as investors looked to deploy January cash during a more stable week
- This week's issuance is expected to total $7.7bn, including $1bn of taxables accounting for 13% of the calendar
- The recent spike in Treasury yields may limit taxable refunding supply and drive increased tax-exempt forward issuance
- Municipal bond funds reported net inflows of $231mm last week, marking the 45th consecutive week of inflows
  - High-yield funds posted $365mm of outflows last week, the first high-yield outflow in twelve weeks

Short-Term Market Commentary

- Rates in the short-term municipal market were steady to lower last week as the receipt of the January 1 coupon continued to drive demand for short product
  - The general market high grade daily average closed the week at 0.01% equal to the closing rate on January 7, 2021
- Weekly rates fell for the third consecutive week last week
  - The SIFMA index reset at a rate of 0.04% on January 12, 2022, two basis points lower than the 0.06% rate set on January 5, 2021
- Tax-exempt money market funds returned to outflows last week
  - These funds reported $484 million in net outflows in the week ended January 12, 2022 compared to the $1.93 billion in net inflows reported in the week ended January 05, 2022 according to the Lipper US Fund Flows service

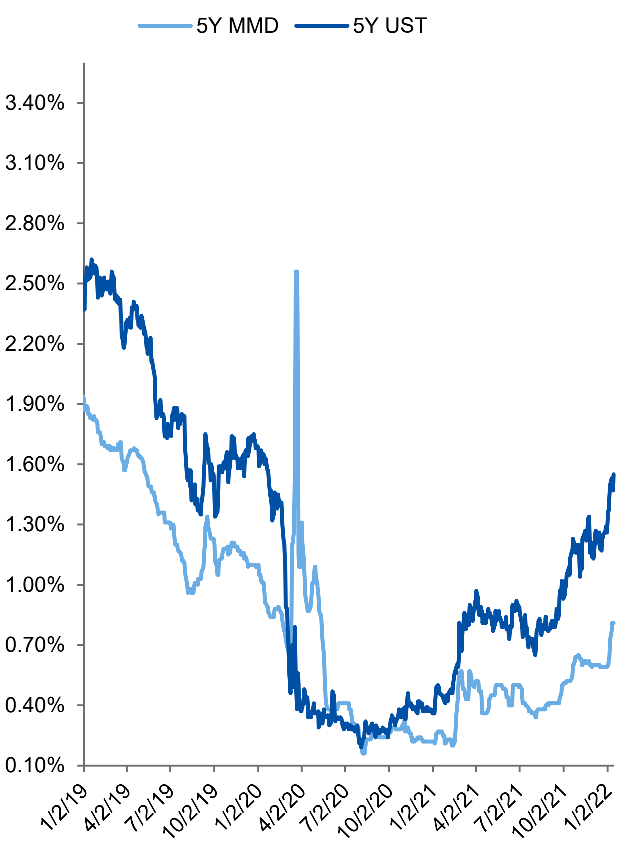
SIFMA



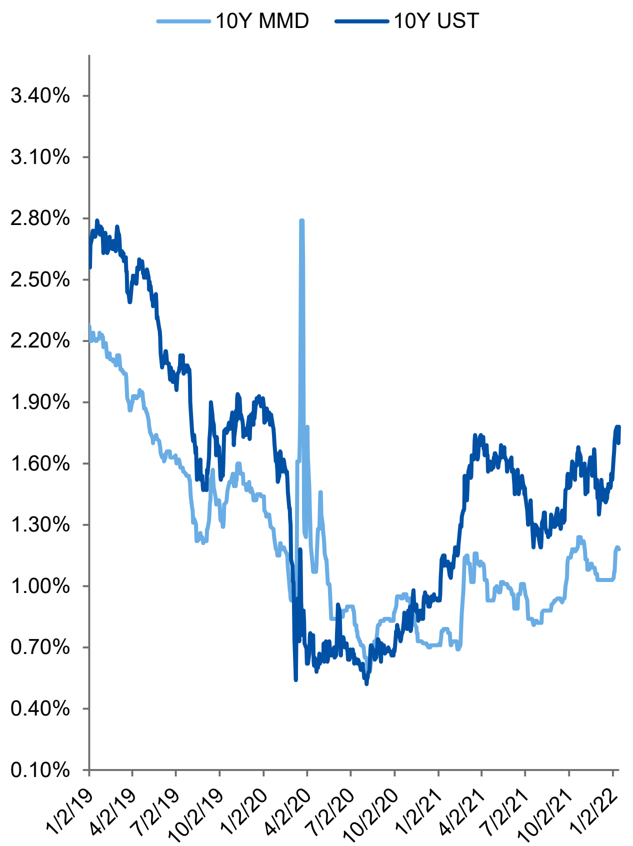
Source: RBC Capital Markets, Thomson Reuters and Bloomberg. For more sources, see disclaimer slide.

Relative Performance of Municipal Yields Versus Treasury Yields

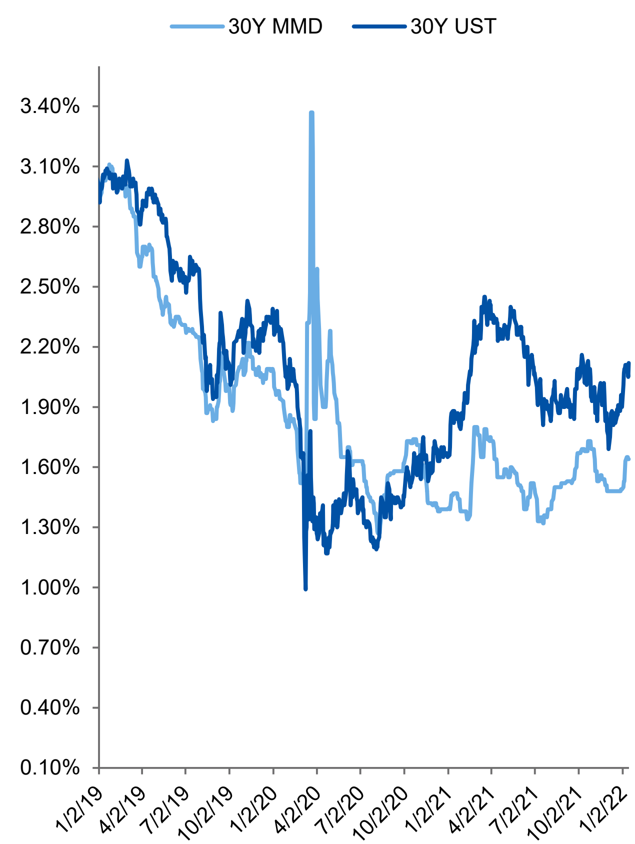
5 Year MMD[(1)] and 5 Year UST



10 Year MMD and 10 Year UST



30 Year MMD and 30 Year UST



Change in MMD

	01/02/2019	01/14/2022	Δ (bps)
3yr MMD	1.790	0.600	-119
5yr MMD	1.920	0.810	-111
7yr MMD	2.040	1.030	-101
10yr MMD	2.270	1.180	-109
30yr MMD	2.990	1.640	-135

Change in Treasuries

	01/02/2019	01/14/2022	Δ (bps)
3yr UST	2.470	1.260	-121
5yr UST	2.490	1.550	-94
7yr UST	2.560	1.720	-84
10yr UST	2.660	1.780	-88
30yr UST	2.970	2.120	-85

Change in MMD/UST Ratio

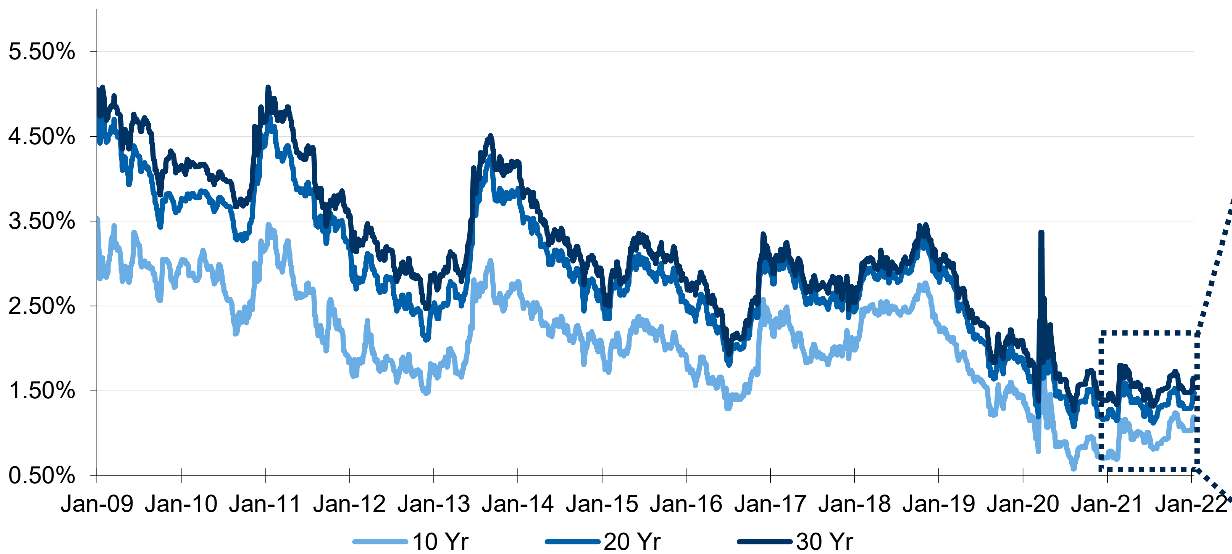
	01/02/2019	01/14/2022	Δ (%)
3yr Ratio	72%	48%	-25%
5yr Ratio	77%	52%	-25%
7yr Ratio	80%	60%	-20%
10yr Ratio	85%	66%	-19%
30yr Ratio	101%	77%	-23%

(1) MMD stands for Municipal Market Data; which is the daily index off of which all municipal bonds are priced.
Source: Thomson Reuters

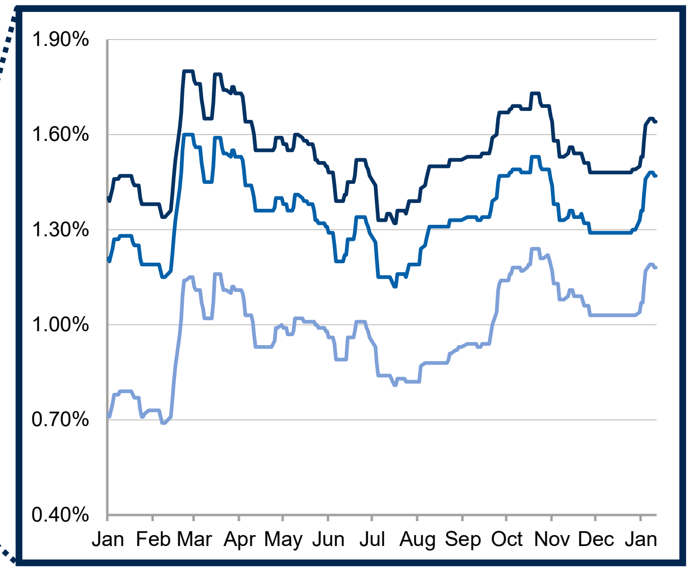
Current Municipal Market Conditions: "AAA" MMD

After closing at 1.65% the previous week, 30-year "AAA" MMD decreased 1 bp on the week

"AAA" MMD January 1, 2009 to Present



Shift in "AAA" MMD Since January 2021



January 1, 2009 to Present

	10 Year	20 Year	30 Year
Maximum	3.53%	4.89%	5.08%
Minimum	0.58%	1.08%	1.27%
Current	1.18%	1.47%	1.64%

Shift in 30-year "AAA" MMD

2014	2015	2016	2017	2018	2019	2020
-1.34%	-0.01%	0.27%	-0.51%	0.47%	-0.93%	-0.68%

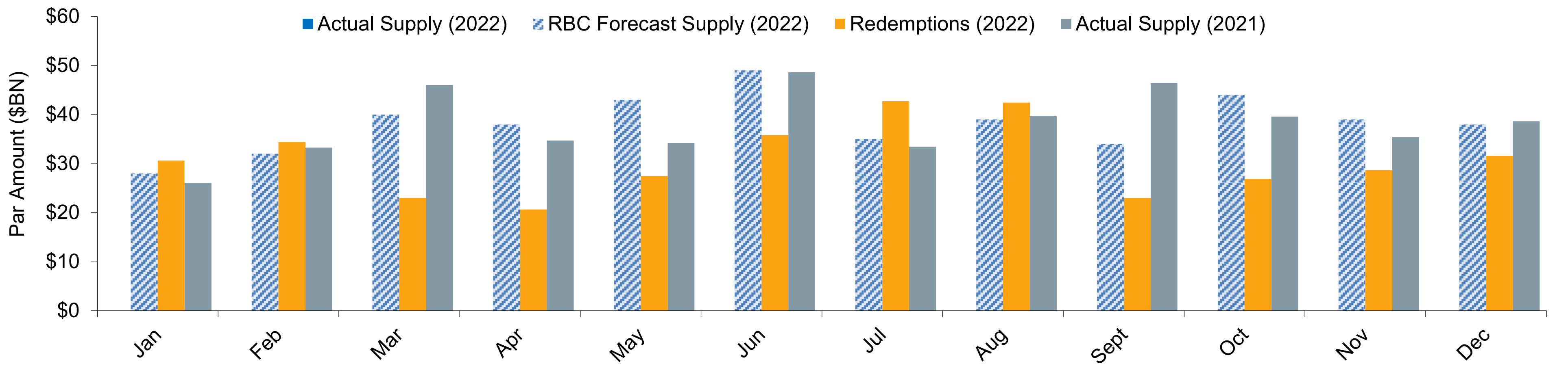
January 1, 2021 to Present

	10 Year	20 Year	30 Year
Maximum	1.24%	1.60%	1.80%
Minimum	0.69%	1.12%	1.32%
Average	0.98%	1.35%	1.54%

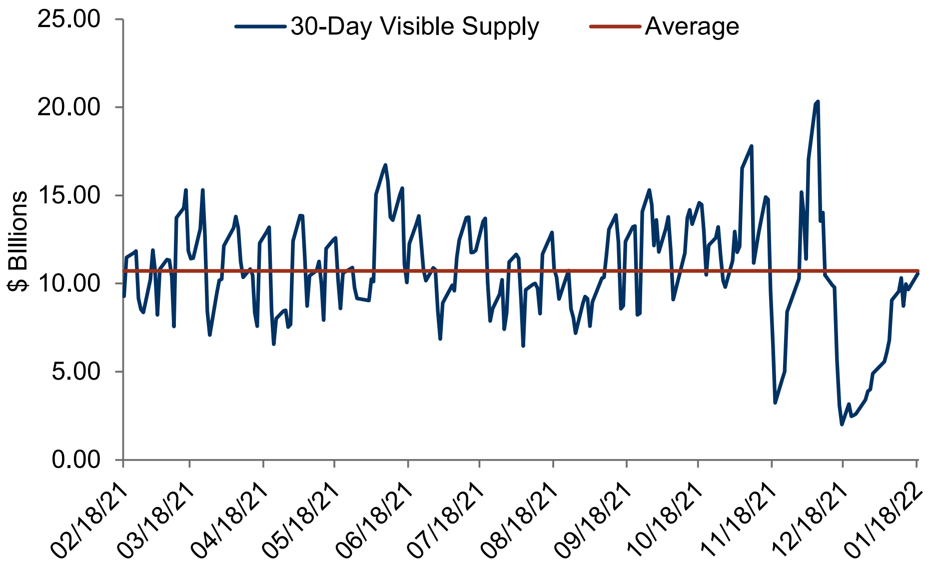
Source: TM3, Thomson Reuters
10, 20, and 30 year "AAA" MMD shown to represent different average lives of municipal transactions
Rates as of January 14, 2022

Overview of Municipal Supply

Monthly Projected Supply and Redemptions



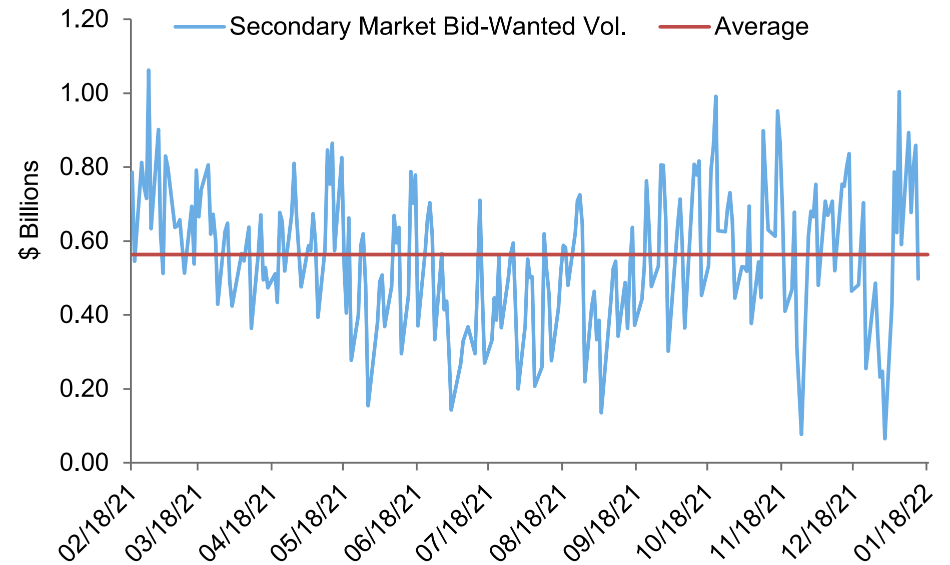
30-Day Visible Supply



Summary Statistics (Billions)

Max	$20.33	Min	$2.01	Avg.	$10.73	Curr.	$10.56

Secondary Market Bid-Wanted Volume



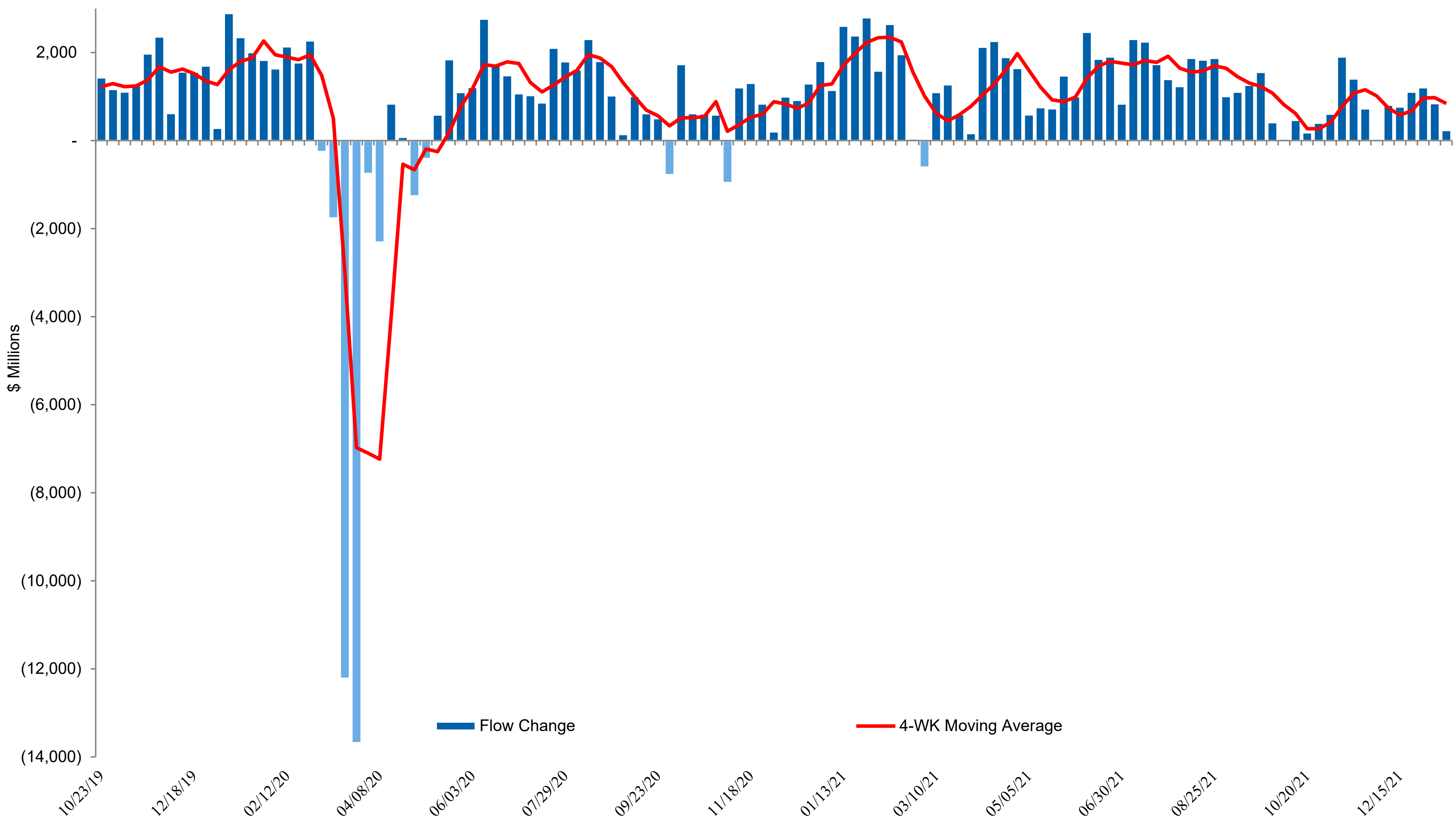
Summary Statistics (Billions)

Max	$1.06	Min	$0.06	Avg.	$0.56	Curr.	$0.50

Source: Bloomberg

Municipal Bond Fund Flows

- **For the week ended January 12, 2022, Lipper reported weekly municipal bond fund inflows of $231 million – down from the previous week's $841 million of inflows.**



Source: Lipper

Municipal Market Update – Day of Pricing

January 19, 2022

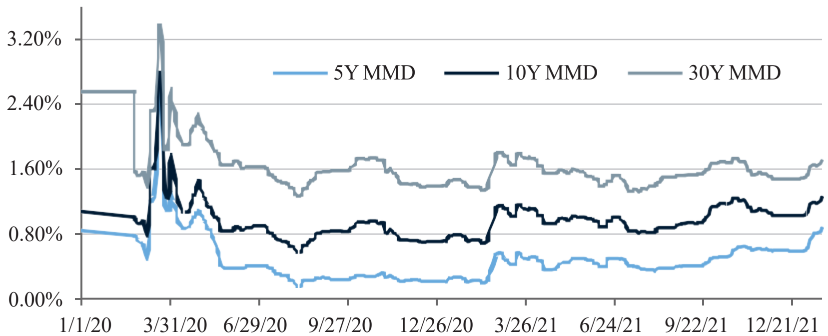
Capital Markets

Review of Municipal Market Conditions on Pricing Day

MMD Change

Change in MMD

	1/19/2022	Daily Δ (bps)	Weekly Δ (bps)
3yr MMD	0.66	4	7
5yr MMD	0.87	4	6
7yr MMD	1.10	4	7
10yr MMD	1.25	4	6
30yr MMD	1.70	3	5



Market Commentary

- Tax-exempt benchmark yields rose 2bps in 2023, 4bps in 2024-2034, and 3bps in 2035- 2052.
- UST yields fell across the curve, unwinding Tuesday's selloff, with short covering from investors and a strong 20yr auction.
- All three equity indexes fell today as investors assessed outlooks for earnings growth amid the potential for monetary policy tightening.
- Municipal primary market was well received today with the decline in treasury yields and as investors looked to put their cash to work in the market.
- EPFR reported $198MM of outflows with all funds reporting outflows.
- SIFMA remained unchanged at 0.04%.

U.S. Treasury Rates

Change in Treasuries

	1/19/2022	Daily Δ (bps)	Weekly Δ (bps)
3yr UST	1.33	-2	11
5yr UST	1.62	-3	11
7yr UST	1.78	-4	9
10yr UST	1.83	-4	8
30yr UST	2.14	-4	6

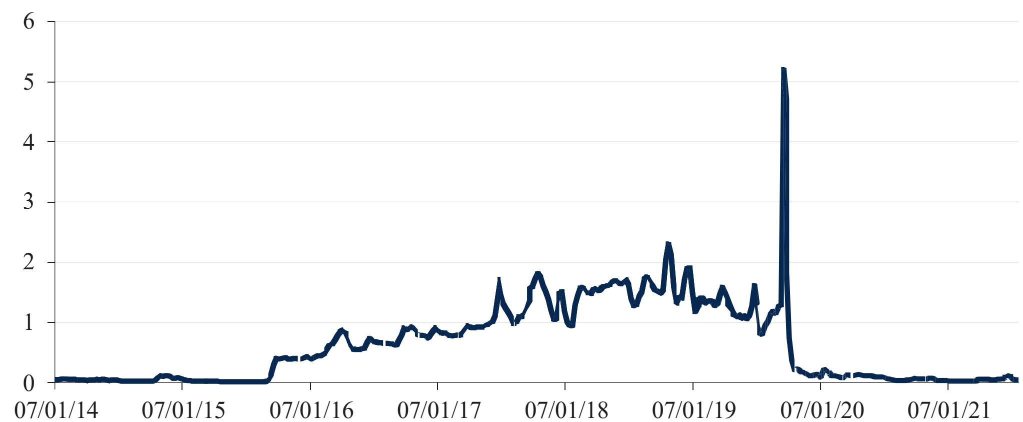
Change in MMD/UST Ratio

	1/19/2022	Daily Δ (%)	Weekly Δ (%)
3yr Ratio	50%	4%	1%
5yr Ratio	54%	3%	0%
7yr Ratio	62%	4%	1%
10yr Ratio	68%	4%	0%
30yr Ratio	79%	3%	0%

MMD stands for Municipal Market Data; which is the daily index off of which all municipal bonds are priced.
Sources: Thomson Reuters, Bloomberg, https://www.treasury.gov/resource-center

Short-Term Market

- Weekly rates remained unchanged with the SIFMA index resetting at 0.04% on January 19, 2022 compared to the 0.04% rate set on January 12, 2022.



Sources: RBC Capital Markets as of January 19, 2022, Bloomberg (MUNIPSA Index)

Disclaimer

Sources include: https://www.rbccm.com/assets/rbccm/docs/uploads/2017/RBCCM_Muni_Markets_Weekly_Newsletter.pdf, http://www.rbc.com/economics/, RBC Capital Markets.

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RE: $ 190,000,000*
TEXAS DEPARTMENT OF HOUSING AND COMMUNITY AFFAIRS
RESIDENTIAL MORTGAGE REVENUE BONDS
SERIES 2022A (NON-AMT) (SOCIAL BONDS)

WE HAVE A RELEASE FOR THE RETAIL ORDER PERIOD UNTIL 11:30AM ET.

PLEASE BE ADVISED THAT THE HOLD THE OFFERING PRICE RULE WILL APPLY TO THIS TRANSACTION.

FOR ORDERS RECEIVED DURING THE ORDER PERIOD, THE ISSUER RESERVES THE RIGHT TO LIMIT THE RETAIL ALLOTMENTS ON ALL MATURITIES (EXCEPT THE PAC) TO 50% OF THE AGGREGATE PAR VALUE OF SUCH MATURITIES AT THE FINAL PRICE.

POS & ROADSHOW LINK: http://munios.com/e/VP0XE

MOODY'S: Aaa　　S&P: AA+
FITCH:　　KROLL:

DATED:02/24/2022　FIRST COUPON:07/01/2022

DUE: 01/01 & 07/01

MATURITY	AMOUNT*	COUPON	PRICE	ADD'L TAKEDOWN (Pts)
01/01/2023	265M	0.45%	100.00	3/8
07/01/2023	1,080M	0.55%	100.00	3/8
01/01/2024	1,090M	0.70%	100.00	3/8
07/01/2024	1,100M	0.80%	100.00	3/8
01/01/2025	1,115M	0.90%	100.00	1/2
07/01/2025	1,130M	1.00%	100.00	1/2
01/01/2026	1,145M	1.10%	100.00	1/2
07/01/2026	1,160M	1.20%	100.00	1/2
01/01/2027	1,165M	5.00%	1.15	1/2
		(Approx. $ Price 118.119)		
07/01/2027	1,190M	5.00%	1.25	1/2
		(Approx. $ Price 119.356)		
01/01/2028	1,220M	5.00%	1.35	5/8
		(Approx. $ Price 120.472)		
07/01/2028	1,250M	5.00%	1.45	5/8
		(Approx. $ Price 121.468)		
01/01/2029	1,280M	5.00%	1.50	5/8
		(Approx. $ Price 122.710)		
07/01/2029	1,310M	5.00%	1.60	5/8
		(Approx. $ Price 123.494)		
01/01/2030	1,345M	5.00%	1.65	5/8
		(Approx. $ Price 124.576)		
07/01/2030	1,375M	5.00%	1.70	5/8
		(Approx. $ Price 125.593)		
01/01/2031	1,415M	1.95%	100.00	5/8
07/01/2031	1,440M	2.00%	100.00	5/8
01/01/2032	1,465M	2.10%	100.00	5/8
07/01/2032	1,485M	2.15%	100.00	5/8
01/01/2033	1,510M	2.20%	100.00	5/8
07/01/2033	1,530M	2.20%	100.00	5/8
07/01/2037	13,175M	2.15%	100.00	5/8
07/01/2042	19,080M	2.55%	100.00	5/8
07/01/2047	22,790M	3.125%	2.60	5/8
	(Approx. $ Price PTC 01/01/2031 104.125 Approx. YTM 2.894)			
01/01/2052	24,505M	3.125%	2.70	5/8
	(Approx. $ Price PTC 01/01/2031 103.324 Approx. YTM 2.956)			
07/01/2052 NO RETAIL	83,385M	3.50%	1.60	1/2
	(Approx. $ Price 109.805)			

(PAC)
(Avg. Life: 5.50 years over a range of 100.00 to 400.00% of PSA experience)
*APPROXIMATE AVERAGE LIFE DATE: 8/11/2027

CALL FEATURES: Optional call in 01/01/2031 @ 100.00

Additional call feature information regarding 7/1/2052 PAC to follow.

07/01/2052 PAC AVG LIFE INFORMATION:

PSA PREPAYMENT SPEED	OPTIONAL CALL NOT EXERCISED	OPTIONAL CALL AT 01/01/2031 EXERCISED
0%	16.9	8.1
50%	8.4	6.6
75%	6.5	6.0
100%	5.5	5.4
125%	5.5	5.4
150%	5.5	5.4
175%	5.5	5.4
200%	5.5	5.4
300%	5.5	5.4
400%	5.5	5.4
500%	4.3	4.2

By Lot Sinking Fund Schedule

2037 Term Bond

01/01/2034	1,560M
07/01/2034	1,580M
01/01/2035	1,605M
07/01/2035	1,630M
01/01/2036	1,660M
07/01/2036	1,685M
01/01/2037	1,715M
07/01/2037	1,740M

By Lot Sinking Fund Schedule

2042 Term Bond

01/01/2038	1,765M
07/01/2038	1,795M
01/01/2039	1,825M
07/01/2039	1,860M
01/01/2040	1,890M
07/01/2040	1,920M
01/01/2041	1,955M
07/01/2041	1,990M
01/01/2042	2,020M
07/01/2042	2,060M

By Lot Sinking Fund Schedule

2047 Term Bond

01/01/2043	2,090M
07/01/2043	2,135M
01/01/2044	2,175M
07/01/2044	2,215M
01/01/2045	2,250M
07/01/2045	2,295M
01/01/2046	2,340M
07/01/2046	2,385M
01/01/2047	2,430M
07/01/2047	2,475M

By Lot Sinking Fund Schedule

2052 Term Bond

01/01/2048	2,525M
07/01/2048	2,570M
01/01/2049	2,620M
07/01/2049	2,665M
01/01/2050	2,720M
07/01/2050	2,770M
01/01/2051	2,825M
07/01/2051	2,880M
01/01/2052	2,930M

By Lot Sinking Fund Schedule

2052 Term Bond

01/01/2023	195M
07/01/2023	785M

01/01/2024	795M
07/01/2024	805M
01/01/2025	815M
07/01/2025	825M
01/01/2026	835M
07/01/2026	845M
01/01/2027	865M
07/01/2027	890M
01/01/2028	910M
07/01/2028	930M
01/01/2029	955M
07/01/2029	975M
01/01/2030	995M
07/01/2030	1,025M
01/01/2031	1,040M
07/01/2031	1,055M
01/01/2032	1,070M
07/01/2032	1,090M
01/01/2033	1,105M
07/01/2033	1,125M
01/01/2034	1,140M
07/01/2034	1,160M
01/01/2035	1,180M
07/01/2035	1,200M
01/01/2036	1,215M
07/01/2036	1,235M
01/01/2037	1,255M
07/01/2037	1,275M
01/01/2038	1,300M
07/01/2038	1,320M
01/01/2039	1,345M
07/01/2039	1,365M
01/01/2040	1,390M
07/01/2040	1,415M
01/01/2041	1,440M
07/01/2041	1,465M
01/01/2042	1,490M
07/01/2042	1,515M
01/01/2043	1,545M
07/01/2043	1,570M
01/01/2044	1,600M
07/01/2044	1,630M
01/01/2045	1,665M
07/01/2045	1,695M
01/01/2046	1,725M
07/01/2046	1,760M
01/01/2047	1,790M
07/01/2047	1,825M
01/01/2048	1,860M
07/01/2048	1,895M
01/01/2049	1,930M
07/01/2049	1,970M
01/01/2050	2,005M
07/01/2050	2,045M
01/01/2051	2,080M
07/01/2051	2,120M
01/01/2052	2,160M
07/01/2052	4,880M

* - APPROXIMATE SUBJECT TO CHANGE

Order period until today 11:30 AM, Eastern, Wednesday, 01/19/22.
Please use Electronic Order Entry to enter orders or call (312) 559-1631.

The managers reserve the right to terminate or extend the order period prior to or later than the above-mentioned time and date and to confirm bonds at their discretion.

PRIORITY OF ORDERS AS FOLLOWS:
1. Texas Retail
2. National Retail

A "RETAIL" ORDER IS DEFINED AS AN ORDER PLACED FOR THE ACCOUNT OF AN INDIVIDUAL, BANK TRUST, OR INVESTMENT ADVISOR ACTING ON BEHALF OF AN INDIVIDUAL, WITH A MAXIMUM OF $500,000

PER ACCOUNT, OR AT THE DISCRETION OF THE ISSUER, SOME LARGER AMOUNT. RETAIL ORDERS DO NOT INCLUDE BANK PORTFOLIOS, INSURANCE COMPANIES, BOND FUNDS OR MUNICIPALITIES. ZIP CODES ARE REQUIRED WITH ALL RETAIL ORDERS.

THE MANAGER WILL ASSUME THAT ORDERS FOR MATURITIES WITH THE SAME COUPON ON EITHER SIDE CAN

BE FILLED IN 1/1 OR 7/1.
ORDERS PLACED FOR THE ACCOUNT OF BANK TRUST DEPARTMENTS, REGISTERED INVESTMENT ADVISORS OR

MONEY MANAGERS MUST IDENTIFY THE NAME OF THE ACCOUNT (THOUGH NOT THE INDIVIDUALS) ON WHOSE BEHALF SUCH ORDERS ARE SUBMITTED.

****
Pursuant to MSRB Rule G-11, all syndicate members must inform RBC Capital Markets, LLC if they are submitting an order for their own account, an affiliated account or a related account to themselves or to any other syndicate member.
****

SIFMA PREPAYMENT MODEL		2037 TERM	2042 TERM	2047 TERM	2052 TERM	7/1/52 PAC OPT CALL NOT EXERCISED	7/1/52 PAC OPT CALL EXERCISED
0%	Avg Life	13.6	18.2	23.2	27.8	16.9	8.1
	Avg Mty Date	10/16/2035	04/26/2040	04/28/2045	11/30/2049	01/12/2039	03/15/2030
	1st Redemption	01/01/2034	01/01/2038	01/01/2043	01/01/2048	07/01/2022	07/01/2022
	Last Redemption	07/01/2037	07/01/2042	07/01/2047	06/01/2051	09/01/2050	01/01/2031
50%	Avg Life	13.6	18.1	22.4	24.4	8.4	6.6
	Avg Mty Date	10/16/2035	04/13/2040	07/02/2044	07/09/2046	07/16/2030	10/17/2028
	1st Redemption	01/01/2034	01/01/2038	01/01/2040	01/01/2040	07/01/2022	07/01/2022
	Last Redemption	07/01/2037	07/01/2042	07/01/2047	11/01/2049	01/01/2040	01/01/2031
75%	Avg Life	13.2	17.5	20.4	21.3	6.5	6.0
	Avg Mty Date	05/10/2035	08/21/2039	07/10/2042	06/03/2043	09/10/2028	02/17/2028
	1st Redemption	01/01/2034	05/01/2036	05/01/2036	05/01/2036	07/01/2022	07/01/2022
	Last Redemption	05/01/2036	07/01/2042	07/01/2047	10/01/2048	05/01/2035	01/01/2031
100%	Avg Life	11.6	16.6	18.5	18.8	5.5	5.4
	Avg Mty Date	09/25/2033	09/14/2038	08/16/2040	12/20/2040	08/09/2027	06/30/2027
	1st Redemption	09/01/2032	08/01/2034	08/01/2034	08/01/2034	07/01/2022	07/01/2022
	Last Redemption	08/01/2034	07/01/2042	07/01/2047	08/01/2047	09/01/2032	01/01/2031
125%	Avg Life	5.6	15.7	17.0	17.2	5.5	5.4
	Avg Mty Date	10/10/2027	10/21/2037	02/28/2039	05/08/2039	08/09/2027	06/30/2027
	1st Redemption	08/01/2022	03/01/2033	03/01/2033	03/01/2033	07/01/2022	07/01/2022
	Last Redemption	03/01/2033	07/01/2042	02/01/2047	02/01/2047	09/01/2032	01/01/2031
150%	Avg Life	3.0	14.4	15.3	15.4	5.5	5.4
	Avg Mty Date	03/04/2025	07/14/2036	06/10/2037	07/07/2037	08/09/2027	06/30/2027
	1st Redemption	08/01/2022	01/01/2027	01/01/2027	01/01/2027	07/01/2022	07/01/2022
	Last Redemption	01/01/2027	07/01/2042	07/01/2046	07/01/2046	09/01/2032	01/01/2031
175%	Avg Life	2.5	12.9	13.5	13.5	5.5	5.4
	Avg Mty Date	08/11/2024	01/26/2035	09/03/2035	09/09/2035	08/09/2027	06/30/2027
	1st Redemption	08/01/2022	10/01/2025	10/01/2025	10/01/2025	07/01/2022	07/01/2022
	Last Redemption	10/01/2025	07/01/2042	09/01/2045	09/01/2045	09/01/2032	01/01/2031
200%	Avg Life	2.2	11.6	12.0	12.0	5.5	5.4
	Avg Mty Date	04/28/2024	10/04/2033	02/16/2034	02/22/2034	08/09/2027	06/30/2027
	1st Redemption	08/01/2022	04/01/2025	04/01/2025	04/01/2025	07/01/2022	07/01/2022
	Last Redemption	04/01/2025	07/01/2042	12/01/2044	01/01/2045	09/01/2032	01/01/2031
300%	Avg Life	1.7	7.7	7.7	7.7	5.5	5.4
	Avg Mty Date	10/24/2023	11/04/2029	11/21/2029	11/18/2029	08/10/2027	06/30/2027
	1st Redemption	07/01/2022	06/01/2024	06/01/2024	06/01/2024	07/01/2022	07/01/2022
	Last Redemption	06/01/2024	07/01/2042	09/01/2042	09/01/2042	10/01/2032	01/01/2031
400%	Avg Life	1.4	5.1	5.1	5.1	5.5	5.4
	Avg Mty Date	08/05/2023	03/19/2027	03/25/2027	03/22/2027	09/09/2027	07/05/2027
	1st Redemption	07/01/2022	02/01/2024	02/01/2024	02/01/2024	07/01/2022	07/01/2022
	Last Redemption	02/01/2024	09/01/2040	09/01/2040	10/01/2040	10/01/2033	01/01/2031
500%	Avg Life	1.3	4.8	4.8	4.8	4.3	4.2
	Avg Mty Date	06/17/2023	12/02/2026	12/02/2026	12/01/2026	05/25/2026	04/23/2026
	1st Redemption	07/01/2022	12/01/2023	12/01/2023	12/01/2023	07/01/2022	07/01/2022
	Last Redemption	12/01/2023	03/01/2038	03/01/2038	03/01/2038	08/01/2033	01/01/2031

The compliance addendum MSRB Rule G-11 will apply.

The Award is expected on Wednesday, January 19, 2022.

Delivery is expected on Thursday, February 24, 2022.

This issue is book entry only. This issue is clearing through DTC.

RBC Capital Markets
Barclays Capital Inc.
Jefferies LLC
Piper Sandler & Co
Morgan Stanley & Co. LLC
Ramirez & Co., Inc.

By: RBC Capital Markets Chicago, IL

RE: $ 190,000,000
TEXAS DEPARTMENT OF HOUSING AND COMMUNITY AFFAIRS
RESIDENTIAL MORTGAGE REVENUE BONDS
SERIES 2022A (NON-AMT) (SOCIAL BONDS)

MOODY'S: Aaa
S&P: AA+
FITCH:
KROLL:

DATED:02/24/2022 FIRST COUPON:07/01/2022

DUE: 01/01 & 07/01

INITIAL TRADE DATE: 01/20/2022 @ 3:30PM Eastern

MATURITY	AMOUNT	COUPON	PRICE	ADD'L TAKEDOWN (Pts)	CUSIP
01/01/2023	265M	0.50%	100.00	3/8	882750QS4
07/01/2023	1,080M	0.60%	100.00	3/8	882750QT2
01/01/2024	1,090M	0.75%	100.00	3/8	882750QU9
07/01/2024	1,100M	0.85%	100.00	3/8	882750QV7
01/01/2025	1,115M	0.90%	100.00	1/2	882750QW5
07/01/2025	1,130M	1.00%	100.00	1/2	882750QX3
01/01/2026	1,145M	1.10%	100.00	1/2	882750QY1
07/01/2026	1,160M	1.20%	100.00	1/2	882750QZ8
01/01/2027	1,165M	5.00%	1.15	1/2	882750RA2
		(Approx. $ Price 118.119)			
07/01/2027	1,190M	5.00%	1.25	1/2	882750RB0
		(Approx. $ Price 119.356)			
01/01/2028	1,220M	5.00%	1.35	5/8	882750RC8
		(Approx. $ Price 120.472)			
07/01/2028	1,250M	5.00%	1.45	5/8	882750RD6
		(Approx. $ Price 121.468)			
01/01/2029	1,280M	5.00%	1.50	5/8	882750RE4
		(Approx. $ Price 122.710)			
07/01/2029	1,310M	5.00%	1.60	5/8	882750RF1
		(Approx. $ Price 123.494)			
01/01/2030	1,345M	5.00%	1.65	5/8	882750RG9
		(Approx. $ Price 124.576)			
07/01/2030	1,375M	5.00%	1.70	5/8	882750RH7
		(Approx. $ Price 125.593)			
07/01/2031	2,855M	2.00%	100.00	5/8	882750RK0
01/01/2032	1,465M	2.10%	100.00	5/8	882750RL8
07/01/2032	1,485M	2.15%	100.00	5/8	882750RM6
01/01/2033	1,510M	2.20%	100.00	5/8	882750RN4
07/01/2033	1,530M	2.20%	100.00	5/8	882750RP9
07/01/2037	13,175M	2.15%	100.00	5/8	882750RQ7
07/01/2042	19,080M	2.60%	100.00	5/8	882750RR5
07/01/2047	22,790M	3.125%	2.75	5/8	882750RS3

(Approx. $ Price PTC 01/01/2031 102.926 Approx.
YTM 2.960)

01/01/2052 24,505M 3.125% 2.85 5/8 882750RT1
(Approx. $ Price PTC 01/01/2031 102.136 Approx.
YTM 3.016)

07/01/2052 83,385M 3.50% 109.75 1/2 882750RU8
(Approx. Yield 1.610)
(PAC)
(Avg. Life: 5.50 years over a range of 100.00 to 400.00% of PSA experience)
*APPROXIMATE AVERAGE LIFE DATE: 8/11/2027

CALL FEATURES: Optional call in 01/01/2031 @ 100.00

THE PREMIUM PAC TERM BOND IS SUBJECT TO REDEMPTION PRIOR TO MATURITY, IN WHOLE OR IN PART AT ANY TIME AND FROM TIME TO TIME, ON AND AFTER JANUARY 1, 2031, AT THE OPTION OF THE DEPARTMENT AFTER GIVING NOTICE AS PROVIDED IN THE TRUST INDENTURE, AT THE REDEMPTION PRICES SET FORTH BELOW IN EACH CASE TOGETHER WITH INTEREST ACCRUED THEREON TO, BUT NOT INCLDUING, THE REDEMPTION DATE.

REDEMPTION DATE:	REDEMPTION PRICE:
JANUARY 1, 2031	101.563%
JULY 1, 2031	101.120%
JANUARY 1, 2032	100.663%
JULY 1, 2032	100.188%
JANUARY 1, 2033	100.000%

07/01/2052 PAC AVG LIFE INFORMATION:

PSA PREPAYMENT SPEED	OPTIONAL CALL NOT EXERCISED	OPTIONAL CALL AT 01/01/2031 EXERCISED
0%	16.5	8.0
50%	8.3	6.6
75%	6.5	6.0
100%	5.5	5.4
125%	5.5	5.4
150%	5.5	5.4
175%	5.5	5.4
200%	5.5	5.4
300%	5.5	5.4
400%	5.5	5.4
500%	4.2	4.2

Sinking Fund Schedule

2031 Term Bond

01/01/2031	1,415M
07/01/2031	1,440M

By Lot Sinking Fund Schedule

2037 Term Bond

01/01/2034	1,560M
07/01/2034	1,580M
01/01/2035	1,605M
07/01/2035	1,630M
01/01/2036	1,660M
07/01/2036	1,685M

01/01/2037	1,715M
07/01/2037	1,740M

By Lot Sinking Fund Schedule

2042 Term Bond

01/01/2038	1,765M
07/01/2038	1,795M
01/01/2039	1,825M
07/01/2039	1,860M
01/01/2040	1,890M
07/01/2040	1,920M
01/01/2041	1,955M
07/01/2041	1,990M
01/01/2042	2,020M
07/01/2042	2,060M

By Lot Sinking Fund Schedule

2047 Term Bond

01/01/2043	2,090M
07/01/2043	2,135M
01/01/2044	2,175M
07/01/2044	2,215M
01/01/2045	2,250M
07/01/2045	2,295M
01/01/2046	2,340M
07/01/2046	2,385M
01/01/2047	2,430M
07/01/2047	2,475M

By Lot Sinking Fund Schedule

2052 Term Bond

01/01/2048	2,525M
07/01/2048	2,570M
01/01/2049	2,620M
07/01/2049	2,665M
01/01/2050	2,720M
07/01/2050	2,770M
01/01/2051	2,825M
07/01/2051	2,880M
01/01/2052	2,930M

By Lot Sinking Fund Schedule

2052 Term Bond

01/01/2023	195M
07/01/2023	785M
01/01/2024	795M
07/01/2024	805M
01/01/2025	815M
07/01/2025	825M
01/01/2026	835M
07/01/2026	845M
01/01/2027	865M
07/01/2027	890M
01/01/2028	910M
07/01/2028	930M
01/01/2029	955M
07/01/2029	975M
01/01/2030	995M

07/01/2030	1,025M
01/01/2031	1,040M
07/01/2031	1,055M
01/01/2032	1,070M
07/01/2032	1,090M
01/01/2033	1,105M
07/01/2033	1,125M
01/01/2034	1,140M
07/01/2034	1,160M
01/01/2035	1,180M
07/01/2035	1,200M
01/01/2036	1,215M
07/01/2036	1,235M
01/01/2037	1,255M
07/01/2037	1,275M
01/01/2038	1,300M
07/01/2038	1,320M
01/01/2039	1,345M
07/01/2039	1,365M
01/01/2040	1,390M
07/01/2040	1,415M
01/01/2041	1,440M
07/01/2041	1,465M
01/01/2042	1,490M
07/01/2042	1,515M
01/01/2043	1,545M
07/01/2043	1,570M
01/01/2044	1,600M
07/01/2044	1,630M
01/01/2045	1,665M
07/01/2045	1,695M
01/01/2046	1,725M
07/01/2046	1,760M
01/01/2047	1,790M
07/01/2047	1,825M
01/01/2048	1,860M
07/01/2048	1,895M
01/01/2049	1,930M
07/01/2049	1,970M
01/01/2050	2,005M
07/01/2050	2,045M
01/01/2051	2,080M
07/01/2051	2,120M
01/01/2052	2,160M
07/01/2052	4,880M

Please note "ESG" in the comments for all orders submitted on behalf of investors participating due to the ESG designation.

PRIORITY OF ORDERS AS FOLLOWS:
1. Net Designated
(Exception: If an investor is affiliated with a syndicate member and that syndicate member may not be compensated for the investor's order, the investor will not be required to designate that syndicate member.)
2. Texas Retail
3. National Retail
4. Member

PRIORITY POLICY:

At least 3 firm(s) must be designated.

No firm may receive more than 55.00% of any designation.

Each designee must receive a minimum of 5.00% for each priority order.

The Senior Manager requests the identification of all priority orders at the time the orders are entered.

The Senior Manager will pay out all designations.

A "RETAIL" ORDER IS DEFINED AS AN ORDER PLACED FOR THE ACCOUNT OF AN INDIVIDUAL, BANK TRUST, OR INVESTMENT ADVISOR ACTING ON BEHALF OF AN INDIVIDUAL, WITH A MAXIMUM OF $500,000 PER ACCOUNT, OR AT THE DISCRETION OF THE ISSUER, SOME LARGER AMOUNT. RETAIL ORDERS DO NOT INCLUDE BANK PORTFOLIOS, INSURANCE COMPANIES, BOND FUNDS OR MUNICIPALITIES. ZIP CODES ARE REQUIRED WITH ALL RETAIL ORDERS.

THE MANAGER WILL ASSUME THAT ORDERS FOR MATURITIES WITH THE SAME COUPON ON EITHER SIDE CAN BE FILLED IN 1/1 OR 7/1.
ORDERS PLACED FOR THE ACCOUNT OF BANK TRUST DEPARTMENTS, REGISTERED INVESTMENT ADVISORS OR MONEY MANAGERS MUST IDENTIFY THE NAME OF THE ACCOUNT (THOUGH NOT THE INDIVIDUALS) ON WHOSE BEHALF SUCH ORDERS ARE SUBMITTED.

****
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****

SIFMA PREPAYMENT MODEL		2037 TERM	2042 TERM	2047 TERM	2052 TERM	7/1/52 PAC OPT CALL NOT EXERCISED	7/1/52 PAC OPT CALL EXERCISED
0%	Avg Life	13.6	18.2	23.2	27.7	16.5	8.0
	Avg Mty Date	10/16/2035	04/26/2040	04/28/2045	10/20/2049	09/10/2038	03/08/2030
	1st Redemption	01/01/2034	01/01/2038	01/01/2043	01/01/2048	07/01/2022	07/01/2022
	Last Redemption	07/01/2037	07/01/2042	07/01/2047	03/01/2051	02/01/2050	01/01/2031
50%	Avg Life	13.6	18.1	22.2	23.9	8.3	6.6
	Avg Mty Date	10/16/2035	04/06/2040	05/07/2044	02/01/2046	06/11/2030	10/10/2028
	1st Redemption	01/01/2034	01/01/2038	08/01/2039	08/01/2039	07/01/2022	07/01/2022
	Last Redemption	07/01/2037	07/01/2042	07/01/2047	07/01/2049	08/01/2039	01/01/2031
75%	Avg Life	13.2	17.4	20.2	20.9	6.5	6.0
	Avg Mty Date	04/08/2035	07/28/2039	04/29/2042	01/29/2043	08/23/2028	02/10/2028
	1st Redemption	01/01/2034	04/01/2036	04/01/2036	04/01/2036	07/01/2022	07/01/2022
	Last Redemption	04/01/2036	07/01/2042	07/01/2047	06/01/2048	03/01/2035	01/01/2031
100%	Avg Life	11.3	16.5	18.3	18.6	5.5	5.4
	Avg Mty Date	06/27/2033	08/18/2038	06/08/2040	09/18/2040	08/09/2027	06/30/2027
	1st Redemption	08/01/2023	07/01/2034	07/01/2034	07/01/2034	07/01/2022	07/01/2022
	Last Redemption	07/01/2034	07/01/2042	04/01/2047	04/01/2047	09/01/2032	01/01/2031
125%	Avg Life	5.5	15.6	16.8	17.0	5.5	5.4
	Avg Mty Date	08/05/2027	09/25/2037	12/25/2038	02/13/2039	08/09/2027	06/30/2027
	1st Redemption	08/01/2022	02/01/2033	02/01/2033	02/01/2033	07/01/2022	07/01/2022
	Last Redemption	02/01/2033	07/01/2042	09/01/2046	09/01/2046	09/01/2032	01/01/2031
150%	Avg Life	3.0	14.3	15.1	15.1	5.5	5.4
	Avg Mty Date	02/26/2025	06/05/2036	04/01/2037	04/13/2027	08/09/2027	06/30/2027

	1st Redemption	08/01/2022	02/01/2026	12/01/2026	12/01/2026	07/01/2022	07/01/2022
	Last Redemption	12/01/2026	07/01/2042	12/01/2045	12/01/2045	09/01/2032	01/01/2031
175%	Avg Life	2.5	12.8	13.3	13.3	5.5	5.4
	Avg Mty Date	08/07/2024	12/23/2034	06/26/2035	06/21/2035	08/09/2027	06/30/2027
	1st Redemption	08/01/2022	10/01/2025	10/01/2025	10/01/2025	07/01/2022	07/01/2022
	Last Redemption	10/01/2025	07/01/2042	02/01/2045	02/01/2045	09/01/2032	01/01/2031
200%	Avg Life	2.2	11.5	11.8	11.8	5.5	5.4
	Avg Mty Date	04/26/2024	09/03/2033	12/20/2033	12/09/2033	08/09/2027	06/30/2027
	1st Redemption	08/01/2022	04/01/2025	04/01/2025	04/01/2025	07/01/2022	07/01/2022
	Last Redemption	04/01/2025	07/01/2042	05/01/2044	05/01/2044	09/01/2032	01/01/2031
300%	Avg Life	1.7	7.6	7.6	7.6	5.5	5.4
	Avg Mty Date	10/24/2023	09/27/2029	11/21/2029	10/05/2029	08/10/2027	06/30/2027
	1st Redemption	07/01/2022	06/01/2024	06/01/2024	06/01/2024	07/01/2022	07/01/2022
	Last Redemption	06/01/2024	11/01/2041	09/01/2042	11/01/2041	10/01/2032	01/01/2031
400%	Avg Life	1.4	5.0	5.0	5.0	5.5	5.4
	Avg Mty Date	08/05/2023	03/05/2027	03/05/2027	03/03/2027	09/09/2027	07/05/2027
	1st Redemption	07/01/2022	02/01/2024	02/01/2024	02/01/2024	07/01/2022	07/01/2022
	Last Redemption	02/01/2024	09/01/2040	01/01/2040	01/01/2040	10/01/2033	01/01/2031
500%	Avg Life	1.3	4.7	4.8	4.8	4.2	4.2
	Avg Mty Date	06/17/2023	11/22/2026	11/26/2026	11/22/2026	05/20/2026	04/19/2026
	1st Redemption	07/01/2022	12/01/2023	12/01/2023	12/01/2023	07/01/2022	07/01/2022
	Last Redemption	12/01/2023	07/01/2037	06/01/2037	07/01/2037	08/01/2033	01/01/2031

The compliance addendum MSRB Rule G-11 will apply.

The Award is final for Thursday, January 20, 2022 at 1:00PM Eastern .

Delivery is firm for Thursday, February 24, 2022.

This issue is book entry only. This issue is clearing through DTC.

Award: 01/20/2022
Award Time: 1:00PM Eastern
Delivery: 02/24/2022 (Firm)
Initial trade: 01/20/2022
Date of Execution: 01/20/2022
Time of Execution: 3:30PM Eastern

RBC Capital Markets
Barclays Capital Inc.
Jefferies LLC
Piper Sandler & Co
Morgan Stanley & Co. LLC
Ramirez & Co., Inc.

By: RBC Capital Markets Chicago, IL

SECTION 3
Financing Results

SUMMARY OF RESULTS

SERIES 2022A PAR BONDS		$190,000,000			
BOND RETAIL / INSTITUTIONAL PRICI		01/19/2022			
SIGN BPA		01/20/2022			
DELIVERY DATE		02/24/2022			
CONFIRMED RATINGS		Aaa (Moody's)/AA+ (S&P)			
TAX EXEMPT BOND YIELD		2.347%			
Maturity	**Par**	**Interest Rate**	**Price (%)**	**Premium**	**Yield**
Series 2022A - Serials					
01/01/2023	$265,000	0.500%	100%		0.500%
07/01/2023	1,080,000	0.600%	100%		0.600%
01/01/2024	1,090,000	0.750%	100%		0.750%
07/01/2024	1,100,000	0.850%	100%		0.850%
01/01/2025	1,115,000	0.900%	100%		0.900%
07/01/2025	1,130,000	1.000%	100%		1.000%
01/01/2026	1,145,000	1.100%	100%		1.100%
07/01/2026	1,160,000	1.200%	100%		1.200%
01/01/2027	1,165,000	5.000%	118.119%	211,086.35	1.150%
07/01/2027	1,190,000	5.000%	119.356%	230,336.40	1.250%
01/01/2028	1,220,000	5.000%	120.472%	249,758.40	1.350%
07/01/2028	1,250,000	5.000%	121.468%	268,350.00	1.450%
01/01/2029	1,280,000	5.000%	122.710%	290,688.00	1.500%
07/01/2029	1,310,000	5.000%	123.494%	307,771.40	1.600%
01/01/2030	1,345,000	5.000%	124.576%	330,547.20	1.650%
07/01/2030	1,375,000	5.000%	125.593%	351,903.75	1.700%
01/01/2032	1,465,000	2.100%	100%		2.100%
07/01/2032	1,485,000	2.150%	100%		2.150%
01/01/2033	1,510,000	2.200%	100%		2.200%
07/01/2033	1,530,000	2.200%	100%		2.200%
Series 2022A - Term Bonds					
07/01/2031	$2,855,000	2.000%	100%		2.000%
07/01/2037	13,175,000	2.150%	100%	-	2.150%
07/01/2042	19,080,000	2.600%	100%	-	2.600%
07/01/2047	22,790,000	3.125%	102.926%	666,835.40	2.750%
01/01/2052	24,505,000	3.125%	102.136%	523,426.80	2.850%
Series 2022A - Premium PAC Bonds - 5.5 Year Average Life					
07/01/2052	83,385,000	3.50%	109.750%	8,130,037.50	1.610%
Series 2022A - Total					
	$190,000,000			**$ 11,560,741.20**	

PRICING PROGRESSION

Maturity	Principal	Coupon	Yield	1/18 MMD	Pre-Marketing Spread (bp)	1/19 MMD	Final Pricing MMD (bp)
Series 2022A - Serials							
01/01/2023	$265,000	0.500%	0.50%	0.33%	12	0.37%	13
07/01/2023	1,080,000	0.600%	0.60%	0.38%	17	0.42%	18
01/01/2024	1,090,000	0.750%	0.75%	0.46%	24	0.52%	23
07/01/2024	1,100,000	0.850%	0.85%	0.51%	29	0.57%	28
01/01/2025	1,115,000	0.900%	0.90%	0.60%	30	0.66%	24
07/01/2025	1,130,000	1.000%	1.00%	0.66%	34	0.72%	28
01/01/2026	1,145,000	1.100%	1.10%	0.71%	39	0.77%	33
07/01/2026	1,160,000	1.200%	1.20%	0.78%	42	0.84%	36
01/01/2027	1,165,000	5.000%	1.15%	0.81%	34	0.87%	28
07/01/2027	1,190,000	5.000%	1.25%	0.90%	35	0.96%	29
01/01/2028	1,220,000	5.000%	1.35%	0.95%	40	1.01%	34
07/01/2028	1,250,000	5.000%	1.45%	1.01%	44	1.07%	38
01/01/2029	1,280,000	5.000%	1.50%	1.03%	47	1.10%	40
07/01/2029	1,310,000	5.000%	1.60%	1.07%	53	1.14%	46
01/01/2030	1,345,000	5.000%	1.65%	1.10%	55	1.17%	48
07/01/2030	1,375,000	5.000%	1.70%	1.12%	58	1.19%	51
01/01/2032	1,465,000	2.100%	2.10%	1.18%	92	1.25%	85
07/01/2032	1,485,000	2.150%	2.15%	1.19%	96	1.26%	89
01/01/2033	1,510,000	2.200%	2.20%	1.20%	100	1.27%	93
07/01/2033	1,530,000	2.200%	2.20%	1.21%	99	1.28%	92
Series 2022A - Term Bonds							
07/01/2031	$2,855,000	2.000%	2.00%	1.16%	84	1.23%	77
07/01/2037	13,175,000	2.150%	2.15%	1.32%	83	1.38%	77
07/01/2042	19,080,000	2.600%	2.60%	1.47%	108	1.53%	107
07/01/2047	22,790,000	3.125%	2.75%	1.59%	101	1.65%	110
01/01/2052	24,505,000	3.125%	2.85%	1.64%	106	1.70%	115
Series 2022A - Premium PAC Bonds - 5.5 Year Average Life							
07/01/2052	83,385,000	3.50%	1.61%	0.91%	67	0.97%	64
Seriers 2022A - Total							
	$190,000,000						

PRICING COMPARISONS

Housing Transactions	Wk 1/17			Wk 1/10							
State HFA	Texas			New Mexico		Rhode Island		Montana		South Dakota	
Series Name	2022-A (Social)			2022-A		Series 76-A (Social)		2022-A		2022-AB (Social)	
Rating	Aaa/AA+			Aaa/		Aa1/AA+		Aa1/AA+		Aaa/AAA	
Par Amount ($000)	$190,000			$100,000		$124,925		$32,000		$115,520	
Managing Underwriter	RBC CM			RBC CM		JPM		RBC CM		BofA	
RBC CM Role	Senior Manager			Senior Manager		Co-Manager		Senior Manager		Selling Group	
Pricing Date	1/19			1/13		1/13		1/12		1/12	
Tax Status	Non-AMT			Non-AMT		Non-AMT		Non-AMT		Non-AMT	
Maturity	**Coupon**	**Spread***	**Approx. Value of Lockout**	**Coupon**	**Spread***	**Coupon**	**Spread***	**Coupon**	**Spread***	**Coupon**	**Spread***
2022								x/.30	x/-.03	x/.35	x/.02
2023	.50/.60	.15/.20		.40/.50	.05/.11			.45/.55	.08/.14	.40/.55	.04/.15
2024	.75/.85	.27/.32		.65/.75	.17/.22			.60/.70	.10/.14	.70/**.70**	.21/**.15**
2025	.90/1.00	.28/.32		.85/.95	.23/.27			.80/.90	.16/.20	.85/**.89**	.22/**.20**
2026	1.10/1.20	.37/.40		1.05/1.10	.32/.31	**x/1.02**	**x/.23**	1.00/1.10	.24/.29	.95/**1.01**	.20/**.21**
2027	**1.15/1.25**	**.32/.33**	**.10/.10**	1.20/1.30	.36/.38	**1.09/1.18**	**.23/.25**	1.20/1.25	.31/.30	1.20/**1.21**	.33/**.27**
2028	**1.35/1.45**	**.38/.42**	**.15/.15**	1.45/1.55	.48/.53	**1.30/1.36**	**.32/.34**	1.45/1.50	.45/.47	1.40/**1.43**	.41/**.40**
2029	**1.50/1.60**	**.44/.50**	**.15/.15**	1.60/1.65	.56/.57	**1.43/1.54**	**.38/.45**	1.60/1.70	.54/.60	**1.51/1.55**	**.46/.46**
2030	**1.65/1.70**	**.52/.55**	**.15/20**	1.75/1.85	.64/.72	1.80/1.85	.69/.72	1.80/1.85	.68/.71	**1.60/1.64**	**.48/.50**
2031	x/2.00	x/.81		1.90/1.95	.75/.78	1.95/2.00	.80/.83	1.90/1.95	.74/.77	1.875/1.95	.715/.77
2032	2.10/2.15	.89/.93		2.05/2.10	.86/.89	2.10/2.15	.90/.94	2.05/2.10	.85/.89	2.00/2.05	.80/.84
2033	2.20/2.20	.97/.96		2.15/2.15	.94/.92	2.20/2.20	.98/.97	2.15/2.15	.93/.92	2.15/2.15	.93/.92
2034				2.20/2.20	.97/.95			2.20/2.20	.96/.95	2.20/2.20	.96/.95
2035											
2036						2.35	1.05				
2037	2.15	.77		2.25	.92			2.25	.92	2.30	.97
2038	*Short Avg. Life*										
2039											
2040											
2041											
2042	2.60	1.07		2.55	1.07	2.55	1.07	2.55	1.07	2.50	1.03
2043											
2044										2.60	1.06
2045											
2046											
2047	3.125's @ 2.75%	1.13		2.70	1.10			2.75	1.15		
2048											
2049											
2050											
2051						1.51**	.68	2.85	1.21		
2052	3.125's @ 2.85%	1.15		2.80	1.15	*PAC*					
2052	1.61**	.68						1.49**	.66	1.46**	.63
2053		*PAC*						*PAC*		*PAC*	
2053				1.43**	.60						
2054				*PAC*							

*PAC Bond Info	Texas	New Mexico	Rhode Island	Montana	South Dakota
Size ($000)	$83,385	$41,500	$45,415	$10,310	$37,255
Average Life (Years)	5.50	5.00	5.00	5.00	5.00
Band (PSA)	100-400	100-400	100-400	100-500	100-400
Coupon	3.50%	3.00%	3.00%	3.00%	3.00%
Price	$109.750	$107.485	$107.088	$107.205	$107.349

SECTION 4
Order Book

ALLOTMENTS PER SYNDICATE MEMBER ($000s)													
SERIES 2022A		RBC CM		JEFFERIES		BARCLAYS		MORGAN STANLEY		PIPER SANDLER		RAMIREZ & CO	
Maturity	Total Bonds ($M)	$	%	$	%	$	%	$	%	$	%	$	%
01/01/2023	265	265	100%		0%		0%		0%		0%		0%
07/01/2023	1,080	580	54%		0%		0%	500	46%		0%		0%
01/01/2024	1,090	1,090	100%		0%		0%		0%		0%		0%
07/01/2024	1,100	750	68%		0%		0%	350	32%		0%		0%
01/01/2025	1,115	1,115	100%		0%		0%		0%		0%		0%
07/01/2025	1,130	850	75%		0%		0%	280	25%		0%		0%
01/01/2026	1,145	845	74%		0%		0%		0%	300	26%		0%
07/01/2026	1,160	625	54%		0%		0%	460	40%	75	6%		0%
01/01/2027	1,165	1,165	100%		0%		0%		0%		0%		0%
07/01/2027	1,190	1,190	100%		0%		0%		0%		0%		0%
01/01/2028	1,220	1,220	100%		0%		0%		0%		0%		0%
07/01/2028	1,250	1,250	100%		0%		0%		0%		0%		0%
01/01/2029	1,280	1,280	100%		0%		0%		0%		0%		0%
07/01/2029	1,310	1,310	100%		0%		0%		0%		0%		0%
01/01/2030	1,345	1,345	100%		0%		0%		0%		0%		0%
07/01/2030	1,375	1,375	100%		0%		0%		0%		0%		0%
01/01/2032	1,465	1,375	94%		0%		0%	40	3%	50	3%		0%
07/01/2032	1,485	1,480	100%		0%		0%	5	0%		0%		0%
01/01/2033	1,510	1,460	97%		0%		0%		0%		0%	50	3%
07/01/2033	1,530	1,525	100%		0%		0%	5	0%		0%		0%
07/01/2031	2,855	2,805	98%		0%		0%	50	2%		0%		0%
07/01/2037	13,175	13,175	100%		0%		0%		0%		0%		0%
07/01/2042	19,080	16,580	87%		0%		0%		0%	2,500	13%		0%
07/01/2047	22,790	22,790	100%		0%		0%		0%		0%		0%
01/01/2052	24,505	24,145	99%		0%		0%	360	1%		0%		0%
07/01/2052	83,385	83,385	100%		0%		0%		0%		0%		0%
Total: ($M)	**190,000**	**184,975**	**97.4%**	**0**	**0.0%**	**0**	**0.0%**	**2,050**	**1.1%**	**2,925**	**1.5%**	**50**	**0.0%**

DESIGNATIONS BY SYNDICATE MEMBER ($000s)			
SYNDICATE MEMBER	MEMBER ORDER REVENUE	NET DESIGNATIONS	TOTAL
RBC Capital Markets, LLC	$81,325	$526,014	$607,339
Jefferies LLC	-	72,781	72,781
Barclays Capital Inc.	-	92,286	92,286
Morgan Stanley	9,763	95,853	105,616
Piper Sandler	2,188	75,948	78,136
Ramirez & Co.	313	102,030	102,343
Total: ($M)	**$93,588**	**$964,913**	**$1,058,500**

ORDERS AND ALLOTMENTS BY BOND MATURITY ($000s)

SERIES 2022A		RETAIL		INSTITUTIONAL		MEMBER		TOTAL	
Maturity	Total Bonds ($M)	ORDERS	ALLOTMENTS	ORDERS	ALLOTMENTS	ORDERS	ALLOTMENTS	ORDERS	ALLOTMENTS
01/01/2023	265					265	265	265	265
07/01/2023	1,080	580	580			500	500	1,080	1,080
01/01/2024	1,090					1,090	1,090	1,090	1,090
07/01/2024	1,100	650	650			450	450	1,100	1,100
01/01/2025	1,115	1,115	615	555	500			1,670	1,115
07/01/2025	1,130	1,410	630	565	500	565	0	2,540	1,130
01/01/2026	1,145	1,445	600	570	545			2,015	1,145
07/01/2026	1,160	1,800	1,160					1,800	1,160
01/01/2027	1,165	1,165	615	1,160	550	1,165	0	3,490	1,165
07/01/2027	1,190	1,190	600	1,190	590	1,190	0	3,570	1,190
01/01/2028	1,220	1,220	620	1,220	600			2,440	1,220
07/01/2028	1,250	1,250	650	1,250	600			2,500	1,250
01/01/2029	1,280	1,280	650	1,920	630			3,200	1,280
07/01/2029	1,310	1,310	655	2,620	655			3,930	1,310
01/01/2030	1,345	1,345	675	2,010	670			3,355	1,345
07/01/2030	1,375	1,375	700	4,125	675			5,500	1,375
01/01/2032	1,465	1,560	765	730	700			2,290	1,465
07/01/2032	1,485	1,490	1,085	400	400			1,890	1,485
01/01/2033	1,510	1,550	760	755	750			2,305	1,510
07/01/2033	1,530	1,530	1,530					1,530	1,530
07/01/2031	2,855	1,675	1,675	1,840	1,180	2,855	0	6,370	2,855
07/01/2037	13,175			52,700	13,175	2,500	0	55,200	13,175
07/01/2042	19,080			40,580	19,080	9,500	0	50,080	19,080
07/01/2047	22,790			22,790	22,790	12,000	0	34,790	22,790
01/01/2052	24,505	880	880	23,625	23,625	10,500	0	35,005	24,505
07/01/2052	83,385			306,135	83,385	29,000	0	335,135	83,385
Total: ($M)	**190,000**	**25,820**	**16,095**	**466,740**	**171,600**	**71,580**	**2,305**	**564,140**	**190,000**

ORDERS AND ALLOTMENTS BY MANAGER ($000s)

SERIES 2022A	RETAIL - TEXAS		RETAIL - NATIONAL		INSTITUTIONAL		MEMBER		TOTAL	
SYNDICATE MEMBER	ORDERS	ALLOTMENTS	ORDERS	ALLOTMENTS	ORDERS	ALLOTMENTS	ORDERS	ALLOTMENTS	ORDERS	ALLOTMENTS
RBC Capital Markets, LLC	4,285	3,495	18,165	10,075	459,740	169,100	2,305	2,305	484,495	184,975
Jefferies LLC							26,000	0	26,000	0
Barclays Capital Inc.							23,500	0	23,500	0
Morgan Stanley	860	860	1,190	1,190			7,210	0	9,260	2,050
Piper Sandler			1,270	425	7,000	2,500			8,270	2,925
Ramirez & Co.	50	50					12,565	0	12,615	50
Total: ($M)	**$5,195**	**$4,405**	**$20,625**	**$11,690**	**$466,740**	**$171,600**	**$71,580**	**$2,305**	**$564,140**	**$190,000**

RBC Capital Markets

Texas Department of Housing and Community Affairs

$190,000,000*
Residential Mortgage Revenue Bonds

Consisting of:

$190,000,000* Series 2022A (Non-AMT) (Social Bonds)

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Investor Presentation

January 5, 2022

*Preliminary subject to change

Disclaimer

This document and any other materials accompanying this document (collectively, the "Materials") are provided for your information. By accepting any Materials, the recipient acknowledges and agrees to the matters set forth below.

This electronic Investor Presentation you are about to view is provided as of January 5, 2022 for a proposed offering by the Texas Department of Housing and Community Affairs of its proposed Residential Mortgage Revenue Bonds, Series 2022A (Social Bonds) (the "Series 2022A Bonds"). If you are viewing this presentation after January 5, there may have been events that occurred subsequent to such date that would have a material adverse effect on the financial information that is presented herein, and the Texas Department of Housing and Community Affairs has not undertaken any obligation to update this electronic presentation. All market prices, financial data and other information provided herein are not warranted as to completeness or accuracy and are subject to change without notice.

The Materials are not part of the preliminary official statement or the final official statement as those terms are defined in SEC rule 15c2-12, and are qualified in all respects by reference to the Preliminary Official Statement (the "POS"). Prospective purchasers of the Bonds should rely only on the Preliminary Official Statement, and not the Materials, in making an investment decision. The Materials and statements contained in this presentation do not constitute an offer to sell or a solicitation of any offer to buy any securities of the Texas Department of Housing and Community Affairs to any person in any jurisdiction; nor shall there be any sale of securities, in any jurisdiction in which such offer, solicitation or sale would be unlawful prior to registration or qualification under the securities laws of such jurisdiction. To the extent there are conflicts between statements made in the Preliminary Official Statement and this presentation, the information contained in the Preliminary Official Statement should be deemed more reliable.

Any opinions or estimates contained in the Materials represent the judgment of Texas Department of Housing and Community Affairs at this time, and are subject to change without notice.

This presentation may contain statements that, to the extent they are not recitations of historical fact, may constitute "forward-looking statements." In this respect, the words "estimate," "project," "anticipate," "expect," "intend," "believe," and similar expressions are intended to identify forward-looking statements. Any forward-looking statements made herein are subject to a variety of risks and uncertainties that could cause actual results to differ materially from those that have been projected. Such forward-looking statements speak only as of the date of the Preliminary Official Statement of January 5. The Texas Department of Housing and Community Affairs disclaims any obligation or undertaking to release publicly any updates or revisions to any forward-looking statement contained herein to reflect any changes in the Texas Department of Housing and Community Affairs expectations with regard thereto or any change in events, conditions or circumstances on which any such statement is based. Given these uncertainties, readers are cautioned not to rely on forward-looking statements.

Definitions

TDHCA or the Department	Texas Department of Housing and Community Affairs
the State	State of Texas
RMRB	Residential Mortgage Revenue Bonds
Series 2022A Bonds	the Department's RMRB, Series 2022A (Social Bonds)
ICMA	International Capital Markets Association
UNSDG	United Nations 17 Sustainable Development Goals

Transaction Overview*

Issuer	**Texas Department of Housing and Community Affairs** (“TDHCA” or the “Department”)
Bond Program	**Residential Mortgage Revenue Bonds** (“RMRB”)
Designation	The Series 2022A Bonds are designated as “**Social Bonds**”
Bond Series	$190,000,000* Series 2022A
Use of Proceeds	Proceeds will be used to provide funds for the purchase of mortgage-backed, pass-through certificates, funding loans for down payment and closing cost assistance and paying lender compensation related to the Mortgage Loans.
Security	The Series 2022A Bonds are limited obligations of the Department and are payable solely from the revenues and funds pledged for the payment thereof as more fully described in the POS
Tax Status	Non-AMT
Interest Payment Dates	Payable on each January 1 and July 1, commencing July 1, 2022*
Ratings	Aaa (Moody’s) and AA+ (S&P)
Redemption Features	Subject to Optional Redemption (on or after January 1, 2031), Mandatory Sinking Fund Redemptions and Special Redemption from Unexpended Proceeds, 2022A Mortgage Loan Principal Prepayments, and Excess Revenues, as more fully described in the POS The Series 2022A premium serial bonds are not subject to Optional Redemption or Special Redemption from 2022A Mortgage Loan Prepayments and Excess Revenues
Pricing	**Retail Order Period:** the morning of January 19, 2022* **Institutional Pricing:** the afternoon of January 19, 2022*
Closing Date	February 24, 2022*

Source: Preliminary Official Statement
*Preliminary subject to change

Preliminary Bond Structure*

Maturity	Series 2022A (Non-AMT)	
1/1/2023	$290,000	
7/1/2023	1,095,000	
1/1/2024	1,105,000	
7/1/2024	1,115,000	Par Serials
1/1/2025	1,125,000	
7/1/2025	1,145,000	
1/1/2026	1,150,000	
7/1/2026	1,165,000	
1/1/2027	1,175,000	
7/1/2027	1,200,000	
1/1/2028	1,230,000	
7/1/2028	1,260,000	Premium Serials
1/1/2029	1,285,000	
7/1/2029	1,315,000	
1/1/2030	1,350,000	
7/1/2030	1,380,000	
1/1/2031	1,420,000	
7/1/2031	1,440,000	
1/1/2032	1,465,000	Par Serials
7/1/2032	1,485,000	
1/1/2033	1,510,000	
7/1/2033	1,535,000	
7/1/2037	13,125,000	Par Priority Term
7/1/2042	18,865,000	Par Term
7/1/2047	22,985,000	Premium Term
1/1/2052	23,800,000	
7/1/2052	83,985,000	Premium PAC
2022A Total	**$190,000,000**	

- Optional redemption on or after 01/01/2031
- Special redemptions of the Series 2022A Bonds as described in the POS beginning on page 6
- The premium serial bonds will not be subject to Special Redemption from mortgage prepayments, excess revenues or Optional Redemption
- The par term bonds maturing on 07/01/2037 are to be called on a priority basis as described on page 8 of the POS
- 5.5-year average life PAC (100% PSA)

Source: Preliminary Official Statement
*Preliminary subject to change

Projected Weighted Average Life Data*

SIFMA Prepayment Model		Series 2022A: Term Bonds Due 7/1/2037	Term Bonds Due 7/1/2042	Premium Term Bonds Due 7/1/2047	Premium Term Bonds Due 1/1/2052	Premium PAC Term Bonds Due 7/1/2052: Optional Call not Exercised	Optional Call Exercised
0%	Average Life (years)	13.6	18.2	23.2	27.7	16.5	8.0
	Average Maturity Date	10/15/2035	04/24/2040	05/20/2045	11/02/2049	08/16/2038	03/02/2030
	First Redemption Date	01/01/2034	01/01/2038	01/01/2043	01/01/2048	07/01/2022	07/01/2022
	Last Redemption Date	07/01/2037	07/01/2042	07/01/2047	04/01/2051	05/01/2050	01/01/2031
50%	Average Life (years)	13.6	18.1	22.3	24.2	8.3	6.6
	Average Maturity Date	10/15/2035	04/08/2040	06/20/2044	05/07/2046	06/25/2030	10/11/2028
	First Redemption Date	01/01/2034	01/01/2038	11/01/2039	10/01/2039	07/01/2022	07/01/2022
	Last Redemption Date	07/01/2037	07/01/2042	07/01/2047	09/01/2049	10/01/2039	01/01/2031
75%	Average Life (years)	13.2	17.5	20.3	21.2	6.5	6.0
	Average Maturity Date	05/09/2035	08/16/2039	06/28/2042	04/30/2043	09/05/2028	02/13/2028
	First Redemption Date	01/01/2034	05/01/2036	05/01/2036	05/01/2036	07/01/2022	07/01/2022
	Last Redemption Date	05/01/2036	07/01/2042	07/01/2047	09/01/2048	05/01/2035	01/01/2031
100%	Average Life (years)	11.6	16.6	18.5	18.8	5.5	5.4
	Average Maturity Date	09/30/2033	09/14/2038	08/08/2040	12/02/2040	08/10/2027	06/30/2027
	First Redemption Date	02/01/2023	08/01/2034	08/01/2034	08/01/2034	07/01/2022	07/01/2022
	Last Redemption Date	08/01/2034	07/01/2042	07/01/2047	08/01/2047	09/01/2032	01/01/2031
125%	Average Life (years)	5.6	15.6	17.0	17.2	5.5	5.4
	Average Maturity Date	10/06/2027	10/16/2037	02/16/2039	04/17/2039	08/09/2027	06/29/2027
	First Redemption Date	09/01/2022	03/01/2033	03/01/2033	03/01/2033	07/01/2022	07/01/2022
	Last Redemption Date	03/01/2033	07/01/2042	01/01/2047	01/01/2047	10/01/2032	01/01/2031

Source: Preliminary Official Statement
*Preliminary subject to change

Projected Weighted Average Life Data*

SIFMA Prepayment Model		Series 2022A: Term Bonds Due 7/1/2037	Term Bonds Due 7/1/2042	Premium Term Bonds Due 7/1/2047	Premium Term Bonds Due 1/1/2052	Premium PAC Term Bonds Due 7/1/2052: Optional Call not Exercised	Premium PAC Term Bonds Due 7/1/2052: Optional Call Exercised
150%	Average Life (years)	3.0	14.4	15.3	15.3	5.5	5.4
	Average Maturity Date	03/01/2025	07/03/2036	05/25/2037	06/10/2037	08/09/2027	06/29/2027
	First Redemption Date	08/01/2022	01/01/2027	01/01/2027	12/01/2026	07/01/2022	07/01/2022
	Last Redemption Date	12/01/2026	07/01/2042	04/01/2046	04/01/2046	10/01/2032	01/01/2031
175%	Average Life (years)	2.5	12.9	13.5	13.5	5.4610	5.4
	Average Maturity Date	08/09/2024	01/12/2035	08/10/2035	08/11/2035	08/09/2027	06/29/2027
	First Redemption Date	08/01/2022	10/01/2025	10/01/2025	10/01/2025	07/01/2022	07/01/2022
	Last Redemption Date	10/01/2025	07/01/2042	07/01/2045	07/01/2045	10/01/2032	01/01/2031
200%	Average Life (years)	2.2	11.6	11.9	11.9	5.5	5.4
	Average Maturity Date	04/27/2024	09/15/2033	01/24/2034	01/20/2034	08/09/2027	06/29/2027
	First Redemption Date	08/01/2022	04/01/2025	04/01/2025	04/01/2025	07/01/2022	07/01/2022
	Last Redemption Date	04/01/2025	07/01/2042	09/01/2044	09/01/2044	10/01/2032	01/01/2031
300%	Average Life (years)	1.7	7.6	7.7	7.6	5.5	5.4
	Average Maturity Date	10/23/2023	10/10/2029	10/20/2029	10/11/2029	08/10/2027	06/30/2027
	First Redemption Date	07/01/2022	06/01/2024	06/01/2024	06/01/2024	07/01/2022	07/01/2022
	Last Redemption Date	06/01/2024	02/01/2042	02/01/2042	02/01/2042	11/01/2032	01/01/2031
400%	Average Life (years)	1.4	5.0	5.0	5.0	5.5	5.4
	Average Maturity Date	08/04/2023	02/28/2027	02/28/2027	02/27/2027	09/10/2027	07/05/2027
	First Redemption Date	07/01/2022	02/01/2024	02/01/2024	02/01/2024	07/01/2022	07/01/2022
	Last Redemption Date	02/01/2024	03/01/2040	02/01/2040	02/01/2040	11/01/2033	01/01/2031
500%	Average Life (years)	1.3	4.8	4.7	4.7	4.2	4.2
	Average Maturity Date	06/17/2023	11/27/2026	11/22/2026	11/23/2026	05/20/2026	04/18/2026
	First Redemption Date	07/01/2022	12/01/2023	12/01/2023	12/01/2023	07/01/2022	07/01/2022
	Last Redemption Date	12/01/2023	08/01/2037	08/01/2037	08/01/2037	08/01/2033	01/01/2031

Source: Preliminary Official Statement
*Preliminary subject to change

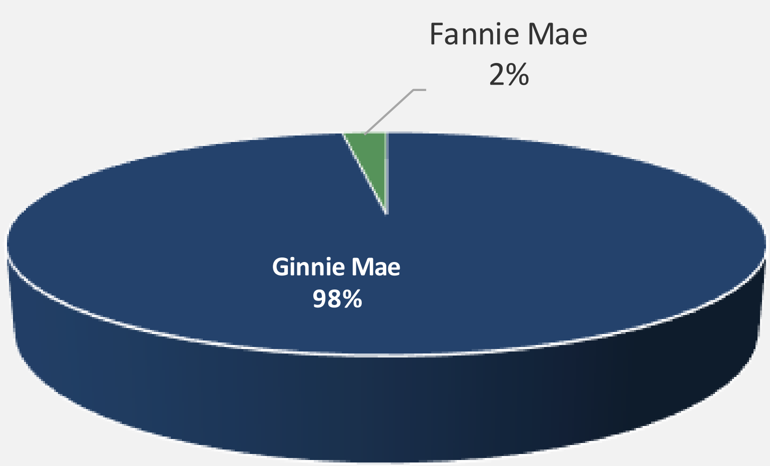
Issuer Overview

Overview and Mission

- Public and official agency of the State of Texas created on September 1, 1991; the Department is the successor agency to the Texas Housing Agency and the Texas Department of Community Affairs
- Mission of the TDHCA 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
- Single family program loans are financed through the Department's Residential Mortgage Revenue Bond ("RMRB"), Single Family Mortgage Revenue Bond ("SFMRB") and Mortgage Credit Certificate ("MCC") programs and the sale of MBS (TBA)
- **The RMRB Program is rated Aaa (Moody's) and AA+ (S&P)**

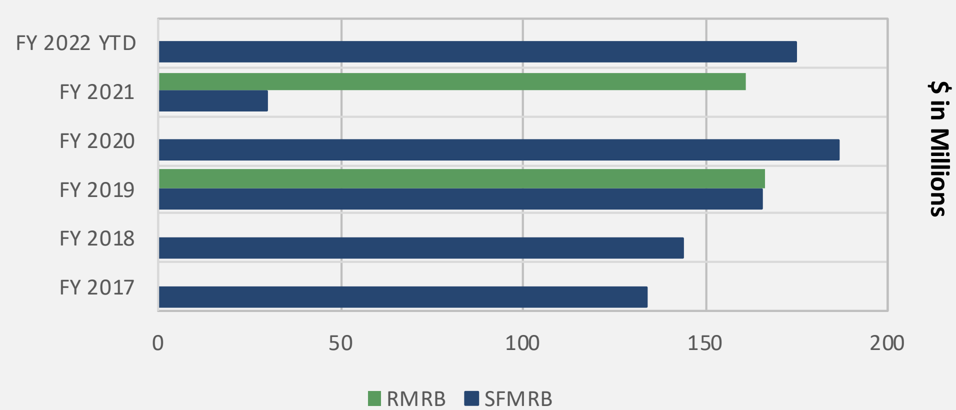
MBS Composition

- RMRB Indenture consists of 100 percent MBS guaranteed by Ginnie Mae and Fannie Mae
- As of September 30th, 2021 Mortgage Loans and Mortgage Certificates under the RMRB Program totaled $293.2 million



Past Single Family Bond Issuance by Fiscal Year Since 2017

- The Department has issued $979.4 million and $327.7 million of single family bonds from the SFMRB and RMRB programs, respectively
- The $327.7 million of issuance from RMRB is comprised of two bond issues: Series 2019A ($166.4 million) and Series 2021AB (161.4 million)



Source: Preliminary Official Statement, TDHCA Audited Financials

KESTREL VERIFIERS™

Social Bonds Designation

Use of Proceeds

- Kestrel Verifiers has designated the Series 2022A Bonds as Social Bonds based on the determination
  - The Series 2022A Bonds are in conformance with the four pillars of the ICMA Social Bond Principles, as described in Kestrel Verifiers' Second Party Opinion in the POS
- Proceeds of the Series 2022A Bonds will be used to purchase Mortgage Certificates, fund down payment and closing cost assistance and to pay lender compensation related to the 2022A Mortgage Loans

UNSDG	Mapping to Social Bond Principles
Goal 1: No Poverty	Affordable Housing, Access to Essential Services, Socioeconomic Advancement and Empowerment
Goal 8: Decent Work and Economic Growth	Access to Essential Services
Goal 10: Reduced Inequalities	Socioeconomic Advancement and Empowerment, Access to Essential Services
Goal 11: Sustainable Cities and Communities	Affordable Housing, Affordable Basic Infrastructure

Project Evaluation and Selection

- Mortgage loans funded through RMRB bonds, including the Series 2022A Bonds, must meet origination standards, eligibility requirements and underwriting standards consistent with the Program

Management of Proceeds

- Net of certain transaction costs, the proceeds of the Series 2022A Bonds shall be deposited into the Mortgage Loan Fund and invested according to the Residential Mortgage Revenue Bond Trust Indenture prior to purchasing Mortgage Certificates backed by Mortgage Loans

Tracking/ Reporting/ Investments

- Upon the final expenditure of the proceeds of the Series 2022A Bonds to acquire Mortgage Certificates, the Department expects to prepare a report regarding the 2022A Mortgage Loans consisting of the information set forth in **Appendix J** of the POS

Source: Preliminary Official Statement, Kestrel Second Party Opinion

The Single Family Mortgage Purchase Program (the "Program")

The Department has established a single family mortgage purchase program for the purpose of assisting in financing the costs of acquisition of residences within the State of Texas by Eligible Borrowers (as described below)

Low- and Moderate-Income Reservations

- For the first one-year period, 30% of the funds from the Series 2022A Bonds will be reserved for Mortgage Loans for individuals and families of low income (not exceeding 80% of AMFI)
- The remaining lendable funds will be made available for Mortgage Loans to low and moderate incomes whose family income does not exceed:
  - ✓ 115% AMFI for 3+ person households, 140% in targeted areas
  - ✓ 100% AMFI for 1-2 person households, 120% in targeted areas

Targeted Areas

- Targeted Areas consist of (i) Census tracts that have high concentrations of low-income persons and (ii) areas of chronic distress identified by the State and approved by HUD
- The Code requires that either an amount equal to (a) at least 20% of the lendable bond proceeds or (b) 40% of the average annual aggregate principal amount of mortgages executed during the immediately preceding three calendar years for single family, owner-occupied residences in targeted areas within the Department's jurisdiction, if such amount is less, must be reserved for at least one year for Targeted Area residences

Servicing and Master Servicers

- Idaho Housing and Finance Association ("Idaho HFA") will serve as Master Servicer of Mortgage Loans related to the Series 2022A Bonds
- Idaho HFA, Bank of America and US Bank are the three Master Servicers for loans financed under the Program
- As of 9/30/21, Idaho HFA services approximately 1,336 loans ($230.5 million), followed by Bank of America with 659 loans ($59.2 million) and US Bank with 38 loans ($3.6 million)

Mortgage Eligibility Requirements

- Federal Tax Requirements set limitations on the Mortgage Loans, including, among other things, the following:
  - 95% of net bond proceeds for 1st time homebuyers
    (Targeted Area Residences, residences of qualified veterans and certain residences subject to 'contract for deed' agreements are exempt)
  - Purchase price limits
  - Family income limits
    - ✓ Non-Targeted Areas: capped at 115% AMFI (or 100%, for 1-2 person households) of the greater of area or state median income
    - ✓ Targeted Areas: No income limit for 1/3 of Mortgage Loans financed; balance of loans capped at 140% AMFI (or 120% for 1-2 person households) of median family income, subject to increase due to "high housing cost areas"

Source: Preliminary Official Statement

TDHCA Borrower Profile

Income Bands of Loans Financed by the Department's Single Family Bond Program (1/1/2019 – 11/30/2021)						
	$ Amount of 1st Liens		$ Amount of 2nd Liens		Number of Loans	
AMI Band	**$ of Loans**	**% of Proceeds**	**$ of Loans**	**% of Proceeds**	**# of Loans**	**% of Loans**
<50.0%	$103,664,744	15%	$4,164,545	15%	729	18%
50%-59.9%	$119,937,389	17%	$4,641,618	17%	714	18%
60%-69.9%	$139,694,608	20%	$5,571,231	20%	773	19%
70%-79.9%	$139,174,169	19%	$5,497,396	20%	728	18%
80%-89.9%	$121,725,603	17%	$4,683,265	17%	607	15%
90%-100%	$89,360,533	13%	$3,418,686	12%	439	11%
>100.01%	$172,812	0%	$6,912	0%	1	0%
Total	**$713,729,858**	**100%**	**$27,983,652**	**100%**	**3,991**	**100%**

Source: Preliminary Official Statement
Note: Totals may not add due to rounding

RMRB Indenture Overview

RMRB History	The RMRB Indenture was established in 1987 and amended and restated in 2019
Ratings	Aaa by Moody's and AA+ by S&P
Bonds Outstanding	$298.8 million as of 9/30/21
Security	The Series 2022A Bonds are limited obligations of the Department and are payable solely from the revenues and funds pledged for the payment thereof. Neither the State of Texas (the "State") nor any agency of the State, other than the Department, nor the United States of America or any agency, department or other instrumentality thereof, including Ginnie Mae, is obligated to pay the principal or Redemption Price of or interest on the Series 2022A Bonds. Neither the faith and credit nor the taxing power of the State or the United States of America is pledged, given or loaned to such payment. The Department has no taxing power. Ginnie Mae guarantees only the payment of the principal of and interest on the Ginnie Mae Certificates when due and does not guarantee the payment of the Series 2022A Bonds or any other obligations issued by the Department.
MBS Guarantee	All mortgage loans in the RMRB Indenture have been pooled into MBS guaranteed by Ginnie Mae or Fannie Mae. It is anticipated that all loans originated from Series 2022A Bonds will be pooled into MBS guaranteed by Ginnie Mae.

Source: Preliminary Official Statement

Conclusion and Financing Schedule

Program Highlights	▪ Series 2022A Bonds are the Department's 3rd issuance of **Social Bonds** ▪ The Bonds have ratings of Aaa and AA+ by Moody's and S&P, respectively ▪ All mortgage loans in the RMRB Indenture have been pooled into MBS guaranteed by Ginnie Mae or Fannie Mae
Anticipated Financing Schedule*	▪ **POS Posting:** Wednesday, January 5th ▪ **Retail Order Period:** Wednesday morning, January 19th ▪ **Institutional Pricing Date:** Wednesday afternoon, January 19th ▪ **Closing Date:** Thursday, February 24th
TDHCA Contact Information	**Monica Galuski** *Director of Bond Finance and Chief Investment Officer* (512) 936-9268 monica.galuski@tdhca.state.tx.us
Financial Advisor Contact Information	**Gary Machak** *Managing Director* (469) 676-5348 machakg@stifel.com **Barton Withrow** *Director* (469) 676-5345 withrowb@stifel.com
Series 2022A Bonds Senior Manager (RBC) Contact Information	**Jeff Sula** *Managing Director* (617)-722-4852 Jeffrey.Sula@rbc.com **Debbie Berner** *Director* (727)-895-8885 Debbie.Berner@rbccm.com **McDaniel Jeantus** *Associate* (212)-299-9802 McDaniel.Jeantus@rbccm.com **Ian Phelps** *Analyst* (212) 299-9871 ian.phelps@rbccm.com

*Preliminary subject to change

Texas Department of Housing and Community Affairs

Residential Mortgage Revenue Bonds
Series 2022A (Non-AMT) (Social Bonds)
Final Investor Roadshow Log - Image Master

Name	Primary Role	Company	Email	Last Viewed
Darius Johnson	Analyst / Research	JPMorgan Chase & Co.	darius.d.johnson@jpmchase.com	1/19/2022 8:08:02 PM
Vikas Malhotra	Analyst / Research	The Capital Group Companies, Inc.	vikas.malhotra@capgroup.com	1/19/2022 2:19:53 PM
Andy Rosemore	Investor - Individual	Rosemore Investments	andy@rosemore.net	1/19/2022 1:38:49 PM
Brian Martin	Financial Advisor	FTN Financial	brian.martin@ftnfinancial.com	1/19/2022 12:31:57 PM
Kathy Schultz	Other - Bond Specialist	Charles Schwab & Co., Inc.	kathy.schultz@schwab.com	1/19/2022 12:08:57 PM
Erik Schleicher	Investor - Institutional	Robert W. Baird & Co. Incorporated.	eschleicher@rwbaird.com	1/19/2022 9:34:20 AM
Richard Chafey	Consultant	Commerce Street Capital	rchafey@cstreetcap.com	1/18/2022 3:47:14 PM
Andre Zeromski	Investor - Institutional	Kemper	azeromski@kemper.com	1/18/2022 3:44:04 PM
Justin Ferrera	Analyst / Research	The Vanguard Group, Inc.	justin_ferrera@vanguard.com	1/18/2022 2:47:28 PM
John McCray-Goldsmith	Investor - Institutional	Wells Fargo	john.mccray-goldsmith@wellsfargo.com	1/18/2022 2:03:14 PM
Peter Lind	Trading	Spring Lake Asset Management	peterlind@springlakeam.com	1/18/2022 1:08:02 PM
Rakshith V Gowdar	Analyst / Research	Northern Trust Corporation	rgv1@ntrs.com	1/18/2022 9:25:47 AM
Matthew Forbes	Trading	Franklin Templeton Investments	mforbes@frk.com	1/14/2022 11:19:12 AM
Jeff Gertz	Banking	J.P. Morgan	jeffrey.d.gertz@jpmorgan.com	1/14/2022 10:47:18 AM
Emelynn Abreu	Investor - Individual	Wells Fargo	emelynn.abreu@wellsfargo.com	1/14/2022 10:16:46 AM
Rockfleet Sales Dept	Sales - Institutional	Rockfleet Financial Services, Inc.	sales@rockfleetfinancial.com	1/14/2022 9:18:57 AM
Benjamin Killion	Analyst / Research	Caine Mitter & Associates Incorporated	bkillion@cainemitter.com	1/13/2022 6:04:40 PM
Susan Jun	Banking	Citigroup Inc	susan.jun@citi.com	1/13/2022 1:18:26 PM
James Nacos	Investor - Individual	HBK Capital Management	jnacos@hbk.com	1/13/2022 12:40:07 PM
Joyce W. Rubin	Other - Assistant	Deutsche Asset Management	joyce.rubin@db.com	1/12/2022 5:02:09 PM
Warner Mason	Analyst / Research	Wells Fargo	warner.mason@wellsfargo.com	1/11/2022 9:52:44 AM
Jacki A Smyth	Banking	Siebert Williams Shank	jsmyth@siebertwilliams.com	1/10/2022 8:20:45 PM
Chris Sour	Investor - Institutional	Sit Investment Associates, Inc.	ccs@sitinvest.com	1/10/2022 5:30:56 PM
Kurt van Kuller	Investor - Institutional	Sit Investment Associates, Inc.	kvk@sitinvest.com	1/10/2022 5:13:53 PM
Gregory Zuber	Analyst / Research	H2C Securities	gzuber@h2c.com	1/10/2022 12:05:02 PM
Jack Kingston	Banking	Jefferies LLC	jkingston@jefferies.com	1/10/2022 11:51:02 AM
Tyler Otterstedt	Banking	Royal Bank of Canada	tyler.otterstedt@rbccm.com	1/9/2022 5:01:13 PM
Robert Wong	Banking	Royal Bank of Canada	robert.wong@rbccm.com	1/7/2022 11:59:21 PM
Tom Yang	Banking	Royal Bank of Canada	tom.a.yang@rbccm.com	1/7/2022 9:58:50 PM
Troy Mcchesney	Analyst / Research	Jefferies LLC	tmcchesney@jefferies.com	1/7/2022 3:11:04 PM
Lorraine Palacios	Banking	Samuel A. Ramirez & Co., Inc.	lorraine.palacios@ramirezco.com	1/7/2022 2:12:11 PM
Alex Vlamis	Banking	Morgan Stanley	alex.vlamis@morganstanley.com	1/7/2022 10:25:38 AM
Jamie Brooke Forseth	Investor - Institutional	Good Hill Partners LP	jbforseth@goodhillpartners.com	1/7/2022 9:06:35 AM
Robin Redford	Dealer / Underwriter	Samuel A. Ramirez & Co., Inc.	robin.redford@ramirezco.com	1/7/2022 8:50:03 AM
Albert Luong	Banking	Barclays Bank PLC	albert.luong@barclays.com	1/6/2022 3:41:17 PM
Thomas Caine	Financial Advisor	Caine Mitter & Associates Incorporated	tcaine@cainemitter.com	1/6/2022 3:29:06 PM
Nicholas Vakirtzidelis	Banking	Barclays Bank PLC	nicholas.vakirtzidelis@barclays.com	1/6/2022 3:03:29 PM
Gary Machak	Banking	Stifel	machakg@stifel.com	1/6/2022 1:11:45 PM
Wesley bradish	Dealer / Underwriter	Ziegler	wbradish@ziegler.com	1/6/2022 1:01:35 PM
Kevin O'Brien	Trading	Sit Investment Associates, Inc.	kpo@sitinvest.com	1/6/2022 12:58:58 PM
Melanie Lien	Banking	Piper Jaffray	melanie.lien@psc.com	1/6/2022 12:20:17 PM
Vikram Shah	Banking	Barclays	vikram.shah@barclays.com	1/6/2022 12:09:35 PM
Dilshoda Kurbonova	Analyst / Research	Barclays Bank PLC	dilshoda.kurbonova@barclays.com	1/6/2022 11:52:29 AM
Damian Busch	Banking	Barclays Bank PLC	damian.busch@barclays.com	1/6/2022 11:44:31 AM

As of 1/27/2022 12:16:33 PM

Total Unique Viewers: 44

SECTION 5
Rating Reports

MOODY'S INVESTORS SERVICE

Rating Action: Moody's assigns Aaa to TDHCA's Residential Mortgage Revenue Bonds Series 2022A; outlook stable

13 Dec 2021

New York, December 13, 2021 -- Moody's Investors Service has assigned a rating of Aaa to the proposed Texas Department of Housing and Community Affairs' (TDHCA) $190M Residential Mortgage Revenue Bonds (RMRB), Series 2022A (Non-AMT) (Social Bonds). The outlook is stable. Moody's maintains Aaa ratings on all outstanding parity debt issued under the RMRB Indenture.

RATINGS RATIONALE

The Aaa rating on the Bonds reflects the strong program portfolio which consists of 100% mortgage-backed securities (MBS) and a program asset-to-debt ratio (PADR) of 1.59x (1.03x excluding all second lien loans) as of August 31, 2020. The rating also incorporates a sound legal structure and cash flow projections that exhibit sufficient revenues to pay timely debt service.

RATING OUTLOOK

The outlook is stable based on our expectation of continued solid financial performance of the program in the near term.

FACTORS THAT COULD LEAD TO AN UPGRADE OF THE RATING

- Not applicable.

FACTORS THAT COULD LEAD TO A DOWNGRADE OF THE RATING

- Substantial and sustained decrease in program PADR.

LEGAL SECURITY

The bonds are special, limited obligation revenue bonds of the Department payable solely from the revenues pledged under the resolution. The bonds are on parity with other obligations secured by the existing RMRB master resolution.

USE OF PROCEEDS

Proceeds of the Series 2022A bonds are expected to be primarily used to purchase GNMA MBS backed by pools of qualifying mortgages to finance the acquisition of single-family residences in the State of Texas.

PROFILE

The Residential Mortgage Revenue Bonds Program was established in 1987. The proceeds of bonds issued under this indenture are used to finance affordable residential housing to low and moderate income persons in the State of Texas. All the bonds under the indenture are secured equally by all of the mortgage loans.

METHODOLOGY

The principal methodology used in this rating was US Housing Finance Agency Single-Family Housing Methodology published in October 2019 and available at https://www.moodys.com/researchdocumentcontentpage.aspx?docid=PBC_1154478 . Alternatively, please see the Rating Methodologies page on www.moodys.com for a copy of this methodology.

REGULATORY DISCLOSURES

For further specification of Moody's key rating assumptions and sensitivity analysis, see the sections Methodology Assumptions and Sensitivity to Assumptions in the disclosure form. Moody's Rating Symbols and Definitions can be found at: https://www.moodys.com/researchdocumentcontentpage.aspx?

docid=PBC_79004.

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Moody's general principles for assessing environmental, social and governance (ESG) risks in our credit analysis can be found at http://www.moodys.com/researchdocumentcontentpage.aspx?docid=PBC_1288235 .

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S&P Global Ratings

RatingsDirect®

Texas Department Of Housing & Community Affairs; Multifamily Multiple MBS; Single Family Multiple MBS

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Table Of Contents

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Texas Department Of Housing & Community Affairs; Multifamily Multiple MBS; Single Family Multiple MBS

Credit Profile		
US$190.0 mil residential mtg rev bnds ser 2022A due 01/01/2052		
Long Term Rating	AA+/Stable	New
Texas Dept of Hsg & Comnty Affairs SFMULTMBS		
Long Term Rating	AA+/Stable	Affirmed

Rating Action

S&P Global Ratings assigned its 'AA+' rating and stable outlook to Texas Department of Housing & Community Affairs' (TDHCA) roughly $190 million series 2022A residential mortgage revenue bonds (RMRBs) and affirmed its 'AA+' rating, with a stable outlook, on all bonds under the RMRB indenture.

TDHCA will issue the series 2022A bonds to purchase Ginnie Mae mortgage-backed securities (MBS).

The series 2022A bonds are a limited obligation of TDHCA and payable solely from, and secured by, all funds pledged under the indenture. The bonds will be on parity with approximately $223.4 million of senior-lien bonds outstanding, as of Jan. 1, 2021. TDHCA also has $10 million in subordinate-lien notes outstanding.

Credit overview

The rating reflects our opinion of:

- The indenture's very strong resolution cash flows, showing an opening assets-to-liabilities (A/L) parity ratio of 104.826% and low A/L parity ratio of 102.4%;
- The bond program's cash-flow sufficiency and overcollateralization;
- The high-quality MBS assets, virtually all of which either Ginnie Mae or Fannie Mae secure; and
- The very high quality of indenture investments.

The stable outlook reflects S&P Global Ratings' opinion that the indenture will likely perform at the current rating level--specifically regarding the A/L parity ratio, asset quality, and risk profile--during the two-year outlook.

Environmental, social, and governance

We have analyzed environmental, social, and governance (ESG) risks relative to TDHCA's legal framework, operational-risk framework, and cash-flow assumptions. We view health-and-safety risks related to COVID-19 as social risks, which have broadly affected the national economy and its workforce. Elevated unemployment and the greater likelihood of nonpayment of mortgages have not entirely dissipated; in our view, this could still lead to lower associated revenue and elevate near-term social risk compared with pre-COVID-19 benchmarks. We think TDHCA's

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very strong A/L parity ratio in its general indenture, overall high-quality asset base, and low-risk debt profile should mitigate any near-term COVID-19-related financial pressure. As the situation evolves, we will update our views. Finally, we think governance and environmental risks are in-line with the sector standard.

Stable Outlook

Downside scenario

While we find it unlikely, we could lower the rating if the indenture's A/L parity ratio were to deteriorate to near or below 100%, where full and timely payment on the bonds becomes uncertain. In addition, a negative rating action on the U.S. government could result in a lower rating on the bonds.

Upside scenario

We could raise the rating if, through overcollateralization, the indenture's A/L parity ratio were to increase to levels capable of satisfying our stressed loss-coverage requirements for a 'AAA' rating. In addition, a positive rating action on the U.S. government could result in a positive rating action on the bonds.

Credit Opinion

The Indenture

TDHCA created the RMRB trust indenture in 1987 as a whole-loan indenture. As of Jan. 1, 2021, the indenture was entirely MBS, $231 million of MBS. As of Jan. 1, 2021, the indenture's consolidated A/L parity ratio was strong with an opening parity ratio of 104.826% and a low parity ratio of 102.4%.

Legal And Operational-Risk Framework Requirements

The transaction meets the legal framework set forth in our criteria, titled "Global Framework For Assessing Operational Risk In Structured Finance Transactions," published Oct. 9, 2014, on RatingsDirect, which focuses on the underlying security and collateral, bankruptcy risk, eligible investments, flow of funds, additional bonds, redemptions, events of default, reserves, and trustee responsibilities. The transaction also meets eligibility conditions for key transaction participants (KTP), as set forth under our criteria for assessing operational risk. The maximum potential rating for the bonds is 'AAA' based on our view of moderate severity risk of the potential effect of a disruption in KTP services on the issuer's cash flows and low portability risk, or the likelihood KTP could be replaced, if needed.

Federal Enhancement

All underlying mortgage collateral supporting the bonds outstanding in the resolution is in the form of MBS, all of which are 'AA+' eligible under our criteria, based on full credit enhancement through a guarantee from a U.S. federal agency, such as Ginnie Mae, and U.S. government-sponsored enterprise, such as Fannie Mae and Freddie Mac.

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Cash-Flow Analysis

We have analyzed consolidated indenture cash flows, which assumed S&P Global Ratings' stressed reinvestment earnings commensurate with the rating on the bonds (0.05% for the 'AA' rating category) and include a variety of stress scenarios, including nonorigination, a $10 million withdrawal from the indenture, and several different prepayment speeds. Cash flows have a basis date of Jan. 1, 2021, excluding downpayment-assistance second-mortgage loans. In our view, cash flows demonstrate TDHCA's ability to pay full and timely debt service on the bonds through maturity or earlier redemption. The lowest A/L parity ratio, calculated in any consolidated cash-flow scenarios, is approximately 102.4% for consolidated cash flows, which is more than the 100.25% threshold, as set forth in our criteria, titled "U.S. Federally Enhanced Housing Bonds," published Nov. 12, 2019; this is in-line with the low parity ratio calculation of 102.31% from earlier in March 2021.

Related Research

Through The ESG Lens 2.0: A Deeper Dive Into U.S. Public Finance Credit Factors, April 28, 2020

Ratings Detail (As Of December 15, 2021)		
Texas Dept of Hsg & Comnty Affairs residential mtg rev bnds		
Long Term Rating	AA+/Stable	Affirmed
Texas Dept of Hsg & Comnty Affairs residential mtg rev bnds ser 2021A due 01/01/2052		
Long Term Rating	AA+/Stable	Affirmed
Texas Dept of Hsg & Comnty Affairs residential mtg rev bnds ser 2021B due 07/01/2042		
Long Term Rating	AA+/Stable	Affirmed
Texas Dept of Hsg & Comnty Affairs single fam bnds ser 2009C-3 due 07/01/2041		
Long Term Rating	AA+/Stable	Affirmed
Texas Dept of Hsg & Comnty Affairs single fam mtg rev bnds ser 2020A due 09/01/2050		
Long Term Rating	AA+/Stable	Affirmed
Texas Dept of Hsg & Comnty Affairs single fam mtg rev rfdg bnds ser 2020B due 09/01/2050		
Long Term Rating	AA+/Stable	Affirmed
Texas Dept of Hsg & Comnty Affairs single fam mtg rev rfdg bnds ser 2021B due 03/01/2038		
Long Term Rating	AA+/Stable	Affirmed
Texas Dept of Hsg & Comnty Affairs (Resid Mtg Rev Bnd Trust Indenture)		
Long Term Rating	AA+/Stable	Affirmed

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ACTION ITEMS

3

ORAL PRESENTATION

4a

BOARD REPORT ITEM

INTERNAL AUDIT DIVISION

March 10, 2022

Report on the Meeting of the Internal Audit and Finance Committee

REPORT ITEM

Verbal report

4b

BOARD ACTION REQUEST

FINANCIAL ADMINISTRATION DIVISION

MARCH 10, 2022

Presentation, discussion, and possible action regarding the Texas State Auditor's Office audit report #22-013 "A Report on the Audit of the Department of Housing and Community Affairs' Fiscal year 2021 Financial Statements."

RECOMMENDED ACTION

WHEREAS, the Department is required to undergo an annual audit of its books and accounts, an annual audit of the State Housing Trust Fund, and to obtain audited financial statements for the Housing Finance Division and the Supplemental Bond Schedules;

NOW, therefore, it is hereby

RESOLVED, the annual financial audit, audit of the State Housing Trust Fund, and the audit of the Housing Finance Division and the Supplemental Bond Schedules are hereby accepted.

BACKGROUND

Audit requirements:

1) The Department's governing statute, Tex. Gov't Code §2306.074, requires an annual audit of the Department's books and accounts.
2) Tex. Gov't Code §2306.204 requires an annual audit of the State Housing Trust Fund to determine the amount of unencumbered fund balances that is greater than the amount required for the reserve fund.
3) The Department's bond indentures required audited financial statements of the Housing Finance Division and the Supplemental Bond Schedules.

Results of the audits conducted by the State Auditor's Office:

SAO Report on the "The Audit of the Department of Housing and Community Affairs Fiscal Year 2021 Financial Statements" Report # 22-013 available at:

https://sao.texas.gov/Reports/Main/22-013.pdf

a) FY 2021 Basic Financial Statements (SAO Report # 22-309)
b) FY 2021 Revenue Bond Program Audit (SAO Report # 22-310)
c) FY 2021 Computation of Unencumbered Fund Balances (SAO Report # 22-311)
d) FY 2021 Report on Compliance with the Public Funds Investment Act (SAO Report # 22-308)
e) FY 2021 Report on Internal Control Over Financial Reporting and on Compliance and Other Matters (SAO Report # 22-312)

The Basic Financial Statements will be available in their entirety at:

https://www.tdhca.state.tx.us/pdf/fa/21-BasicFinancials.pdf

The Revenue Bond Program – Basic Financial Statements will be available in their entirety at:

https://www.tdhca.state.tx.us/pdf/fa/21-Rev-Bond.pdf

The Computation of Unencumbered Fund Balances will be available in their entirety at:

https://www.tdhca.state.tx.us/pdf/fa/21-UnencumberedComp.pdf

5

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

6

BOARD REPORT ITEM

SINGLE FAMILY AND HOMELESSNESS PROGRAMS DIVISION

MARCH 10, 2022

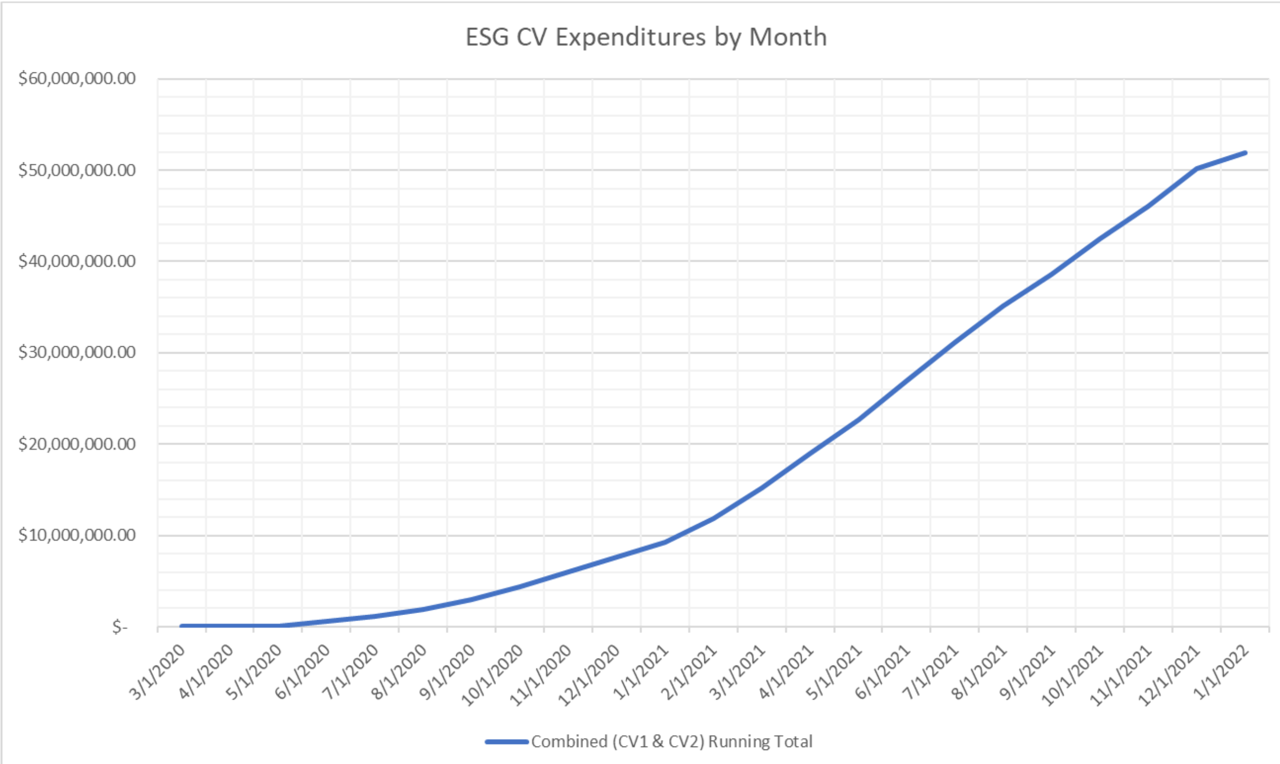
Report on Expenditures and Outcomes in the Emergency Solutions Grants Funding under CARES Act.

BACKGROUND

On March 27, 2020, the CARES Act was signed into law, with $4 billion to be distributed through the ESG Program nationally. The Department was first allocated $33,254,679 in ESG CARES Act funding (ESG CARES 1), and in June 2020 TDHCA received a second allocation (ESG CARES 2) for $64,537,937. Since then, TDHCA has contracted with 121 Subrecipients that have met the challenges of the pandemic head on, becoming one of the national leaders in expended funding. To date the program has successfully provided $52,150,978 in aid to Texans through street outreach, emergency shelter, rapid re-housing and homelessness prevention, Homeless Management Information System and administration. The ESG CARES team has been diligently working to reallocate available funds to highly expended Subrecipients as well as proactively providing program design support calls to encourage Subrecipients to utilize all available waivers. These actions place the Department in line to successfully expend the remaining $45,641,638 ESG CARES funds by the September 30, 2022 deadline.

Program Guidance Highlights:

- The program has been expended an average of $12 million each quarter
- The program achieved HUD's 20% Expenditure Benchmark
- The CDC Eviction Moratorium restricted eligibility for Homelessness Prevention under the ESG Program until August of 2021, creating an obstacle for households facing eviction in Texas. In response, TDHCA ESG CARES staff quickly developed and implemented guidance so these households could still receive assistance.

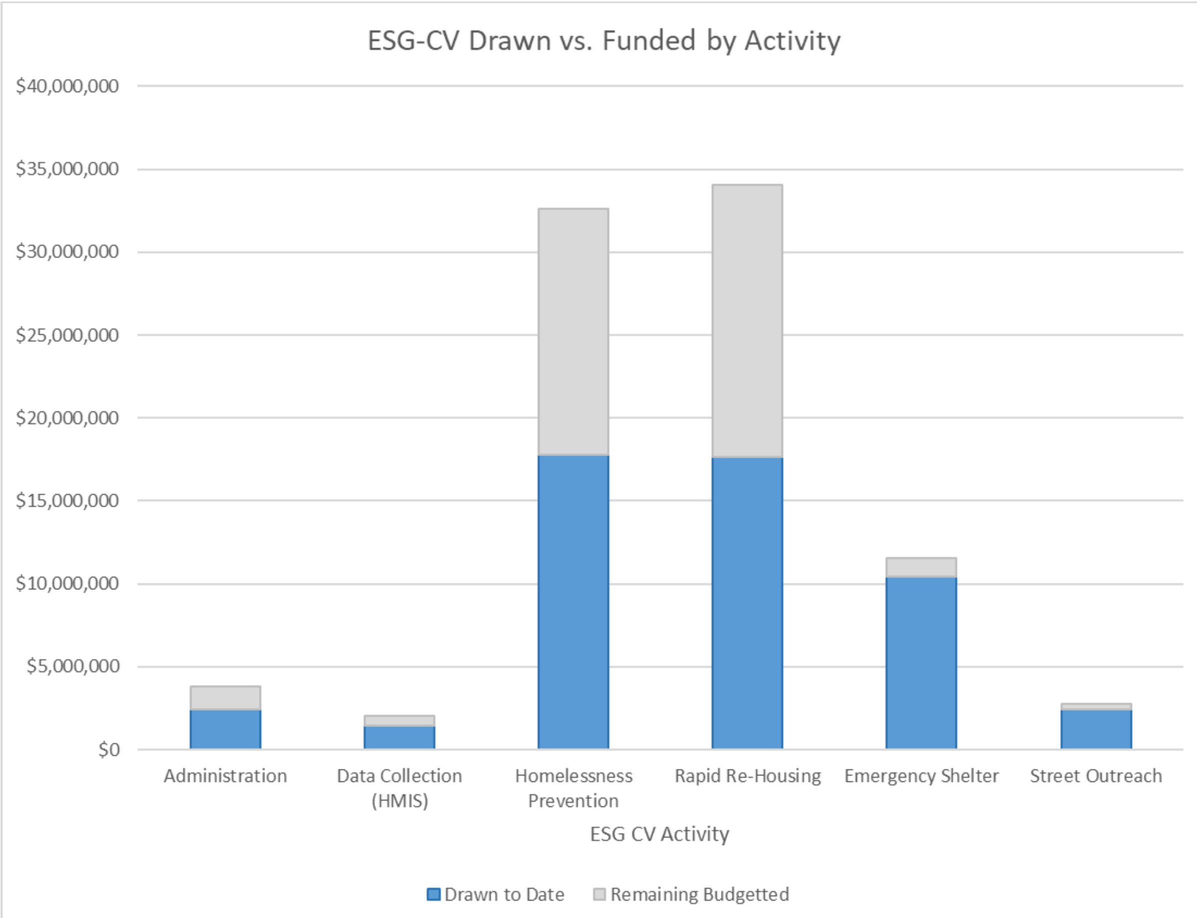


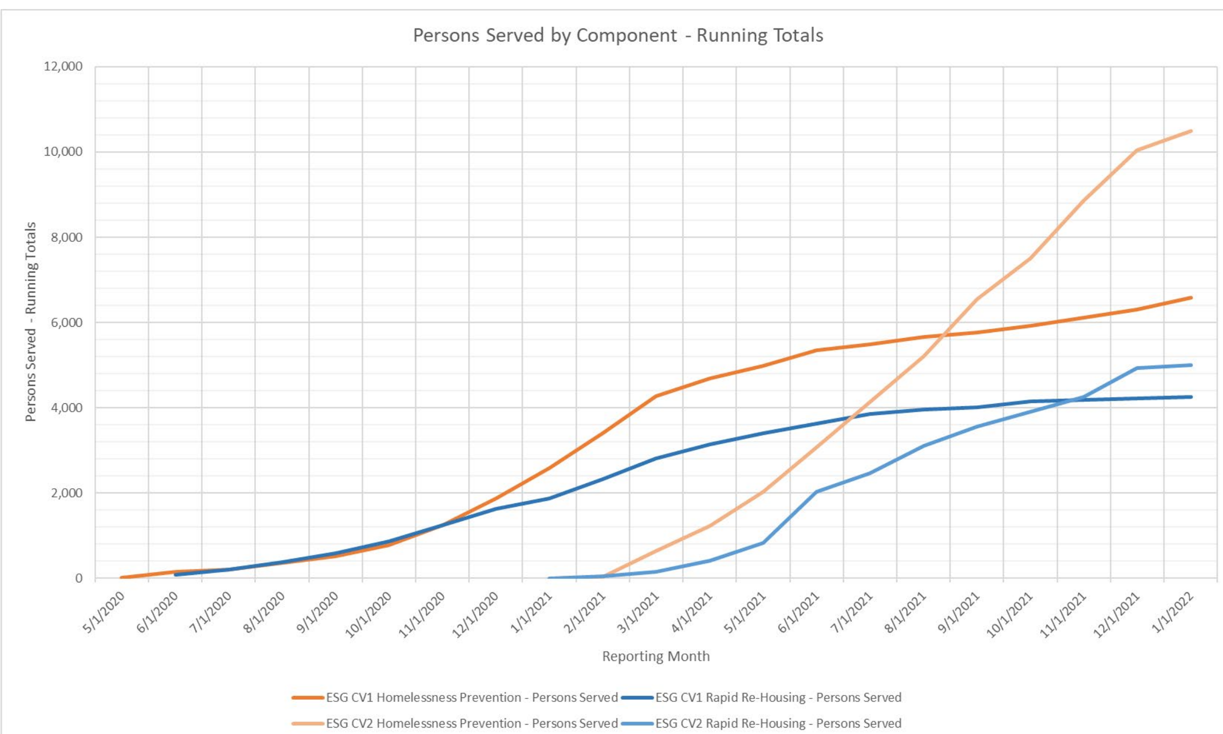
Notable Expenditure Categories:

- Tenant-Based Rental Assistance: $21,733,810
- Financial Assistance: $3,166,691
- Hazard Pay for Subrecipient Staff: $212,028
- Landlord Incentives: $781,173

Program Component Highlights		
Homelessness Prevention		
	Persons Served:	17,011
	Households Served:	7,232
	Exited Households Maintaining Housing:	4,221
Rapid Re-Housing		
	Persons Served:	8,985
	Households Served:	5,564
	Exited Households Maintaining Housing:	1,707
Emergency Shelter		
	Persons Served:	36,377
	Households Served:	29,335
	Utilized Bed Nights:	1,354,144
Street Outreach		
	Persons Served:	11,631
	Households Served:	11,249

Special Populations Served in ESG CV		
	Victims of Domestic Violence:	11,776
	Veterans:	2,726
	Parenting Youth:	1,042
	Children of Parenting Youth:	1,414
	Unaccompanied Youth (18-24):	3,420
	Unaccompanied Children (Under 18):	188


ESG-CV Drawn vs. Funded by Activity
$40,000,000
$35,000,000
$30,000,000
$25,000,000
$20,000,000
$15,000,000
$10,000,000
$5,000,000
$0
Administration
Data Collection (HMIS)
Homelessness Prevention
Rapid Re-Housing
Emergency Shelter
Street Outreach
ESG CV Activity
Drawn to Date
Remaining Budgetted


Persons Served by Component - Running Totals
Persons Served - Running Totals
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10,000
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6,000
4,000
2,000
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7/1/2020
8/1/2020
9/1/2020
10/1/2020
11/1/2020
12/1/2020
1/1/2021
2/1/2021
3/1/2021
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7/1/2021
8/1/2021
9/1/2021
10/1/2021
11/1/2021
12/1/2021
1/1/2022
Reporting Month
ESG CV1 Homelessness Prevention - Persons Served
ESG CV1 Rapid Re-Housing - Persons Served
ESG CV2 Homelessness Prevention - Persons Served
ESG CV2 Rapid Re-Housing - Persons Served

7a

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

7b

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

7c

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

8a

BOARD ACTION REQUEST

BOND FINANCE DIVISION

MARCH 10, 2022

Presentation, discussion, and possible action regarding the Issuance of Multifamily Housing Revenue Bonds (Socorro Village) Series 2022 Resolution No. 22-017, and a Determination Notice of Housing Tax Credits

RECOMMENDED ACTION

WHEREAS, the Board adopted an inducement resolution for Socorro Village at the Board meeting of October 14, 2021;

WHEREAS, an application for Socorro Village requesting 4% Housing Tax Credits, sponsored by Socorro Village 34 SM, LLC, and the Center for Latino Jewish Relations, was submitted to the Department on December 6, 2021;

WHEREAS, a Certificate of Reservation was issued in the amount of $6,500,000 on January 19, 2022, with a bond delivery deadline of July 18, 2022;

WHEREAS, in accordance with 10 TAC §1.301(f), the compliance history is designated as a Category 2 and was deemed acceptable without further review or discussion by the Executive Award and Review Advisory Committee (EARAC) as stated herein; and

WHEREAS, EARAC recommends approval of the issuance of Multifamily Housing Revenue Bonds (Series 2022) for Socorro Village and the issuance of a Determination Notice;

NOW, therefore, it is hereby

RESOLVED, that the issuance of tax-exempt Multifamily Housing Revenue Bonds (Socorro Village) Series 2022 in an amount not to exceed $6,500,000, Resolution No. 22-017, is hereby approved in the form presented to this meeting;

FURTHER RESOLVED, the issuance of a Determination Notice of $460,618 in 4% Housing Tax Credits for Socorro Village, subject to underwriting conditions that may be applicable as found in the Real Estate Analysis report posted to the Department's website, is hereby approved in the form presented to this meeting; and

FURTHER RESOLVED, that if approved, staff is authorized, empowered, and directed, for and on behalf of the Department to execute such documents, instruments and writings and perform such acts and deeds as may be necessary to effectuate the foregoing.

BACKGROUND

General Information: The Bonds will be issued in accordance with Tex. Gov't Code §2306.353 *et seq*., which authorizes the Department to issue revenue bonds for its public purposes, as defined therein. Tex. Gov't Code §2306.472 provides that the Department's revenue bonds are solely obligations of the Department, and do not create an obligation, debt or liability of the State of Texas or a pledge or loan of faith, credit or taxing power of the State of Texas.

Development Information: Socorro Village is located at 148 Buford Road in Socorro, El Paso County, and proposes the acquisition and rehabilitation of 50 existing units, and the construction of one new residential building containing two units which are being constructed to meet the Department's accessibility requirements in ensuring there is an accessible unit across all unit types. This brings the total unit count of the proposed development to 52 units, all of which will serve the general population.

The property was originally built in 1981. There is an existing Section 8 project-based Housing Assistance Payment (HAP) contract covering 50 of the units that is expected to be renewed at closing for an additional 20-year term and it is anticipated to cover the two newly constructed units. The Certificate of Reservation from the Bond Review Board was issued under the Priority 1A designation, which requires that 50% of the units within the development have rents restricted to 50% of Area Median Family Income (AMFI), and 50% of the units have rents restricted to 60% of AMFI. The application submitted to the Department indicates that 27 of the units will be rent and income restricted at 50% of AMFI, while the remaining 25 units will be rent and income restricted at 60% of AMFI. Rehabilitation cost, which includes building costs and site work, is approximately $83k per unit. Any household currently residing at the Development will not be considered over-income and will be allowed to renew their tenancy, as long as the household met the income requirements at initial occupancy.

Organizational Structure and Previous Participation: The Borrower is Socorro Village 34, LLC, and includes the entities and principals as illustrated in Exhibit A. The applicant's portfolio is considered a Category 2 and was deemed acceptable, without further review or discussion, by EARAC.

Tax Equity and Fiscal Responsibility Act (TEFRA) Public Hearing/Public Comment: In light of COVID-19 and the inability for an in-person TEFRA hearing to be held, staff conducted a telephonic hearing, in accordance with IRS guidance, for the proposed development on February 11, 2022. Representatives from the Department and the Developer were present, and no public comment was made. A copy of the hearing transcript is included herein. The Department has received no letters of support or opposition for the proposed development.

Summary of Financial Structure

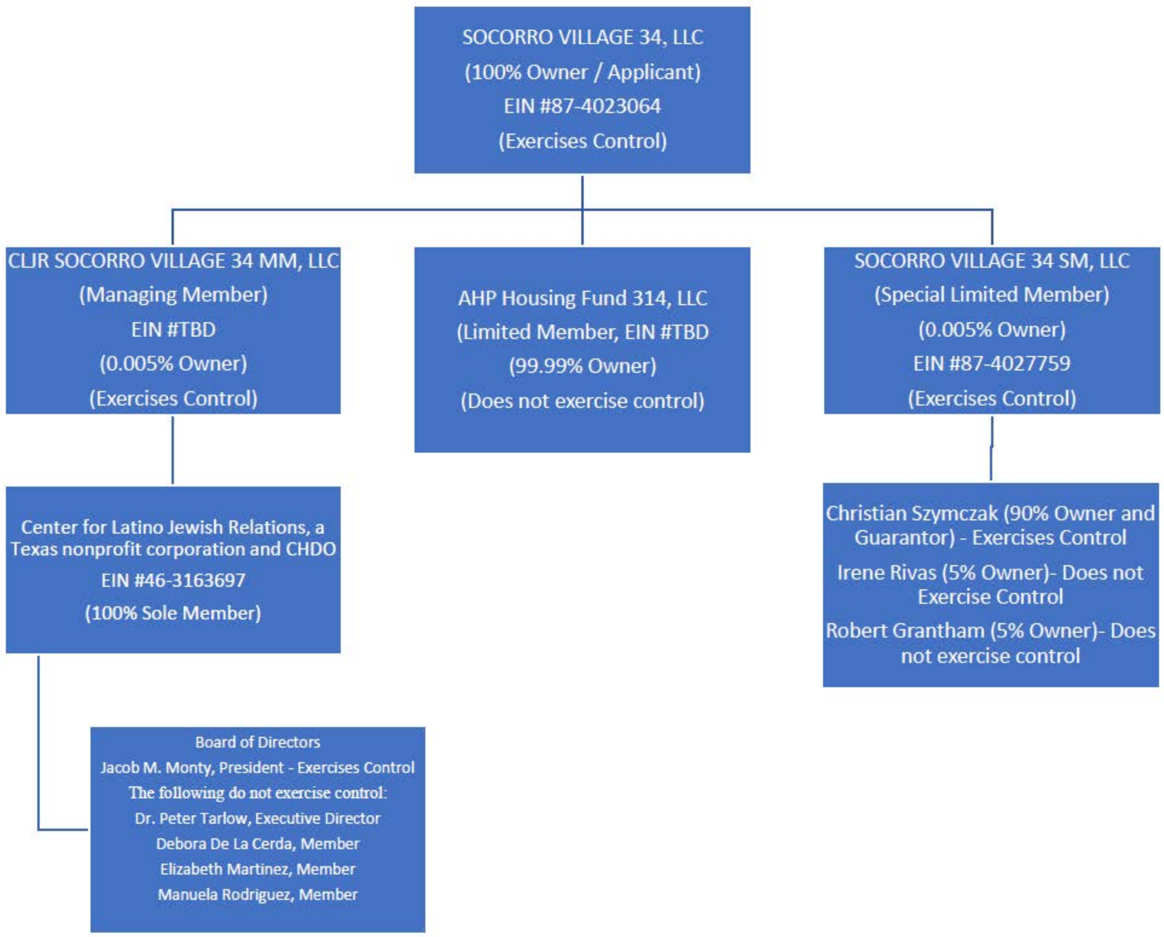
This transaction involves an FHA 221(d)(4) loan originated and underwritten by Lument. Under the proposed structure, the Department will issue short-term tax-exempt fixed rate bonds in an amount not to exceed $6,500,000 that will be initially publically offered. As bond proceeds are drawn down, the proceeds from the FHA loan will simultaneously be drawn and placed in the Collateral Fund such that the bonds will be fully cash-collateralized throughout the construction period.

The bond mortgage will be subordinate in lien position to the FHA mortgage, but as previously indicated, the bond proceeds will also be cash collateralized as long as the bonds are outstanding. The bonds will remain outstanding through the rehabilitation period, estimated to be between 12-14 months, and upon completion, will then be redeemed in full using the funds on deposit in the Collateral Fund. The bonds will carry an interest rate not to exceed 5% and an initial mandatory tender date of August 1, 2024, at which time the bonds can be redeemed or remarketed until the final maturity date of August 1, 2026. Upon redemption of the bonds, the FHA mortgage loan will remain and carry an interest rate of approximately 3.10% with a 40-year term and amortization.

A copy of the Exhibits recommended to be approved by the Board as referenced in Resolution No. 22-017 can be found online at TDHCA's Board Meeting Information Center website at http://www.tdhca.state.tx.us/board/meetings.htm. Worth noting is that the HUD Subordination Agreement, drafted as Exhibit B to the Subordinate Deed of Trust, is still under negotiation with HUD. While the Department had been using a prior negotiated version, staff was notified that it will no longer be allowed to use such version and must instead use the most current version released by HUD. Recognizing that there are some provisions contained therein that do not comport with mechanics of tax-exempt bond transactions, there are ongoing discussions with HUD regarding the final version of this document. The version contained in the Board materials is the version that the Department anticipates HUD approving in substance.

EXHIBIT A

Socorro Village – Tax Credit Organizational Chart



RESOLUTION NO. 22-017

RESOLUTION AUTHORIZING AND APPROVING THE ISSUANCE, SALE AND DELIVERY OF TEXAS DEPARTMENT OF HOUSING AND COMMUNITY AFFAIRS MULTIFAMILY HOUSING REVENUE BONDS (SOCORRO VILLAGE), SERIES 2022; APPROVING THE FORM AND SUBSTANCE AND AUTHORIZING THE EXECUTION AND DELIVERY OF DOCUMENTS AND INSTRUMENTS PERTAINING THERETO; AUTHORIZING AND RATIFYING OTHER ACTIONS AND DOCUMENTS; AND CONTAINING OTHER PROVISIONS RELATING TO THE SUBJECT

WHEREAS, the Texas Department of Housing and Community Affairs (the "Department") has been duly created and organized pursuant to and in accordance with the provisions of Chapter 2306, Texas Government Code, as amended (the "Act"), for the purpose, among others, of providing a means of financing the costs of residential ownership, development, construction and rehabilitation that will provide decent, safe, and affordable living environments for individuals and families of low, very low and extremely low income (as defined in the Act) and families of moderate income (as described in the Act and determined by the Governing Board of the Department (the "Board") from time to time); 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 individuals 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 (including notes), for the purpose, among others, of obtaining funds to make such loans and provide financing, to establish necessary reserve funds and to pay administrative and other costs incurred in connection with the issuance of such bonds; 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, the Board has determined to authorize the issuance of its Multifamily Housing Revenue Bonds (Socorro Village), Series 2022 (the "Bonds") pursuant to and in accordance with the terms of a Trust Indenture (the "Indenture") between the Department and Wilmington Trust, National Association, as trustee (the "Trustee"), for the purpose of providing funds in connection with the financing of the Development (defined below), all under and in accordance with the Constitution and laws of the State; and

WHEREAS, the Department desires to use the proceeds of the Bonds to fund a mortgage loan to Socorro Village 34, LLC, a Texas limited liability company (the "Borrower"), in connection with the acquisition, rehabilitation and equipping of a qualified residential rental development described in Exhibit A attached hereto (the "Development") located within the

State and required by the Act to be occupied by individuals and families of low and very low income and families of moderate income, as determined by the Department; and

WHEREAS, the Board, by resolution adopted on October 14, 2021, declared its intent to issue its revenue bonds or notes to provide financing for the Development; and

WHEREAS, the Borrower has requested and received a reservation of private activity bond allocation from the State of Texas; and;

WHEREAS, it is anticipated that the Department and the Borrower will execute and deliver a Loan Agreement (the "Loan Agreement") pursuant to which (i) the Department will agree to make a mortgage loan funded with the proceeds of the Bonds (the "Loan") to the Borrower to enable the Borrower to finance the acquisition, rehabilitation and equipping of the Development and related costs, and (ii) the Borrower will execute and deliver to the Department a promissory note (the "Borrower Note") in an original principal amount equal to the original aggregate principal amount of the Bonds, and providing for payment of interest on such principal amount equal to the interest on the Bonds and to pay other costs described in the Loan Agreement; and

WHEREAS, it is anticipated that the obligations of the Borrower under the Loan Agreement will be secured by a Subordinate Multifamily Deed of Trust, Security Agreement and Fixture Filing (the "Bond Mortgage") from the Borrower for the benefit of the Department and the Trustee; and

WHEREAS, the Department's rights (except for certain unassigned rights) under the Indenture, the Borrower Note and the Bond Mortgage will be assigned to the Trustee pursuant to an Assignment of Deed of Trust Documents (the "Assignment") from the Department to the Trustee; and

WHEREAS, the Borrower will obtain a first lien mortgage loan from ORIX Real Estate Capital, LLC, a Delaware limited liability company (the "HUD Lender"), and pursuant to a Bond Funding and Loan Disbursement Procedures Agreement among the HUD Lender, the Borrower, and the Trustee, the HUD Lender will deposit from time to time the proceeds of the first-lien mortgage loan with the Trustee, to be held by the Trustee as security for the Bonds in accordance with the Indenture; and

WHEREAS, the HUD Lender has agreed to permit the Loan and to allow the lien of the Bond Mortgage in accordance with the terms of a Subordination Agreement (the "Subordination Agreement") among the HUD Lender, the Department, and the Borrower; and

WHEREAS, with respect to the Bonds, the Board has determined that the Department, the Trustee and the Borrower will execute a Regulatory and Land Use Restriction Agreement (the "Regulatory Agreement") with respect to the Development, which will be filed of record in the real property records of El Paso County, Texas; and

WHEREAS, in order to assure compliance with Section 103 and 141 through 150 of the Code, the Board has determined that the Department, the Trustee and the Borrower will execute a Tax Exemption Certificate and Agreement (the "Tax Exemption Agreement"), in connection with the Bonds, pursuant to which the Department and the Borrower will make certifications, representations and covenants relating to the treatment of the interest on the Bonds as exempt from gross income for federal income tax purposes; and

WHEREAS, the Board has been presented with a draft of, has considered and desires to ratify, approve, confirm and authorize the use and distribution in the public offering of the Bonds of an official statement (the "Official Statement") and to authorize the Authorized Representatives (as defined herein) to deem the Official Statement "final" for purposes of Rule 15c2-12 of the Securities and Exchange Commission and to approve the making of such changes in the Official Statement as may be required to provide a final official statement for use in the public offering and sale of the Bonds; and

WHEREAS, the Board has further determined that the Department will enter into a Purchase Contract (the "Purchase Agreement") with OREC Securities, LLC (the "Underwriter") and the Borrower, setting forth certain terms and conditions upon which the Underwriter will purchase the Bonds from the Department and the Department will sell the Bonds to the Underwriter; and

WHEREAS, capitalized terms used herein and not otherwise defined shall have the meanings ascribed to such terms in the Indenture; and

WHEREAS, the Board has examined proposed forms of (a) the Indenture, the Loan Agreement, the Regulatory Agreement, the Subordination Agreement, the Assignment, the Tax Exemption Agreement, the Official Statement and the Purchase Agreement (collectively, the "Issuer Documents"), all of which are attached to and comprise a part of this Resolution and (b) the Bond Mortgage and the Borrower Note; has found 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, subject to the conditions set forth in Article 1, to authorize the issuance of the Bonds, the execution and delivery of the Issuer Documents, the acceptance of the Bond Mortgage and the Borrower Note and the taking of such other actions as may be necessary or convenient in connection therewith;

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

ARTICLE 1

ISSUANCE OF BONDS; APPROVAL OF DOCUMENTS

Section 1.1 Issuance, Execution and Delivery of the Bonds. That the issuance of the Bonds is hereby authorized pursuant to the Act, including particularly Section 2306.353 thereof, and Chapter 1371, Texas Government Code, all under and in accordance with the conditions set forth herein and in the Indenture, and that, upon execution and delivery of the Indenture, the Authorized Representatives of the Department named in this Resolution are each hereby authorized to execute, attest and affix the Department's seal to the Bonds and to deliver the Bonds to the Attorney General of the State (the "Attorney General") for approval, the Comptroller of Public Accounts of the State for registration and the Trustee for authentication (to the extent required in the Indenture), and thereafter to deliver the Bonds to or upon the order of the Underwriter.

Section 1.2 Interest Rate, Principal Amount, Maturity and Price. That the Chair or Vice Chair of the Board or the Executive Director of the Department are hereby authorized and empowered, in accordance with Chapter 1371, Texas Government Code, to fix and determine the interest rate, principal amount and maturity of, the redemption and tender provisions related to, and the price at which the Department will sell to the Underwriter or another party to the Purchase Agreement, the Bonds, all of which determinations shall be conclusively evidenced by the execution and delivery by an Authorized Representative (as defined below) of the Department of the Indenture and the Purchase Agreement; provided, however, that (i) the Bonds shall bear interest at the initial interest rate set forth in the Purchase Agreement in accordance with the provisions of the Indenture; provided that in no event shall the interest rate on the Bonds (including any default interest rate) exceed the maximum interest rate permitted by applicable law; and provided further that the initial interest rate on the Bonds shall not exceed 5.0%; (ii) the aggregate principal amount of the Bonds and any bond premium attributable thereto shall not exceed $6,500,000; (iii) the final maturity of the Bonds shall occur not later than August 1, 2026 and (iv) the price at which the Bonds are sold to the initial purchaser thereof under the Purchase Agreement shall not exceed 108% of the principal amount thereof.

Section 1.3 Approval, Execution and Delivery of the Indenture. That the form and substance of the Indenture are hereby approved, and that the Authorized Representatives are each hereby authorized to execute the Indenture, and to deliver the Indenture to the Trustee.

Section 1.4 Approval, Execution and Delivery of the Loan Agreement. That the form and substance of the Loan Agreement are hereby approved, and that the Authorized Representatives each are hereby authorized to execute the Loan Agreement, and to deliver the Loan Agreement to the Borrower.

Section 1.5 Approval, Execution and Delivery of the Regulatory Agreement. That the form and substance of the Regulatory Agreement are hereby approved, and that the Authorized Representatives each are hereby authorized to execute, attest and affix the Department's seal to the Regulatory Agreement, and to deliver the Regulatory Agreement to the Borrower and the Trustee and to cause the Regulatory Agreement to be filed of record in the real property records of El Paso County, Texas.

Section 1.6 Approval, Execution and Delivery of the Tax Exemption Agreement. That the form and substance of the Tax Exemption Agreement are hereby approved, and that the

Authorized Representatives each are hereby authorized to execute the Tax Exemption Agreement, and to deliver the Tax Exemption Agreement to the Borrower and the Trustee.

Section 1.7 Approval, Execution and Delivery of the Purchase Agreement. That the sale of the Bonds to the Underwriter and/or any other parties pursuant to the Purchase Agreement is hereby approved, that the form and substance of the Purchase Agreement are hereby approved, and that the Authorized Representatives each are hereby authorized to execute the Purchase Agreement and to deliver the Purchase Agreement to the Borrower, the Underwriter, and/or any other parties to the Purchase Agreement, as appropriate.

Section 1.8 Reserved.

Section 1.9 Approval, Execution and Delivery of the Subordination Agreement. That the form and substance of the Subordination Agreement are hereby approved, and that the Authorized Representatives each are hereby authorized to execute the Subordination Agreement, and to deliver the Subordination Agreement to the HUD Lender and the Borrower.

Section 1.10 Acceptance of the Borrower Note and the Bond Mortgage. That the form and substance of the Borrower Note and the Bond Mortgage are hereby accepted by the Department and that the Authorized Representatives each are hereby authorized to endorse and deliver the Borrower Note without recourse.

Section 1.11 Approval, Execution and Delivery of the Assignment. That the form and substance of the Assignment are hereby approved, and that the Authorized Representatives each are hereby authorized to execute the Assignment, and to deliver the Assignment to the Trustee.

Section 1.12 Approval, Use and Distribution of the Official Statement. That the form and substance of the Official Statement and its use and distribution by the Underwriter in accordance with the terms, conditions and limitations contained therein are hereby approved, ratified, confirmed and authorized; that the Authorized Representatives are hereby severally authorized to deem the Official Statement "final" for purposes of Rule 15c2-12 under the Securities and Exchange Act of 1934; that the Authorized Representatives named in this Resolution each are authorized hereby to make or approve such changes in the Official Statement as may be required to provide a final Official Statement for the Bonds; that the Authorized Representatives named in this Resolution each are authorized hereby to accept the Official Statement, as required; and that the use and distribution of the Official Statement by the Underwriter hereby is authorized and approved, subject to the terms, conditions and limitations contained therein, and further subject to such amendments or additions thereto as may be required by the Purchase Agreement and as may be approved by the Executive Director of the Department and the Department's counsel.

Section 1.13 Taking of Any Action; Execution and Delivery of Other Documents. That the Authorized Representatives are each hereby authorized to take any actions and to execute, attest and affix the Department's seal to, and to deliver to the appropriate parties, all such other agreements, commitments, 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 they or any of them consider to be necessary or convenient to carry out or assist in carrying out the purposes of this Resolution.

Section 1.14 Power to Revise Form of Documents. That, 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, and in the opinion of Bracewell LLP, Bond Counsel to the Department ("Bond Counsel"), 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 1.15 Exhibits Incorporated Herein. That 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 B	-	Indenture
Exhibit C	-	Loan Agreement
Exhibit D	-	Regulatory Agreement
Exhibit E	-	Borrower Note
Exhibit F	-	Bond Mortgage
Exhibit G	-	Assignment
Exhibit H	-	Purchase Agreement
Exhibit I	-	Official Statement
Exhibit J	-	Tax Exemption Agreement
Exhibit K	-	Subordination Agreement

Section 1.16 Authorized Representatives. That the following persons are each hereby named as authorized representatives of the Department for purposes of executing, attesting, affixing the Department's seal to, and delivering the documents and instruments and taking the other actions referred to in this Article 1: the Chair or Vice Chair of the Board, the Executive Director of the Department, the Director of Administration of the Department, the Director of Financial Administration of the Department, the Director of Bond Finance and Chief Investment Officer of the Department, the Director of Multifamily Bonds of the Department, the Director of Texas Homeownership 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

APPROVAL AND RATIFICATION OF CERTAIN ACTIONS

Section 2.1 Approval and Ratification of Application to Texas Bond Review Board. That the Board hereby ratifies and approves the submission of the application for approval of state bonds to the Texas Bond Review Board on behalf of the Department in connection with the issuance of the Bonds in accordance with Chapter 1231, Texas Government Code.

Section 2.2 Approval of Submission to the Attorney General. That the Board hereby authorizes, and approves the submission by Bond Counsel to the Attorney General, for his approval, of a transcript of legal proceedings relating to the issuance, sale and delivery of the Bonds.

Section 2.3 Certification of the Minutes and Records. That the Secretary or Assistant Secretary to the Board hereby is authorized to certify and authenticate minutes and other records on behalf of the Department for the Bonds and all other Department activities.

Section 2.4 Approval of Requests for Rating from Rating Agency. That the action of the Executive Director of the Department or any successor and the Department's consultants in seeking a rating from Moody's Investors Services, Inc., and its successors and assigns, is approved, ratified and confirmed hereby.

Section 2.5 Authority to Invest Proceeds. That the Department is authorized to invest and reinvest the proceeds of the Bonds and the fees and revenues to be received in connection with the financing of the Development in accordance with the Indenture and the Tax Exemption Agreement and to enter into any agreements relating thereto only to the extent permitted by the Indenture and the Tax Exemption Agreement.

Section 2.6 Underwriter. That the underwriter with respect to the issuance of the Bonds will be OREC Securities, LLC, or any other party identified in the Purchase Agreement.

Section 2.7 Engagement of Other Professionals. That the Executive Director of the Department or any successor is authorized to engage auditors to perform such functions, audits, yield calculations and subsequent investigations as necessary or appropriate to comply with the Purchase Agreement and the requirements of Bond Counsel, provided such engagement is done in accordance with applicable law of the State.

Section 2.8 Ratifying Other Actions. That all other actions taken by the Executive Director of the Department and the Department staff in connection with the issuance of the Bonds and the financing of the Development are hereby ratified and confirmed.

ARTICLE 3

CERTAIN FINDINGS AND DETERMINATIONS

Section 3.1 Findings of the Board. That in accordance with Section 2306.223 of the Act and after the Department's consideration of the information with respect to the Development and the information with respect to the proposed financing of the Development, including but not limited to the information submitted by the Borrower, independent studies commissioned by the Department, recommendations of the Department staff and such other information as it deems relevant, the Board hereby finds:

(a) Need for Housing Development.

(i) that the Development is necessary to provide needed decent, safe, and sanitary housing at rentals or prices that individuals or families of low and very low income or families of moderate income can afford,

(ii) that the financing of the Development is a public purpose and will provide a public benefit, and

(iii) that the Development will be undertaken within the authority granted by the Act to the housing finance division and the Borrower.

(b) Findings with Respect to the Borrower.

(i) that the Borrower, by operating the Development in accordance with the requirements of the Loan Agreement, the Regulatory Agreement and the Tax Exemption Agreement, will supply well-planned and well-designed housing for individuals or families of low and very low income or families of moderate income,

(ii) that the Borrower is financially responsible, and

(iii) that the Borrower is not, and will not enter into a contract for the Development with, a housing developer that (A) is on the Department's debarred list, including any parts of that list that are derived from the debarred list of the United States Department of Housing and Urban Development; (B) breached a contract with a public agency; or (C) misrepresented to a subcontractor the extent to which the developer has benefited from contracts or financial assistance that has been awarded by a public agency, including the scope of the developer's participation in contracts with the agency and the amount of financial assistance awarded to the developer by the Department.

(c) Public Purpose and Benefits.

(i) that the Borrower has agreed to operate the Development in accordance with the Loan Agreement, the Regulatory Agreement and the Tax Exemption

Agreement, which require, among other things, that the Development be occupied by individuals and families of low and very low income and families of moderate income, and

(ii) that the issuance of the Bonds in connection with the financing of the Development is undertaken within the authority conferred by the Act and will accomplish a valid public purpose and will provide a public benefit by assisting individuals and families of low and very low income and families of moderate income in the State to obtain decent, safe, and sanitary housing by financing costs of the Development, thereby helping to maintain a fully adequate supply of sanitary and safe dwelling accommodations at rents that such individuals and families can afford.

Section 3.2 Determination of Eligible Tenants. That the Board has determined, to the extent permitted by law and after consideration of such evidence and factors as it deems relevant, the findings of the staff of the Department, the laws applicable to the Department and the provisions of the Act, that eligible tenants for the Development shall be (1) individuals and families of low and very low income, (2) persons with special needs, and (3) families of moderate income, with the income limits as set forth in the Tax Exemption Agreement and the Regulatory Agreement.

Section 3.3 Sufficiency of Loan Interest Rate. That, in accordance with Section 2306.226 of the Act, the Board hereby finds and determines that the interest rate on the Loan established pursuant to the Loan Agreement will produce the amounts required, together with other available funds, to pay for the Department's costs of operation with respect to the Bonds and the Development and enable the Department to meet its covenants with and responsibilities to the holders of the Bonds.

Section 3.4 No Gain Allowed. That, in accordance with Section 2306.498 of the Act, no member of the Board or employee of the Department may purchase the Bonds in the secondary open market for municipal securities.

ARTICLE 4

GENERAL PROVISIONS

Section 4.1 Limited Obligations. That the Bonds and the interest thereon shall be special limited obligations of the Department payable solely from the trust estate created under the Indenture, including the revenues and funds of the Department pledged under the Indenture to secure payment of the Bonds, and under no circumstances shall the Bonds be payable from any other revenues, funds, assets or income of the Department.

Section 4.2 Non-Governmental Obligations. That the Bonds shall not be and do not create or constitute in any way an obligation, a debt or a liability of the State or create or constitute a pledge, giving or lending of the faith or credit or taxing power of the State. Each Note shall contain on its face a statement to the effect that the State is not obligated to pay the principal thereof or interest thereon and that neither the faith or credit nor the taxing power of the State is pledged, given or loaned to such payment.

Section 4.3 Effective Date. That this Resolution shall be in full force and effect from and upon its adoption.

Section 4.4 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 Section 2306.032 of the Texas Government Code, regarding meetings of the Governing Board.

PASSED AND APPROVED this 10th day of March, 2022.

EXHIBIT A

Description of Development

Borrower: Socorro Village 34, LLC, a Texas limited liability company

Development: The Development is a 52-unit affordable, multifamily housing development known as Socorro Village, located at 148 Buford Rd., Socorro, El Paso County, TX 79927. It consists of nineteen (19) residential apartment buildings with approximately 48,916 net rentable square feet. The unit mix will consist of:

30	two-bedroom/one-bath units
13	three-bedroom/one-bath units
9	four-bedroom/one-bath units
52	Total Units

Unit sizes will range from approximately 798 square feet to approximately 1,084 square feet.

22604 Socorro Village - Application Summary

REAL ESTATE ANALYSIS DIVISION
February 23, 2022

PROPERTY IDENTIFICATION	
Application #	**22604**
Development	**Socorro Village**
City / County	**Socorro / El Paso**
Region/Area	**13/ Urban**
Population	**General**
Set-Aside	**General**
Activity	**Acquisition/Rehab** **(Built in 1981)**

RECOMMENDATION				
TDHCA Program	**Request**	**Recommended**		
LIHTC (4% Credit)	$460,618	**$460,618**	**$8,858/Unit**	**$0.85**
Private Activity Bonds	$6,500,000			

KEY PRINCIPALS / SPONSOR

Think Housing Development/Christian Szymczack
Developer/Guarantor

MFRG ICON Construction/Nick Garneata
Contractor

Related Parties	Contractor - No	Seller - Yes

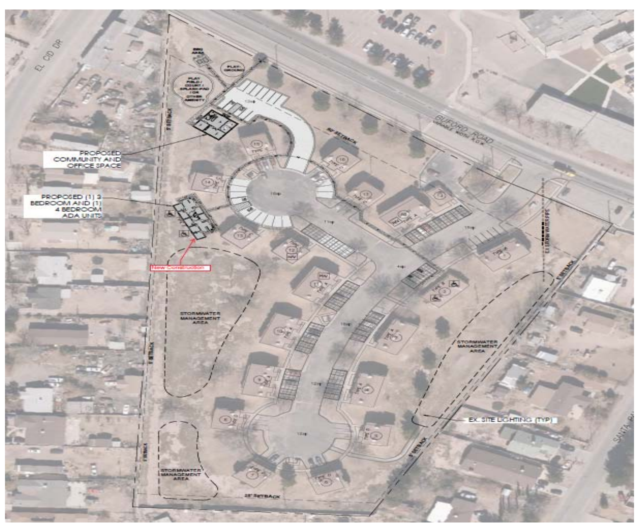
TYPICAL BUILDING ELEVATION/PHOTO

UNIT DISTRIBUTION			INCOME DISTRIBUTION		
# Beds	**# Units**	**% Total**	**Income**	**# Units**	**% Total**
Eff	-	0%	**20%**	-	0%
1	-	0%	**30%**	-	0%
2	30	58%	**40%**	-	0%
3	13	25%	**50%**	27	52%
4	9	17%	**60%**	25	48%
			70%	-	0%
			80%	-	0%
			MR	-	0%
TOTAL	52	100%	**TOTAL**	52	100%

PRO FORMA FEASIBILITY INDICATORS

Pro Forma Underwritten	Applicant's Pro Forma		
Debt Coverage	1.15	**Expense Ratio**	43.9%
Breakeven Occ.	85.7%	**Breakeven Rent**	$1,127
Average Rent	$1,219	**B/E Rent Margin**	$92
Property Taxes	$1,212/unit	**Exemption/PILOT**	50%
Total Expense	$6,092/unit	**Controllable**	$3,157/unit

SITE PLAN



MARKET FEASIBILITY INDICATORS

Gross Capture Rate (10% Maximum)			1.9%
Highest Unit Capture Rate	3%	3BR/60%	1
Dominant Unit Cap. Rate	3%	3BR/60%	1
Premiums (↑60% Rents)	#DIV/0!		#DIV/0!
Rent Assisted Units	50	96% Total Units	

DEVELOPMENT COST SUMMARY

Costs Underwritten	TDHCA's Costs - Based on SCR		
Avg. Unit Size	941 SF	**Density**	6.6/acre
Acquisition		$77K/unit	$4,025K
Building Cost	$73.55/SF	$69K/unit	$3,598K
Hard Cost		$92K/unit	$4,767K
Total Cost		$254K/unit	$13,197K
Developer Fee	$1,493K	(86% Deferred)	Paid Year: 15
Contractor Fee	$632K	**30% Boost**	Yes

REHABILITATION COSTS / UNIT

Site Work	$4K	5%	Finishes/Fixtures	$15K	17%
Building Shell	$54K	59%	Amenities	$10K	11%
HVAC		0%	Total Exterior	$68K	82%
Appliances		0%	Total Interior	$15K	18%

DEBT (Must Pay)				
Source	Term	Rate	Amount	DCR
Lument - FHA 21 (d)(4)	40/40	3.10%	$7,665,000	1.14
Adjustment to Debt Per §11.302(c	40/40	3.10%	($55,000)	1.15
TOTAL DEBT (Must Pay)			$7,610,000	

CASH FLOW DEBT / GRANT FUNDS				
Source	Term	Rate	Amount	DCR
Socorro Village 34, LLC (NOI)	0/0	0.00%	$394,805	1.15
CASH FLOW DEBT / GRANTS			$394,805	

EQUITY / DEFERRED FEES	
Source	Amount
Affordable Housing Partners, Inc.	$3,914,866
Think Housing Development	$1,277,440
TOTAL EQUITY SOURCES	$5,192,306
TOTAL DEBT SOURCES	$8,004,805
TOTAL CAPITALIZATION	$13,197,111

CONDITIONS

1 Receipt and acceptance before Determination Notice:

- Documentation of approval of proposed HAP Rent increase.

2 Receipt and acceptance by Cost Certification:

a: Certification of comprehensive testing for asbestos; that any appropriate abatement procedures were implemented; and that any remaining asbestos-containing materials are being managed in accordance with an acceptable Operations and Maintenance (O&M) program.

b: Certification that continued testing was performed on the contaminated groundwater, and if necessary, a certification that any appropriate abatement procedures were implemented by a qualified abatement company, or a certification from a qualified abatement company that no abatement is required at this time.

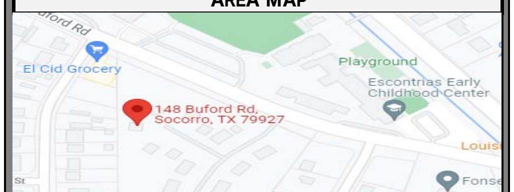
Should any terms of the proposed capital structure change or if there are material changes to the overall development plan or costs, the analysis must be re-evaluated and adjustment to the credit allocation and/or terms of other TDHCA funds may be warranted.

BOND RESERVATION / ISSUER	
Issuer	TDHCA
Expiration Date	7/18/2022
Bond Amount	$6,500,000
BRB Priority	Priority 1a
Bond Structure	
% Financed with Tax-Exempt Bonds	52.9%

RISK PROFILE

STRENGTHS/MITIGATING FACTORS
▫ Low gross capture rate
▫ Proximity to Employment Opportunities
▫ 96% of units supported by HAP Rental Assistance
▫ Developer Experience
WEAKNESSES/RISKS
▫ Feasibility dependent on tax exemption
▫ All units have only one bathroom

AREA MAP



AERIAL PHOTOGRAPH(s)

Real Estate Analysis Division
Underwriting Report
February 23, 2022

DEVELOPMENT IDENTIFICATION

TDHCA Application #: **22604** Program(s): **TDHCA Bonds/4% HTC**

Socorro Village

Address/Location: 148 Buford Rd.

City: Socorro County: El Paso Zip: 79927

Population: General Program Set-Aside: General Area: Urban

Activity: Acquisition/Rehab Building Type: Combination Region: 13

Analysis Purpose: New Application - Initial Underwriting

ALLOCATION

	REQUEST				RECOMMENDATION				
TDHCA Program	**Amount**	**Interest Rate**	**Amort**	**Term**	**Amount**	**Interest Rate**	**Amort**	**Term**	**Lien**
Private Activity Bonds	$6,500,000				**$6,500,000**				
LIHTC (4% Credit)	$460,618				**$460,618**				

CONDITIONS

1 Receipt and acceptance before Determination Notice:

- Documentation of approval of proposed HAP Rent increase.

2 Receipt and acceptance by Cost Certification:

a: Certification of comprehensive testing for asbestos; that any appropriate abatement procedures were implemented; and that any remaining asbestos-containing materials are being managed in accordance with an acceptable Operations and Maintenance (O&M) program.

b: Certification that continued testing was performed on the contaminated groundwater, and if necessary, a certification that any appropriate abatement procedures were implemented by a qualified abatement company, or a certification from a qualified abatement company that no abatement is required at this time.

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.

SET-ASIDES

TDHCA SET-ASIDES for HTC LURA		
Income Limit	Rent Limit	Number of Units
50% of AMI	50% of AMI	27
60% of AMI	60% of AMI	25

DEVELOPMENT SUMMARY

Acquisition and rehabilition of 50 units spread throughout duplexes, fourplexes, and town homes. The 2, 3, and 4 bedroom units are designated at 50% and 60% AMGI, with all 50 of the units being Section 8. 2 ADA units will be built making the property a 52 unit property after completion of construction. The Section 8 contract was recently renewed on 12/1/2021 for an additional 20 year term.

During the renovations, the tenants will be relocated to equitable housing for the duration of the work, and will be offered the first option to move back in.

RISK PROFILE

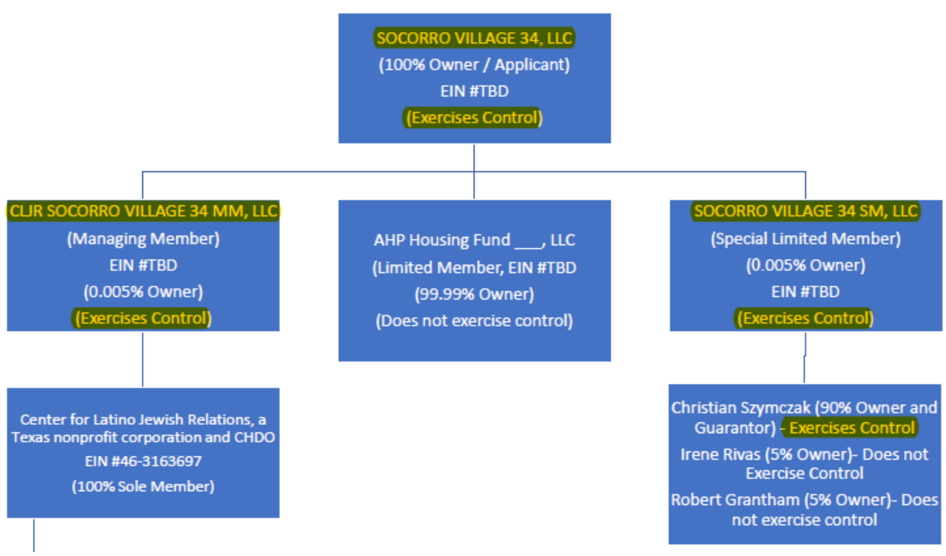
STRENGTHS/MITIGATING FACTORS	WEAKNESSES/RISKS
Low gross capture rate	Feasibility dependent on tax exemption
Proximity to Employment Opportunities	All units have only one bathroom
96% of units supported by HAP Rental Assistance	Decrease in debt to meet 1.15 DCR requirement
Developer Experience	

DEVELOPMENT TEAM

PRIMARY CONTACTS

Name:	Christian Szymczak	Name:	Irene Rivas
Phone:	510-931-9684	Phone:	310-938-6844
Relationship:	Developer	Relationship:	Developer

OWNERSHIP STRUCTURE



DEVELOPMENT SUMMARY

SITE PLAN

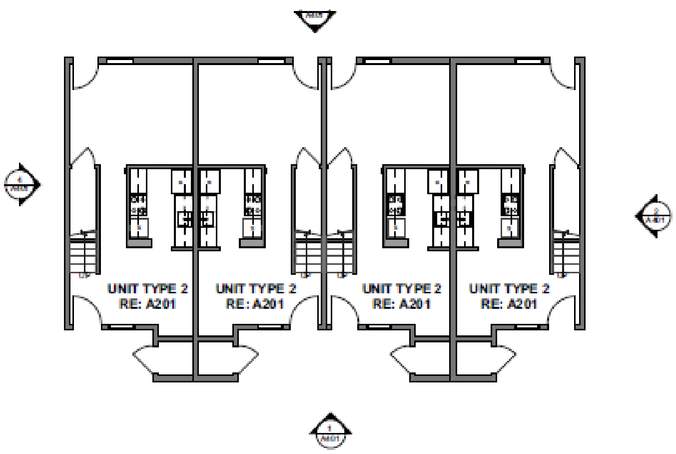
Comments:

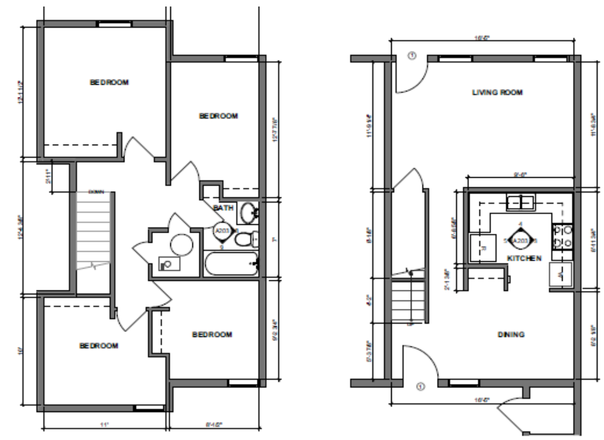
The site is nearly level. A water detention area is not located on the site.

Parking	No Fee		Tenant-Paid		Total	
Open Surface	56	*1.1/unit*	0	--	56	*1.1/unit*
Carport	46	*0.9/unit*	0	--	46	*0.9/unit*
Garage	0	--	0	--	0	--
Total Parking	**102**	*2.0/unit*	**0**	--	**102**	*2.0/unit*

Parking is compliant with city code. 102 parking spaces provided; 78 required by code.

BUILDING PLAN (Typical)





7 PROPOSED 2ND FLOOR PLAN

6 PROPOSED 1ST FLOOR PLAN

Comments:

Plumbing run is efficient.

BUILDING ELEVATION

Comments:

Exterior facades are approximately 95% stucco.

BUILDING CONFIGURATION

Building Type	A	B	C	D	E								Total Buildings
Floors/Stories	2	1	2	2	1								
Number of Bldgs	7	1	6	4	1								19
Units per Bldg	4	2	2	2	2								
Total Units	28	2	12	8	2								**52**

Avg. Unit Size (SF)	**941 sf**	**Total NRA (SF)**	**48,916**	**Common Area (SF)***	**1,603**

*Common Area Square Footage as specified on Architect Certification

SITE CONTROL INFO

Site Acreage: Development Site: 7.86 acres Density: 6.6 units/acre

Site Control: 8.412 **Site Plan:** 7.859 **Appraisal:** 8.412 **ESA:** 0

Feasibility Report Survey: 0 **Feasibility Report Engineer's Plan:** 0

Control Type: Commercial Contract

Development Site: 7.86 acres Cost: $4,025,000 $77,404 per unit

Seller: Socorro Village Interim, LLC

Buyer: Socorro Village 34, LLC

Related-Party Seller/Identity of Interest: Yes

Comments:

The site control document and appraisal contains a legal description that does not reflect the fact that 0.5535 acres were previously granted to TX DOT. This is the reason for the difference between those and the site plan/survey acreage.

APPRAISED VALUE

Appraiser: Gill Group Date: 11/30/2021

Land as Vacant:	8.41 acres	$755,000	Per Unit:	$14,519
Existing Buildings: (as-is)		$3,330,000	Per Unit:	$64,038
Total Development: (as-is)		**$4,085,000**	Per Unit:	**$78,558**

SITE INFORMATION

Flood Zone:	X	Scattered Site?	No
Zoning:	R-1 Single Family Residential	Within 100-yr floodplain?	No
Re-Zoning Required?	No	Utilities at Site?	Yes
Year Constructed:	1981	Title Issues?	No

Current Uses of Subject Site:

Socorro Village Apartments

Surrounding Uses:

North: Escontrias Elementary, parking lot and Escontrias Early Childhood Center
East: Single family residential property
South: Single family residential property
West: El Cid Grocery & Meat Market, storage yard, auto repair shop and single family residential property

TENANT RELOCATION PLAN

The rehabilitation activities for this project are anticipated to begin in July of 2022 and will necessitate the temporary relocation of all on-site tenants for a period not to exceed 30 days. The temporary relocation will be scheduled in phases as designated by the rehabilitation plan.

All 50 exisiting units will be affected by the rehabilitation activities and all of the tenants will be required to relocate to temporary housing until rehabilitation is completed. Upon completion, they will be allowed to reoccupy their original units.

The Developer has engaged relocation consultants with extensive relocation expertise that will be responsible for administering Developer's relocation assistance program to persons who are required to relocate because of proposed development activities. The Developer will obtain and maintain current listings of standard rental and sale properties that are appropriate for relocation and that are available on a non-discriminatory basis. Information on the size, rental or sale price, financing terms and location of available units will be given to displacees seeking referrals and as necessary, the relocation staff will offer transportation or otherwise assist the displacee in their search for housing.

Developer has budgeted $150,000 for tenant relocation.

HIGHLIGHTS of ENVIRONMENTAL REPORTS

Provider: Phase Engineering, Inc. Date: 11/19/2021

Recognized Environmental Conditions (RECs) and Other Concerns:

- None

Comments:

Potential asbestos containing building materials (ACBMs) in the form of wall material, ceiling material and miscellaneous building materials in good non-friable condition were observed at the subject property. No potential suspect damaged friable ACBMs were observed. No asbestos sampling was performed as part of this ESA and no previous asbestos inspection reports or abatement reports were provided to Phase Engineering, Inc. In the event of renovation and / or demolition, sampling may be required.

Since the on-site buildings were constructed prior to 1986, testing for lead in the drinking water is recommended if any of the existing plumbing systems are planned for use in future development of the subject property.

MARKET ANALYSIS

Provider:	Gill Group	Date:	1/5/2022
Contact:	Samuel Gill	Phone:	573-624-6614

Market Analyst Comments:

Market Analyst calculates a Gross Capture Rate of 1.9%, which is below the 10% maximum. Underwriter reviewed the market study for compliance.

Capture rate limits do not apply to existing affordable housing that is at least 50% occupied and that provides a leasing preference to existing tenants.

Subject is currently 96% occupied.

OPERATING PRO FORMA

SUMMARY- AS UNDERWRITTEN (Applicant's Pro Forma)					
NOI:	$404,052	Avg. Rent:	$1,219	Expense Ratio:	43.9%
Debt Service:	$351,221	B/E Rent:	$1,127	Controllable Expenses:	$3,157
Net Cash Flow:	$52,831	UW Occupancy:	92.5%	Property Taxes/Unit:	$1,212
Aggregate DCR:	1.15	B/E Occupancy:	85.7%	Program Rent Year:	2021

50 units (out of 52 total) are supported by Section 8 HAP Rental Assistance. Section 8 contract was recently renewed for an additional 20 year term. HAP rent increases are tenantive based on an updated HAP rent approval letter.

Proposed HAP Contract Rents are determined by a rental comparability study completed by the project appraiser. Proposed rents represent increases of 26%-32% over currently approved rents. This rent determination will be set by HUD in a new 20-year HAP contract effective on the day of sale closing.

Unit Type	Current Net HAP Rent	Proposed Net HAP Rent	Increase	Variance
2BR	$975	$1,285	$310	32%
3BR	$1,115	$1,425	$310	28%
4BR	$1,210	$1,520	$310	26%

Once completed, the 2 additional ADA units will not be included in the Section 8 contract and are underwritten at the maximum 60% AMI rents.

Applicant anticipates a 50% property tax exemption based on the CHDO status of the Center for Latino Jewish Relations, the Managing Member of the LLC Owner. Without the exemption debt coverage would fall to 0.94 and the development would be considered infeasible.

Reserves for Replacement are budgeted at $350 per unit per year as specified by the equity provider. Deferred developer fee payoff in year 15; 15-year residual cash flow of $93K.

DEVELOPMENT COST EVALUATION

SUMMARY- AS UNDERWRITTEN (TDHCA's Costs- Based on SCR)					
Acquisition	$96,056/ac	$77,404/unit	**$4,025,000**	Contractor Fee	**$631,716**
Off-site + Site Work		$14,151/unit	**$735,844**	Soft Cost + Financing	**$1,943,249**
Building Cost	$73.55/sf	$69,189/unit	**$3,597,840**	Developer Fee	**$1,492,916**
Contingency	10.00%	$8,334/unit	**$433,368**	Reserves	**$337,177**

Total Development Cost	$253,791/unit	**$13,197,111**	**Rehabilitation Cost**	**$83,340/unit**

Qualified for 30% Basis Boost?	Not Qualified

Acquisition:

Acqusition costs are supported by appraisal.

Site Work:

Site work includes typical costs such as grading, on-site utilities, on-site concrete/paving, and signage.

Building Cost:

Building costs include concrete, wood and plastics, mechanical and electrical systems. The development will also require lead based paint and asbestos abatement.

REHABILITATION COSTS / UNIT / % HARD COST							
Site Work	$231,033	$4,443/unit	5%	Finishes/Fixtures	$800,883	$15,402/unit	17%
Building Shell	$2,796,957	$53,788/unit	59%	HVAC	$0	$/unit	0%
Amenities	$504,811	$9,708/unit	11%	Appliances	$0	$/unit	0%
Total Exterior	**$3,532,801**	**$67,938/unit**	**82%**	**Total Interior**	**$800,883**	**$15,402/unit**	**18%**

SCOPE & COST REVIEW

Provider: Phase Engineering, Inc. Date: 11/19/2021

Scope of Work:

The rehabilitation will include all new unit interiors with new cabinets, flooring, countertops, sinks, windows, doors, bathtubs, surrounds, and carpeting. Exterior improvements will include refinished building exteriors, carports, playground and landscape improvements.

The Developer will perform extensive rehabilitation which will include new roofing, new kitchen and bathroom cabinetry, flooring, electrical fixtures; interior and exterior paint, windows, door and door frames, driveway and walkway repairs and new landscaping. The Developer will also enhance social services and continue to provide affordable housing that will be restricted to households within the income criteria as defined by the Department of Housing and Urban Development.

Total rehabilition budget of $4.3M.

Contingency:

Contingency is overstated. Underwriter has reduced contingency by $85K to be compliant with TDHCA regulations.

Contractor Fee:

Contractor Fee is compliant with TDHCA regulations.

Ineligible Costs:

Tenant relocation costs are not included in eligible basis.

Developer Fee:

Developer fee is overstated. Underwriter has reduced developer fee by $9K to be compliant with TDHCA regulations.

Reserves:

6 months of operating reserves have been underwritten.

Credit Allocation Supported by Costs:

Total Development Cost	Adjusted Eligible Cost	Credit Allocation Supported by Eligible Basis
$13,197,111	$11,506,361	$553,205

UNDERWRITTEN CAPITALIZATION

BOND RESERVATION			
Issuer	Amount	Reservation Date	Priority
TDHCA	$6,500,000	1/19/2022	Priority 1a
Closing Deadline			
7/18/2022			

Percent of Cost Financed by Tax-Exempt Bonds	52.9%

INTERIM SOURCES				
Funding Source	Description	Amount	Rate	LTC
Lument - FHA 21 (d)(4)	FHA Loan	$7,665,000	3.10%	58%
Affordable Housing Partners, Inc.	HTC	$3,705,062	$0.85	28%
Think Housing Development	Deferred Developer Fee	$1,502,017	0.00%	11%
Socorro Village 34, LLC (NOI)	Net Operating Income	$394,805	0.00%	3%
		$13,266,884	Total Sources	

Comments:

Underwriter has reduced Lument debt by $55K to adjust DCR to 1.15.

PERMANENT SOURCES									
	PROPOSED				UNDERWRITTEN				
Debt Source	Amount	Interest Rate	Amort	Term	Amount	Interest Rate	Amort	Term	LTC
Lument - FHA 21 (d)(4)	$7,665,000	3.10%	40	40	$7,665,000	3.10%	40	40	58%
Adjustment to Debt Per §11.302(c)(2)	$0	0.00%	0	0	($55,000)	3.10%	40	40	0%
Socorro Village 34, LLC (NOI)	$394,805				$394,805				3%
Total	$8,059,805				$8,004,805				

Comments:

The FHA loan provided by Lument is subject to an annual 0.25% Mortgage Insurance Premium fee.

Applicant assumes $394,805 of NOI during 16 month construction as a permanent source. Based on the average of the 12 months operating statement provided in the Application, 16 months NOI is $308,203. The deal cannot support much more deferred fee or any more debt.

TDHCA bonds pay off at conversion in month 16.

	PROPOSED			UNDERWRITTEN			
Equity & Deferred Fees	**Amount**	**Rate**	**% Def**	**Amount**	**Rate**	**% TC**	**% Def**
Affordable Housing Partners, Inc.	$3,914,866	$0.85		$3,914,866	$0.85	30%	
Think Housing Development	$1,292,213		87%	$1,277,440		10%	86%
Total	**$5,207,079**			**$5,192,306**			
				$13,197,111	**Total Sources**		

Credit Price Sensitivity based on current capital structure	
$1.127	Maximum Credit Price before the Development is oversourced and allocation is limited
$0.830	Minimum Credit Price below which the Development would be characterized as infeasible

CONCLUSIONS

Gap Analysis:	
Total Development Cost	$13,197,111
Permanent Sources (debt + non-HTC equity)	$8,004,805
Gap in Permanent Financing	$5,192,306

Possible Tax Credit Allocations:	**Equity Proceeds**	**Annual Credits**
Determined by Eligible Basis	$4,701,776	$553,205
Needed to Balance Sources & Uses	$5,192,306	$610,920
Requested by Applicant	$3,914,866	$460,618

	RECOMMENDATION	
	Equity Proceeds	**Annual Credits**
Tax Credit Allocation	**$3,914,866**	**$460,618**

	Amount
TDHCA-Issued Bonds	**$7,665,000**

Deferred Developer Fee	**$1,277,440**	**(86% deferred)**
Repayable in	**15 years**	

Comments:

Underwriter recommends an annual tax credit allocation of $460,618 as requested by Applicant.

Underwriter:	*Jeffrey Price*
Manager of Real Estate Analysis:	*Diamond Unique Thompson*
Manager of Real Estate Analysis:	*Gregg Kazak*
Director of Real Estate Analysis:	*Jeanna Adams*

UNIT MIX/RENT SCHEDULE

Socorro Village, Socorro, TDHCA Bonds/4% HTC #22604

LOCATION DATA	
CITY:	Socorro
COUNTY:	El Paso
Area Median Income	$51,600
PROGRAM REGION:	10
PROGRAM RENT YEAR:	2021

UNIT DISTRIBUTION				
# Beds	# Units	% Total	Assisted	MDL
Eff	-	0.0%	0	0
1	-	0.0%	0	0
2	30	57.7%	30	0
3	13	25.0%	12	0
4	9	17.3%	8	0
5	-	0.0%	0	0
TOTAL	**52**	**100.0%**	**50**	**-**

Pro Forma ASSUMPTIONS	
Revenue Growth	2.00%
Expense Growth	3.00%
Basis Adjust	130%
Applicable Fraction	100.00%
APP % Acquisition	4.00%
APP % Construction	4.00%
Average Unit Size	941 sf

55%	Income	20%	30%	40%	50%	60%	70%	80%	EO / MR	TOTAL
Average Income	# Units	-	-	-	27	25	-	-	-	**52**
	% Total	0.0%	0.0%	0.0%	51.9%	48.1%	0.0%	0.0%	0.0%	**100.0%**

UNIT MIX / MONTHLY RENT SCHEDULE

HTC		RENT ASSISTED UNIT		UNIT MIX				APPLICABLE PROGRAM RENT			APPLICANT'S PRO FORMA RENTS				TDHCA PRO FORMA RENTS				MARKET RENTS		
Type	Gross Rent	Type	Gross Rent	# Units	# Beds	# Baths	NRA	Gross Rent	Utility Allow	Max Net Program Rent	Delta to Max	Rent psf	Net Rent per Unit	Total Monthly Rent	Total Monthly Rent	Rent per Unit	Rent psf	Delta to Max	Underwritten		Mrkt Analyst
TC 50%	$686	Section 8	$1,285	2	2	1	798	$1,219	$59	$1,160	$0	$1.45	$1,160	**$2,320**	**$2,320**	$1,160	**$1**	**$0**	$1,285	$1.61	$1,285
TC 50%	$686	Section 8	$1,285	15	2	1	881	$1,219	$59	$1,160	$0	$1.32	$1,160	**$17,400**	**$17,400**	$1,160	**$1**	**$0**	$1,285	$1.46	$1,285
TC 60%	$823	Section 8	$1,425	13	2	1	881	$1,219	$59	$1,160	$0	$1.32	$1,160	**$15,080**	**$15,080**	$1,160	**$1**	**$0**	$1,425	$1.62	$1,425
TC 60%	$950	0		1	3	1	883	$950	$76	$874	$1	$0.99	$875	**$875**	**$874**	$874	**$1**	**$0**	$1,520	$1.72	$1,520
TC 50%	$791	Section 8	$1,285	6	3	1	1,005	$1,376	$76	$1,300	$0	$1.29	$1,300	**$7,800**	**$7,800**	$1,300	**$1**	**$0**	$1,285	$1.28	$1,285
TC 60%	$950	Section 8	$1,285	6	3	1	1,005	$1,376	$76	$1,300	$0	$1.29	$1,300	**$7,800**	**$7,800**	$1,300	**$1**	**$0**	$1,425	$1.42	$1,425
TC 60%	$1,060	0		1	4	1	1,025	$1,060	$78	$982	$1	$0.96	$983	**$983**	**$982**	$982	**$1**	**$0**	$1,425	$1.39	$1,425
TC 50%	$883	Section 8	$1,285	4	4	1	1,084	$1,468	$78	$1,390	$0	$1.28	$1,390	**$5,560**	**$5,560**	$1,390	**$1**	**$0**	$1,520	$1.40	$1,520
TC 60%	$1,060	Section 8	$1,520	4	4	1	1,084	$1,468	$78	$1,390	$0	$1.28	$1,390	**$5,560**	**$5,560**	$1,390	**$1**	**$0**	$1,520	$1.40	$1,520
TOTALS/AVERAGES:				**52**			**48,916**				**$0**	**$1.30**	**$1,219**	**$63,378**	**$63,376**	**$1,219**	**$1.30**	**$0**	**$1,380**	**$1.47**	**$1,380**

ANNUAL POTENTIAL GROSS RENT:	**$760,536**	**$760,512**

STABILIZED PRO FORMA

Socorro Village, Socorro, TDHCA Bonds/4% HTC #22604

STABILIZED FIRST YEAR PRO FORMA

	COMPARABLES				APPLICANT				TDHCA				VARIANCE	
	Database		Rolling 12 Mos. 11/20/20 to 10/20/21		% EGI	Per SF	Per Unit	Amount	Amount	Per Unit	Per SF	% EGI	%	$
POTENTIAL GROSS RENT						$1.30	$1,219	$760,536	$760,512	$1,219	$1.30		0.0%	$24
Late Fees, Damages							$30.00	$18,720						
Total Secondary Income							$30.00		$18,720	$30.00			0.0%	$0
POTENTIAL GROSS INCOME								$779,256	$779,232				0.0%	$24
Vacancy & Collection Loss							7.5% PGI	(58,444)	(58,442)	7.5% PGI			0.0%	(2)
EFFECTIVE GROSS INCOME								$720,812	$720,790				0.0%	$22
General & Administrative	$27,205	$523/Unit	$19,905	$383	3.39%	$0.50	$470	$24,430	$19,905	$383	$0.41	2.76%	22.7%	4,525
Management	$26,719	5.1% EGI	$18,534	$356	3.75%	$0.55	$519	$27,000	$26,999	$519	$0.55	3.75%	0.0%	1
Payroll & Payroll Tax	$63,981	$1,230/Unit	$92,414	$1,777	12.58%	$1.85	$1,744	$90,700	$90,700	$1,744	$1.85	12.58%	0.0%	-
Repairs & Maintenance	$53,321	$1,025/Unit	$38,977	$750	4.02%	$0.59	$557	$28,950	$33,800	$650	$0.69	4.69%	-14.3%	(4,850)
Electric/Gas	$12,759	$245/Unit	$6,092	$117	0.74%	$0.11	$102	$5,300	$6,092	$117	$0.12	0.85%	-13.0%	(792)
Water, Sewer, & Trash	$35,476	$682/Unit	$17,435	$335	2.05%	$0.30	$285	$14,800	$17,435	$335	$0.36	2.42%	-15.1%	(2,635)
Property Insurance	$32,241	$0.66 /sf	$8,120	$156	5.55%	$0.82	$769	$40,000	$32,241	$620	$0.66	4.47%	24.1%	7,759
Property Tax (@ 50%) 3.2180	$25,835	$497/Unit	$35,301	$679	8.74%	$1.29	$1,212	$63,000	$57,339	$1,103	$1.17	7.95%	9.9%	5,661
Reserve for Replacements					2.52%	$0.37	$350	$18,200	$18,200	$350	$0.37	2.53%	0.0%	-
Supportive Services					0.00%	$0.00	$0	$0	$0	$0	$0.00	0.00%	0.0%	-
TDHCA Compliance fees ($40/HTC unit)					0.29%	$0.04	$40	$2,080	$2,080	$40	$0.04	0.29%	0.0%	-
TDHCA MDL Compliance ($34/MDL unit)					0.00%	$0.00	$0	$0	$0	$0	$0.00	0.00%	0.0%	-
TDHCA Bond Compliance Fee					0.18%	$0.03	$25	$1,300	$1,300	$25	$0.03	0.18%	0.0%	-
Bond Trustee Fees					0.14%	$0.02	$19	$1,000	$1,000	$19	$0.02	0.14%	0.0%	-
TOTAL EXPENSES					**43.94%**	**$6.48**	**$6,092**	**$316,760**	**$307,090**	**$5,906**	**$6.28**	**42.60%**	**3.1%**	**$ 9,670**
NET OPERATING INCOME ("NOI")					**56.06%**	**$8.26**	**$7,770**	**$404,052**	**$413,699**	**$7,956**	**$8.46**	**57.40%**	**-2.3%**	**$ (9,647)**
CONTROLLABLE EXPENSES							$3,157/Unit			$3,229/Unit				

CAPITALIZATION / TOTAL DEVELOPMENT BUDGET / ITEMIZED BASIS

Socorro Village, Socorro, TDHCA Bonds/4% HTC #22604

DEBT / GRANT SOURCES

		APPLICANT'S PROPOSED DEBT/GRANT STRUCTURE							AS UNDERWRITTEN DEBT/GRANT STRUCTURE						
		Cumulative DCR												Cumulative	
DEBT (Must Pay)	Fee	UW	App	Pmt	Rate	Amort	Term	Principal	Principal	Term	Amort	Rate	Pmt	DCR	LTC
Lument - FHA 21 (d)(4)	0.25%	1.17	1.15	352,595	3.10%	40	40	$7,665,000	$7,665,000	40	40	3.10%	$353,760	1.14	58.1%
Adjustment to Debt Per §11.302(c)(2)	0.25%								($55,000)	40	40	3.10%	($2,538)	1.15	-0.4%
CASH FLOW DEBT / GRANTS															
Socorro Village 34, LLC (NOI)		1.17	1.15		0.00%	0	0	$394,805	$394,805	0	0	0.00%		1.15	3.0%
				$352,595	**TOTAL DEBT / GRANT SOURCES**			**$8,059,805**	**$8,004,805**			**TOTAL DEBT SERVICE**	**$351,221**	**1.15**	60.7%
NET CASH FLOW		$61,104	$51,457						**APPLICANT**	**NET OPERATING INCOME**		**$404,052**	**$52,831**	**NET CASH FLOW**	

EQUITY SOURCES

	APPLICANT'S PROPOSED EQUITY STRUCTURE					AS UNDERWRITTEN EQUITY STRUCTURE					
EQUITY / DEFERRED FEES	DESCRIPTION	% Cost	Annual Credit	Credit Price	Amount	Amount	Credit Price	Annual Credit	% Cost	Annual Credits per Unit	Allocation Method
Affordable Housing Partners, Inc.	LIHTC Equity	29.7%	$460,618	$0.85	$3,914,866	$3,914,866	$0.8499	$460,618	29.7%	$8,858	Applicant Request
Think Housing Development	Deferred Developer Fees	9.8%	(86% Deferred)		$1,292,213	$1,277,440	(86% Deferred)		9.7%	**Total Developer Fee:**	**$1,492,916**
Additional (Excess) Funds Req'd		0.0%				$0			0.0%		
TOTAL EQUITY SOURCES		39.5%			$5,207,079	$5,192,306			39.3%		
TOTAL CAPITALIZATION					**$13,266,884**	**$13,197,111**			**15-Yr Cash Flow after Deferred Fee:**		**$93,096**

DEVELOPMENT COST / ITEMIZED BASIS

		APPLICANT COST / BASIS ITEMS					TDHCA COST / BASIS ITEMS					COST VARIANCE	
		Eligible Basis								Eligible Basis			
		Acquisition	New Const. Rehab		Total Costs		Total Costs			New Const. Rehab	Acquisition	%	$
Land Acquisition					$14,519 / Unit	$755,000	$755,000	$14,519 / Unit				0.0%	$0
Building Acquisition		$3,270,000			$62,885 / Unit	$3,270,000	$3,270,000	$62,885 / Unit			$3,270,000	0.0%	$0
Site Work			$391,034		$7,520 / Unit	$391,034	$231,033	$4,443 / Unit		$231,033		69.3%	$160,001
Site Amenities			$504,812		$9,708 / Unit	$504,812	$504,811	$9,708 / Unit		$504,812		0.0%	$1
Building Cost			$3,437,839	$70.28 /sf	$66,112/Unit	$3,437,839	$3,597,840	$69,189/Unit	$73.55 /sf	$3,597,840		-4.4%	($160,001)
Contingency			$519,040	11.98%	11.98%	$519,040	$433,368	10.00%	10.00%	$433,368		19.8%	$85,672
Contractor Fees			$631,716	13.02%	13.02%	$631,716	$631,716	13.25%	13.25%	$631,716		0.0%	$0
Soft Costs		$0	$606,655		$14,551 / Unit	$756,655	$756,655	$14,551 / Unit		$606,655	$0	0.0%	$0
Financing		$0	$677,350		$22,819 / Unit	$1,186,594	$1,186,594	$22,819 / Unit		$677,350	$0	0.0%	$0
Developer Fee	15.00%	$490,500	$1,011,517	14.94%	14.96%	$1,502,017	$1,492,916	15.00%	14.91%	$1,002,416	$490,500	0.6%	$9,101
Reserves					6 Months	$337,177	$337,177	6 Months				0.0%	$0
TOTAL HOUSING DEVELOPMENT COST (UNADJUSTED BASIS)		**$3,760,500**	**$7,779,962**		$255,613 / Unit	**$13,291,884**	**$13,197,111**	$253,791 / Unit		**$7,745,861**	**$3,760,500**	**0.7%**	**$94,773**
Acquisition Cost		$0				$0							
Contingency			($85,672)			($85,672)							
Contractor's Fee			$0			$0							
Financing Cost			$0										
Developer Fee	0.00%	$0	($9,101)	15.00%	15.00%	($9,101)							
Reserves						$0							
ADJUSTED BASIS / COST		**$3,760,500**	**$7,685,190**		$253,791/unit	**$13,197,111**	**$13,197,111**	$253,791/unit		**$7,745,861**	**$3,760,500**	**0.0%**	**$1**
TOTAL HOUSING DEVELOPMENT COSTS BASED ON 3RD PARTY SCR/CNA						**$13,197,111**							

CAPITALIZATION / TOTAL DEVELOPMENT BUDGET / ITEMIZED BASIS

Socorro Village, Socorro, TDHCA Bonds/4% HTC #22604

	CREDIT CALCULATION ON QUALIFIED BASIS			
	Applicant		TDHCA	
	Acquisition	Construction Rehabilitation	Acquisition	Construction
ADJUSTED BASIS	$3,760,500	$7,685,190	$3,760,500	$7,745,861
Deduction of Federal Grants	$0	$0	$0	$0
TOTAL ELIGIBLE BASIS	$3,760,500	$7,685,190	$3,760,500	$7,745,861
High Cost Area Adjustment		130%		130%
TOTAL ADJUSTED BASIS	$3,760,500	$9,990,746	$3,760,500	$10,069,620
Applicable Fraction	100.00%	100.00%	100%	100%
TOTAL QUALIFIED BASIS	$3,760,500	$9,990,746	$3,760,500	$10,069,620
Applicable Percentage	4.00%	4.00%	4.00%	4.00%
ANNUAL CREDIT ON BASIS	150420	$399,630	$150,420	$402,785
CREDITS ON QUALIFIED BASIS	$550,050		$553,205	

	ANNUAL CREDIT CALCULATION BASED ON TDHCA BASIS		FINAL ANNUAL LIHTC ALLOCATION		
			Credit Price $0.8499	Variance to Request	
Method	Annual Credits	Proceeds	**Credit Allocation**	Credits	Proceeds
Eligible Basis	$553,205	$4,701,776	----	----	----
Needed to Fill Gap	$610,920	$5,192,306	----	----	----
Applicant Request	$460,618	$3,914,866	**$460,618**	**$0**	**$0**

50% Test for Bond Financing for 4% Tax Credits			
TDHCA Tax-Exempt Bond Amount	$ 6,500,000		
		Applicant	TDHCA
Land Cost	$ 755,000	$755,000	$755,000
Depreciable Bldg Cost **	$ 11,540,462	$11,540,462	$11,445,689
Aggregate Basis for 50% Test	**$ 12,295,462**	$12,295,462	$12,200,689
Percent Financed by Tax-Exempt Bonds	**52.87%**	**52.87%**	**53.28%**

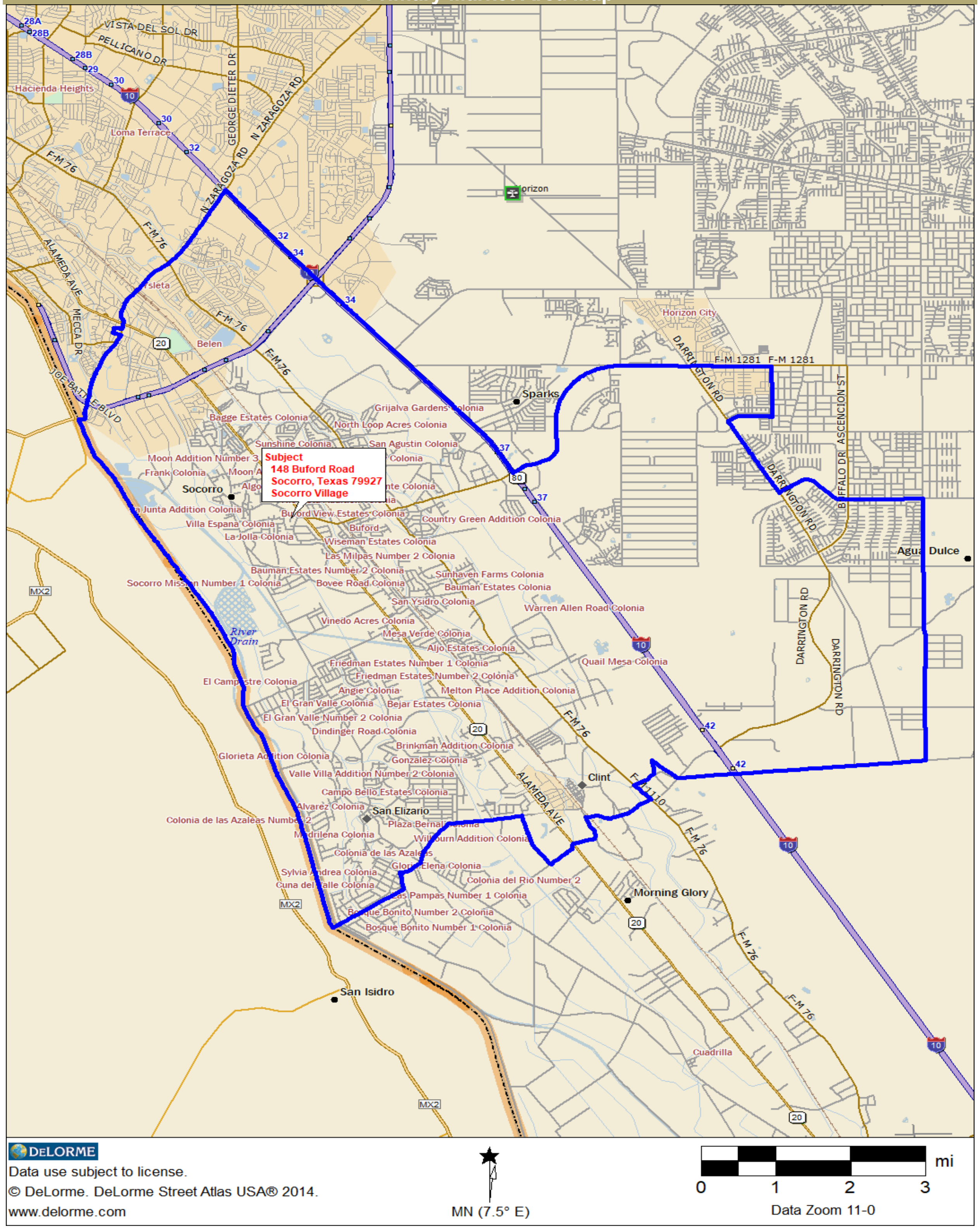
**Depreciable building cost includes: Total construction contract, total building acquisition, total developer fee, plus eligible financing and soft costs.

Long-Term Pro Forma

Socorro Village, Socorro, TDHCA Bonds/4% HTC #22604

	Growth Rate	Year 1	Year 2	Year 3	Year 4	Year 5	Year 10	Year 15	Year 20	Year 25	Year 30	Year 35	Year 40
EFFECTIVE GROSS INCOME	2.00%	$720,812	$735,228	$749,933	$764,931	$780,230	$861,437	$951,096	$1,050,087	$1,159,381	$1,280,050	$1,413,278	$1,560,374
TOTAL EXPENSES	3.00%	$316,760	$325,993	$335,497	$345,281	$355,353	$410,339	$473,914	$547,430	$632,450	$730,786	$844,535	$976,126
NET OPERATING INCOME ("NOI")		**$404,052**	**$409,235**	**$414,435**	**$419,650**	**$424,877**	**$451,098**	**$477,182**	**$502,657**	**$526,930**	**$549,264**	**$568,743**	**$584,248**
EXPENSE/INCOME RATIO		43.9%	44.3%	44.7%	45.1%	45.5%	47.6%	49.8%	52.1%	54.6%	57.1%	59.8%	62.6%
MUST -PAY DEBT SERVICE													
Lument - FHA 21 (d)(4)		$353,760	$353,514	$353,260	$352,998	$352,728	$351,246	$349,516	$347,496	$345,138	$342,385	$339,172	$335,420
TOTAL DEBT SERVICE		$351,221	$350,975	$350,722	$350,460	$350,190	$348,708	$346,978	$344,958	$342,600	$339,847	$336,633	$332,881
DEBT COVERAGE RATIO		1.15	1.17	1.18	1.20	1.21	1.29	1.38	1.46	1.54	1.62	1.69	1.76
ANNUAL CASH FLOW		**$52,831**	**$58,260**	**$63,714**	**$69,190**	**$74,687**	**$102,390**	**$130,204**	**$157,699**	**$184,331**	**$209,417**	**$232,110**	**$251,366**
Deferred Developer Fee Balance		$1,224,609	$1,166,349	$1,102,635	$1,033,445	$958,758	$502,331	$0	$0	$0	$0	$0	$0
CUMULATIVE NET CASH FLOW		$0	$0	$0	$0	$0	$0	$93,096	$826,828	$1,695,689	$2,693,374	$3,809,688	$5,029,620

Primary Market Area Map



Final Transcript

TEXAS DEPARTMENT OF HOUSING AND COMMUNITY AFFAIRS: Public Hearing on Proposed Socorro Village

February 11, 2022/1:30 p.m. CST

SPEAKERS

Teresa Morales

PRESENTATION

Teresa Good afternoon. This is Teresa Morales with the Texas Department of Housing and Community Affairs. And the purpose of this call is to conduct a public hearing with respect to the proposed Socorro Village. To give folks a little bit more time to call in, we'll get started in just another minute or so.

All right, good afternoon. This is Teresa Morales, and I'm with the Texas Department of Housing and Community Affairs. And the purpose of this call is to conduct a public hearing with respect to the proposed Socorro Village. To give folks an idea as to how we're going to proceed, there is a brief speech that I need to read for purposes of meeting requirements of the Internal Revenue Code. And then it will be at the conclusion of that speech, where if there are individuals who would like to make public comment that would be your opportunity to do so. So, that being said, I will go ahead and get started reading the speech.

Good afternoon. My name is Teresa Morales, and I would like to proceed with the public hearing. Let the record show that it is 2:32 p.m. on Friday, February 11, 2022. And we are conducting a public hearing on behalf of the Texas Department of Housing and Community Affairs with respect to an issue of tax exempt multifamily revenue bonds for a residential rental community. This hearing is required by the Internal Revenue Code. The sole purpose of this hearing is to provide a reasonable opportunity for interested individuals to express their views regarding the development and the proposed bond issue. No decisions regarding the development will be made at this hearing. The department's board is scheduled to meet to consider the transaction on March 10, 2022.

In addition to providing your comments at this hearing, the public is also invited to provide comments directly to the board at any of their meetings. The bonds will be issued as tax exempt, multifamily revenue bonds and the aggregate principal amount not to exceed 6.5 million in taxable bonds if necessary, and an amount to be determined and issued in one or more series by the Texas Department of Housing and Community Affairs, the issuer. The proceeds of the bonds will be loaned to Socorro Village 34 LLC, or a related person or affiliate entity thereof to finance a portion of the cost of acquiring, rehabbing and equipping a multifamily rental housing community described as follows: a 52 unit multifamily residential rental development to be located on approximately 8.412 acres of land located at or near 148 Buford Road, Socorro, El Paso County, Texas 79927. The proposed multifamily rental housing community will be initially owned and operated by the borrower or a related person or affiliate thereof.

Now I'm going to unmute all of the lines. If there are any individuals on the call who would like to express public comment, this would be your opportunity to do so.

Again, all of the lines have been unmuted. If there is anyone who would like to express public comment with respect to Socorro Village, this would be your opportunity to make that comment.

All right, let the record show that there are no individuals who indicated that they would like to make public comment and therefore the meeting is now adjourned. The time is 2:36 p.m. Thank you.

8b

BOARD REPORT ITEM

MULTIFAMILY FINANCE DIVISION

MARCH 10, 2022

Quarterly report relating to staff-issued Determination Notices for 2021 Non-competitive 4% Housing Tax Credit applications, summary of year-end activity and 2022 Program Update

BACKGROUND

In April 2021, the Board adopted a policy that allows a more streamlined approach to the review process associated with certain 4% Housing Tax Credit (HTC) applications. These applications include those where the Department's only role is in evaluating the 4% HTC and is not serving as the bond issuer or awarding Multifamily Direct Loan funds.

Specifically, the Board approved a series of waivers relating to staff's evaluation of certain program and underwriting requirements. Regarding underwriting, the waivers allow staff to accept the reasonableness of certain costs in an application without independent verification. Moreover, the new approach recognizes the benefit in evaluating costs at cost certification when amounts are actually known, rather than speculating what they might be at the time of application.

As it relates to the program requirements, the waivers allowed for the administrative approval and issuance of the Determination Notice which would allow staff more flexibility in responding to an applicant's needs in a manner not bound by the Board calendar. Part of the adoption of this streamlined policy included a report item to be provided to the Board on a quarterly basis detailing the number of Determination Notices issued, along with a brief description of the projects.

The 4% HTC applications are reviewed by program, underwriting, and compliance staff within an approximately 90-day period, and Determination Notices are issued once all reviews are complete and the underwriting report is posted to the Department's website. Applications are still submitted at the beginning of each month and are then slated for a Determination Notice to be issued approximately 90 days later, which generally coincides with the Board meeting calendar, in order to provide internal and external expectations regarding the Determination Notice issuance date.

The 4% HTC applications listed in Exhibit A include those where the Determination Notice was issued administratively by staff. Over the last quarter (December through February), staff has administratively issued 10 Determination Notices that would have otherwise been presented to the Board for approval. This represents 2,354 total units and $19,388,222 in annual 4% Housing Tax Credits. Since implementation of the policy, staff has administratively issued 36 Determination Notices, representing 8,238 total units and $71,337,347 in annual 4% Housing Tax Credits.

2021 Year-End Summary

The 4% HTC application log is included as Exhibit B in this item, and highlights 4% activity for the 2021 calendar year. The log includes an Application Status column which denotes those deals that have already closed, have been approved and are pending closing, as well as those that are currently under review by the Department and considered active. There are still six applications from 2021 that received bond reservations late in 2021 and are subsequently still under review by staff. There are still a few 2021 applications that have not closed. Assuming all of the approved and active applications close under their current bond reservation, the 4% HTC program will produce 16,493 total units in 2021, which results in approximately $141 million in annual 4% Housing Tax Credits.

The total anticipated units for 2021 is slightly fewer than 2020, which resulted in 16,882 total units that were either rehabilitated or newly constructed. The number of anticipated awarded applications is fewer as well, at 74 applications in 2021 compared to 96 applications in 2020. The difference in these numbers can be mostly attributed to a 22-property portfolio transaction that yielded 802 total units in 2020.

The application log also reflects the applications that were withdrawn, either during the review process or after Board approval. The number of withdrawn applications in 2021 is in-line with what was seen in 2020. Exhibit B reflects the pre-applications received for which the Department will serve as the bond Issuer, which is an increase over the prior year. This demonstrates the increased demand for Private Activity Bond volume cap which is seen across all Issuers.

2022 4% HTC Program Update

The 2022 Private Activity Bond (PAB) Program has an annual ceiling amount of approximately $3.2 billion and as of February 25, 2022, eligible requests total approximately $6.5 billion, with much of the requests coming from multifamily issuers that participated in the 2022 PAB Lottery. All of the bond reservations that were issued in January 2022 resulted in 4% HTC application submissions which can be seen in Exhibit C on the 2022 4% Application Log. There are 40 applications currently under review that total 8,446 total units. Also reflected on the log are the pre-applications that continue to be submitted for the TDHCA set-aside for a bond reservation. It's worth noting that the TDHCA set-aside is only $170 million and the waiting list (including the pre-applications noted on this log) total $740,560,000, over four times over-subscribed.

EXHIBIT A

4% Housing Tax Credit Recommended Applications

Application #	Development Information	Determination Notice Issue Date	Units	Recommended HTC Amount	Bond Issuer & Priority Designation	PPR Category and Conditions
21427	The Arbors at West Avenue 3747 and 3815 West Avenue City: San Antonio County: Bexar Acquisition/Rehabilitation and New Target Population: General	January 20, 2022	234	$2,078,868	San Antonio Housing Trust Finance Corporation Priority 3	Previously Approved
21460	Cypress Creek Apartment Homes at Stoney Ridge North of intersection of Elroy Rd. and Ross Rd. City: Austin County: Travis New Construction Target Population: General	January 18, 2022	280	$1,692,576	Travis County Housing Finance Corporation Priority 3	Previously Approved
21461	Stonegate Manor 4121 Turtle Creek Drive City: Port Arthur County: Jefferson Acquisition/Rehabilitation Target Population: General	January 6, 2022	240	$1,951,702	Jefferson County Housing Finance Corporation Priority 3	Previously Approved Conditioned upon the following: 1. ITEX agrees to replace the existing management company, consultant, or management personnel with another of its choosing, for any of their properties identified with new Events of Noncompliance (defined as those not corrected during the corrective action period) on any Audits notified from March 1, 2021 through December 31, 2022. 2. ITEX will hire a third party compliance auditor to review their existing portfolio on a quarterly basis and have them provide reports and guidance to ITEX and independent reports to TDHCA upon request, through **December 31, 2022**. 3. ITEX will actively engage with TDHCA compliance staff to use better processes and best practices to reduce compliance issues through **December 31, 2022**. 4. Owner has designated the Director of Compliance and Asset Management to receive Compliance correspondence and provide timely responses to the Department on behalf of the proposed Development and all other Developments subject to a TDHCA LURAs over which the Owner has the power to exercise Control.

Application #	Development Information	Determination Notice Issue Date	Units	Recommended HTC Amount	Bond Issuer & Priority Designation	PPR Category and Conditions
						5. ITEX will require that at least on the of the following employees: VP of Operations, Compliance Director, Compliance Auditor(s), Regional Manager(s), or Site Staff annually attend the trainings listed and provide certifications to TDHCA upon request through **December 31, 2022**. a. Housing Tax Credit Trainings sponsored by the Texas Apartment Association; b. 1st Thursday Income Eligibility Training conducted by TDHCA; c. Review one or more of the TDHCA Compliance Training Webinars: i. 2012 Income and Rent Limits Webinar Video; ii. 2012 Supportive Services Webinar Video; iii. Income Eligibility Presentation Video; iv. 2013 Annual Owner's Compliance Report (AOCR) Webinar Video; v. Most current Tenant Selection Criteria Presentation; vi. Most current Affirmative Marketing Requirements Presentation; vii. Fair Housing Webinars (including but not limited to the 2017 FH Webinars)
21468	Franklin Place Townhomes 600 Belvidere Street City: El Paso County: El Paso Acquisition/Rehabilitation Target Population: General	January 12, 2022	96	$431,296	Alamito Public Facilities Corporation Priority 3	Previously Approved
21469	Mesa Place Townhomes 5450 Suncrest Drive City: El Paso County: El Paso Acquisition/Rehabilitation Target Population: General	January 12, 2022	128	$531,644	Alamito Public Facilities Corporation Priority 3	Previously Approved
21475	SoSa at Palo Alto 9930 Poteet Jourdanton Freeway City: San Antonio County: Bexar New Construction Target Population: General	February 25, 2022	336	$2,950,904	Las Varas Public Facility Corporation Priority 3	Previously Approved
21433	Balcones Trails 601 Philomena Drive City: Kyle County: Hays New Construction Target Population: General	December 6, 2021	276	$2,605,587	Capital Area Housing Finance Corporation Priority 3	Category 2 Conditioned upon the following: 1. Owner is required to ensure that each Person subject to previous participation review for the Combined Portfolio will correct all applicable issues of non-compliance identified by the previous participation review on or before **January 31, 2022** and provide the Department with evidence of such correction within 30 calendar days of that

Application #	Development Information	Determination Notice Issue Date	Units	Recommended HTC Amount	Bond Issuer & Priority Designation	PPR Category and Conditions
21464 (FKA 20473)	Agave East Apartments 7508 Ross Road City: Austin ETJ County: Travis New Construction Target Population: General	December 6, 2021	240	$2,114,101	Travis County Housing Finance Corporation Priority 3	Category 1
21466	Loma Vista Lofts 363 N. McMullen Drive City: San Antonio County: Bexar New Construction Target Population: General	December 6, 2021	212	$1,835,540	San Antonio Housing Trust Finance Corporation Priority 3	Category 1
21467	Crosswinds Apartments 4114 North Loop 1604 E. City: San Antonio County: Bexar New Construction Target Population: General	December 3, 2021	312	$3,196,004	San Antonio Housing Trust Finance Corporation Priority 3	Category 1
Totals for Recommended Applications			2,354	$ 19,388,222		

EXHIBIT B

4% (Non-Competitive) Housing Tax Credit Program
2021 Application Status Log

TDHCA #	Previous TDHCA #	Development Name	Development City	Board Meeting Date (MM/DD/YYYY)	Application Status	Total Units	Total Low-Income Units	Bond Reservation Amount	Requested HTC Amount	Recommend HTC Amount
21444	20464	Pine Terrace	Mt. Pleasant	4/8/2021	Closed	76	76	$ 3,300,000	$193,440	$ 259,570
21421	20493	The Ridge at Lancaster	Dallas	1/14/2021	Closed	300	300	$ 50,000,000	$2,707,319	$ 2,707,319
21420	23; 19400; 2(	Villas del San Xavier	San Marcos	.2/12/2019; 2/11/202	Closed	156	156	$ 25,000,000	$1,059,750	$ 1,606,175
21418	20497	The Oleanders at Broadway	Galveston	2/11/2021	Closed	348	261	$ 51,757,648	$2,085,677	$ 2,074,543
21419	20490	2100 Memorial Drive	Houston	2/11/2021	Closed	197	160	$ 35,000,000	$2,091,385	$ 2,074,355
21613	20619	The Citadel	Houston	5/13/2021	Closed	74	67	$ 15,000,000	$1,289,532	$ 1,284,888
21614	2469; 20617	Murdeaux Villas	Dallas	4/8/2021	Closed	280	280	$ 35,000,000	$2,238,085	$ 2,218,728
21601	5044	Ridgewood at Panther Creek	The Woodlands	3/11/2021	Closed	300	300	$ 40,000,000	$3,269,484	$ 3,269,484
21602	4108	v at Grogran's Mill (fka: Tamara	The Woodlands	3/11/2021	Closed	300	300	$ 34,000,000	$2,761,636	$ 2,761,636
21605	20627	Palladium Simpson Stuart	Dallas	4/8/2021	Closed	270	270	$ 25,750,000	$2,135,593	$ 2,135,593
21607	20630	Caroline Lofts	Houston	5/13/2021	Closed	119	80	$ 20,000,000	$847,717	$ 847,717
21600	94063	Corona Del Valle	El Paso	4/8/2021	Closed	101	101	$ 8,500,000	$766,973	$ 760,792
21402		Belmont	Austin	4/8/2021	Closed	146	146	$ 30,000,000	$1,264,833	$ 1,264,833
21406		Midpark Towers	Dallas	3/11/2021	Closed	202	202	$ 20,000,000	$1,248,645	$ 1,243,088
21407		Espero Austin	Austin	3/11/2021	Closed	171	171	$ 20,000,000	$1,350,600	$ 1,350,588
21415		Temenos	Houston	6/17/2021	Closed	95	95	$ 15,500,000	$1,133,609	$ 1,133,609
21400	20479	The Oaks	Dallas	4/8/2021	Closed	260	243	$ 35,000,000	$1,967,029	$ 1,960,212
21604		Meadowbrook	Dallas	11/10/2021	Closed	180	162	$ 30,000,000	$1,823,422	$ 1,823,422
21411		Gateway Oak Cliff	Dallas	4/8/2021	Closed	230	184	$ 33,000,000	$1,643,367	$ 1,643,367
21410		Life at De Soto	Houston	4/8/2021	Closed	556	556	$ 50,000,000	$3,308,893	$ 3,308,893
21403		Bluebonnet Ridge	Ennis	4/8/2021	Closed	264	263	$ 23,000,000	$1,985,983	$ 1,985,983
21404		Agave	San Antonio	4/8/2021	Closed	288	288	$ 50,000,000	$2,559,042	$ 2,863,483
21408		The Residences at Arbor Oaks	Houston	4/8/2021	Closed	192	192	$ 20,000,000	$1,931,603	$ 1,931,603
21401	20492	Cowan Place	Fort Worth	3/11/2021	Closed	174	174	$ 20,000,000	$1,650,621	$ 1,650,621
21416	7907	Virginia Flats	Beaumont	5/13/2021	Closed	110	110	$ 15,000,000	$833,030	$ 833,030
21422	20144	Enchanted Gardens	Victoria	5/13/2021	Closed	168	168	$ 20,830,247	$1,555,427	$ 1,152,758
21428		Grand Avenue Flats	Austin	6/17/2021	Closed	275	275	$ 50,000,000	$2,419,820	$ 2,419,820
21423		El Rosario	Mission	6/17/2021	Closed	100	100	$20,000,000 (portfolio)	$805,597	$ 767,789
21424		La Merced Homes	Mercedes	6/17/2021	Closed	100	100	see 21423	$555,526	$ 523,454
21436		Capitol View Flats	Austin	6/17/2021	Closed	324	324	$ 50,000,000	$2,656,332	$ 2,656,332
21437		Enclave on Ross	Del Valle	6/17/2021	Closed	288	288	$ 40,000,000	$1,917,732	$ 1,917,732
21435		Yager Flats	Manor	6/17/2021	Closed	300	300	$ 32,524,093	$3,473,070	$ 3,460,215
21417		Westmoreland Station	Dallas	6/17/2021	Closed	248	223	$ 30,000,000	$2,320,054	$ 2,320,054
21438		Las Palmas	Eagle Pass	6/17/2021	Closed	64	64	$ 8,000,000	$385,862	$ 385,862
21413		Summit at Renaissance Park	Houston	6/17/2021	Closed	325	325	$ 50,000,000	$3,337,555	$ 3,320,362
21425		Granada Apartments	San Antonio	6/17/2021	Closed	265	265	$ 30,000,000	$2,176,952	$ 2,142,452
21426		The Lantana	San Marcos	6/17/2021	Closed	216	216	$ 26,000,000	$2,142,714	$ 2,112,864
21439		Riverstation Apartments	Dallas	6/17/2021	Closed	236	236	$ 28,000,000	$1,941,483	$ 1,940,716
21429		The Henderson on Reinli	Austin	6/17/2021	Closed	306	306	$ 45,000,000	$3,604,968	$ 3,601,141
21441	11400; 2049(	Marshall Apartments	Austin	12/10/2020	Closed	100	100	$ 16,500,000	$556,883	$ 556,883
21448	20462	Sunland Country	Harlingen	11/5/2020	Closed	166	166	$ 14,000,000	$941,981	$ 941,981
21445		Gardens of Balch Springs	Balch Springs	7/22/2021	Closed	200	200	$ 27,000,000	$1,705,989	$ 1,705,989
21440	01459	City Parc at West Oaks	Houston	7/22/2021	Closed	168	168	$ 22,650,000	$1,204,122	$ 1,199,972
21442		Bristol at Somerset	San Antonio	7/22/2021	Closed	348	348	$ 40,000,000	$2,741,353	$ 2,741,353
21450	20482	W. Leo Daniels Towers	Houston	9/2/2021	Closed	100	100	$ 15,000,000	$1,222,178	$ 1,222,178
21451	20489	Horizon Pointe	San Antonio	9/2/2021	Closed	312	312	$ 35,000,000	$3,135,059	$ 3,134,991
21608		Fiji Lofts	Dallas	11/10/2021	Closed	174	154	$ 25,000,000	$2,137,340	$ 2,080,856
21454		K Avenue Lofts	Plano	10/14/2021	Closed	226	179	$ 19,000,000	$1,203,498	$ 1,203,444
21471		The Narrows	Hutto	11/10/2021	Closed	300	300	$ 37,700,000	$2,510,584	$ 2,510,584
21456		The Residences at Howard Lane	Austin	10/14/2021	Closed	300	300	$ 48,000,000	$1,912,595	$ 1,912,595
21457		El Prado at Estancia	Austin	10/14/2021	Closed	318	318	$ 48,000,000	$2,196,646	$ 2,196,552
21463		Torrey Chase Apartments	Houston	11/10/2021	Closed	280	280	$ 35,000,000	$2,597,494	$ 2,584,935
21603	2457	Park at Kirkstall	Houston ETJ	10/14/2021	Closed	240	240	$ 28,000,000	$2,052,396	$ 2,052,394
21433		Balcones Trail	Kyle	12/9/2021	Closed	276	276	$ 50,000,000	$2,605,587	$ 2,605,587
21472		Lockhart Farms	Lockhart	11/10/2021	Closed	120	120	$ 15,000,000	$1,380,109	$ 1,380,109
21464	20473	Agave East	Austin	12/9/2021	Closed	240	240	$ 25,000,000	$2,136,183	$ 2,114,101
21467		Crosswinds Apartments	San Antonio	12/9/2021	Closed	312	312	$ 45,000,000	$3,244,476	$ 3,196,004
21414		Waterview Apartments	Anna	4/8/2021	Closed	300	300	$ 38,000,000	$3,318,016	$ 3,318,016
21427		The Arbors at West Avenue	San Antonio	12/9/2021	Closed	232	232	$ 25,000,000	$2,088,610	$ 2,078,868
21466		Loma Vista Lofts	San Antonio	12/9/2021	Closed	212	212	$ 20,000,000	$1,863,594	$ 1,835,540
21460		Cypress Creek at Stoney Ridge	Austin	1/13/2022	Closed	280	227	$ 47,500,000	$1,692,576	$ 1,692,576
21462		Parmore Fossil Creek	Haltom City	11/10/2021	Approved	220	220	$ 25,000,000	$1,997,206	$ 1,960,963
21465		Parmore Anna	Anna	12/9/2021	Approved	185	185	$ 25,000,000	$1,865,707	$ 1,829,464
						14,213	**13,816**	**1,841,511,988**	**121,750,542**	**121,771,018**
21458		Meadow Apartments	Austin	10/14/2021	Approved	288	286	$ 35,000,000	$3,041,538	$ 3,035,241
21468	98089	Franklin Place Townhomes	El Paso	12/9/2021	Approved	96	96	$ 13,418,262	$431,296	$ 431,296
21469	99095	Mesa Place Townhomes	El Paso	12/9/2021	Approved	128	128	$ 13,418,262	$531,644	$ 531,644
21470	3134	Cien Palmas	El Paso	12/9/2021	Approved	150	148	$ 12,700,000	$966,782	$ 966,782
21461		Stonegate Manor	Port Arthur	2/10/2022	Approved	240	240	$ 40,000,000	$ 1,951,702	$ 1,951,702
						902	**898**	**114,536,524**	**6,922,962**	**6,916,665**
21447		Progreso Heights	Progreso	1/13/2022	Active	120	120	$ 14,000,000	$756,782	$ -
21474		Denton Grove	Denton	3/10/2022	Active	276	276	$ 40,000,000	$ 3,145,438	$ -

21475		SoSA at Palo Alto	San Antonio	3/10/2022	Active	336	336	$	31,000,000	$	2,950,904	$	-
21477		Reserve at Mayfield	Arlington	4/14/2022	Active	220	220	$	26,500,000	$	1,483,929	$	-
21476		Legacy Square	San Marcos	4/14/2022	Active	210	210	$	30,000,000	$	2,030,241	$	-
21478		Pebblebrook Parkside	Denton	4/14/2022	Active	216	216	$	32,000,000	$	2,382,230	$	-
						1,378	**1,378**		**173,500,000**		**12,749,524**		**-**
				TOTAL		**16,493**	**16,092**	**$**	**2,129,548,512**	**$**	**141,423,028**	**$**	**128,687,683**
21618		Providence on the Park	Dallas	4/8/2021	Pre-Application	280	280		TBD		$2,334,513	$	-
21628		The Preserve at Cottonwood Cre	Wilmer	10/14/2021	Pre-Application	226	226		TBD		$2,495,507	$	-
21629		Union Acres	Center	10/14/2021	Pre-Application	100	100		TBD		$684,423	$	-
21630		Palladium Glenn Heights Town Cer	Glenn Heights	10/14/2021	Pre-Application	240	240		TBD		$1,893,040	$	-
21631		The Standard at Royal Lane	Dallas	11/10/2021	Pre-Application	300	270		TBD		$3,082,702	$	-
21609		Throckmorton Villas	McKinney	2/11/2021	Pre-Application	220	216		TBD		$1,957,902	$	-
21612		Villas at Shriner's Point	San Angelo	2/11/2021	Pre-Application	156	156		TBD		$1,229,185	$	-
21611		The Reserve at Vineyard Oaks	Fredricksburg	2/11/2021	Pre-Application	152	120		TBD		$960,737	$	-
21621		Palladium East Berry Street	Fort Worth	9/2/2021	Pre-Application	240	240		TBD		$2,233,160	$	-
21622		Palladium Oak Grove	Fort Worth	9/2/2021	Pre-Application	240	240		TBD		$2,235,058	$	-
21623		The Flats at White Rock	Dallas	9/2/2021	Pre-Application	263	237		TBD		$2,726,747	$	-
21624		Potter's House at Primrose	Dallas	9/2/2021	Pre-Application	280	280		TBD		$2,306,923	$	-
21625		Primrose at Sequoia Park	Denton	9/2/2021	Pre-Application	250	250		TBD		$1,952,193	$	-
21626		Rosemont at Pecan Creek	Denton	9/2/2021	Pre-Application	264	264		TBD		$2,302,382	$	-
21619		Champions Crossing	San Marcos	7/22/2021	Pre-Application	156	156		TBD		$1,165,038	$	-
21620		Coral Hills	Houston	7/22/2021	Pre-Application	172	172		TBD		$948,138	$	-
21606	20626	Palladium at Sorcey Park (FKA	Dallas	4/8/2021	Withdrawn	152	152	$	14,750,000		$1,044,403	$	-
21443	OSE UNDER E	Trinity Oaks	Sulpher Springs	4/8/2021	Withdrawn	48	48	$	2,200,000		$159,653	$	188,836
21473		Mayhill Grove	Denton	1/13/2022	Withdrawn	360	359	$	30,000,000		$2,851,328	$	-
21627		River Trails	San Antonio	9/2/2021	Withdrawn	220	220		TBD		$2,302,778	$	-
21615	20610	Terrace at Southern Oaks	Dallas	6/17/2021	Withdrawn	300	300	$	45,000,000		$2,000,114	$	-
21409		Cypress Creek Apartment	Austin	5/13/2021	Withdrawn	362	289	$	50,000,000		$1,538,141	$	-
21412		Celebration Arlington	Arlington	4/8/2021	Withdrawn	275	275	$	48,000,000		$2,330,099	$	2,330,099
21452	97093	istoric Oaks Allen Parkway Villa	Houston	10/14/2021	Withdrawn	222	222	$	35,000,000		$1,418,597	$	-
21453		Allen Parkway Village	Houston	10/14/2021	Withdrawn	278	278	$	45,000,000		$2,912,410	$	-
21446	ID NOT CLOS	Machuca	El Paso	7/22/2021	Withdrawn	144	144	$	20,000,000		$1,264,383	$	1,262,133
21431		Springwood	Balch Springs	6/17/2021	Withdrawn	284	284	$	45,000,000		$2,685,743	$	-
21432		Oakwood	Balch Springs	6/17/2021	Withdrawn	288	288	$	45,000,000		$2,719,888	$	-
21430		The Matador	Austin	6/17/2021	Withdrawn	285	285	$	50,000,000		$2,444,556	$	-
21405		The Conrad	Austin	5/13/2021	Withdrawn	280	280	$	45,000,000		$2,291,055	$	2,276,566
21610		Delafield Villas	Dallas	3/11/2021	Withdrawn	204	204		TBD		$1,799,031	$	-
21455	20413	Vista North Shore	Rowlett	10/14/2021	Withdrawn	289	289	$	35,000,000		$3,135,059	$	3,134,991

EXHIBIT C

4% (Non-Competitive) Housing Tax Credit Program
2022 Application Status Log

TDHCA #	Previous TDHCA #	Development Name	Development City	Board Meeting Date (MM/DD/YYYY)	Application Status	Total Units	Total Low-Income Units	Bond Reservation Amount	Requested HTC Amount	Recommend HTC Amount
22604		Socorro Village	Socorro	3/10/2022	Active	53	53	$ 6,500,000	$438,245	$ -
22408		Estelle Village Apartments	Dallas	3/10/2022	Active	300	300	$ 50,000,000	$3,026,001	$ -
22413	04408	Hickory Manor	DeSoto	3/10/2022	Active	190	190	$ 24,000,000	$1,580,825	$ -
22405		Palladium East Foster Crossing	Anna	3/10/2022	Active	239	239	$ 33,000,000	$2,500,969	$ -
22412	07402	Rockwell Manor	Brownsville	3/10/2022	Active	126	125	$ 18,440,000	$1,306,891	$ -
22404		Liberty Arms	Tyler	3/10/2022	Active	100	99	$ 17,500,000	$1,066,888	$ -
22603		Marine Park	Fort Worth	4/14/2022	Active	124	124	$ 15,800,000	$1,313,219	$ -
22607		Union Acres	Center	4/14/2022	Active	100	100	$ 10,100,000	$684,423	$ -
22608		Champion's Crossing	San Marcos	4/14/2022	Active	156	156	$ 20,000,000	$1,100,079	$ -
22610		Palladium East Berry Street	Fort Worth	4/14/2022	Active	240	240	$ 26,100,000	$2,233,160	$ -
22409		Pathways at Rosewood Courts	Austin	4/14/2022	Active	184	184	$ 30,000,000	$2,594,071	$ -
22410		Marketplace at Liberty Crossing	Wilmer	4/14/2022	Active	318	318	$ 43,000,000	$2,970,848	$ -
22416		Park Manor	Sherman	4/14/2022	Active	196	196	$ 25,000,000	$1,267,013	$ -
22414		Tobias Place	Fort Worth	4/14/2022	Active	288	288	$ 30,000,000	$2,716,676	$ -
22406	04447	Rosemont at Bethel Place	San Antonio	4/14/2022	Active	250	250	$ 41,000,000	$2,316,590	$ -
22430	03009	Sandy Creek Apartments	Bryan	4/14/2022	Active	226	226	$ 23,000,000	$1,877,124	$ -
22418		Trendwood Apartments	Waco	4/14/2022	Active	152	152	$ 19,000,000	$1,141,202	$ -
22403		Aurora Apartments	San Antonio	4/14/2022	Active	105	105	$ 20,000,000	$1,411,196	$ -
22407		The Sorento	San Antonio	4/14/2022	Active	248	248	$ 38,000,000	$1,994,035	$ -
22421	04465	Rosemont at Baytown	Baytown	4/14/2022	Active	250	250	$ 33,000,000	$1,539,881	$ -
22402	060040	River Trails Apartments	San Antonio	4/14/2022	Active	220	220	$ 40,000,000	$2,326,119	$ -
22423	99126	Villages at Westlake	Abilene	4/14/2022	Active	220	220	$ 18,000,000	$1,272,236	$ -
22601		Torrington Arcadia Trails	Balch Springs	5/12/2022	Active	250	250	$ 35,000,000	$2,559,674	$ -
22609		Throckmorton Villas	McKinney	5/12/2022	Active	220	216	$ 40,000,000	$1,957,902	$ -
22428		Bluffs at Nelms Senior Apartment	Austin	5/12/2022	Active	165	165	$ 18,000,000	$1,621,582	$ -
22426	04420	Lakeside Point	Pearland	5/12/2022	Active	274	274	$ 50,000,000	$2,620,709	$ -
22425		Harbor Walk Apartments	League City	5/12/2022	Active	138	138	$ 20,400,000	$1,298,927	$ -
22424		Parkside Place	Pasadena	5/12/2022	Active	320	320	$ 36,000,000	$2,246,011	$ -
22432		Pathway on Woodrow	Denton	5/12/2022	Active	285	285	$ 40,000,000	$2,837,871	$ -
22415		Cielo Tower	El Paso	5/12/2022	Active	123	123	$ 20,000,000	$1,348,086	$ -
22433		Reserve at Hartsook	Houston	5/12/2022	Active	80	80	$ 28,000,000	$2,368,670	$ -
22417	03410	Rosemont at Ash Creek	Dallas	5/12/2022	Active	280	280	$ 35,000,000	$2,195,070	$ -
22429		Cattlemen Square Lofts Apartmen	San Antonio	5/12/2022	Active	138	138	$ 25,000,000	$1,645,866	$ -
22437		Country Club Village	San Antonio	5/12/2022	Active	270	270	$ 35,000,000	$2,521,788	$ -
22434		Highpoint at Wynnewood	Dallas	5/12/2022	Active	220	220	$ 30,000,000	$2,381,645	$ -
22419		800 Middle Apartments	Houston	5/12/2022	Active	398	398	$ 48,000,000	$4,716,397	$ -
22411		EMLI at UNT Station	Dallas	5/12/2022	Active	324	324	$ 45,000,000	$3,035,704	$ -
22438	21453	Allen Parkway Village	Houston	5/12/2022	Active	278	278	$ 45,000,000	$2,941,771	$ -
22439	97093/2145	Historic Oaks Allen Parkway Villag	Houston	5/12/2022	Active	222	222	$ 35,000,000	$1,418,597	$ -
22441	04463	Lakeside Manor Senior	Little Elm	5/12/2022	Active	176	176	$ 25,000,000	$1,467,347	$ -
						8,446	**8,440**	**$ 1,191,840,000**	**$79,861,308**	**$ -**
				TOTAL		**8,446**	**8,440**	**$ 1,191,840,000**	**$79,861,308**	**$ -**
22600		Harvest Ridge at Brushy Creek	Hutto	10/14/2021	Pre-Application	276	276	TBD	$2,113,027	$ -
22605		The Reserves	Seagoville	12/9/2021	Pre-Application	240	240	TBD	$2,071,508	$ -
22606		West Houston Senior Living	Houston	2/10/2022	Pre-Application	70	70	TBD	$800,000	$ -
22611		The Rhett	Austin	1/13/2022	Pre-Application	215	215	TBD	$1,915,860	$ -
22612		Fieldcrest Apartments	Wilmer	3/10/2022	Pre-Application	312	312	TBD	$3,172,938	$ -
22615		Worthington Point	Fort Worth	3/10/2022	Pre-Application	248	248	TBD	$1,971,770	$ -
22613		The Crossing at Clear Creek	Dallas	3/10/2022	Pre-Application	264	238	TBD	$2,649,300	$ -
						1,625	**1,599**		**$14,694,403**	
22431		Crystal Bend Apartments	Pflugerville	4/14/2022	Withdrawn	237	237	$ 26,172,665	$1,824,136	$ -
22436		Connally Loop	San Antonio	5/12/2022	Withdrawn	372	372	$ 50,000,000	$4,184,393	$ -

9

BOARD REPORT ITEM
TEXAS HOMEOWNERSHIP DIVISION
MARCH 10, 2022

Texas Homeownership Activity Report

BACKGROUND

The Texas Homeownership Division is primarily responsible for the creation, oversight, and administration of the Department's homeownership programs, which are designed to provide affordable financing options for low-to-moderate income homebuyers. This is accomplished through the issuance of tax-exempt and taxable single family mortgage revenue bonds, and through the Department's Taxable Mortgage Program (TMP).

In March 2020, the Texas Homeownership Division launched a new website and rebranded the program offerings under the umbrella "The Texas Homebuyer Program." Currently, the Program offers the following statewide options to homebuyers (*please note that conventional loans had been temporarily suspended [reinstated on December 1, 2020] due to potential fees imposed by Fannie Mae with respect to loans that enter forbearance as a result of COVID-19*).

- My First Texas Home offers expanded mortgage loan opportunities to qualifying first-time homebuyers, including government (FHA, VA, USDA) 30-year fixed rate mortgage loan options. All loans originated through the program are tax-exempt eligible, meeting Internal Revenue Service (IRS) requirements for inclusion in a tax-exempt bond issue or for receipt of a Mortgage Credit Certificate (MCC). As such, borrowers using this option must be first-time homebuyers (cannot have had an ownership interest in a primary residence within the last three years or must qualify for a veteran or targeted area exception), and borrower income and the purchase price of the home must be within IRS designated limits. Continuous funding for this program is provided through the issuance of tax-exempt single family mortgage revenue bonds (SFMRBs) and through TMP. The Department's SFMRBs typically offer borrowers multiple options, with at least one option providing down payment and closing cost assistance provided by the Department. Down payment and closing cost assistance is secured by a 30-year repayable or three-year forgivable, non-amortizing, 0% interest second loan. The 30-year repayable second loan option is due in full upon sale of the property, refinance of the first loan, or payoff of the first loan. The three-year forgivable second loan option is due in full if the first mortgage is repaid within the first three years and otherwise, 100% forgiven at the three-year anniversary. Loans funded with TMP include loans accompanied by an MCC (the IRS does not permit these loans to be included in SFMRBs) and tax-exempt eligible loans that are not used as collateral for SFMRBs.

- My Choice Texas Home offers mortgage loan opportunities to qualifying first-time and non-first-time homebuyers, including government and conventional 30-year fixed rate mortgage loan options. Down payment and closing cost assistance is provided with each loan. Income limits vary by loan product, and income eligibility is based on the standard credit qualifying (1003) income instead of IRS methodology. Because all loans are funded through TMP, no IRS recapture provisions apply.

- Texas Mortgage Credit Certificate (MCC) makes homeownership more affordable by providing first-time homebuyers a federal income tax credit, reducing the homebuyer's potential federal income tax liability. By having an MCC, the homebuyer has the ability to convert a portion of their annual mortgage interest into a direct income tax credit on their U.S. individual income tax return. The credit may be applied for the life of the loan, as long as the home remains the borrower's primary residence. The Texas MCC option is offered in combination with a My First Texas Home mortgage loan (TBA funding only), referred to as Combo loans for discussion and reporting purposes; or as a stand-alone option combined with any FHA, VA, USDA, or conventional fixed rate mortgage loan. The Department's MCC Program offers MCC Credit Rates of 30% (for loan amounts up to $175,000 and subject to the $2,000 annual maximum credit) and 20% (for loan amounts greater than $175,000, which has no annual maximum credit amount).

Income and Purchase Price Limits for All Loan Options. The maximum income for the My First Texas Home and Texas Mortgage Credit Certificate loan and or MCC options is 100% of Area Median Family Income (AFMI) for households of one or two persons, and 115% of AMFI for households of three persons or more. The maximum purchase price is 90% of the average area purchase price. The maximum income for the My Choice Texas Home is 80% of Area Median Family Income (AMFI) for households of any family size using the Fannie Mae (FNMA) HFA Preferred conventional product. The maximum income is 125% of the Area Median Family Income (AMFI) for households of any size when using the FHA, USDA, VA government product(s). The purchase price limit is based on the limits allowed per the applicable loan product.

The Income and Purchase Price Limits Tables are available on the Department's website at https://thetexashomebuyerprogram.com/uploads/Limits.pdf, and an example, reflecting the limits with respect to loans originated in the Austin, Round Rock MSA, Dallas, HMFA and Houston – The Woodlands – Sugar Land, HMFA is provided below.

Example: My First Texas Home	Income Limits		Maximum Purchase Price
Location	Households of 1-2 persons (100% AMFI)	Households of 3 persons or more (115% AMFI)	90% of Average Area Purchase Price
Austin, Round Rock MSA	$ 98,900	$ 113,735	$ 364,452
Dallas, HMFA	$ 89,000	$ 102,350	$ 364,452
Houston-The Woodlands-SugarLand, HMFA	$ 79,200	$ 91,080	$ 311,979

Example: My Choice Texas Home	Income Limits		Maximum Purchase Price
Location	FNMA Conventional Any Family Size (80% AMFI)	FHA, VA, USDA Any Family Size (125% AMFI)	Following limits applicable to loan product
Austin, Round Rock MSA	$ 79,120	$ 123,625	N/A
Dallas, HMFA	$ 68,640	$ 111,250	N/A
Houston-The Woodlands-SugarLand, HMFA	$ 63,840	$ 99,000	N/A

Higher income and purchase price limits apply with respect to homes purchased in targeted areas, which are areas of severe economic distress.

<u>IRS Recapture</u>. Loans that are financed through SFMRBs and loans that receive an MCC are subject to IRS recapture provisions. Under certain circumstances, a borrower may owe a recapture tax to the IRS. To owe any recapture tax at all, the borrower must (1) sell the MCC- or MRB-financed home **<u>at a gain</u>** within nine years of purchase, **AND** (2) earn significantly more income than when the home was purchased (generally more than 5% increase in income per year). <u>Both of these criteria must be met</u> before a borrower has a recapture liability. In addition, the recapture liability cannot exceed the amount of the borrower's gain on the sale of the home.

<u>Current Mortgage Rates and Terms</u>. The following table details the Department's loan options and mortgage rates as of February 25, 2022.

The Texas Homebuyer Program Texas Department of Housing and Community Affairs	2/25/2022					
	Government Loans (FHA, USDA, VA)			Conventional Loans (Fannie Mae Preferred) <= 80% AMFI		
My FIRST Texas Home (MFTH)	First-time homebuyer requirement (except loans in Targeted Areas); considers income of all person(s) who will sign the Deed of Trust (including non-purchasing spouse); recapture tax provision applies.					
3-YEAR FORGIVABLE SECOND **Fully Forgiven After 36 Month Maturity Date**	3 Pts DPA	4 Pts DPA	5 Pts DPA	3 Pts DPA	4 Pts DPA	5 Pts DPA
MFTH Bond Loans	N/A	4.0000%	4.375%			
MFTH Combo Loans with MCC	4.875%	5.125%	5.625%			
MFTH Targeted Area Bond Loans (Program 97, 98 & 99)	N/A	3.250%	3.500%			
30-YEAR DEFERRED REPAYABLE SECOND LIEN	3 Pts DPA	4 Pts DPA	5 Pts DPA	3 Pts DPA	4 Pts DPA	5 Pts DPA
MFTH Bond Loans	N/A	3.625%	3.875%			
MFTH Combo Loans with MCC	4.625%	4.875%	5.375%			
MFTH Targeted Area Bond Loans (Program 97, 98 & 99)	N/A	3.000%	3.250%			
My CHOICE Texas Home (MCTH)	No first-time homebuyer requirement; considers standard lender income calculation (1003/credit qualifying income); no recapture.					
3-YEAR FORGIVABLE SECOND **Fully Forgiven After 36 Month Maturity Date**	3 Pts DPA	4 Pts DPA	5 Pts DPA	3 Pts DPA	4 Pts DPA	5 Pts DPA
MCTH Taxable Loans, No MCC	4.875%	5.125%	5.625%	4.875%	5.250%	5.375%
30-YEAR DEFERRED REPAYABLE SECOND LIEN	3 Pts DPA	4 Pts DPA	5 Pts DPA	3 Pts DPA	4 Pts DPA	5 Pts DPA
MCTH Taxable Loans, No MCC	4.625%	4.875%	5.375%	4.625%	4.750%	5.125%
Mortgage Credit Certificate (MCC) Program -MFTH Combo Loans -Stand-Alone MCCs	<u>MCC Credit Rate is Based on Loan Amount</u> Loans at or below $175,000 - 30% MCC Credit Rate; $2,000 annual maximum tax credit Loans above $175,000 - 20% MCC Credit Rate; no annual maximum tax credit					
Notice #408 <---CHANGE NOTICE DAILY						

APPLICABLE TO ALL LOANS ORIGINATED THROUGH THE ABOVE LOAN OPTIONS

Minimum FICO Score	620
Max DTI	55%
Origination Points	0%
SRP to Lender	2.75%
Program Compliance Fee	$275
Tax Service Fee	$85
Loan Review and Acquisition Fee	$150
MCC Issuance Fee	$400
Program Compliance Fee - MCC	$275

Loans must be purchased within 60 days of date reserved. Extensions available at the following cost:

7-Day	0.0625%	22-Day	0.1875%
15-Day	0.1250%	30-Day	0.2500%

Issuance and Compliance Fees apply to all MCCs (Combo and Stand-Alone)

The attached Texas Homeownership Activity Report reflects activity for each available homeownership option for calendar year 2021 (January 1, 2021 – December 31, 2021), aggregate loan activity over a 12-month period, and a map that reflects Texas counties served.

TDHCA
Texas Homeownership Activity
2021

Equal Housing Opportunity

The Texas Homebuyer Program

Households Served

9,274

(Financed and/or MCC Issued)
Decrease of 35% from
14,308 in 2020

Homes Financed

8,425

Decrease of 33% from
12,657 in 2020

First Mortgages

$1.7 Billion

Decrease of 29% from
2.4 Billion in 2020

MCCs Issued

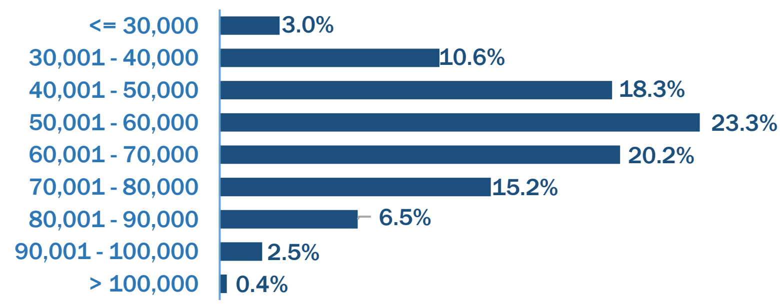
1,878

Decrease of 49% from
3,666 in 2020

1,029 MCC and First Mortgage
849 Stand-alone MCC

Income Distribution

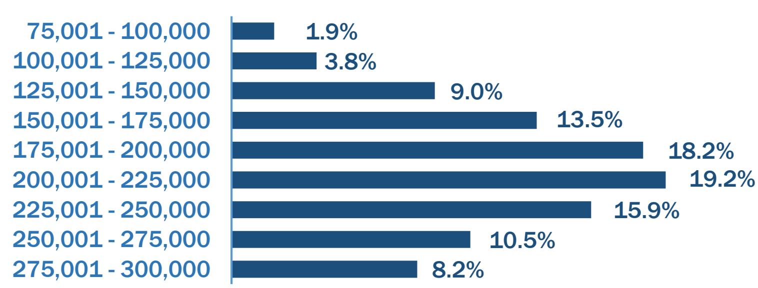
January 1, 2021 to December 31, 2021



Average Income $58,398
74% of Borrowers at or Below 80% AMFI

Loan Amount Distribution

January 1, 2021 to December 31, 2021



Average Loan Amount $204,707
(2020 Avg. Loan Amount $191.055)

2021 Statewide Economic Impact

Based on 33% New Construction Loans (3092 loans)

$887.4 Million Wages Generated

$111.3 Million Tax Revenue

12,182 Jobs Created

Estimates based on formulas published by the National Home Builders Association- The Economic Impact of Home Building in Typical Local Area, Provided by National Council of State Housing Agencies (NCSHA)

TDHCA Aggregate Loan Originations

January 1, 2021 to December 31, 2021

Loan Volume by COUNTY (Top 20)			
Top Originating Counties	Total Originated	# of Loans	% of Loans
Harris	$ 313,904,418	1508	16.5%
Bexar	$ 293,886,952	1417	15.5%
Tarrant	$ 121,822,296	535	6.4%
Dallas	$ 121,806,892	564	6.4%
El Paso	$ 117,540,487	735	6.2%
Williamson	$ 57,163,332	227	3.0%
Fort Bend	$ 56,459,812	248	3.0%
Montgomery	$ 53,480,749	247	2.8%
Kaufman	$ 49,014,262	211	2.6%
Denton	$ 47,927,948	183	2.5%
Travis	$ 44,732,853	179	2.4%
Collin	$ 39,652,397	160	2.1%
Hays	$ 32,430,967	129	1.7%
Nueces	$ 31,928,880	177	1.7%
Bell	$ 30,621,339	168	1.6%
Ellis	$ 28,726,935	112	1.5%
Webb	$ 27,527,618	150	1.4%
Galveston	$ 23,827,281	112	1.3%
Lubbock	$ 23,769,533	141	1.3%
Cameron	$ 22,941,900	149	1.2%

New Construction vs Existing Dwelling			
New Construction / Existing	Orig Loan Amount	# of Loans	% of Loans
New	$ 710,889,846	3092	33.3%
Existing	$ 1,187,566,607	6182	66.7%

Property Type			
Property Type	Orig Loan Amount	# of Loans	% of Loans
1 Unit Single Family Detached	$ 1,825,096,522	8867	95.6%
Condominium	$ 16,848,270	91	1.0%
Manufactured	$ 36,650,924	214	2.3%
Townhouse	$ 13,200,682	69	0.7%
Fourplex	$ -	0	0.0%
Rowhouse	$ 4,643,608	23	0.2%
Duplex	$ 2,016,447	10	0.1%

Borrower Gender			
Gender	Orig Loan Amount	# of Loans	% of Loans
Male	$ 1,004,255,457	4890	52.9%
Female	$ 891,666,221	4372	47.0%
Declined to Answer	$ 2,534,776	12	0.1%

First Time Home Buyer			
FTHB Status	Orig Loan Amount	# of Loans	% of Loans
Yes	$ 1,862,018,045	9108	98.2%
No	$ 36,438,408	166	1.8%

Household Size			
Household Size	Orig Loan Amount	# of Loans	% of Loans
1	$ 525,329,189	2673	28.8%
2	$ 482,052,568	2406	25.9%
3	$ 384,140,010	1827	19.7%
4	$ 296,037,601	1383	14.9%
5	$ 143,546,249	677	7.3%
6	$ 47,785,670	220	2.4%
7	$ 14,439,226	66	0.7%
8+	$ 5,125,941	22	0.2%
Max: 8 \ Min: 1 \ WAvg: 2.6			

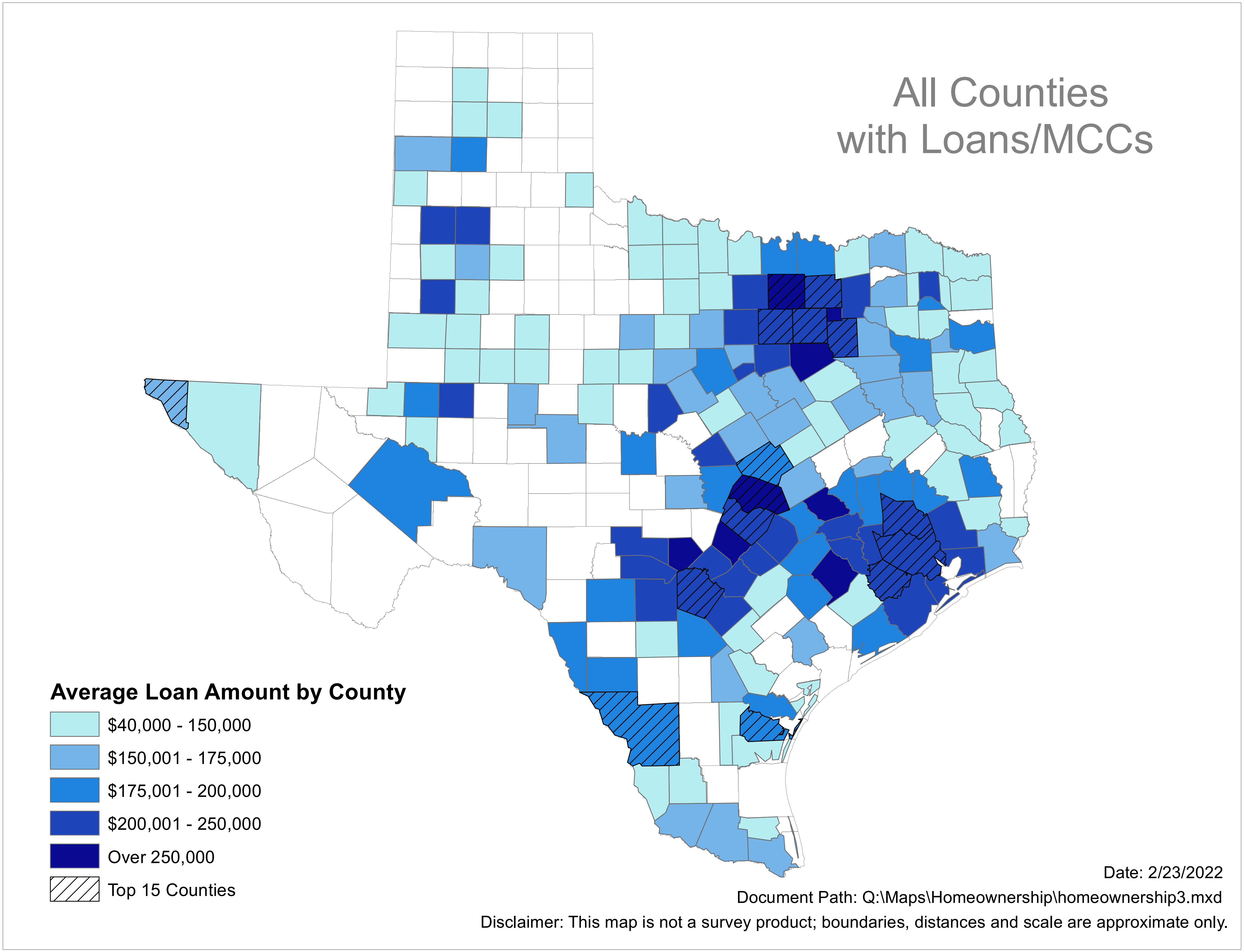
FICO Score Distribution			
FICO Score	Orig Loan Amount	# of Loans	% of Loans
<= 640	$ 469,848,580	2293	24.7%
641 to 660	$ 440,068,408	2153	23.2%
661 to 680	$ 296,535,995	1458	15.7%
681 to 700	$ 230,420,946	1117	12.0%
701 to 720	$ 132,443,841	646	7.0%
721 to 740	$ 127,917,293	623	6.7%
741 to 760	$ 90,903,423	447	4.8%
761 to 780	$ 61,100,053	298	3.2%
780 to 800	$ 38,759,104	186	2.0%
> 800	$ 10,458,810	53	0.6%
Max: 816 \ Min: 581 \ WAvg: 675			

Household Income Distribution			
Household Income ($)	Orig Loan Amount	# of Loans	% of Loans
<= 20,000	$ 4,434,021	28	0.30%
20,001 - 30,000	$ 31,406,653	243	2.62%
30,001 - 40,000	$ 155,035,317	985	10.62%
40,001 - 50,000	$ 312,332,931	1700	18.33%
50,001 - 60,000	$ 439,100,823	2160	23.29%
60,001 - 70,000	$ 409,205,697	1872	20.19%
70,001 - 80,000	$ 328,201,308	1413	15.24%
80,001 - 90,000	$ 146,966,357	606	6.53%
90,001 - 100,000	$ 60,892,041	229	2.47%
> 100,000	$ 10,881,305	38	0.41%
Max: $114,576.00 \ Min: $3,637.34 \ WAvg: $58,398			

AMFI Distribution			
AMFI	Orig Loan Amount	# of Loans	% of Loans
<= 30%	$ 17,148,096	120	1.3%
30.1% to 60%	$ 592,579,483	3275	35.3%
60.1% to 80%	$ 742,456,834	3487	37.6%
80.1% to 100%	$ 545,281,087	2388	25.7%
100.1% to 115%	$ 990,953	4	
> 115.1%	$ -	0	0.0%
Max: 113% \ Min: 4% \ WAvg: 67%			

Age Distribution			
Age	Orig Loan Amount	# of Loans	% of Loans
<= 20	$ 75,224,782	405	4.4%
21 to 25	$ 200,841,208	1023	11.0%
26 to 30	$ 427,680,819	2094	22.6%
31 to 35	$ 380,583,229	1827	19.7%
36 to 40	$ 273,239,768	1287	13.9%
41 to 45	$ 191,905,783	900	9.7%
46 to 50	$ 148,520,806	716	7.7%
51 to 55	$ 97,973,093	480	5.2%
56 to 60	$ 53,691,370	281	3.0%
>61	$ 48,795,595	261	2.8%
Max: 89 \ Min: 18 \ WAvg: 36			

Loan Type			
Loan Type	Orig Loan Amount	# of Loans	% of Loans
FHA	$ 1,708,169,191	8371	90.3%
HFA Preferred	$ 108,716,653	535	5.8%
USDA-RHS	$ 31,630,534	144	1.6%
VA	$ 49,940,075	224	2.4%


All Counties
with Loans/MCCs
Average Loan Amount by County
$40,000 - 150,000
$150,001 - 175,000
$175,001 - 200,000
$200,001 - 250,000
Over 250,000
Top 15 Counties
Date: 2/23/2022
Document Path: Q:\Maps\Homeownership\homeownership3.mxd
Disclaimer: This map is not a survey product; boundaries, distances and scale are approximate only.

10

BOARD ACTION REQUEST

HOME-ARP DIVISION

MARCH 10, 2022

Presentation, discussion and possible action for approval to submit the HOME American Rescue Plan Allocation Plan as modified based on public comment to the U.S. Department of Housing and Urban Development

RECOMMENDED ACTION

WHEREAS, under Section 3205 of the American Rescue Plan (ARP) Act, the Texas Department of Housing and Community Affairs (TDHCA) was allocated $132,969,147 of HOME-ARP Program funds from the U.S. Department of Housing and Urban Development (HUD);

WHEREAS, the Board approved the Draft HOME-ARP Plan on January 13, 2022, and the Plan was made available for 17 days of public comment with two public hearings;

WHEREAS, comments were received from 15 persons, and staff has made several responsive revisions to the HOME-ARP Plan; and

WHEREAS, staff has responded to comments for which changes to the plan were not made and is now recommending the plan herein be adopted as the final HOME-ARP Plan for submission to HUD;

NOW, therefore, it is hereby

RESOLVED, that the Executive Director and his designees be and each of them hereby are authorized, empowered, and directed, for and on behalf of the Department, to proceed with submission of the Plan as revised to HUD.

BACKGROUND

TDHCA was allocated $132,969,147 of funds from the U.S. Department of Housing and Urban Development (HUD) under Section 3205 of the American Rescue Plan Act, which HUD has called the HOME-ARP Program. HUD issued waivers and new activities from HOME annual funds for HUD-ARP per CPD Notice 21-10.

Qualifying populations for HOME-ARP include:

- Households that are experiencing homelessness;
- Households at-risk of homelessness, with waiver to allow for income up to 50% Area Median Income (AMI) (30% AMI without the waiver);
- Households fleeing or attempting to flee domestic violence, dating violence, sexual assault, stalking, or human trafficking;

- Households with 30% AMI with severe housing cost burden defined as paying more than 50% of monthly household income toward housing costs;
- Households who have qualified as homeless previously, are currently housed with temporary/emergency assistance, and who need additional housing assistance or supportive services to avoid a return to homelessness; or
- Veterans (and their families) that meet one of the above definitions.

The draft HOME-ARP Plan programmed funds into acquisition/development or rehabilitation of non-congregate shelters, development of affordable rental housing including capitalized operating reserves, nonprofit operating funds, non-profit capacity building funds, and administration /planning.

The draft Plan was released for public comment for 17 days from January 14, 2022, to January 31, 2022. One virtual hearing was held on January 21, 2022; 38 persons attended and seven provided comment. One in-person hearing was held January 27, 2022, with no attendees. Staff also received ten comments via email, two from persons who had also commented orally at the virtual hearing.

Copies of the written public comment received are included in Attachment A. One letter was also received outside the public comment period, but has still been noted in staff responses and a copy included in Attachment A. A detailed summary of the public comment and staff responses is included in the final Plan in Attachment B, with changes as a result of public comment and more detail to meet HUD requirements. A clean version of the Plan without edits that are tracked has been provided because this final Plan is for submission to HUD.

Below provides a summary of the primary revisions to the HOME-ARP plan as a result of public comment or made by staff to add clarity, which are referenced in greater detail in the Plan:

1. Direct Awards of HOME-ARP for National Housing Trust Fund (NHTF) Developments will be allowed. To expedite delivery of HOME-ARP units into rental developments more quickly than will be the case for new applications, and to preserve existing Department investments in NHTF-funded developments that may otherwise be at risk of not being completed, the Plan has been revised to designate that up to $10 million of HOME-ARP funds may be directly awarded, without competition, to certain Department awardees of NHTF. These developments will be required to submit an abbreviated application upon approval of the Plan from HUD, but will not be required to compete for funds under the HOME-ARP Rental Development Notice of Funding Availability (NOFA).
2. To better conform to HUD guidance, it has been clarified that Applicants will be required to demonstrate the unmet need of qualifying populations in their geographical area.
3. The Plan has been revised to reflect that funds are initially intended to be made available statewide, but should certain state waivers expire prior to funds being awarded, the funds are limited by state regulations to serve primarily rural areas of the state, which may not be where the greatest concentrations of qualifying populations are located.
4. The maximum award amount per application for rental housing was increased from $10 million to $15 million. Although, a lesser maximum award amount may be included in a NOFA.

5. Clarification has been added that the maximum award amount per application is inclusive of capitalized operating costs.
6. Clarification has been added that the rental housing NOFA will allow for a variety of loan options, and specific terms will depend on the financial structure of the development and contract terms.
7. The Plan now reflects that HOME-ARP units can float or be fixed in the Development, as may be limited in the NOFA or abbreviated application.
8. More detail was added to the needs and gaps assessment.
9. Additional preferences are added; while optional, shelters and properties will have the ability to designate that the developments will prioritize persons experiencing homelessness, persons formerly homeless and temporarily housed, and persons referred through Coordinated Entry for non-congregate shelter and rental housing.
10. Clarification has been added that use of only Coordinated Entry and not a project-specific waitlist must meet all the requirements in HUD Notice 21-10, including sufficient referrals, inclusion of all qualified populations, and coverage of the primary market area.
11. More detail was added to the Plan regarding unused non-profit capacity building and non-profit operating cost assistance, which will be offered as non-congregate shelter or rental housing development activity funds.

The majority of the comments received were in regard to the allocation of HOME-ARP funds between the two activities of non-congregate shelter and rental housing. While one comment was received in support of the activities receiving equal investment, most comments requested that more or all of the funds be moved from non-congregate shelter to rental housing; the primary reason is that this allows communities to invest in the longer-term solutions that households will need. While staff appreciates this perspective, staff feels it is important to provide equal opportunity for improvements in shelters, not only rental units. No changes have been made to the Plan as a result of these comments. It should be noted that the draft HOME-ARP Plan has a provision that if there are insufficient applications received to fully utilize either non-congregate shelter or rental housing, the funds will be shifted to the other category.

Several other comments were received that did not result in changes to the Plan. Many of these comments requested flexibility in the HOME-ARP program design that was already available in the HUD CPD notice 21-10 and was not further limited in the Plan, such as flexibilities on the capitalized operating cost assistance. Some of the comments asked for programming that was already listed in the HOME-ARP Plan, such as preferences for certain subpopulations. A few of the comments were asking for flexibilities that would not be eligible or would not be feasible, such as using a sponsor entity for HOME-ARP funds and rental development. Staff reasoned responses are included after each comment.

Staff requests authority for the Executive Director to proceed with submission of the Plan to HUD as revised and approved by the Board today. After HUD approval of the Plan, staff will develop NOFAs for HOME-ARP Rental Housing and HOME-ARP Non-Congregate Shelter. All NOFAs are anticipated to include capacity building and nonprofit operating cost assistance.

Attachment A – HOME-ARP Draft Plan Public Comments

The comments submitted in writing to TDHCA during the public comment period (January 14-31, 2022) are included in Attachment A. The persons who gave comments at the public hearing and through writing are listed below. In addition, one letter was received by State Representative Brad Buckley, D.V.M. (Texas House District 54) outside the public comment period that was included for reference.

Commenters at the public hearing only

1. Cates, Ken *(CEO of the Habitat for Humanity, Fort Hood)*
2. Gordy, Jyme *(Presbyterian Night Shelter, Fort Worth)*
3. King, Lauren *(Tarrant County Homeless Coalition)*
4. Reedy, Madeline *(CitySquare, Dallas)*
5. Wooldridge, James *(Habitat for Humanity, Fort Hood)*

Commenters who submitted written comments

6. Brewer,* Flora, Dr. *(Paulos Foundation, PF Residential and Paulos Properties, Fort Worth)*
7. Browne, Deirdre P. *(MHMR Tarrant County Behavioral Health Services)*
8. Butler,* Sabrina *(Foundation Communities, Austin)*
9. Christian, R. Steve *(New Leaf Community Services, Fort Worth)*
10. Henry, G. Roderick *(Temple Chamber of Commerce)*
11. Hicks, Jennifer *(TrueCasa Consulting, LLC, Austin)*
12. Owen, Toby *(Presbyterian Night Shelter, Fort Worth)*
13. Perez, Tara *(City of Fort Worth)*
14. Rabalais, Debbi *(Presbyterian Night Shelter, Fort Worth)*
15. Telge, Judy *(Coastal Bend Center for Independent Living, Corpus Christi)*

*Commented at the public hearing and also in writing.

From:	Flora Brewer
To:	Naomi Cantu
Subject:	Texas ARPA funding comments
Date:	Friday, January 21, 2022 9:35:29 AM

Thank you! I applaud investment of arpa funds in housing. However, I urge the state to consider allocating the $56m in noncongregate shelter funds to permanent housing instead, especially for persons with long histories of homelessness, disabilities, chronic illness, and behavioral health disorders. For more than 20 years, I have developed and operated commercial businesses in areas of concentrated homelessness, funded nonprofit programs to help homeless people, and conducted homelessness research. I am now convinced that our limited housing dollars can be put to best use helping our communities end homelessness permanently, for as many chronically homeless people as possible, especially those increasingly elderly and disabled people who spend some or all of their days unsheltered. Thank you.

Dr. Flora Alexandra Brewer
Fort Worth 76132
6708 ashbrook dr
817.946.4939

Sent via the Samsung Galaxy S10e, an AT&T 5G Evolution capable smartphone

From: Deirdre P. Browne
To: Naomi Cantu
Subject: $56 million in HOME ARPA funding
Date: Sunday, January 23, 2022 12:09:39 PM
Attachments: image001.png

Dear Ms. Cantu,

Thank you for allowing public comment on this matter. We believe this significant investment of ARPA funds in housing is invaluable in our fight to end homelessness. We would urge the state to consider allocating the $56m in non-congregate shelter funds to permanent housing instead, especially for persons with long histories of homelessness, disabilities, chronic illness, and behavioral health disorders.

For almost 50 years, MHMR Tarrant has worked in concert with our community partners and we are convinced that limited housing dollars can be put to best use by assisting in subsidized rental dollars and supportive case management to help our communities end homelessness permanently. Based on our experience, the combination of rental dollars and specialized wrap-around services are the key to eliminating homelessness and returns to homelessness.

Best Regards,
Deirdre

Deirdre P Browne, LCDC, BA
Senior Director, Substance Use Disorder, Housing, Veteran and Outreach Services
MHMRTarrant Behavioral Health Services
3840 Hulen Street, Ft. Worth, TX 76107
Office: 817-569-4638
deirdre.browne@mhmrtc.org

mhmrtarrant
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FOUNDATION COMMUNITIES
creating housing where families succeed

3000 S IH 35, Ste 300
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January 31, 2022

Texas Department of Housing and Community Affairs
Attn: Naomi Cantu
P.O. Box 13941
Austin, Texas 78711-3941
Email: naomi.cantu@tdhca.state.tx.us

RE: Comments to HOME-American Rescue Plan (ARP) Draft Allocation Plan

To whom it may concern,

Thank you for the opportunity to comment on the Draft HOME-ARP Allocation Plan. Enclosed are a handful of comments that we believe will help ensure the program works well for the target populations.

Thank you!

Sabrina Butler
Director of Real Estate Development
Foundation Communities

NeighborWorks® CHARTERED MEMBER
a Partner Agency of United Way
United Way for Greater Austin

To the extent allowable under HUD rules, we recommend that TDHCA consider the following when developing rules and notices of funding availability for the HOME-ARP funding:

Maximum Request Amount

- Increase the percentage of HOME-ARP funds allocated to permanent rental housing. While greater shelter capacity is certainly needed, this is a unique opportunity to make significant funding available for housing that will provide long-term stability to individuals currently experiencing homelessness throughout the state.
- Consider an increase in the per-project maximum award from $10 million to $15 million, to allow for projects of greater scale that have limited other sources of capital funding.
- Consider applying the per project maximum request to the capital request only, not inclusive of any additional operating reserve request.
- Some developers may need to purchase a site before the HOME-ARP funds are committed. To the extent allowable under HUD rules, we ask that you allow acquisition costs incurred prior to commitment to be considered an eligible cost in the calculation of the maximum eligible HOME-ARP capital request.
- As allowable under the HOME-ARP rules, please ensure that the final TDHCA rules for this funding waive the HOME Max Per-Unit Subsidy Limit for HOME-ARP units (this per unit subsidy limit is used in sizing other MFDL loans through TDHCA, but should not be applicable for HOME-ARP).
- Allow developers to commit more units to HOME-ARP than may be dictated by proportional development cost alone, so that more units can reach the deeper affordability of the HOME-ARP program and qualify for the operating reserve subsidy. For example, if a developer only needs 50% of the project development costs covered by HOME-ARP capital funding, allow a developer to dedicate greater than 50% of total units to the program – this will help projects that are 100% supportive housing to access much-needed operating support on as many units as possible.

Operating Reserve

- Do not apply the per-project cap to the operating reserve request. Instead, create a careful set of underwriting parameters to make sure that each project receiving capital funding also receives an appropriately-sized operating reserve to ensure financial viability.
- In sizing the capitalized operating reserve:
    - Allow the reserve to fund the prorated share of HOME-ARP units' contribution to the property's capital replacement reserve
    - Allow the operating reserve to cover the fixed operating costs incurred even during HOME-ARP unit vacancy periods during initial lease-up and at unit turnover, and apply a reasonable vacancy rate in sizing the reserve considering market, and the potential for lengthier unit re-leasing timelines depending on the target population and source of applicant referrals.

Planning for year 15

- A real concern is how residents of the HOME-ARP units will be able to remain in place and be able to afford rent at the end of the initial 15-year period covered by the operating reserve, without the project taking an enormous financial hit. While we understand that the HOME-ARP funded operating reserve can only be used as long as rents are still sized at 30% of household income, some transition planning is necessary to provide a period of transition to larger but still affordable rents for the HOME-ARP tenants at the end of the 15-year period. Consider whether there are alternative sources of funding that TDHCA could tap to capitalize a separate "transition reserve," or evaluate whether the HOME-ARP capital funding could be used to pre-fund such a "transition reserve" that could be utilized at the end of the 15-year period. Such a reserve could be utilized to offset operating costs while the developer/sponsor works with in-place HOME-ARP residents on a rent transition plan, to gradually increase resident rents to a level that is more sustainable for the project operations but still manageable for the residents and allows them to remain in place.

Prioritize Experience and Nonprofits

- Require that applicants demonstrate true, meaningful involvement from a nonprofit with deep experience serving the target population. Consider priority for nonprofit sponsorship, as developments intended to be served by this program are unlikely to generate a profit and will likely require additional fundraising to offset the cost of services.

Structure & Logistics

- Allow HOME-ARP capital dollars to be loaned in a deferred, forgivable manor at 0% interest, as the HOME-ARP units will not be able to support debt service. For tax credit projects, allow for the HOME-ARP funding to be awarded to the sponsor entity and "passed through" to the tax credit ownership entity, so that the sponsor can apply a maturity date and interest rate (if required by investor) to avoid the forgivable loan being treated as taxable income.
- Allow for draws on the operating reserve to be made in advance of each calendar year, based on projected operating budget and deficits, with a process to allow for funds over or under drawn to be trued up at the end of the year (or sooner, if actual rents of the year are much lower than projected and impact the development's short-term liquidity). This will help ensure sufficient cash on hand to cover monthly expenses throughout the year.
- Add waiver category for TDHCA underwriting infeasibility conclusions for projects that have HOME-ARP operating reserve funds, to the extent any projected deficit is mitigated by these reserve funds.
- Allow HOME-ARP units to float, unless otherwise restricted by additional funding sources on the development.

From:	Steve Christian
To:	Naomi Cantu
Subject:	TDHCA Input
Date:	Saturday, January 22, 2022 8:08:11 AM

Ms. Cantu,

I am very thankful to see investment of arpa funds in housing; however, I urge the State to consider allocating the $56m in noncongregate shelter funds to permanent housing instead, especially for persons with long histories of homelessness, disabilities, chronic illness, and behavioral health disorders. For more than 15 years, I have served through the outreach ministries of my church, volunteered through various nonprofit agencies in areas of concentrated homelessness, helped to raise funds for nonprofit programs to help homeless people, and personally advocated for the homeless. I am now convinced that our limited housing dollars can be put to best use helping our communities end homelessness permanently, for as many chronically homeless people as possible, especially those increasingly elderly and disabled people who spend some or all of their days unsheltered.

Thank you.

R. Steve Christian
Board Chair
New Leaf Community Services
P.O. Box 100103
Ft. Worth, TX 76185
www.newleafcs.org
rschristian@gmail.com

TEMPLE
CHAMBER OF COMMERCE

To: Naomi Cantu

In reference to the TDHCA HOME-ARP draft allocation plan, the Temple Chamber of Commerce would like to see the current allocation draft be maintained as laid out in its current state.

Far too many homeless individuals and families struggle to get back on their feet due to the risks associated with congregate shelters. Homeless individuals and families that try to get back into the workforce or keep their children safe have no opportunity to secure their belongings or provide safety for their family members while attending a job interview or working at a job site. When a person must choose between keeping their families safe while at work or making sure their belongings aren't stolen while at a job site, they clearly choose what they see as safety of family and belongings, over a job.

Non-congregate shelter provides the peace of mind for those seeking growth and permanent solutions to their housing situation. It provides these Texans a steppingstone toward permanent affordable housing. The few organizations that provide long-term programs tied to non-congregate housing see many of their clients graduate into a home of their own again. Which leads me to Affordable Rental housing.

When combined, or partnered with a non-congregate shelter program, a homeless family has a clear path to affordable housing solutions. This gives them the peace of mind to focus on keeping that new job and growing with it.

While I feel there should be more focus towards funding non-profit organizations that are building affordable homes for ownership, the current draft allocation plan will support the affordable housing shortage we've experienced in Texas.

Sincerely,

G. Roderick Henry, CCE, IOM
President

Phone 254-773-2105 201 Santa Fe Way, Suite 105 Temple, TX 76501 www.templechamber.com

From: jennifer@truecasa.net <jennifer@truecasa.net>
Sent: Tuesday, January 25, 2022 10:53 PM
To: Naomi Cantu <naomi.cantu@tdhca.state.tx.us>
Subject: RE: HOME-ARP Capitalized Operating Clarification (Hicks)

Hi Naomi –

I wanted to provide a few global responses to the questions below and a few overarching comments on the DRAFT Action Plan:

1) I am concerned about the 15 year operating cost reserve that could "cover" units set aside for HOME ARP that cannot charge more than 30% of a person's income because I ask myself – "What happens to that unit after 15 years?" I worry about this impact on a supportive housing development that is newly constructed and is being operated by a non-profit organization. Would this mean that after 15 years, the owner would need to seek out other sources of funding to cover rent in order to target a population that is experiencing homelessness? While I am hopeful that we can help drive down the number of persons experiencing homelessness in the next 15 years, I am worried about what happens when a large number of units would have their assistance burn off. Has there been any discussion on how this particular timing crux might be handled?
2) I would request that TDHCA waive the criminal history criteria that is present in the Supportive Housing definition in the QAP. If the goal of the HOME ARPA funds is to house those that part of a Coordinated Entry list, then it is challenging to do so meeting the current criteria layered in the Supportive Housing definition as populations will be best served with lower barrier housing.
3) I am assuming that Project-Based Vouchers would be allowed to be layered on HOME ARPA units if provided by another source? What about tenant based vouchers? If someone comes with a tenant-based voucher, can you lease a HOME ARPA-funded unit if they would not be charged more than 30% of their income?
4) I believe I asked this, but definitely wondering if you can layer National Housing Trust Fund and HOME ARPA dollars on same development?
5) I have received operating costs of a supportive housing development that is serving persons who have experienced chronic homelessness and the op ex are exceptionally higher than a standard affordable housing transaction – on the upwards of $14k per unit! While this is not typical for a development that has units integrated into a larger supportive housing development, this can be the case for smaller projects that are focused on the hardest to serve populations. In a case like this, I wanted to point out that project-based vouchers (and 100% tax exemption are ESSENTIAL) to allowing the project to break even. I think that if the project was the more typical housing tax credit supportive housing project of 100-ish units, then there is a bit more efficiency and potentially a more varied population of folks on the continuum of housing stability and so operating costs are more in the $6-$7k per unit realm. I think we need all models supported and so I would just please ask for the flexibility of these funds to be paired with project-based vouchers and other types of rental subsidy.
6) Question: How are the HOME ARPA funds allocated for capital costs? Would you simply allocate the applicable portion of total development costs based on the % of units that are HOME ARPA? I think my backwards question is if you are applying for $10M and your project is a 120 unit project with $30M in total development costs that you would need to dedicate 40 units as HOME ARPA units? Just trying to figure out how you match the amount of funds with the number of HOME ARPA units.

7) I also wanted to just point out that while it is important to offer the ability for units for persons experiencing homelessness to be integrated into your standard affordable housing community, I believe it is equally important to offer units for persons in a supportive housing community that will be receiving wrap-around supportive services. I worry that scattered site models do not have the same service-intensity that is needed by specific homeless sub-populations. On the flip-side, scattered site models are a perfect fit for folks that are being rapidly re-housed and not in need of robust services. Both models are needed and I do not think it makes sense to prioritize one over the other.

THANK YOU so much! I hope you do not mind me sharing my thoughts!

Best,
Jenn Hicks

Jennifer Hicks, Founder
True Casa Consulting, LLC
512.203.4417 mobile
www.truecasa.net

From:	Toby Owen
To:	Naomi Cantu
Subject:	Home-ARP Comments
Date:	Monday, January 31, 2022 4:38:01 PM

Good afternoon Ms. Cantu,

Thank you for the tremendous opportunity you are presenting to homeless service providers across Texas to make a major difference in the lives of Texans.

If at all possible, I would like to encourage more of the non-congregate shelter funds to be reallocated into the housing funds. The best way to end homelessness is through the development of permanent housing, non-congregate shelter certainly meets a temporary need but it doesn't meet the ultimate goal of ending someone's homelessness. I'm sure you are aware of the hotel conversion that took place in Fort Worth where 119 new housing units were established. The Presbyterian Night Shelter provides the supportive services for these housed individuals with weekly case management and other supportive activities. This program has been very successfully and it is one that could be modeled if the non-congregate shelter funds were geared towards housing.

Thank you very much for the opportunity to share my thoughts and good luck with making so many important decisions!

Have a nice evening.

Toby Owen, LCSW
Chief Executive Officer

towen@journeyhome.org

p 817.632.7440
F 817.877.5297

Presbyterian Night Shelter

True Worth
A PRESBYTERIAN NIGHT SHELTER ENTERPRISE

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From:	Perez, Tara
To:	Naomi Cantu
Subject:	Comment: HOME ARP
Date:	Monday, January 31, 2022 4:18:30 PM

Hi Ms. Cantu,

I appreciate TDHCA's quick and thorough work in gathering stakeholder input and drafting a HOME ARP plan.

If there is a possibility of tweaking proposed HOME ARP allocations, my suggestion would be to put more funds in housing than non-congregate shelter.

Fort Worth was able to reduce chronic homelessness by 119 households through the conversion of a studio motel into PSH efficiencies. Not only did this benefit households, it helped us as a City in reducing chronic homelessness.

We could have done the exact same physical conversion -- but if we had designated as non-congregate shelter, we wouldn't have changed our homeless numbers at all. And the needed resources to operate a shelter (food service, janitorial service, laundry service) would have pulled system funds from housing for years to come.

My guess is the same is true at the state level. More funds in housing = reduction in Texas homeless population. Some communities may need more shelter so I think some funds – for example $25 million would be appropriate for those communities to meet shelter needs.

But if housing could be $87 million, I think Texas will see a bigger reduction in homelessness numbers than if the investment was $56 million.

Sincerely,
Tara Perez
Directions Home Manager
Neighborhood Services
Office phone: 817.392.2235
Cell phone: 682.225.9254

City of Fort Worth – Working together to build a strong community.

FORT WORTH

From:	Debbi Rabalais
To:	Naomi Cantu
Subject:	Comment for HOME ARP
Date:	Monday, January 31, 2022 4:49:10 PM
Attachments:	image001.png

Naomi,

Thank you for quickly allocating HOME ARP funds towards the reduction of homelessness in Texas. As the largest provider of homeless services in the North Texas area, Presbyterian Night Shelter provides both shelter and housing services. Based upon our experience in both of these areas, I would like to ask that the state consider changing the allocations by reducing the amount of funds for non-congregate shelters and moving it to affordable housing. As we have seen in our community, immediate hotel/motel conversions into permanent housing makes an immediate and lasting impact in reducing chronic homelessness and moving individuals out of congregate shelters into their own efficiency apartment. The City of Fort Worth was able to do this by using funds to convert a motel to 119 efficiency apartments for chronically homeless individuals who are at greatest risk of poor COVID outcomes. By allocating $87M of HOME ARP funds to affordable housing, we could see a sizeable drop in chronic homelessness across the State of Texas.

Thank you for considering these comments in your final decision making.

Thanks,

Debbi

Debbi Rabalais
Vice President of Program Services

drabalais@journeyhome.org
journeyhome.org

P 817.632.7402

Presbyterian Night Shelter

True Worth
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TDHCA Governing Board Approved HOME-American Rescue Plan (ARP) Draft Allocation Plan.

The following are my public comments on the TDHCA Draft Allocation Plan:

The Plan appears to have a great deal of forethought, review and analysis as well as substantial efforts at reaching out to stakeholders throughout Texas in developing this Plan. I'm sorry to see no mention of Corpus Christi or the Coastal Bend region in the Plan, however, it may be that no stakeholders from that area made themselves known to be included.

Overall, I agree with the need identified to increase Non-Congregate Shelter and Permanent Supportive rental housing stock for 30% and below AMI, that is affordable and accessible. With the amount of money available it would seem best to use a majority of the funds to address the high level of need for this type of housing/support which was identified in the Draft.

However, brick and mortar will take time. Waiting lists for open units will take time. More lowest income people with become homeless or at risk of homelessness. Recognition of these realities does not seem to be part of the HOME ARP Plan. I am hopeful that the HUD HOME Tenant Based Rental Assistance Program be utilized to bridge gaps to NCS and PSH, by providing HOME-ARP funding for case management to TDHCA TBRA programs.

Regarding people with disabilities, those assisted with HOME-ARP should not be restricted to senior status. Although older Texans are among the populations needing affordable and accessible housing, so to are younger individuals with disabilitieis. I also encourage TDHCA to allow people with disabilities to be assisted not just in rural areas, but also within Participating Jurisdictions, as there is precedence for this with TCHCA.

Thank you for the opportunity to provide input on the final draft.

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

Date: January 31, 2022

Comment received after the public comment period closed, but included for reference.

TEXAS HOUSE OF REPRESENTATIVES

BRAD BUCKLEY, D.V.M.

State Representative · District 54

January 30, 2022

Ms. Naomi Cantu
Homeless Programs Manager, Texas Department of Housing and Community Affairs

Re: Comments for TDHCA HOME-ARP Draft Allocation Plan

Ms. Cantu,
In reference to the TDHCA HOME-ARP draft allocation plan, I would recommend that the current allocation draft be maintained as laid out in its current state.

Far too many homeless individuals and families struggle to get back on their feet due to the risks associated with congregate shelters. Homeless individuals and families that try to get back into the workforce or keep their children safe have no opportunity to secure their belongings or provide safety for their family members while attending a job interview or working at a job site. When a person must choose between keeping their families safe while at work or making sure their belongings are not stolen while at a job site, they clearly choose what they see as safety of family and belongings, over a job.

Non-congregate shelter provides the peace of mind for those seeking growth and permanent solutions to their housing situation. It provides these Texans a steppingstone toward permanent affordable housing. The few organizations that provide long-term programs tied to non-congregate housing see many of their clients graduate into a home of their own again.

When combined, or partnered with a non-congregate shelter program, a homeless family has a clear path to affordable housing solutions. This gives them the peace of mind to focus on keeping that new job and growing with it.

While I feel there should be more focus towards funding non-profit organizations that are building affordable homes for ownership, the current draft allocation plan will support the affordable housing shortage we've experienced in Texas.

Sincerely,

Brad Buckley

Brad Buckley, DVM
State Representative, Texas House District 54

CAPITOL OFFICE: P.O. BOX 2910 · AUSTIN, TEXAS 78768-2910 · (512) 463-0684 · BRAD.BUCKLEY@HOUSE.TEXAS.GOV

Attachment B: HOME-ARP Allocation Plan

Texas Department of Housing and Community Affairs
HOME-ARP Allocation Plan

Adopted for Submission to HUD on March 10, 2022

TDHCA was allocated $132,969,147 of funds from the U.S. Department of Housing and Urban Development (HUD) under Section 3205 of the American Rescue Plan Act, which HUD has called the HOME-ARP Program. The following document is the Department's Plan for these funds which will be submitted to HUD for approval.

Items in the Plan in *italics* are instructions from HUD for a given section or item.

Participating Jurisdiction: Texas Dept. of Housing and Community Affairs (TDHCA)
Date: *[To Be Added Date of Submission]*

I. CONSULTATION PROCESS AND INPUT

Consultation

Before developing its plan, a PJ must consult with the CoC(s) serving the jurisdiction's geographic area, homeless and domestic violence service providers, veterans' groups, public housing agencies (PHAs), public agencies that address the needs of the qualifying populations, and public or private organizations that address fair housing, civil rights, and the needs of persons with disabilities, at a minimum. State PJs are not required to consult with every PHA or CoC within the state's boundaries; however, local PJs must consult with all PHAs (including statewide or regional PHAs) and CoCs serving the jurisdiction.

Summarize the consultation process:

TDHCA held 9 consultations to garner initial input on the state's planning of HOME-ARP funds. The consultations were held from October 7 to October 22, 2021. In all consultations information on the program was shared with those attending and often many questions were asked and answered. In the interest of brevity, the consultation feedback summaries following the table below do not include questions posed or answers provided, but focus on summarizing input and comments made.

List the organizations consulted, and summarize the feedback received from these entities.

Agency/Org Consulted	Type of Agency/Org	Method of Consultation	Feedback
Mobile Loaves and Fishes – Community First Village	Nonprofit Homeless Provider	Video Conference (October 7)	See summary below
Haven for Hope	Nonprofit Homeless Provider	Video Conference (October 7)	See summary below
Multiple (see below)	Continuums of Care and Domestic Violence Providers	Video Conference (October 13)	See summary below
Foundation Communities and New	Nonprofit Perm. Supp. Housing	Video Conference (October 15)	See summary below
Multiple (see below)	Public Housing Authorities	Webinar (October 15)	See summary below

Agency/Org Consulted	Type of Agency/Org	Method of Consultation	Feedback
Multiple (see below)	TX Interagency Council for Homelessness	TICH Meeting also hosted as consultation (October 19)	See summary below
Multiple (see below)	Fair Housing and Disability Advocates	Webinar (October 20)	See summary below
Multiple (see below)	Veterans Services Providers	Webinar (October 22)	See summary below
Multiple (see below)	Homelessness Services Providers	Webinar (October 22)	See summary below

<u>Consultation with Mobile Loaves and Fishes</u>
Mobile Loaves and Fishes (MLF) operates Community First! Village, a master planned community that provides affordable, permanent housing and a supportive community for men and women coming out of chronic homelessness in Austin.

- MLF shared that they are expanding their village of RV/park homes and micro-homes; they estimate that 80% of the population will fall into the definition of chronically homeless. They estimate it will take approximately $150 million of capital investment; some of those funds have been committed already by Travis County. MLF indicated that most of their referrals come from CoCs or other referring agencies but not all come through Coordinated Entry (CE).
- MLF has a successful model in place in which households pay a flat monthly rent for a specific unit type, and that amount is often more than 30% of their income. They indicated they would likely not find these funds attractive for their plans if households were limited to paying only 30% of their income.
- <u>Uses of the Funds:</u> MLF supported a focus on capital investment with the funds. They would like to see that capital investment is used for both tiny home models and associated congregate facilities (kitchens, baths). It was discussed that varied types of units have varying levels of kitchen or bathroom facilities (with robust shared facilities) such that HOME-ARP may able to be used for some unit types but perhaps not others. It was also discussed that TDHCA would need to confirm with HUD that such models would be allowable. MLF also supported some funds for capacity building as they ramp up operations.
- <u>Populations/Preferences</u>: MLF indicated they would like to see the most vulnerable populations assisted with these funds; they suggested that a preference should be allowed for the chronically homeless and that funds not just go to the households that could be seen as more sympathetic, such as families with children and veterans.
- <u>Use of Coordinated Entry (CE)</u>: MLF did not want to be limited to only taking those households that score the highest in the CE assessment. They tend to assist persons with

a variety of vulnerability levels and do not prefer that all housed with HOME-ARP be referred only through CE.

Consultation with Haven for Hope

Haven for Hope (HFH) is a San Antonio nonprofit operating as a “one stop” campus for people who are experiencing homelessness, bringing together service providers in a single location.

- HFH shared that doing NCS as an activity is a challenge without operating expenses being provided to help support it, but did note that they would be interested if in fact operating funds could be assured. They indicated that HFH most needed flexible spending to use on housing for households that don’t qualify for CE, particularly for older persons with disabilities, who are awaiting a voucher or other benefits, something that could be an extension of rapid rehousing.
- HFH discussed the unique role some of their shelter staff play as they are both operational staff, but also trained in client-facing assistance roles such as case work and other services identified in 24 CFR §578.53. These Life Safety Officers also have access to HMIS and HFH would hope to classify these staff as case management and service provision, although they are also serving in an operational role.
- HFH discussed that the reason for not being more interested in NCS with hotel conversions as an activity is that the maintenance and upkeep is extreme, they feel it is preferable to just do new construction. They also feel that hotel conversions are better for Permanent Supportive Housing (PSH), and that while there is a need for PSH, only a fraction of their clients go to PSH.
- HFH provided that past criminal eviction history hurts clients seeking units and suggested that any HOME-ARP funds used for rental housing should require a lower standard for entry into the housing.
- When discussing the possible idea of serving the role of a sponsor who could access a block of units through a master lease, they felt that while this would be attractive to have a guarantee, it was not ideal because it adds undue risk for the nonprofit and also does not allow the person being housed to establish a direct lease relationship with the landlord, which they find important.
- Services needed include housing specialists, intake, housing navigation and bridge psychiatric services that can provide a quick diagnosis and access to medications on an outpatient basis in close coordination with the local Mental Health Authority. HFH specifically noted that funds for these needs would not be fully addressed through the ERA2 Housing Stability Services funds, of which there is approximately $84 million being released for competition through TDHCA in the fall of 2021. They thought some of the HOME-ARP funds should be used for this purpose also to address the long term effects of the pandemic.
- Uses of the Funds: As noted in the bullets above, HFH felt for them the best use of funds would be for TBRA and supportive services with long contract terms, such as at least a 3 year contract for TBRA to serve as a bridge to households accessing a permanent voucher.

- Populations/Preferences: HFH felt that high priority groups included older persons currently homeless or at risk of homeless, often with disabilities, who don't qualify for CE and those awaiting vouchers or benefits. Shelters are not the most appropriate place for these persons. They have about 30 people who need a nursing home in terms of the level of care required but don't qualify for Medicaid. They also felt that families are the biggest unmet need because many are newly homeless or doubled up so don't rank as high need on CE.
- Use of Coordinated Entry (CE): HFH did not support being restricted to only allowing CE and feels it is very important for these housing funds to be able to assist those not in CE, or not ranking highly in CE.

Consultation with Continuums of Care (CoCs) and Domestic Violence (DV) Providers

Representatives from the San Antonio/Bexar County CoC; Dallas City and County, Irving CoC; Fort Worth, Arlington/Tarrant County CoC; the El Paso City and County CoC; the Houston, Pasadena, Conroe/Harris, Fort Bend, Montgomery Counties CoC; the Balance of State CoC represented by the Texas Homeless Network (THN); and the Texas Council on Family Violence were in attendance.

- Significant focus has been on rapid rehousing and bridging folks to permanent housing (Houston, El Paso, Dallas) and some noted an interest in more rental assistance to support these efforts (Houston), or to support gaps in services (Houston, El Paso). Houston discussed going from homelessness to housed and not needing to use shelter facilities.
- However, other CoCs felt they had sufficient funds for the vouchers/rental assistance and services, and felt the highest need was in actual production of units (PSH) as there are challenges in finding units for voucher holders (Tarrant, Dallas, San Antonio). Some noted interest in allowing small acquisition/rehabilitation developments that they thought could be brought online more quickly and others were specific that the PSH should include units for large families and deeply affordable units (below 30%). There was discussion of use of HOME-ARP to bring units up to Uniform Physical Condition Standards.
- There was support for funds to support capacity building for homeless services providers, especially in rural areas of the state.
- Several CoCs felt that a priority/scoring preference should include that the applicant is connected to housing authority resources and other subsidies (Houston, Dallas) although the BoS noted that this would be more challenging since they have less access to other funds. There was also discussions in how to use HOME-ARP to address racial disparities.
- Commenters felt there needed to be ways to incentivize the developers to give second chances for poor rental and credit/criminal history and these funds should not allow anything more restrictive than the local housing authority. Others felt the housing authority's barriers were too high.
- There was possible interest in NCS if it could be 'flexed' for use as PSH and interest in NCS for the domestic violence (DV) population.

- They wanted to be able to consider those At-Risk as a broader definition than that provided by HUD, also noting that often DV cases do not classify as At-Risk but need housing to leave their abuser.
- There was fairly unanimous support that having at least coordinated with the CoC should be an application requirement.
  Uses of the Funds: Because the needs of the CoCs varied there was interest in keeping the funds flexible. The most common request for the uses of HOME-ARP was development of supportive housing and NCS. There was greatest interest in NCS and development of units from the Balance of State (BoS) CoC. There were also requests to use the funds for TBRA and services and capacity building, though requests for these activities were not as common as for capital funds.
- Populations/Preferences: There was support for allowing subrecipients to establish preferences, but not limiting the funds at the state policy level to only certain populations. Preferences suggested included: persons experiencing literal homelessness, persons with disabilities, persons fleeing Domestic Violence, unsheltered homeless, and those with a history of homelessness.
- Use of Coordinated Entry (CE): CoCs from larger areas preferred CE be used and felt it ensured there is coordination and alignment. Alternatively for DV and the BoS they did not want to see the program limited to only CE.

Consultation with Developers of Permanent Supportive Rental Housing

Foundation Communities and New Hope Housing are two of the primary PSH developers in the state. The summary below also include comments received in writing from a PSH consultant, True Casa Consulting, who could not attend the session.

- Providers felt that the 70% of rental units that are required to serve qualified households would have to be underwritten as zero income so felt the biggest challenges related to operating. While they realized and appreciated that HOME-ARP allows for capitalized operating expenses they felt it would need to be for the whole affordability period. Additionally, they voiced concern for the residents of those units at the end of the 15-year HUD affordability period; as soon as the HUD operating subsidy and LURA restriction ends, for the properties to support operations on the units they would have to increase the rents on those households from 30% of their income to either market rate or the rent level of any other affordability term (likely housing tax credits).
- Two of the commenters also noted that their models of housing did not generally support having market rate units at the property to subsidize the other units (due to lack of interest by market rate tenants).
- Commenters raised concern and felt strongly that to do such transactions requires significant experience not just with supportive housing development, but also in serving the specific populations, and they felt there should be a standard or requirement relating to experience.
- Regarding leasing criteria they noted that their fair housing counsel advises that they not have different leasing criteria for some units, so whatever criteria they would have for HOME-ARP would need to be the same as all the units and therefore acceptable to

the other funders as well. They did not want to see the state dictate what the leasing criteria should be. One commenter did suggest that barriers for criminal history should be reduced.

- Regarding sizes of the developments, commenters felt that smaller size properties for PSH are not able to achieve sufficient economies of scale with the ideal size being 120-150 units. They note that because of local processes, smaller deals do not necessarily get done any faster, and that a small deal would almost certainly need a more robust subsidy.
- While not specifying that funds should be used for services, one commenter did note that gaps in services include behavioral health, transportation, health and dental, peer support, case management and housing subsidies.
- It was noted that clients should not have burdensome documentation requirements.
- Uses of the Funds: Commenters supported use of the funds for rental housing development. They provided input that the program would need to have no debt requirements. They supported the possibility of the funds being grants, or allowing the funds to be passed through to a sponsor entity to limit the tax event for the property. The one activity they proposed other than rental and capitalized operating, was to possibly allow for capitalized services as they will have to guarantee to the investor sufficient funds for service provision (capitalized service reserves).
- Populations/Preferences: Because these types of developments often have to layer financing from different funders, each with their own priorities and preferences, they felt it would be important for the funds to not limit preferences at the state level, but allows preferences at the property level. Preferences contemplated for the plan would include older adults with one or more ADL needs, adults with disabilities, chronically homeless, unstably housed and at-risk of homelessness and low income (at 200% or below federal poverty level).
- Use of Coordinated Entry (CE): They would find a preference for CE acceptable, or having it as an option, but not as a requirement as they want to see a range of tenants gaining access to their properties, not only chronically homeless.

Consultation with Public Housing Authorities

Outreach for this consultation was targeted to public housing authorities; more than 62 registered to attend the virtual session, and 34 actually logged on to the session. The summary below includes several comments received in writing from PHAs who could not attend the session.

- Across the PHAs on the call, there was support for capital development for more rental units in good condition. There was support for these funds to be used to ‘buy down’ 60% HTC units to 30% units or to add soft financing, as well as off-site costs. There was interest in layering with RAD conversions, allowing sponsorship structures, and for giving an award preference for those rehabilitating large properties to make them deeply affordable. Others asked if there could be point preferences for larger developments, and if HOME-ARP could be used for infrastructure to the development. For rental development there was interest in making sure that PHAs could use these funds in conjunction with issuing 'Faircloth' vouchers on a private development or other public housing and that it was important to make funds available for rural areas.

- There was support voiced for the funds to be used as rental assistance like HOME TBRA and TDHCA's COVID TBRA Program, for services such as security deposit assistances, furnishings and appliances, youth employment programs, job searches, assistance accessing benefits, financial literacy, parenting skills and scholarships for trade schools.
- There was not support for adding any state-required leasing criteria, or making them more lenient, but rather that it be flexible so it could be layered with other funding sources. One commenter suggested allowing alternate means for lowering barriers such as the tenant attending rehab classes, or being flexible on references.
- <u>Uses of the Funds</u>: As noted above the primary interest was for rental development, as well as more limited support for TBRA and services.
- <u>Populations/Preferences</u>: Support no preferences, or if any, persons experiencing homelessness and Domestic Violence households. There was interest in prioritizing any households below 80% AMI since those are often quick to become unstable.
- <u>Use of Coordinated Entry (CE)</u>: There was not support for CE to be a requirement; in some areas CE is not readily available, and such a requirement would harm properties and those in need.

<u>Consultation with Texas Interagency Council for the Homeless (TICH)</u>

The TICH is a statutorily created council supported by TDHCA with public and private membership. The TICH meets quarterly and at its quarterly meeting in October 2021, a presentation was made on the HOME-ARP funds, and the opportunity for input was extended. While questions were asked, no specific comments were received in regards to planning of the funds.

<u>Consultation with Fair Housing and Disability Advocates</u>

Outreach for this consultation was targeted to fair housing and disability providers and advocates. More than 185 registered to attend the virtual session, and 91 actually logged on to the session. The summary below includes several comments received in writing from disability or fair housing advocates who could not attend the session or followed up with more information in writing.

- Most of the attendees that spoke indicated a significant need for more permanent supportive rental housing, most speaking of the need specifically for those with those with Intellectual or Development Disabilities (IDD) and Mental Health disorders (MH) to be stably housed in the community. Attendees emphasized the importance of services. There was support that such housing needs to be in high opportunity areas so that it was close to transportation, jobs, stores, services, and medical supports. Several commenters mentioned the needs of adult children with IDD/MH who the parents are no longer able to care for them. It was noted that any funds used for PSH should have robust targets for accessibility and visitability and a higher percentage of units built as fully accessible for physical disabilities than is required in the Housing Tax Credit (HTC) program. Commenters noted that housing should be for low income housing (not workforce housing). They noted that it was important that capitalized operating subsidies be provided. There was also interest that the funds be able to be used for recovery housing.

- Alternatively, one commenter noted that because the need is pressing and urgent now, that some of the funds should go to 'right now' solutions such as rental assistance for persons with disabilities.
- Several comments also supported use of the funds for NCS and a focus on best practices that would allow NCS to transition to other uses.
- One comment supported use for TBRA and several supported use for services specifically service coordinators, resident coordinators, and landlord incentives.
- One commenter felt the funds should allow shared housing (roommate arrangements) and noted successes with that model in Connecticut; there was discussion around risk, leases, and the fact that currently this has not been used in affordable housing or with voucher holders.
- This group voiced frustration at landlord's unwillingness to accept voucher holders, the challenges in landlords not accepting those with criminal/credit history, and unreasonable minimum income requirements. One commenter felt the funds should be used for providing the payments needed to meet minimum income requirements.
- They suggested that the NOFA have an award preference for those with lowest barrier policies for those with justice involvement.
- Uses of the Funds: Most support for PSH and limited support for NCS, TBRA, and services.
- Populations/Preferences: There was interest for the provider to be able to identify preferences, but that the state should not do so which would limit flexibility. Wide support among the group for preferences for those with dual diagnoses (Mental Health Disorder (MH) and Intellectual/Developmental Disabilities (IDD)) and for seniors with disabilities, as they are seeing increases in IDD and MH folks that senior centers and Medicaid are not able to assist. Also interest in young adults aging out of foster care and veterans. There was also interest in allowing properties to grant a preference on their fully accessible units for those with a physical disability, in having a preference for those getting discharged for rehabilitation centers, psychiatric hospitals or released from incarceration to prevent them from exiting into homelessness. It was requested that these funds should definitely be allowed for seniors, particularly since 811 Program does not allow older than age 62.
- Use of Coordinated Entry (CE): There was some support of using CE but not as a mandatory requirement. Several speakers gave examples of where CE is not effective and would greatly limit the ability to assist including those in state hospitals for more than 90 days are no longer considered homeless upon exit under CE, many who need housing who don't get ranked highly enough in CE. Alternatively one commenter did think CE should be required and that CE assessments address racial inequities.

Consultation with Veterans Services Providers

(Outreach for this consultation was targeted to the Texas Veterans Commission and veteran's services providers; 21 persons registered to attend the virtual session, and 12 actually logged on to the session.)

- This session focused significantly on answering questions including eligible uses of the funds, allowable service activities, and length of assistance. One commenter was interested in uses of the funds that were not eligible.
- It was noted that the funds should not require veterans to have a DD 214 or require that the veteran must be honorably discharged. There was discussion of different military discharge statuses. There was interest in assisting vets re-entering the community from incarceration.
- It was suggested that priority in awards be given to those willing to take those perceived as higher risk tenants.
- Uses of the Funds: Interest in capital investment for rental and NCS and in making sure funds are available rurally.
- Populations/Preferences: Veterans.
- Use of Coordinated Entry (CE): They wanted to be sure funds are not limited to those in CE as many in need will get overlooked.

Consultation with Homelessness Service Providers

Outreach for this consultation was targeted to providers of homeless services; more than 158 registered to attend the virtual session, and 117 actually logged on to the session. The summary below includes several comments received in writing from providers who could not attend the session or who followed up with more detail after the session.

- There was strong interest to use funds for one time capital investments for PSH and NCS. There was input that NCS is especially helpful for families, those fleeing domestic violence and those with MH or Post Traumatic Stress Disorder (PTSD) where congregate care can be detrimental to treatment. Most speakers felt there are sufficient resources for rental assistance, and there are those in need with vouchers in hand who can't find units; there is particularly need for the deepest income units. There was emphasis that the rental housing needed to come with operating reserves and allow for sponsorship structures. Commenters encouraged the construction funds be flexible so recipients can try to fund smaller properties or respond flexibly to families in crisis. Several attendees emphasized the importance of funds being made available for rural areas and that they not have to compete against urban areas.
- Several commenters noted that it would be important to not just fund capital investment, but to focus on long term supports including operations, homelessness prevention, case management, employment services, and landlord incentives (with thoughtful consideration relating to fair housing issues).
- One commenter supported sober living beds/transitional beds and some Single Room Occupancy (SRO) design.
- Because of the urgent need now, there was also interest from several providers for TBRA since other rental funds are starting to end. They also note that accessing rental assistance should not first require having an eviction status which is what is often required from other funding sources.
- One commenter supported the funds for nonprofit development and black-led

organizations.

- One commenter suggested that awarding of projects should be prioritized for long term (20-30 year) shelter assistance.
- Uses of the Funds: While varied, there was strong support for PSH and NCS, with less significant support for TBRA, services, and nonprofit operations and capacity building.
- Populations/Preferences: Chronically homeless, disabled, and homeless youth (18-24 years old).
- Use of Coordinated Entry (CE): Most attendees felt strongly that CE should not be a requirement. However two commenters did think CE should be required. Because CE prioritizes persons with the highest scores, those with the greatest needs are getting assisted, but many who could be rapidly assisted are not captured in CE and have lower scores, including those activity working with case workers and in school.

II. PUBLIC PARTICIPATION PROCESS AND INPUT

PJs must provide for and encourage citizen participation in the development of the HOME-ARP allocation plan. Before submission of the plan, PJs must provide residents with reasonable notice and an opportunity to comment on the proposed HOME-ARP allocation plan of ***no less than 15 calendar days****. The PJ must follow its adopted requirements for "reasonable notice and an opportunity to comment" for plan amendments in its current citizen participation plan. In addition, PJs must hold* ***at least one public hearing*** *during the development of the HOME-ARP allocation plan and prior to submission.*

For the purposes of HOME-ARP, PJs are required to make the following information available to the public:

- *The amount of HOME-ARP the PJ will receive,*
- *The range of activities the PJ may undertake.*

Describe the public participation process, including information about and the dates of the public comment period and public hearing(s) held during the development of the plan:

Upon approval of a draft Plan by the TDHCA Board, the draft plan was released for a 17 day public comment period from January 14, 2022 to January 31, 2022. TDHCA adhered to its citizen participation plan. Two hearings were held during the comment period.

Virtual Hearing
Friday, January 21, 2022 at 10:00 a.m. Austin Local Time. There were 51 individuals registered to attend, and 38 attendees. Seven persons commented.

In-Person Hearing
Thursday, January 27, 2022 at 2:00 pm in Austin, Texas. There were no in-person attendees.

Describe any efforts to broaden public participation:
TDHCA held both an in-person hearing in Austin and a virtual hearing to accept comment. Notice of the hearings was published in the Texas Register and sent via TDHCA's subscription email lists to the homeless-focused topics and the multifamily topics, which reached approximately 9,700 subscribers. The notice included how individuals could request a language interpreter, auxiliary aids or services for the hearings. The information on how to request an interpreter was also included in Spanish. Comments were also accepted via mail or email. Finally, the plan was posted online for ease of access during the public comment period.

A PJ must consider any comments or views of residents received in writing, or orally at a public hearing, when preparing the HOME-ARP allocation plan.

Summarize the comments and recommendations received through the public participation process:
Fifteen persons commented on the HOME-ARP draft plan. The comments and staff changes to the plan have been summarized below, along with staff responses.

1. Comment: Clarify if HOME-ARP can be used with National Housing Trust Fund (NHTF) in the same development
Summary: Jennifer Hicks *(TrueCasa Consulting, Austin)* requested clarification on whether NHTF can be layered on the same development.

Staff response: While NHTF was not named specifically in the draft HOME-ARP Plan, NHTF was included in the umbrella category of "other federal funds" able to be layered with HOME-ARP. However, this question prompted several critical discussions among HOME-ARP and Multifamily staff. There may be developments previously awarded NHTF that face increased costs, putting the developments in jeopardy of not being able to be completed. If not completed, the Department may lose access to these NHTF funds. Prioritizing the use of the HOME-ARP funds to these developments allows the NHTF funds to remain in Texas, and also will expedite early delivery of some of the HOME-ARP units more quickly than will be the case for new applications. Therefore, staff revised the Plan to designate that up to $10 million of HOME-ARP funds may be directly awarded, without competition, to certain NHTF active applications or awardees. These developments will be required to submit an abbreviated application upon approval of the Plan from HUD, but will not be required to compete for funds under the HOME-ARP Rental Development Notice of Funding Availability (NOFA). Specifically, the following provisions are now included in the HOME-ARP Plan:

"Applications for HOME-ARP that are for developments with an active application for, or that were awarded, NHTF from the Department may be submitted directly and awarded non-competitively if the applicant:

- applied for NHTF in 2020 or 2021 and the application was not terminated by

staff or voluntarily withdrawn by the applicant;
- can demonstrate cost increases that necessitate the need for additional investment;
- has not started construction or has previously received a 24 CFR Part 58 review if construction has started;
- the deferred developer fee does not decrease and developer fee does not increase; and
- returns HOME-ARP application materials to the Department within the timeframe provided by the Department and before the application due date of NOFAs for HOME-ARP rental housing.

Up to $10 million in HOME-ARP funds will be available for NHTF awardees that meet the criteria in this section. If the Department receives less than $10 million in applications by the time of the rental development NOFA application due date, the remaining funding will be used to increase the amount available for rental development awards. If the applications received for this limited pool exceed the total available, the applications will be processed based on their submission date. In the event that more than $10 million is requested per application received on the same date, the Development with the lowest HOME-ARP capital cost per unit will be awarded.

In addition, applications layered with NHTF will also be accepted during the application cycle for HOME-ARP rental development. However, there may be programmatic limitations on having HOME-ARP and NHTF in the same unit."

2. Comments: Support and clarification of TDHCA HOME-ARP availability in Participating Jurisdictions

Summary: Two comments were received regarding the ability to use HOME-ARP in Participating Jurisdictions (e.g., areas of Texas that receive HOME-ARP funds directly from HUD).

One comment was from James Wooldridge *(Habitat for Humanity, Fort Hood)* who asked for clarification on availability within Participating Jurisdictions. The second comment was from Judy Telge *(Coastal Bend Center for Independent Living, Corpus Christi)* who encouraged use of HOME-ARP in Participating Jurisdictions.

Staff response: The HOME-ARP draft Plan stated that funds will be made available statewide. Staff has added a clarification that applicants must demonstrate the unmet need among qualifying populations for the type of housing proposed in their geographical area through a market assessment or other source of data for greater conformance to HUD's requirements. The Department will conduct outreach to encourage applications from both urban and rural areas to be submitted. Distribution may be affected by State laws or limitations, such as Tex. Gov't Code §2306.111(c), if at such time existing state waivers expire.

3. Comment: Increase the maximum amount of HOME-ARP rental development awards to $15 million

Summary: Sabrina Butler *(Foundation Communities, Austin)* asked to increase the maximum amount of assistance for rental housing development from $10 million to $15 million. She stated a larger cap of $15 million would be needed to be able to scale the rental housing program which also can include operating subsidies.

Staff response: Staff agrees with the comment, and has increased the maximum award amount for rental housing from $10 million to $15 million, although this amount may be further limited in the NOFA.

4. Comment: Apply the per project maximum request to the capital request only for rental development

Summary: Sabrina Butler *(Foundation Communities, Austin)* suggested applying the per project maximum request to the capital request, not including any additional operating reserve request.

Staff response: The Plan had not been specific on whether the per application cap did or did not include the operating reserves. Clarification was needed, however the clarification made to the Plan was not what was requested, but rather that the maximum per project award includes operating reserves. HUD CPD Notice 21-10 allows for capitalized operating costs to be used in conjunction with acquisition, rehabilitation, or construction of affordable rental housing. Operating costs are not a separate activity and, as such, will be included in the entire application amount. Further, with the limited funds available, the Department wants to stretch the dollars to assist more developments if possible.

5. Comment: Allow HOME-ARP capital dollars to be loaned through a deferred forgivable loan at 0% interest

Summary: Sabrina Butler *(Foundation Communities, Austin)* requested that HOME-ARP loans be structured as a deferred, forgivable loan at 0% interest, as the HOME-ARP units will not be able to support debt service.

Staff response: Staff anticipates offering a range of loan types in the NOFAs with different options that developments can choose from to suit their financial structure. One of those loan products will be a deferred forgivable loan at 0% interest. Clarification on the types of loans available is included in the Plan, and the specifics on the loan terms will depend on the financial structure of the application and contract terms described in further program guidance.

6. Comment: Allow HOME-ARP units to float

Summary: Sabrina Butler *(Foundation Communities, Austin)* requested that HOME-ARP units be allowed to float, unless otherwise restricted by additional funding sources on the development.

Staff response: Generally, TDHCA supports floating units unless prohibited by other federal sources. However, because a unit's nature as being fixed or floating affects the underwriting of the development, the NOFA will outline whether units must be fixed or floating.

7. Comments: HOME-ARP rental housing should assist special needs populations

Summary: Four commenters included their perspective on serving persons experiencing homelessness, and listed specific populations that would benefit from HOME-ARP rental housing.

Dr. Flora Brewer *(Paulos Foundation, PF Residential and Paulos Properties, Fort Worth)* and R. Steve Christian *(New Leaf Community Services, Fort Worth)* commented that funds should be programmed into creating housing especially for persons with long periods of homelessness, disabilities, chronic illness, behavioral health disorders, and those who are elderly.

Deirdre P. Browne *(MHMR Tarrant County Behavioral Health Services)* commented that HOME-ARP's rental housing should serve persons with long histories of homelessness, disabilities, chronic illness, and behavioral health disorders.

Judy Telge *(Coastal Bend Center for Independent Living, Corpus Christi)* commented that HOME-ARP should not be restricted to persons with disabilities who have senior status. She stated that there is need for affordable housing for younger individuals with disabilities.

Staff response: The populations listed by the commenters are within or could be a subset within populations listed already in the HOME-ARP Plan under preferences for rental housing. It should also be noted that the draft Plan included "Persons with Disabilities" with no mention of age as a possible limiting factor. While the persons listed by commenters above were not added separately to the HOME-ARP Plan, the Plan has been revised to further describe the needs and gaps of the qualified populations, and adds three additional possible preference populations: persons who are experiencing homelessness, persons who were formerly homeless and temporarily housed, and persons prioritized through Coordinated Entry for non-congregate shelter and rental housing.

In addition, staff added clarification regarding the use of the Coordinated Entry system. If a property is intending to use only Coordinated Entry and not a project-specific waitlist, the Coordinated Entry system must meet the requirements in HUD CPD notice 21-10, which requires sufficient referrals to the project and that all qualifying populations have an opportunity to participate within the project's geographic region. This may mean the addition of certain qualifying populations and ensuring the Coordinated Entry includes the primary market area of the rental development, as defined in 11.303(d)(8). If the requirements of 21-10 are not met, then a project-specific waitlist must also be used by the development. The project-specific waitlist must take persons in chronological order, with priority given to those with preferences stated in the written agreement between the developer and the

Department. In addition, if up to 30% of the HOME-ARP units are reserved for low-income household who are not qualifying populations, a project-specific waitlist must be used for these units.

8. Plan clarification: Unused non-profit capacity building and non-profit operating cost assistance will be offered as non-congregate shelter or rental housing development activity funds.

Clarification: The Plan was updated to provide a clarification on the flow of funds under the non-profit capacity building and operating cost assistance line items. While the NP Operating and NP Capacity Building are shown as one line item in the table for the purpose of receiving requests for either category, the Department will commit these activities to each project separately in IDIS as needed. The NP Operating and NP Capacity Building Assistance applications will be included as part of the NOFAs for NCS and Rental Housing development. If awards for NP Operating and NP Capacity Building do not fully utilize those funds within their respective NOFAs, those unused funds may be shifted into NCS or Rental Housing for those activities.

Summarize any comments or recommendations not accepted and state the reasons why:

9. Comments: Varied comments relating to the proportional amount of funds being allocated for rental housing and non-congregate shelter.

Summary: There was one comment to support the current allocation in the draft plan, and eleven comments to move funds from non-congregate shelter to rental housing development. G. Roderick Henry *(Temple Chamber of Commerce)* wrote in support of the current allocation proposed in the draft, with the evenly allocated program funds of approximately $56 million in both non-congregate shelter and rental housing development. He describes possible risks in congregate shelters and the possible struggle to maintain employment while at a congregate shelter. He makes a connection between shelters as a steppingstone toward permanent affordable housing. A letter of support with a similar comment was also submitted by State Representative Brad Buckley, Texas House District 54, outside of the official public comment period.

Alternatively, there were eleven comments to move funds from non-congregate shelter to rental housing development. The comments varied in the amounts to move from one category to the other.

There were five comments that supported moving an unspecified amount of funding from non-congregate shelter to rental housing development. These comments were from (1) Lauren King, *(Tarrant County Homeless Coalition)*; (2) Sabrina Butler *(Foundation Communities, Austin)*; (3) Jyme Gordy *(Presbyterian Night Shelter, Fort Worth)*; (4) Toby Owen *(Presbyterian Night Shelter, Fort Worth)*; and (5) Madeline Reedy *(CitySquare, Dallas)*.

There were three comments that supported moving a moderate amount of funds from non-congregate shelter to rental housing development. Comments were received from (1) Ken Cates *(Habitat for Humanity, Fort Hood),* (2) Tara Perez *(City of Fort Worth),* and *(3)* Debbi Rabalais *(Presbyterian Night Shelter, Fort Worth)*. Ken Cates commented that rental housing development should be budgeted at approximately $60 million and non-congregate shelter would be approximately $52 million. He stated that there is an opportunity for partners to combine non-congregate shelter and affordable housing options. Tara Perez and Debbi Rabalais both requested that approximately $87 million be programmed into rental housing development and $25 million be programmed into non-congregate shelter. Tara Perez gave an example of a hotel conversion to Permanent Supportive Housing (PSH) in Fort Worth that no longer needs to be supported by emergency shelter operating funds. The project created a reduction in homelessness metrics for the City of Fort Worth. Both Debbi Rabalais and Toby Owen of the Presbyterian Night Shelter also included the example of the hotel conversion in Fort Worth, commenting that the Presbyterian Night Shelter provides supportive services for persons in the newly-converted development. They encouraged a similar program in other HOME-ARP rental developments.

There were three comments that supported moving approximately $56 million from the non-congregate shelter funds to rental housing development. This change would result in the non-congregate shelter activity budget being essentially zero. These comments were from: (1) Dr. Flora Brewer *(Paulos Foundation, PF Residential and Paulos Properties, Fort Worth)*; (2) R. Steve Christian *(New Leaf Community Services, Fort Worth)*; (3) Deirdre P. Browne *(MHMR Tarrant County Behavioral Health Services)*. Dr. Flora Brewer and R. Steve Christian both told of their experience working to end homelessness, and were convinced that funding should be invested in housing. Deirdre P. Browne noted that rental housing and specialized wrap-around services are key to eliminating homelessness and returns to homelessness.

Staff response: While staff agrees that more permanent housing is necessary to alleviate homelessness, emergency shelter is also necessary in certain situations. The draft HOME-ARP Plan has a provision that if applications received in either non-congregate shelter or rental housing do not fully use the allocation, the funds may be shifted between the two categories. Considering this provision, staff recommends retaining the allocation levels between rental housing and non-congregate shelter as proposed in the draft. Therefore, no changes were made to the Plan as a result of the comment.

Staff agrees that successful rental housing developments may include partnerships between developers and non-profits that provide services. Staff also anticipates that there will be partnerships between non-congregate shelter providers and rental housing developments as well.

10. Comment: HOME-ARP should be used for tenant-based rental assistance and supportive services

Summary: Judy Telge *(Coastal Bend Center for Independent Living, Corpus Christi)* supported the draft Plan's programming of funds into non-congregate shelter and rental housing development, and also requested for funding to be programmed into tenant based rental assistance (TBRA) and supportive services such as case management. She advocate for TBRA and supportive services to bridge gaps until the shelters or developments are constructed.

Staff response: While staff recognizes a range of support and housing options are needed, the overwhelming support for HOME-ARP through the consultations and public comments have been for non-congregate shelter and rental housing development. In addition, TDHCA offers other program sources for rental assistance and supportive services. The draft Plan also has a provision that if sufficient applications are not received for non-congregate shelter or rental housing, funds may be reprogrammed into supportive services or TBRA. No changes were made to the Plan as a result of this comment.

11. Comments: Allow HOME-ARP to be used with project-based vouchers, tenant-based vouchers, and other types of rental subsidies.

Summary: Jennifer Hicks *(TrueCasa Consulting, Austin)* asked for clarification regarding use of HOME-ARP with project-based vouchers or tenant based vouchers and gave several examples (found in Attachment C). She also asked for clarification of the rental amount for a qualified population with a tenant-based voucher.

Staff response: Both project-based vouchers and tenant-based rental assistance may be allowed in HOME-ARP projects, dependent on the overall financial structure and funding sources. A tenant who is in a qualified population would pay 30% of his/her income for rent; if that project also had a project-based subsidy or the tenant had a tenant-based rental subsidy, the payment for the tenant would still be 30% of his/her income, but the development could charge the rent permissible under the applicable rental assistance program (i.e., the tenant rental contribution plus the rental subsidy allowable under that rental assistance program). However, TDHCA will only underwrite to the project-based subsidy because that is the only subsidy that stays with the project. Other types of rental subsidies may potentially be allowed, depending on the source of funds and requirement. In addition, the use of project-based vouchers or rental subsidies may affect access to capitalized operating costs, underwriting (if known at the time of application), layering with HOME annual or NHTF, whether units are fixed versus floating, and mandatory services. Further program guidance on layering with types of rental assistance will be provided. No changes to the Plan were made as a result of this comment.

12. Comment: Allow HOME-ARP to have a tax exemption

Summary: Jennifer Hicks *(TrueCasa Consulting, Austin)* asked to pair HOME-ARP with 100% tax exemption for developments that are focused on the hardest to serve populations (she gave an example of persons experiencing chronic homelessness).

Staff response: HOME-ARP does not have the authority to grant tax exemptions, nor does the Department want to limit applicants to only those that can attain such an exemption. Developers should pursue these exemptions from the appraisal district in which the property is located as needed. No changes to the Plan were made as a result of this comment.

13. Comments: Further guidance or clarification is needed on how to assist the qualified populations in units with operating cost assistance after the federal affordability period and operating cost assistance ends

Summary: Two commenters requested further guidance on how the development/owner would assist the qualified populations when the federal affordability period ends and the operating cost assistance ends. The qualified populations will be paying 30% of their income toward rent in units that may be supported by capitalized operating costs. Capitalized operating costs are sized to last until the end of the federal affordability period, which is 15 years. The state affordability period is a minimum of 30 years.

Sabrina Butler *(Foundation Communities, Austin)* suggested the use of HOME-ARP capitalized operating assistance to fund a reserve for after the federal affordability period ends at year 15, so that qualified populations could experience gradual rent increases up to post-HOME-ARP affordability standards. She also suggested finding an alternative funding source to pay for a portion of the higher rents until the qualified populations could pay the full rents under the state affordability period.

Jennifer Hicks *(TrueCasa Consulting, Austin)* asked for clarification if the owner would need to seek out other sources to cover the operating costs if the tenant is not able to pay more than 30% of his/her income for rent after year 15.

Staff response: HOME-ARP affordability period for rental development is 15 years. At the end of that period the tenants will be required to pay rents at the rent level established in the LURA for years 16 to the end of the state affordability period, because Tex. Gov't. Code 2306.185(a)(c) requires that most properties have affordability for at least 30 years. Accordingly, most properties will have to show viability through underwriting for the full state affordability period of at least 30 years at the time of application for HOME-ARP funding. The financial feasibility of HOME-ARP will likely require use of many different models and types of assistance, especially after the federal affordability period ends. In addition, the HUD notice 21-10 does not list rental assistance nor creation of a reserve for rental assistance as eligible costs for operating assistance. The operating assistance reserve is sized for costs throughout the 15-year federal affordability period. Using the capitalized operating costs to fund a reserve beyond the federal affordability period would not be in line with the size of the reserve (with the possible exception of payments into the replacement reserve for major systems, which is specifically listed in the HUD Notice 21-10 as eligible). The State must use the definition of operating costs in the HUD CPD Notice when calculating the size of the assistance. No changes were made to the Plan as a result of these comments.

14. Comments: Maintain full HUD-allowed flexibility for the capitalized operating assistance

Summary: Sabrina Butler *(Foundation Communities, Austin)* had several comments regarding the flexibility of the capitalized operating assistance.

One comment was to allow underwriting to determine the maximum per-project cap of the capitalized operating assistance, instead of creating a per-project maximum.

A second comment was to allow the operating cost assistance to fund the prorated share of HOME-ARP units' contribution to the capital replacement reserve.

Staff response: HUD notice 21-10 has no proposed maximum project capitalized operating cost. In addition, the HUD notices states that the operating cost assistance may fund the replacement reserve. However, HOME-ARP funds cannot be used to both capitalize a reserve for replacement and provide payments to the reserve for replacement from a capitalized operating reserve. The draft Plan does not create limits on the capitalized operating reserve beyond the regulations in HUD notice 21-10, other than the total limit for a development which includes both the development and operating reserves jointly. No changes to the Plan were made as a result of these comments.

15. Comment: Allow the capitalized operating fund to be drawn based on projected deficits yearly

Summary: Sabrina Butler *(Foundation Communities, Austin)* requested to draw on the operating reserve in advance of each calendar year based on projected deficits. She suggested establishing a process to allow for funds overdrawn or underdrawn to be reconciled at the end of the year, with an option to reconcile earlier if actual rents of the year are lower than projected and impact the development's short-term liquidity. This will help ensure sufficient cash on hand to cover monthly expenses throughout the year.

Staff response: HUD CPD Notice 21-10 requires TDHCA to review each requested distribution from the operating reserve, including supporting documentation. In addition, TDHCA must review the size of the operating reserve account annually to determine the account is appropriately sized. More details on the draw frequency and the process for periodic review of the reserve and its deficits will be issued with additional program guidance. No changes to the Plan were made as a result of this comment.

16. Comment: Allow the capitalized operating fund to cover a reasonable vacancy rate

Summary: Sabrina Butler *(Foundation Communities, Austin)* requested that operating reserves cover the fixed operating costs incurred even during HOME-ARP unit vacancy periods during initial lease-up and at unit turnover. She requested TDHCA apply a reasonable vacancy rate in sizing the reserve considering the market, the potential for lengthier unit re-leasing timelines depending on the target population, and source of applicant referrals.

Staff response: HUD-Notice 21-10 states that operating cost assistance is for HOME-ARP-assisted units restricted for occupancy by qualifying populations, which would account for up to 70% of the HOME-ARP units. The HUD notice does not specify whether the qualified population units need to be currently occupied in order to receive the operating cost assistance. In addition, HOME-ARP offers an optional initial operating reserve (not to exceed 12 months) for the low-income households, which would account for up to 30% of the HOME-ARP units in the development. The Department is seeking clarification from HUD on whether the capitalized operating costs can be used for vacant units either during lease-up for the first 12 months or when temporarily vacant. It should be noted that a vacancy rate is already applied during the underwriting process to ensure the Development is viable. Further guidance will be released once clarification is received from HUD and processes are established at the Department. No changes to the Plan were made as a result of this comment.

17. Comment: Allow for underwriting to take into account capitalized operating costs.

Summary: Sabrina Butler *(Foundation Communities, Austin)* requested for a waiver category for TDHCA underwriting infeasibility conclusions for projects that have HOME-ARP operating reserve funds, to the extent any projected deficit is mitigated by these reserve funds.

Staff response: HUD Notice 21-10 requires that capitalized operating cost assistance reserve be included in the underwriting. The capitalized operating costs assistance should mitigate certain projected deficits. No waiver to underwriting criteria would be necessary. No changes to the Plan were made as a result of this comment.

18. Comment: Allow acquisition costs incurred prior to commitment to be an eligible cost

Summary: Sabrina Butler *(Foundation Communities, Austin)* requested that, to the extent allowable under HUD rules, allowance of acquisition costs incurred prior to commitment be considered an eligible cost in the calculation of the maximum eligible HOME-ARP capital request.

Staff response: The draft Plan does not set any additional limitations on acquisition other than federal regulations. Note that the HOME-ARP Draft Plan specifically states that National Environmental Protection Act (NEPA) requirements apply to these funds, which is also included in HUD Notice 21-10. NEPA may affect the eligibility of acquisition costs, which is a choice limiting action and not allowed in most cases prior to commitment. Furthermore, 24 CFR §92.206(g) contains some limitations on costs incurred before the application for HOME-ARP funds is accepted. No changes to the Plan were made as a result of this comment.

19. Comment: Allow for HOME-ARP funding to be awarded to a sponsor entity and passed through to an awardee of Housing Tax Credits.

Summary: Sabrina Butler *(Foundation Communities, Austin)* requested allowing the HOME-ARP funding to be awarded to the sponsor entity and "passed through" to the tax credit ownership entity. In this way the sponsor can apply a maturity date and interest rate (if required by investor) to avoid the forgivable loan being treated as taxable income.

Staff response: Awarding HOME-ARP funds to a sponsor to then enter into an agreement with a project owner is prohibited per HOMEFires Volume 16, Number 1. For HOME funds (including HOME-ARP), the agreement and provision of funds must be between the State and the owner. No changes to the Plan were made as a result of this comment.

20. Comment: Require Applicants for rental housing to have meaningful involvement from a nonprofit

Summary: Sabrina Butler *(Foundation Communities, Austin)* requested that applicants must demonstrate true, meaningful involvement from a nonprofit with deep experience serving the target population. She asked for a priority for nonprofit sponsorship, as developments intended to be served by this program are unlikely to generate a profit and will likely require additional fundraising to offset the cost of services.

Staff response: The Plan as drafted was designed intentionally to allow both supportive housing and general rental housing developments to apply for HOME-ARP. As such, meaningful involvement with a nonprofit that provides services may not be needed in all cases. No changes to the Plan have been made as a result of this comment.

21. Comment: Scattered site general housing and supportive housing models should both be used with HOME-ARP, without priority of one over the other

Summary: Jennifer Hicks *(TrueCasa Consulting, Austin)* stated that both scattered site general housing developments and supportive housing with wrap-around services are both needed for persons experiencing homelessness. One model should not be prioritized over the other.

Staff response: Staff agrees and the draft HOME-ARP Plan does not prioritize one type of development over another. No changes were made to the Plan as a result of this comment.

22. Comments: Clarify proportionality of HOME-ARP units and allow for Applicants to designate more units

Summary: Two comments were received regarding the minimum number of HOME-ARP units required.

One comment from Jennifer Hicks *(TrueCasa Consulting, Austin)* requested clarification on the number of HOME-ARP units required based on the proportional investment of HOME-ARP funds.

One comment from *Sabrina Butler (Foundation Communities, Austin)* suggested allowing developers to commit more units to HOME-ARP than the required minimum. By allowing a higher level of commitment, more units can reach the deeper affordability of the HOME-ARP program and qualify for the operating reserve subsidy.

Staff summary: Applicants may be permitted to commit more HOME-ARP units than the minimum amount specified by applying cost allocation per CPD Notice 16-15. It is anticipated that HOME-ARP units designated for qualifying populations will be eligible for capitalized operating reserves; however, the additional investment of HOME-ARP funds will necessitate a revised cost allocation calculation and could trigger additional requirements such as Davis-Bacon or a longer affordability period.

23. Comments: Waive specific sections of Texas Administrative Code

Summary: Two commenters included requests for waivers of existing Texas Administrative Code (TAC).

One comment from Sabrina Butler *(Foundation Communities, Austin)* asks for a waiver of the HOME max per-unit subsidy for HOME-ARP per 10 TAC §13.7(b)-(c).
One comment from Jennifer Hicks *(TrueCasa Consulting, Austin)* requested that TDHCA waive the criminal history criteria in the Supportive Housing definitions in the Qualified Allocation Plan (10 TAC §11.1(a)(122)(B)(v). She stated that if a goal is to use the Coordinated Entry list, the screening criteria under the Supportive Housing definition may pose barriers.

Staff response: The draft HOME-ARP Plan does not specify any rules will be waived, however staff does plan to list any sections of the rules that will be waived in program guidance or the NOFA in order to allow the program to reflect the flexibility of the HUD Notice 21-10. No changes were made to the Plan as a result of this comment.

III. NEEDS ASSESSMENT AND GAPS ANALYSIS

PJs must evaluate the size and demographic composition of qualifying populations within its boundaries and assess the unmet needs of those populations. In addition, a PJ must identify any gaps within its current shelter and housing inventory as well as the service delivery system. A PJ should use current data, including point in time count, housing inventory count, or other data available through CoCs, and consultations with service providers to quantify the individuals and families in the qualifying populations and their need for additional housing, shelter, or services. The PJ may use the optional tables provided below and/or attach additional data tables to this template.

Homeless Needs Inventory and Gap Analysis Table - 1

Homeless													
	Current Inventory					Homeless Population				Gap Analysis*			
	Family		Adults Only		Vets	Family HH (at least 1 child)	Adult HH (w/o child)	Vets	Victims of DV	Family		Adults Only	
	# of Beds	# of Units	# of Beds	# of Units	# of Beds					# of Beds	# of Units	# of Beds	# of Units
Emergency Shelter	5,385	1,463	8,285	N/A	972								
Transitional Housing	2,190	618	1,916	N/A	1,916								
Permanent Supportive Housing	4,847	1,695	9,950	N/A	5,633								
Other Permanent Housing						N/A	N/A	N/A	N/A				
Sheltered Homeless						5,783	8,234	1,117	2,242				
Unsheltered Homeless						506	12,686	831	744				
Current Gap										#	#	#	#

Data Sources: 1. 2020 Point in Time Count (PIT); 2. 2020 Continuum of Care Housing Inventory Count (HIC)

*There may not be a direct correlation between the types of housing offered in this chart and the number of people experiencing homelessness, as not every person experiencing homelessness would need or want to use emergency shelter, transitional housing, or permanent supportive housing. Therefore, the gap analysis is not reflected in this chart, but possible gaps are discussed below.

Housing Needs Inventory and Gap Analysis Table - 2

Non-Homeless			
	Current Inventory	Level of Need	Gap Analysis*
	# of Units	# of Households	# of Households
Total Rental Units	3,686,845		
Rental Units Affordable to HH at 30% AMI (At-Risk of Homelessness)	340,420		
Rental Units Affordable to HH at 50% AMI (Other Populations)	546,190		
0%-30% AMI Renter HH w/ 1 or more severe housing problems (At-Risk of Homelessness)		501,880	
30%-50% AMI Renter HH w/ 1 or more severe housing problems (Other Populations)		268,065	
Current Gaps			#

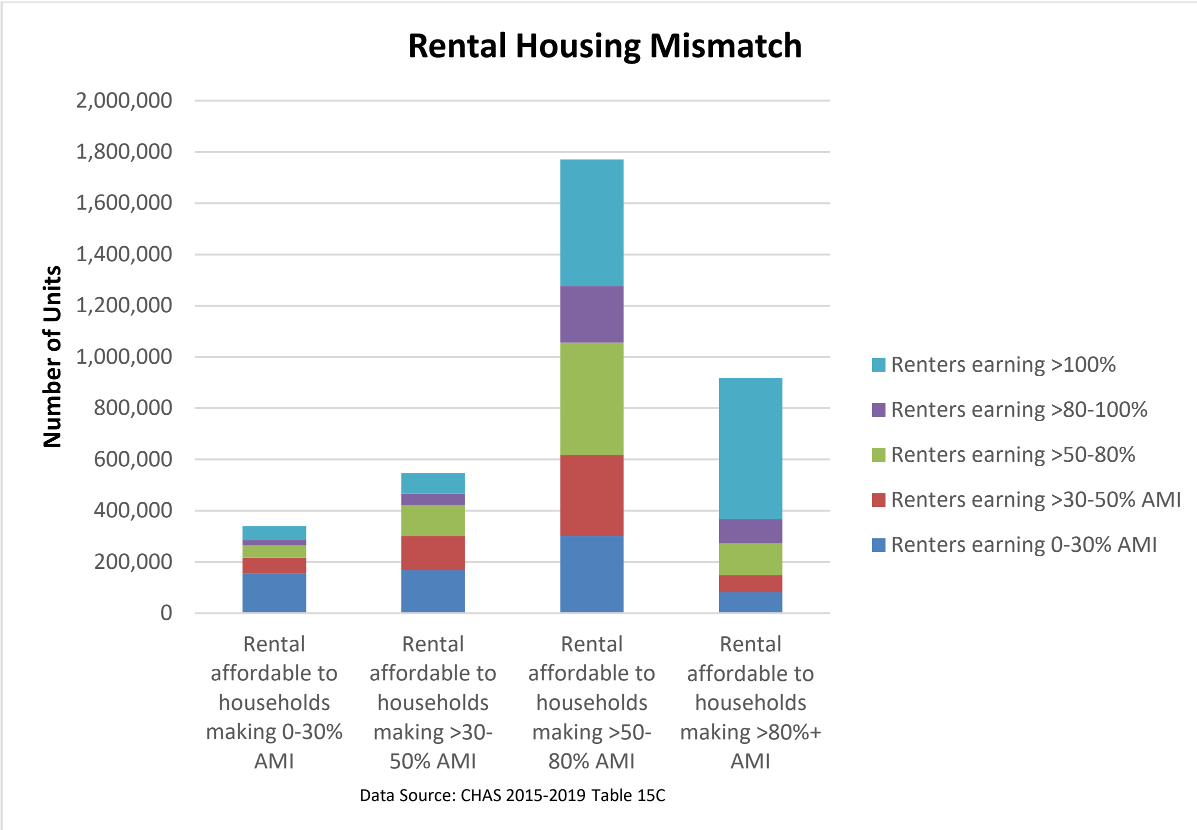
Data Sources: 1. 2015-2019 American Community Survey (ACS); 2. 2014-2018 Comprehensive Housing Affordability Strategy (CHAS)

*There may not be a direct correlation between the affordable rental units and the households with a housing problem at that income level; this chart does not reflect the housing mismatch, which shows the difference between the households that can afford the rental units and the households living in the rental units. A further analysis of this mismatch is discussed below.

Rental Housing Mismatch Table – 3

Rental Housing Mismatch	Renters earning 0-30% AMI	Renters earning >30-50% AMI	Renters earning >50-80%	Renters earning >80-100%	Renters earning >100%	Total
Rental affordable to households making 0-30% AMI	155,585	61,075	47,650	21,135	54,975	340,420
Rental affordable to households making >30-50% AMI	167,530	134,250	119,555	44,755	80,100	546,190
Rental affordable to households making >50-80% AMI	301,075	315,540	439,685	219,140	495,335	1,770,775
Rental affordable to households making >80%+ AMI	81,435	66,655	124,645	95,715	550,090	918,540
Total	705,625	577,520	731,535	380,745	1,180,500	

Data Source: 2014-2018 CHAS Data



1. ***Describe the size and demographic composition of qualifying populations within the PJ's boundaries:***

<u>Homeless</u>

For HOME ARP, two of the qualifying populations are persons/households experiencing homelessness, and households who have previously been qualified as "homeless" as defined in 24 CFR §91.5 who are housed due to temporary or emergency assistance and need additional housing assistance or supportive services to avoid a return to homelessness. According to HUD's 2020 Point-in-Time count for Texas, there were approximately 22,544 Homeless Households comprised of 27,229 Homeless Persons. This is an increase of 5% from 2019 of Homeless Persons in the State of Texas.

In 2020, 58% of the counted homeless population in Texas identified as White, 37% identified as Black or African American, 0.75% identified as Asian, 1.3% identified as American Indian or Alaska Native, 0.32% identified as Native Hawaiian or Other Pacific Islander and 3% identified as being of multiple races.

Individuals who are identified as chronically homeless make up 14.8% of the State's homeless population. Through consultation with stakeholders around the State of Texas it was noted that this segment of the population is often the hardest to reach and hardest to assist. It was also noted through consultation that often the chronically homeless are the most visible segment of the homeless population as they often make up a large portion of unsheltered homeless individuals.

In addition, there were 1,948 homeless Veterans making up 7.2% of the State's homeless population and 1,408 unaccompanied youth making up 5.2% of the homeless population.

The table below shows each Continuum of Care (CoC) in the State of Texas and the number of homeless individuals in the areas covered by each respective CoC based on data from the HUD 2020 Point-in-Time count.

Table 4 – Population of Homeless Individuals by CoC

Metropolitan Area	Continuum of Care	Number of Homeless Individuals	Percent of all Homeless Individuals in the State
Amarillo	Amarillo CoC	600	2.2%
Austin	Austin/Travis County	2,506	9.2%
Bryan/College Station	Bryan, College Station/Brazos Valley CoC	109	0.4%
Dallas	Dallas City & County, Irving CoC	4,471	16.4%
El Paso	El Paso City & County CoC	843	3.1%
Fort Worth	Fort Worth, Arlington/Tarrant County CoC	2,126	7.8%
Houston	Houston, Pasadena, Conroe/Harris, Fort Bend, Montgomery Counties CoC	3,974	14.6%
San Antonio	San Antonio/Bexar County CoC	2,932	10.8%
Waco	Waco/McLennan County	234	0.9%
Wichita Falls	Wichita Falls/Wise, Palo Pinto, Wichita, Archer Counties CoC	236	.09%
All other areas of Texas	Texas Balance of State CoC	9,198	33.7%
Total Homeless Individuals in the State		**27,229**	**100%**

As can be seen in Table 4 just under 60% of the State's homeless population (58.8%) is located in the five largest Metropolitan areas, Austin, Dallas, Fort Worth, Houston and San Antonio. This is expected due to the large concentration of general population in these areas, close proximity to public services, such as transportation, hospitals/clinics, other social services as well as a greater lack of affordable housing and increased cost of housing in these areas.

At-risk of Homelessness

For HOME-ARP an individual or family is considered at-risk of homelessness if their income is below 50% area median family income, do not have sufficient resources or support networks, and have experienced housing instability. Below is an analysis of 0-30% AMI renters and 30-50% AMI renters.

Individuals or families with extremely low incomes (30% or below area median income) are often service sector workers, including those who earn minimum wage. Individuals or families at risk of homelessness are also often straining the willingness of their social networks to provide housing supports over an extended period, such as living with family or friends over an extended period.

There are 705,625 Renter Households in the State of Texas earning between 0 and 30% of Area Median Income (AMI) according to 2014-2018 HUD Comprehensive Housing Affordability Strategy (CHAS) data. This is roughly 20% of all Texas Renter Households. Of those 705,625, roughly 501,880 Households also have one or more of the four severe housing problems identified by HUD which are: 1. Lacks complete kitchen facilities, 2. Lacks complete plumbing facilities, 3. More than 1.5 persons per room (overcrowding), and 4. Cost burden over 50%. This means that 71% of 0-30% AMI renters are living with one of these serious housing problems that impact their daily lives in addition to being low income. 28% of renters with one or more of the severe housing problems identify as White, 24% identify as Black/African American and 42% identify as Hispanic.

There are an additional 577,520 Renter Households in the State of Texas earning between 30 and 50% of AMI according to 2014-2018 CHAS data. This is roughly 16% of all renter households. 46% or roughly 268,065 households have one or more of the four severe housing problems noted above. For renters at 30-50% AMI with one or more of the severe housing problems, 33% identify as White, 20% identify as Black/African America and 42% identify as Hispanic.

According to the data, there are currently 340,420 units of rental housing affordable to households making 0 to 30% AMI in the State of Texas and an additional 546,190 units of rental housing affordable to households making 30-50% AMI.

Other Families Requiring Services or Housing Assistance to Prevent Homelessness

A qualifying population for HOME-ARP is defined as households who have previously qualified as homeless, are currently housed due to temporary or emergency assistance, and who need additional housing assistance or supportive services to avoid a return to homelessness. Broadly, assistance to persons experiencing homelessness may be time limited depending on the program requirements and the availability of funds. Specific to the homeless program resources in Texas, the Emergency Solutions Grants (ESG) Coronavirus Aid, Recovery, and

Economic Security (CARES) Act funds infused approximately 10 times more funds than the annual amount of ESG funds and have an initial expenditure deadline of September 30, 2022. TDHCA's ESG CARES program received approximately $97 million, and other participating jurisdictions for ESG CARES in Texas received approximately $148 million directly from HUD available in 2020.

One of the four activities of ESG/ESG CARES is rapid re-housing assistance, which is for services or housing assistance for persons experiencing homelessness and often associated with entry into housing. TDHCA's ESG CARES program served 5,821 unduplicated persons through rapid re-housing as of this writing. TDHCA anticipates that other persons who experienced homelessness received rapid re-housing through ESG CARES received by local jurisdictions. In cases where ESG CARES funding ends, there may be need for further supports or assistance that may be provided by several sources, including services through TDHCA's Housing Stability Services (funded through Treasury's Emergency Rental Relief), Emergency Housing Vouchers (authorized by ARPA), or HOME-ARP.

At Greatest Risk of Housing Instability

A qualifying population highlighted by the HOME-ARP program is households making 0-30% of AMI that are also severely cost burdened (paying 50% or more of their income in rent). There are 417,345 or roughly 60% of all 0-30% AMI renters paying more than 50% of their income in rent. According to 2014-2018 CHAS data 48% of all 0-50% AMI renter households in the state are paying more than 50% of their income in rent.

Individual or family fleeing, or attempting to flee, domestic violence, dating violence, sexual assault, stalking, or human trafficking

It is recognized that domestic violence is one of the main factors of homelessness or being at-risk of homelessness for families. Texas Council on Family Violence provided consultation on the State of Texas 2020-2024 Consolidated Plan noting, "90% of survivors accessing family violence services experienced homelessness as a result of fleeing an abusive relationship at least once".

Domestic violence contributes to homelessness. When a person decides to leave an abusive relationship, they often have nowhere to go. This is particularly true of women with few resources. Lack of affordable housing and long waiting lists for assisted housing mean that many women and their children are forced to choose between abuse at home and life on the streets. Approximately 63% of homeless women have experienced domestic violence by an intimate partner in their adult lives according to the National Network to End Domestic Violence. Statistics released in the 2020 Domestic Violence Counts Report by National Network to End Domestic Violence show that Texas emergency shelters or transitional housing provided by local domestic violence programs served 5,950 victims of domestic violence in one day. 3,712 adult and child victims of domestic violence found refuge in emergency shelters, transitional housing, or other housing provided by local domestic violence programs. On this day, 948 Texas survivor's request for services went unmet, 341 of which were for housing and emergency shelter.

<u>Veterans</u>

Veterans may qualify for HOME-ARP if they meet one of the qualifying population criteria. According to the 2019 5-year American Community Survey, there are approximately 1.4 million Veterans in Texas, which is about 5.1% of the total population. Veterans are overrepresented in homeless statistics compared to their share of the state population. According to the 2021 PIT count in Texas, there were 950 veterans in emergency shelter or transitional housing, which makes up 6.7% of the homeless population. There will likely be overlap between Veterans and the Qualifying Populations in HOME-ARP.

The State of Texas is not suggesting expanding the program eligibility beyond the populations noted above and those at greatest risk of housing instability (under 30% AMI and severely cost burdened), as provided by HUD.

2. ***Describe the unmet housing and service needs of qualifying populations, including but not limited to:***
   - ***Sheltered and unsheltered homeless populations;***
   - ***Those currently housed populations at risk of homelessness;***
   - ***Other families requiring services or housing assistance or to prevent homelessness; and,***
   - ***Those at greatest risk of housing instability or in unstable housing situations:***

Through analysis of the data presented in Tables 1, 2 and 3 above we can identify the unmet housing and service needs of the HOME-ARP qualifying populations.

HOUSING NEEDS

As identified in Table 1 there are 12,686 unsheltered homeless adults without children and 506 unsheltered homeless families in the State of Texas at a point in time in January. This appears to indicate that there is a gap in housing options of at least 13,192 beds. This could be emergency shelter beds, transitional housing beds, permanent supportive housing beds, beds in private rental units, or beds in private rental units supported by rental assistance. Likewise, there are 8,234 sheltered adults without children and 5,783 sheltered families with children, which could indicate a gap in housing options for transitional housing beds, permanent supportive housing beds, beds in private rental units, or beds in private rental units supported by rental assistance in order to move the households out of emergency shelter into housing.

The need for more affordable units can be seen in the data in tables 2 and 3 above as well as in the Housing Mismatch Chart. As noted above there are 705,625 renter households in the state earing between 0-30% of the Area Median Income, of those 0-30% AMI renter households only 155,585 or 22% are living in a unit that is affordable to households making 0-30% AMI. In the state, according to 2015-2019 CHAS data there are only 340,402 units affordable to households making 0-30% AMI, this is only enough units to house 48% of all households in the state with incomes between 0-30% AMI. 54% of housing stock that is affordable to households at 0-30% AMI is being occupied by households making between 30-100%+ of AMI, this is due to naturally occurring affordable housing that is not restricted by income being rented by households that can afford a more expensive unit. It is also due to the location of naturally occurring affordable housing, which is primarily found in areas with a lower cost of living. In Texas this equates to locations that are not near the largest metro areas in the state. Higher numbers of low-income households can be found in urban areas due to relative proximity to service jobs. This lack of affordable housing in metro areas leads to a majority of households in the 0-30% AMI range (78%) renting units that are not affordable to them with many in the state (43%) renting units that are considered affordable to households in the 50-80% AMI range, as seen in the housing mismatch chart above. This overall leads to a need of 520,790 units that are available to only renters making 0-30% of AMI.

As noted above 43% of the 0-30% AMI households are renting units affordable to households making 30-50% AMI, these lower income renters are occupying 30% of the housing stock intended for 30-50% AMI renters. This helps contribute to 66% of 30-50% AMI households renting housing that is not affordable to them. 28% of all rental housing affordable to 50%+ AMI households is occupied by households earning 0-50% of AMI. If all units affordable to 30-50% AMI households were occupied by households in the same income bracket only an additional 31,330 units would be needed for 30-50% AMI renter households.

One of the largest unmet needs of renter households in the state is the lack of efficiency or one-bedroom housing units. According to the 2015-2019 ACS, 26% of households in the state are non-family one-person households. Meaning for these persons to be housed efficiently and affordable they would only need access to efficiency and one-bedroom units. Currently, there are 1,206,627 efficiency and one-bedroom units being occupied, if all of those units were being occupied by a single person only 47% of one-person households would be living in a unit suitable to their needs. We know this is not the case and that multiple person households reside in efficiency and one-bedroom units, leading to a majority of one-person households to rent units that are larger and more expensive.

SERVICE NEEDS

Service needs for qualifying populations depends on a variety of factors, including length of time spent unsheltered and homeless subpopulation. For example, a person who meets the definition of chronic homelessness may need more or longer-term services than a person who is at-risk of homelessness. Survivors of domestic violence may need specific case management and support focused on safety. Persons who were formerly homeless and temporarily housed may need a service component if additional housing assistance is needed to avoid homelessness. Finally, extremely low income severely cost burdened households may need services to increase household income, along with affordable housing.

Services through existing homeless programs include, but are not limited to, case management, child care, education services, employment assistance, job training, outpatient health services, legal services, life skills training, mental health services, and transportation.

The range of services offered and the variety of organizations that provide this assistance shows that the services can be tailored to each individual household according to need.

GAPS

During the consultations listed above there were a few mentions of gaps in services, but the gaps primarily had to do with lack of funds for services, and not one particular service type. There were several inquiries into the Housing Stability Services Program, which was anticipated to release a NOFA for approximately $105 million in legal services, outreach services, shelter services, community services, and services offered at permanent supportive housing properties.

Through each consultation, the greatest need was in actual units for persons experiencing homelessness, primarily the need for deeply affordable Supportive Housing units. The need for more supportive housing is of course not the need for every community. Through consultation, it was noted that some of the state's more rural communities may have a greater need for non-congregate shelter to help get people off the street and provide services so they can get back on their feet and then be able to transition to affordable units in their community. It should be noted, that a common theme through all consultations was the need for more affordable units.

3. ***Identify and consider the current resources available to assist qualifying populations, including congregate and non-congregate shelter units, supportive services, TBRA, and affordable and permanent supportive rental housing:***

Currently in the State of Texas, there is an unprecedented level of funding for Homeless related services and rental assistance. The State of Texas alone received $97,792,616 in Emergency Solutions Grants (ESG) funding from the Coronavirus Aid Relief and Economic Security (CARES) Act, in addition to the roughly $8 to 9 million annual appropriation received by the state. These amounts do not include funding provided to local Participating Jurisdictions directly from HUD. The state also received roughly $2 billion as part of both the Consolidated Appropriations Act of 2021 and the American Rescue Plan Act to provide Emergency Rental Assistance and Housing Stability Services (HSS), which the state is currently providing through its Texas Rent Relief and Housing Stability Services Program.

This increased amount of ESG and HSS funding provides local subrecipients crucial funds to help keep individuals and families housed through rapid rehousing and rental assistance for individuals and families who would have become homeless without the assistance and street outreach which has assisted local providers in reaching more unsheltered homeless during the pandemic. Currently, the State of Texas does not primarily use its annual allocation of ESG funds for shelter rehabilitation purposes, but does allocate funds to Emergency Shelter activities that help subrecipients operate shelters and continue to provide emergency shelter services to homeless individuals and families.

In addition to ESG funds the state also receives an annual allocation of HOME funds of which the state dedicates on average between $6 and 8 million for Tenant Based Rental Assistance (TBRA), which is used to help low income individuals with rent and security deposits. During the pandemic additional funds from the state's annual allocation were added to support TBRA activities to assist households that were affected by the pandemic.

The primary method used by the state to fund Permanent Supportive Housing (PSH) is through the Low-Income Housing Tax Credit (LIHTC) program. This has helped fund 877 units of PSH in the State of Texas in the last two program cycles 2020 and 2021, and 2,385 units since 2012.

These elevated levels of funding received over the previous 18 months have been focused on prevention related activities to ensure that households that are have lost a job, seen a decrease in hours, lost a home, or are sick with no pay do not fall into homelessness. As can be seen from the analysis of shelter and housing inventory, more units are needed to help house more of the homeless and provide more affordability to those at-risk of homelessness.

4. ***Identify any gaps within the current shelter and housing inventory as well as the service delivery system:***

See response to #2 above.

5. ***Identify the characteristics of housing associated with instability and an increased risk of homelessness if the PJ will include such conditions in its definition of "other populations" as established in the HOME-ARP Notice:***

The State of Texas is not suggesting expanding the program eligibility beyond the populations noted above and those at greatest risk of housing instability (under 30% AMI and severely cost burdened) as provided by HUD in CPD Notice 21-10.

6. ***Identify priority needs for qualifying populations:***

Based on the consultations, priority needs include:

- Deeply affordable quality housing (particularly for those with 0-30% MFI);
- Accessible units;
- Housing subsidies so that no more than 30% of income goes to housing (not housing cost burdened);
- Reduced barriers to entry to rental housing;
- Mental Health and Behavioral Health services;
- Transportation services;
- Health and dental care; and
- Case management (geriatric case management, crisis case management, housing stability case management, financial case management, coordinating basic needs).

7. ***Explain how the level of need and gaps in its shelter and housing inventory and service delivery systems based on the data presented in the plan were determined:***

The level of need and gaps in housing inventory and service delivery systems were determined through careful review and analysis of Census and CHAS data. In addition, qualitative information was provided at all the consultations noted in this plan that assisted in determining the focus of the State of Texas's HOME-ARP funds.

IV. HOME-ARP ACTIVITIES

1. Describe the method for soliciting applications for funding and/or selecting developers, service providers, subrecipients and/or contractors and whether the PJ will administer eligible activities directly:

TDHCA will primarily solicit applications through several NOFAs seeking developers or subrecipients. At this time, TDHCA does not plan to administer activities directly, but would do so if directed by its Board of Directors.

<u>Rental Housing and Supportive Housing</u>
HOME-ARP Rental Housing and Supportive Housing (RHSH) funds will be made available as follows and as further described in a NOFA:

- Funds will be made available competitively statewide. The allocations may include a set-aside, allocation, or priority for rural applications. Consistent with the guiding HUD Notice, Applicants must demonstrate the unmet need among qualifying populations for the type of housing proposed in their geographical area through a market assessment or other source of data. The Department will conduct outreach to encourage that applications from both urban and rural areas be submitted. Distribution may be affected by State laws or limitations, such as Tex. Gov't Code §2306.111(c), which requires that 95% of the HOME-ARP funds be used in non-participating jurisdictions, if existing state waivers of this section expire.
- Applications may be for Supportive Housing or for HOME-ARP Units within Multifamily Developments, including Developments with any Target Population, as defined in 10 TAC §11.1. If Applicants apply for Rental Housing, the NOFA may include additional points for the inclusion of services.
- Applications may be able to be layered with other local, state, or federal funds, including but not limited to HTC (both 9% and 4% credits).Per 24 CFR §92.206(g), there are some limitations on costs incurred before the application for HOME-ARP funds is accepted. National Environmental Protection Act (NEPA) requirements are applicable for these funds.
- Direct Awards of HOME-ARP for National Housing Trust Fund (NHTF) Developments. To expedite delivery of some of the HOME-ARP units into rental developments more quickly than will be the case for new applications, and to preserve existing Department investments in NHTF-funded developments that may otherwise be at risk of not being completed, up to $10 million of HOME-ARP funds may be directly awarded, without competition, to certain Department awardees of NHTF. These developments will be required to submit an abbreviated application upon approval of the Plan from HUD, but will not be required to compete for funds under the HOME-ARP Rental Development Notice of Funding Availability (NOFA).

  Applications for HOME-ARP that are for developments with an active application for, or that were awarded, NHTF from the Department may be submitted directly and awarded non-competitively if the applicant:

- applied for NHTF in 2020 or 2021 and the application was not terminated by staff or voluntarily withdrawn by the applicant;
- can demonstrate cost increases that necessitate the need for additional investment;
- has not started construction or has previously received a 24 CFR Part 58 review if construction has started;
- the deferred developer fee does not decrease and developer fee does not increase; and
- returns HOME-ARP application materials to the Department within the timeframe provided by the Department and before the application due date of NOFAs for HOME-ARP rental housing.

Up to $10 million in HOME-ARP funds will be available for NHTF awardees that meet the criteria in this section. If the Department receives less than $10 million in applications by the time of the rental development NOFA application due date, the remaining funding will be used to increase the amount available for rental development awards. If the applications received for this limited pool exceed the total available, the applications will be processed based on their submission date. In the event that more than $10 million is requested per application received on the same date, the Development with the lowest HOME-ARP capital cost per unit will be awarded.

In addition, applications layered with NHTF will also be accepted during the application cycle for HOME-ARP rental development. However, there may be programmatic limitations on having HOME-ARP and NHTF in the same unit.

- Units serving Qualified Populations are only able to charge a household 30% of the tenant's income.
- Applications may request and be awarded capitalized operating reserves. Amounts for operating reserves will be established by TDHCA and if approved, the costs may be capitalized at the time of closing or with the first draw. While the operating reserve per unit is not established based on the amount of rent 'lost' by only charging the household 30% of their income, it is estimated that roughly 80% or more of the expenses that would have been covered by those rents are eligible costs to be included in the capitalized operating reserves. Operating reserves for a unit will be for administrative expenses, property management fees, insurance, utilities, property taxes, maintenance of a unit, and other expenses described in HUD CPD Notice 21-10. Operating costs cannot cover debt service for the HOME-ARP units.
- Applications must follow TDHCA's existing rules and policies for rental housing and/or Supportive Housing, unless otherwise described in the NOFA.
- At the end of the HOME-ARP affordability period and depletion of the capitalized operating reserves, units will not be required to only charge 30% of tenant's income, but will still have a state-required affordability period.
- Up to 30% of the HOME-ARP units may be for low-income households that are not Qualified Populations, as allowed by the HUD CPD Notice 21-10.
- HOME-ARP units may float or be fixed in the Developments per 24 CFR §92.252(j).

However, the NOFA will outline whether units must be fixed or floating.

- TDHCA may adopt the utility allowance schedule for Developments in which awarded Applicants are using the PHA utility allowances, unless prohibited by other fund sources or any of the other allowable utility methods under TDHCA rules. TDHCA's maximum allowances for utilities and services will be updated annually. Awarded Applicants may choose to use the PHA utility allowance after notification to or approval of TDHCA during the compliance period.
- Minimum Request Amount: $500,000
- Maximum Request Amount: $15 million, up to 100% of the HOME-ARP eligible costs, and is inclusive of capitalized operating costs. However, the total maximum request may be further limited in the NOFA.
- Eligible award amounts will be capped at the proportional share of HOME eligible costs for the HOME-ARP units.
- Must designate at least the lesser of 50% of units or 10 units for HOME-ARP assistance.
- Funds may be loaned at amortizing, cash-flow, or deferred terms, and may be interest bearing or at 0% or other interest rate in order to meet underwriting requirements. Loan terms will depend on financial structure of the projects and contract terms.

<u>Non-Congregate Shelter</u>

- HOME-ARP NCS funds will be made available competitively statewide. The allocations may include a set-aside or priority for rural applications.
- Applications must show that there are sufficient non-governmental operating funds to support any NCS activity, as further described in the NOFA.
- Minimum Request Amounts: $200,000
- Maximum Request Amount: $10 million, but not to exceed 100% of the HOME-ARP eligible costs. However, the total maximum request may be further limited in the NOFA.
- Must designate at least the lesser of 50% of units or 10 units for HOME-ARP assistance.
- Funds may be provided in the form of amortizing, cash flow or deferred term loans, and may be interest bearing or at 0% or other interest rate in order to meet underwriting requirements if the shelter converts to permanent housing. Loan terms will depend on financial structure of the projects and contract terms.

<u>Nonprofit Capacity and Operations Assistance</u>

Each of the above NOFAs will include provisions that allow nonprofit applicants to request funds for capacity and/or operations. Only Nonprofits awarded funds or in control of Developments or shelters awarded funds under NCS or RHSH will be eligible for nonprofit capacity and operating funds. The maximum amount of Nonprofit Capacity and Operations awards will be $50,000 each, or a total of $75,000 if applying for both funding sources.

If any portion of the PJ's HOME-ARP administrative funds were provided to a subrecipient or contractor prior to HUD's acceptance of the HOME-ARP allocation plan because the subrecipient or contractor is responsible for the administration of the PJ's entire HOME-ARP grant, identify the subrecipient or contractor and describe its role and responsibilities in administering all of the PJ's HOME-ARP program:
Not applicable

PJs must indicate the amount of HOME-ARP funding that is planned for each eligible HOME-ARP activity type and demonstrate that any planned funding for nonprofit organization operating assistance, nonprofit capacity building, and administrative costs is within HOME-ARP limits. The following table may be used to meet this requirement.

Use of HOME-ARP Funding

	Approx. Funding Amount*	**Percent of the Grant**	**Statutory Limit**
Non-Congregate Shelters	$56,511,887	42.5%	n/a
Affordable Rental Housing Incl. Capitalized Operating Reserves	$56,511,887	42.5%	n/a
Non-Profit Operating/Non-Profit Capacity Building	$6,648,458	5%	5%
Administration and Planning	$13,296,915	10%	15%
Total HOME ARP Allocation	$132,969,147	100%	

* Based on the applications received, these amounts and percentages may fluctuate.

Additional narrative, if applicable:
While TDHCA agrees with much of the public input on the need for the variety of requested or suggested activities, unfortunately there is greater need than there are funds available. The consultation input was widely supportive of the need for development of Rental Housing with services, Supportive Housing and Non-Congregate Shelter and the data supports this need. TDHCA feels these unique one-time funds will have the greatest long-term impact for Texans by being used for acquisition and development of Non-Congregate Shelter (NCS), development of rental housing, and development of Supportive Housing (SH) with associated capitalized operating subsidies. After excluding the funds for Administration/Planning and Non-Profit Capacity/Operating, funds will initially be made available equally proportioned between Non-Congregate Shelter and Rental Housing; if applications received do not fully utilize those funds, funds may be shifted between those two categories.

NP Operating and Capacity Building Assistance will only be provided to those organizations receiving funds under either NCS or RHSH. While the NP Operating and NP Capacity Building is shown as one line item in the table so that funds can be used for both, the Department will commit these activities to each project separately in IDIS as needed. The NP Operating and NP Capacity Building Assistance applications will be released within the NOFAs for NCS and Rental Housing development. If awards for NP Operating and NP Capacity Building do not fully utilize those funds within their respective NOFAs, funds may be shifted into NCS or Rental Housing for those activities.

TDHCA will consider revising its rules to provide for a portion of its annual allocation of ESG to be used to support NCS shelter operations funded by HOME-ARP and such planning will be reflected in future One Year Action Plan submissions.

If all funds are not obligated for the activities reflected in the table above, TDHCA may reprogram the funds into Supportive Services and/or TBRA activities; however, it should be noted that any funds obligated later in the performance period with HUD will likely only be available in non-Participating Jurisdictions based on state law.

Describe how the characteristics of the shelter and housing inventory, service delivery system, and the needs identified in the gap analysis provided a rationale for the plan to fund eligible activities:

As noted in the Data Analysis section, Texas has significant need for both shelter and rental housing inventory to serve the eligible population for HOME-ARP. This was supported by the comments heard in the consultations.

HOME-ARP Production Housing Goals

Estimate the number of affordable rental housing units for qualifying populations that the PJ will produce or support with its HOME-ARP allocation:

TDHCA estimates that with the funds programmed as reflected in the table above, 565 units of non-congregate shelter and 202units of Rental Housing or Supportive Housing (including funded operating reserves) can be produced or supported.

Describe the specific affordable rental housing production goal that the PJ hopes to achieve and describe how it will address the PJ's priority needs:

TDHCA's goal will be to produce or support 202 units of Rental Housing or Supportive Housing, and 565 units of non-congregate shelter helping to create or support more housing across the state.

Preferences

Other qualifying criteria
TDHCA does not intend to establish other qualifying criteria for persons to qualify for HOME-ARP.

Identify whether the PJ intends to give preference to one or more qualifying populations or a subpopulation within one or more qualifying populations for any eligible activity or project:

- Preferences cannot violate any applicable fair housing, civil rights, and nondiscrimination requirements, including but not limited to those requirements listed in 24 CFR §5.105(a).
- PJs are not required to describe specific projects to which the preferences will apply.

TDHCA will not require any specific set-asides or preferences that must be applied to all applicants, but may allow each NCS applicant to utilize any one or more of the following preference categories, including combining categories if so reflected in their application and approved by TDHCA:

- Persons who are experiencing homelessness
- Persons who were formerly homeless but temporarily housed
- Families with Children
- Persons Fleeing Domestic Violence
- Veterans (all discharges except dishonorable)
- Youth Aging Out of the Foster Care System
- Chronically Homeless
- At Risk of Homelessness
- Seniors with Disabilities
- Persons Exiting Institutions/Reentry
- Persons referred through Coordinated Entry

For Rental Housing and SH, Applicants may request to establish a preference to serve the following special needs populations:

- Persons who are experiencing homelessness
- Persons who were formerly homeless but temporarily housed
- Persons With Disabilities
- Persons With Substance Use Disorders
- 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)
- Public Housing Residents
- Persons Transitioning Out Of Incarceration
- Persons Impacted By A State Or Federally Declared Disaster
- Persons Transitioning Out Of Foster Care and Nursing Facilities
- Persons referred through Coordinated Entry

If a property is intending to use only Coordinated Entry and not a project-specific waitlist, the system must meet the requirements in HUD CPD Notice 21-10, which requires that Coordinated Entry provide sufficient referrals for the project and that all qualifying populations have an opportunity to participate within the project's geographic region. If any of these factors are not met, then a project-specific waitlist must also be used. This may mean before Coordinated Entry can be used as the basis for a property's waitlist, the local system may have to add:

- persons who are at-risk of homelessness with incomes up to 50% AMI (not under 30% AMI, as is common in other federal homeless programs);
- persons who have income at or below 30% AMI and are paying more than 50% of monthly household income toward housing costs; and
- households who have qualified as homeless previously, are housed with temporary/emergency assistance, and who need additional housing assistance or supportive services to avoid a return to homelessness.

These three HOME-ARP qualifying populations are unique, and may not be included in other homelessness assistance programs; therefore, they may not already be incorporated into Coordinated Entry. In addition, the geographic region for the project will include the entire primary market area of the rental development, as defined in 10 TAC §11.303(d)(8).

If using Coordinated Entry alone or in coordination with a project-specific waitlist, the waitlist must take persons in chronological order, with priority given to those with preferences stated in the written agreement between the Owner and the Department. In addition, if up to 30% of the HOME-ARP units are reserved for low-income household who are not qualifying populations, a project-specific waitlist must be used for these units.

HOME-ARP may 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.

For NCS, and RHSH, no otherwise eligible individuals with disabilities or families including an individual with a disability who may benefit from the services provided may be excluded on the grounds that they do not have a particular disability.

If a preference was identified, explain how the use of a preference or method of prioritization will address the unmet need or gap in benefits and services received by individuals and families in the qualifying population or category of qualifying population, consistent with the PJ's needs assessment and gap analysis:

Consultations revealed that those populations listed above for a preference are often challenging to serve in a congregate shelter setting and are best able to be housed in NCS.

If a preference was identified, describe how the PJ will use HOME-ARP funds to address the unmet needs or gaps in benefits and services of the other qualifying populations that are not included in the preference:

The state is not establishing a statewide preference and across all providers different preferences will be utilized. Other state and local funds will assist other low-income households including, but not limited to, Housing Tax Credits, HOME, ESG, ERA2 Housing Stability Services funds, and 811 PRA.

HOME-ARP Refinancing Guidelines

If the PJ intends to use HOME-ARP funds to refinance existing debt secured by multifamily rental housing that is being rehabilitated with HOME-ARP funds, the PJ must state its HOME-ARP refinancing guidelines in accordance with 24 CFR 92.206(b). The guidelines must describe the conditions under with the PJ will refinance existing debt for a HOME-ARP rental project, including:

- ***Establish a minimum level of rehabilitation per unit or a required ratio between rehabilitation and refinancing to demonstrate that rehabilitation of HOME-ARP rental housing is the primary eligible activity***

  TDHCA will follow its guidelines found in 10 TAC Chapters 10, 11, and 13 for any rental housing or SH involving refinancing, unless otherwise described in the NOFA.

- ***Require a review of management practices to demonstrate that disinvestment in the property has not occurred; that the long-term needs of the project can be met; and that the feasibility of serving qualified populations for the minimum compliance period can be demonstrated.***

  The TDHCA staff review of HOME-ARP RHSH applicants involving refinancing and rehabilitation of an existing property will include a review of management practices and establish feasibility for the HUD-ARP affordability period.

- ***State whether the new investment is being made to maintain current affordable units, create additional affordable units, or both.***

  The TDHCA HOME-ARP RHSH program will support both creation of new affordable units, and acquisition and rehab of current affordable units.

- ***Specify the required compliance period, whether it is the minimum 15 years or***

longer.

The minimum HUD affordability periods will be used for NCS and RHSH, and HUD compliance requirements will be considered satisfied at the end of that term. For RHSH, TDHCA will require the property to remain affordable for at least a 30 year state affordability period per Texas Gov't Code §2306.185(c). The level of affordability required for the portion of the state affordability period that follows after the HOME-ARP period is over will be provided for in the NOFA.

- ***State that HOME-ARP funds cannot be used to refinance multifamily loans made or insured by any federal program, including CDBG*.**

TDHCA will not allow HOME-ARP funds to be used to refinance multifamily loans made or insured by any federal program including CDBG.

- ***Other requirements in the PJ's guidelines, if applicable:***

  RHSH Properties will be allowed to use methods other than Coordinated Entry for selecting tenants.

  Tiny homes are not prohibited in and of themselves, but must meet all requirements of either being NCS, rental housing, or SH (including not charging more than 30% of household's income).

  Units cannot receive HOME-ARP operating subsidy on units that are receiving an operating subsidy or project-based rental assistance from another source.

11

BOARD ACTION REQUEST

COMMUNITY AFFAIRS DIVISION

MARCH 10, 2022

Presentation, discussion, and possible action on the reprogramming of Program Year 2021 Community Services Block Grant Administrative and Discretionary funds

RECOMMENDED ACTION

WHEREAS, Community Services Block Grant (CSBG) funds are awarded annually to the State of Texas by the U.S. Department of Health and Human Services (HHS);

WHEREAS, upon the Texas Department of Housing and Community Affairs (the Department) receipt of the State's annual award of CSBG funds, it reserves 90% of the allotment for CSBG eligible entities to provide services/assistance to the low-income population in all 254 counties; 5% for state administration expenses; and the remaining 5% for state discretionary use;

WHEREAS, on July 25, 2019, the Board approved the usage of 2021 CSBG discretionary (CSBG-D) funds for historically based uses and other focus areas designed to support eligible entities in the administration and implementation of the CSBG;

WHEREAS, the funding activities identified in July 25, 2019, have not resulted in the full utilization of CSBG-D funds, and there is also an unused balance of Department administrative funds;

WHEREAS, the Department has determined that there remains $487,988 in unexpended Program Year (PY) 2021 CSBG-D funds and $464,695 in Department administrative funds;

WHEREAS, the Department wishes to expend the funds prior to the expenditure deadline of September 30, 2022, and therefore the funds warrant prompt reprogramming, and staff is recommending that the funds be used for direct client assistance;

WHEREAS, 24 CSBG eligible entities have achieved expenditure rates on their annual CSBG allocation of 80% or above within the original contract term and are therefore in a position to spend additional funds, and are not ineligible under 10 TAC §1.21; and

WHEREAS, 24 CSBG eligible entities are being recommended for an award of these reallocated funds subject to a positive recommendation or a recommendation with conditions from the Executive Award Review Advisory Committee (EARAC) and subject to any EARAC conditions;

NOW, therefore, it is hereby

RESOLVED, that the Board approves of the reprogramming of remaining 2021 CSBG funds totaling $952,683 to provide direct client assistance funds to the 24 CSBG eligible entities enumerated in this action for the provision of direct services to low-income individuals;

FURTHER RESOLVED, that the Executive Director and his designees each of them be and they hereby are, authorized, empowered, and directed, for and on behalf of the Department, to issue contracts for these funds, only upon confirmation of previous participation review (PPR) by the Compliance Division, and subject to a positive recommendation from EARAC and subject to any EARAC conditions, consistent with the policy noted herein; and

FURTHER RESOLVED, that should any funds designated for these or other 2021 CSBG-D activities remain unused after August 31, 2022, those funds, along with any additional unused CSBG-D or CSBG Administrative funds from 2021 or prior years, may also be redistributed to these entities at the discretion of the Executive Director or designee, or used for the Department's administrative activities.

BACKGROUND

At the Board meeting of July 25, 2019, the Board approved utilizing approximately $1,700,000 in PY 2021 CSBG-D funds for the activities listed in the table below. The table reflects the original allocated amount ($1,785,455), the amounts that have been committed or contracted, and the amount of CSBG-D available for reobligation. In addition to the funds reflected in the table below, $464,695 in Department administrative funds is also available for reprogramming.

Use of PY 2021 CSBG-D Funds	Original Plan 2021	Contracted/ Committed	Available for Reobligation
Direct Client Assistance	$500,000	$500,000	$0
Intensive CAA Support Assessments	$150,000	$150,000	$0
Network Transitions Fund	$50,000	$0	$50,000
Network Training and Technical Assistance	$150,000	$72,467	$77,533
Migrant Seasonal Farmworker & Native American Employment and Educational Funds	$300,000	$300,000	$0
Housing Voucher Program Support	$125,000	$0	$125,000
Disaster Recovery	$150,000	$0	$150,000
Unobligated	$85,455	$0	$85,455
Balance of State Continuum of Care	$75,000	$75,000	$0
Network Operational Investments	$200,000	$200,000	$0
Subtotal	**$1,785,455**	**$1,297,467**	**$487,988**
Total Balance for Reprogramming:			**$952,683**

* The table above does not include the $464,695 in Department administrative funds

Proposed Use of Unexpended Funds

Staff recommends that these funds be directed only to those entities who have expended the greatest proportion of their existing eligible entity contracts, as they not only have a proven track record for expending the funds, but also have the least remainder of their current contracts to still expend. This approach of identifying the eligible entities with the highest expenditures on their current contracts to receive the reallocated funds has been used consistently in prior years.

The Department recommends reprogramming the $952,683 to CSBG eligible entities that had expended 80% or greater of their contracted PY2021 CSBG funds by the original end date in contract and that were not ineligible under 10 TAC §1.21. Funds will be directed to be utilized for the provision of direct services to low-income individuals, with the requirement that full expenditure of the funds must be achieved by August 31, 2022. The list of the 24 entities meeting these criteria is in the table below with the approximate amounts, based on their 2021 proportional share among the awarded recipients, to be distributed to each entity.

The Previous Participation Rule (10 TAC, Chapter 1, Subchapter C, §1.302) includes a review of CSBG-D awards prior to contract execution. At the time of Board Book posting, all awards described herein are still in the Previous Participation Review process. To ensure contracts are executed as quickly as possible, staff is requesting authorization of awards contingent upon a positive EARAC recommendation or a recommendation with conditions, and subject to any EARAC conditions. If an entity disagrees with an EARAC positive recommendation or recommendation with conditions, it should follow the dispute process in 10 TAC §1.303. No contracts will be entered into without an EARAC positive recommendation or recommendation with conditions. Conditions may have to be met, before contracts may begin.

PY 2021 CSBG Reprogrammed Discretionary Awards

Eligible Entity	Amount
Aspermont Small Business Development Center	$ 7,341
Cameron and Willacy Counties Community Projects, Inc.	$ 46,151
Central Texas Opportunities	$ 9,027
City of Austin, Austin Public Health	$ 53,996
City of Fort Worth	$ 92,110
City of Lubbock	$ 20,060
Combined Community Action, Inc.	$ 9,965
Community Action Corporation of South Texas	$ 15,934
Community Action Inc. of Central Texas	$ 14,463
Community Action Social Services & Education.	$ 7,341
Community Council of South Central Texas, Inc.	$ 37,060
Community Services of Northeast Texas, Inc.	$ 21,238
Community Services, Inc.	$ 77,263
Concho Valley Community Action Agency	$ 11,238
Economic Action Committee of The Gulf Coast	$ 7,341
El Paso Community Action Program	$ 61,199
Galveston County Community Action Council	$ 48,654
Greater East Texas Community Action Program (GETCAP)	$ 46,643
Gulf Coast Community Services Association, Inc.	$ 253,219
Hill Country Community Action Association, Inc.	$ 26,138
Rolling Plains Management Corporation	$ 23,258
South East Texas Regional Planning Commission	$ 23,787
Texas Neighborhood Services	$ 22,790
Williamson-Burnet County Opportunities, Inc.	$ 16,465
Total to be reprogrammed	**$ 952,683**

*All awards are conditioned on EARAC recommendation or recommendation with conditions

**To the extent that any of the eligible entities decline their award or do not have a positive recommendation from EARAC or do not agree to comply with EARAC conditions, after all appeal periods have been exhausted, the Department will redistribute the allocation proportionally using the allocation formula described in 10 TAC §6.203

12a

BOARD ACTION REQUEST

MULTIFAMILY FINANCE DIVISION

MARCH 10, 2022

Presentation, discussion, and possible action regarding an award from the Multifamily Direct Loan (MFDL) 2021-3 Notice of Funding Availability (NOFA), as amended

Table 1 2021-3 NOFA Applications Recommended for Action				
App. ID	Application Name	Recommended Award	Fund Source	City
21503	Connect South Apartments	$3,000,000	HOME*	Houston
*The HOME Recommendation is sourced from the HOME Set-Aside.				

RECOMMENDED ACTION

WHEREAS, the Governing Board approved publication of the MFDL 2021-3 NOFA and its first, second, and third, amendments on June 18, 2021; September 2, 2021; and November 2, 2021, respectively, in response to previously approved Applicants' demonstrated need for gap financing caused by increased construction costs resulting from the COVID-19 pandemic;

WHEREAS, the 2021-3 NOFA provides a streamlined review under the Department's administrative rules for reviews approved under the prior application for eligibility and third-party reports, among others;

WHEREAS, as noted above in Table 1, one 2021-3 NOFA Application requesting $3,000,000 is being recommended for an award;

WHEREAS, as this application was previously approved and has submitted an application in need of gap financing, the original results of Previous Participation Review (PPR) performed under 10 TAC §1.301 for the initial awarded application is adopted for this current awards. The original PPR for the above recommended award was favorable and there were no additional items to be checked as a result of the federal funding at this time, and will be adopted for these 2021-3 NOFA recommendations;

WHEREAS, the Application has been deemed acceptable by the Executive Award Review Advisory Committee (EARAC); and

WHEREAS, staff recommends approval of the 2021-3 Application referenced in Table 1.

NOW, therefore, it is hereby

RESOLVED, that the 2021-3 NOFA Application Recommended for Action reflected in Table 1 is approved, subject to conditions that may be applicable as found in the Real Estate Analysis Underwriting Report posted to the Department's website and as described within this Board Action Request;

FURTHER RESOLVED, prior Previous Participation Review is adopted under federal requirements reflected in 2 CFR Part 180 and 2 CFR Part 2424; and

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

BACKGROUND

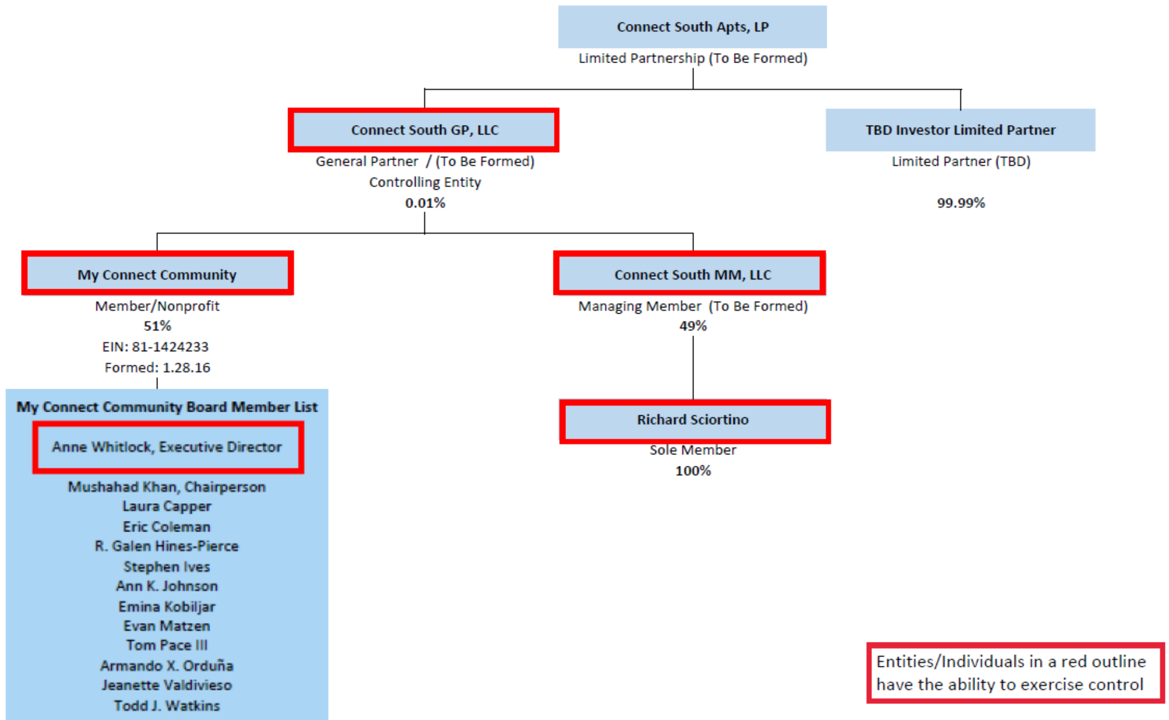
21503 Connect South Apartments (Connect South): $3,000,000 HOME

Description: Previously approved for 9% LIHTC on July 23, 2020 (ID 20082), Connect South is the new construction of 77 units that will serve a general population in a four-story, elevator-served building, in Houston, located in Harris County. This development is proposed in a census tract with no LIHTC properties. There have been no LIHTC properties serving families built in the surrounding census tracts since 1995. Unit sizes range from one to three bedrooms and rent/income levels from 30% to 60% of the area median income (AMI), with seven market rate units. Out of the total 77 units, 32 will be MFDL units. Of the 32 MFDL units, seven will be restricted to 50% AMI and 25 will be restricted to 60% AMI. There will also be two HOME Match Units, a one-bedroom and a two-bedroom unit.

The Applicant is requesting $3,000,000 in gap financing due to total a development cost increase of $4,380,000 and a building cost increase of $5,030,000.

Financing and Regulatory Terms: Subject to final underwriting as further set forth in the following Real Estate Analysis (REA) Report, the $3,000,000 MFDL HOME loan will be in second lien position with a 18-year term at 0% interest, no amortization, and structured as a Deferred Repayable loan. The MFDL HOME loan is in addition to a conventional bank loan in first lien position and Community Development Disaster Relief Block Grant (CDBG-DR) funds from the City of Houston. The Federal Affordability Period will be 20 years and the State Affordability Period will be 45 years.

Organizational Structure: The proposed borrower is Connect South Apts., LP., and includes principals with the ability to exercise control as indicated in the organizational chart below.


Connect South Apts, LP
Limited Partnership (To Be Formed)
Connect South GP, LLC
General Partner / (To Be Formed)
Controlling Entity
0.01%
TBD Investor Limited Partner
Limited Partner (TBD)
99.99%
My Connect Community
Member/Nonprofit
51%
EIN: 81-1424233
Formed: 1.28.16
Connect South MM, LLC
Managing Member (To Be Formed)
49%
My Connect Community Board Member List
Anne Whitlock, Executive Director
Mushahad Khan, Chairperson
Laura Capper
Eric Coleman
R. Galen Hines-Pierce
Stephen Ives
Ann K. Johnson
Emina Kobiljar
Evan Matzen
Tom Pace III
Armando X. Orduña
Jeanette Valdivieso
Todd J. Watkins
Richard Sciortino
Sole Member
100%
Entities/Individuals in a red outline have the ability to exercise control

Real Estate Analysis Division
January 25, 2022

Addendum to Underwriting Report

TDHCA Application #: **21503/20082** Program(s): **9% HTC/MDL**

Connect South Apartments

Address/Location: 6440 Hillcroft Avenue

City: Houston County: Harris Zip: 77074

	APPLICATION HISTORY
Report Date	**PURPOSE**
01/25/22	**MDL Application and Amendment**
09/03/20	Original Underwriting Report

ALLOCATION

	Previous Allocation				RECOMMENDATION				
TDHCA Program	**Amount**	**Rate**	**Amort**	**Term**	**Amount**	**Rate**	**Amort**	**Term**	**Lien**
Multifamily Direct Loan (Deferred Payable)					**$3,000,000**	**0.00%**	**0**	**18**	**2**
LIHTC (9% Credit)	$1,500,000				**$1,500,000**				

* Multifamily Direct Loan Terms:

* Pursuant to 10 TAC §13.8(a), the term of a Multifamily Direct Loan should match the term of any superior loan (within 6 months).

* Lien position after conversion to permanent. The Department's lien position during construction may vary.

CONDITIONS STATUS

1 Receipt and acceptance by Direct Loan Closing:

a: Updated application exhibits: Rent Schedule, Utility Allowance, Operating Expenses, Long-Term Pro Forma, Development Cost Schedule, Schedule of Sources; and documentation necessary to support any changes from previous underwriting.

b: Substantially final construction contract with Schedule of Values.

c: Updated term sheets with substantially final terms from all lenders

d: Substantially final draft of limited partnership agreement.

2 Receipt and acceptance by Carryover:

a: Formal approval from the City of Houston to provide a loan in the amount of $7,000,000, identifying the source of the funds, and a detailed term sheet specifying all terms and conditions, and income restrictions.

Status: Will be cleared at Direct Loan Closing.

b: Confirmation from the City of Houston that the site plan satisfies minimum parking requirements for the residential tenants and for the retail space.

Status: Satisfied

c: Executed design contract with architect (Alley Poyner Macchietto) supporting the architectural and engineering estimates provided in the application.

Status: Satisfied

3 Documentation at Cost Certification clearing environmental issues identified in the ESA report,

a: Certification that testing for asbestos and lead-based paint was performed on the existing structures prior to demolition, and if necessary, a certification that any appropriate abatement procedures were implemented.

b: Architect certification that all noise assessment recommendations were implemented and the Development is compliant with HUD noise guidelines.

c: Attorney opinion validating federally sourced funds can be considered bona fide debt with a reasonable expectation that it will be repaid in full and further stating that the funds should not be deducted from eligible basis.

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.

SET-ASIDES

TDHCA SET-ASIDES for HTC LURA		
Income Limit	Rent Limit	Number of Units
30% of AMI	30% of AMI	7
50% of AMI	50% of AMI	30
60% of AMI	60% of AMI	33

TDHCA SET-ASIDES for DIRECT LOAN LURA		
Income Limit	Rent Limit	Number of Units
50% of AMFI	Low HOME	7
60% of AMFI	High HOME	25

ANALYSIS

The Development received a 9% HTC allocation in 2020. The Applicant has applied for Multifamily Direct Loan funding under the 2021-3 NOFA from HOME funds.

The requested Direct Loan funding requires the restriction of 32 units by TDHCA MDL Set-Asides.

The Applicant is also requesting an amendment to the application to change election from income averaging to 40% of the units restricted at 60% AMI. The property income average was 54% and is now 53%.

Operating Pro Forma

Rents have been updated to the 2021 Program Rents. Applicant assumed $250-$350 market premiums over gross 60% rents. Per REA rule, Underwriter limited these to gross 60% HTC rents since market units make up less than 15% of unit mix.

Property Insurance expense increased over 200% as substantiated by insurance letter. Underwriter assumes a smaller cash flow payment on the Houston CDBG loan to meet the 1.15 DCR, 15 year positive cash flow after deferred fee, and MDL requirements.

Development Cost

Building Costs increased $5.03M

Total Development Costs increased $4.38M

Sources of Funds

The Applicant has applied for a Multifamily Direct Loan consistent with the requirements of NOFA 2021-3.

The Underwriter recommends approval of an MFDL as a second lien in the amount of $3,000,000 at 0%, structured as Deferred Payable with an 18-year term (to match the senior debt).

Director of Real Estate Analysis: *Jeanna Adams*

UNIT MIX/RENT SCHEDULE

Connect South Apartments, Houston, 9% HTC #21503/20082

LOCATION DATA	
CITY:	Houston
COUNTY:	Harris
Area Median Income	$76,300
PROGRAM REGION:	6
PROGRAM RENT YEAR:	2021

UNIT DISTRIBUTION				
# Beds	# Units	% Total	Assisted	MDL
Eff	-	0.0%	0	0
1	27	35.1%	0	11
2	38	49.4%	0	16
3	12	15.6%	0	5
4	-	0.0%	0	0
5	-	0.0%	0	0
TOTAL	77	100.0%	-	32

53%	Average Income	
Income	# Units	% Total
20%	-	0.0%
30%	7	9.1%
40%	-	0.0%
50%	30	39.0%
60%	33	42.9%
70%	-	0.0%
80%	-	0.0%
MR	7	9.1%
TOTAL	77	100.0%

Pro Forma ASSUMPTIONS	
Revenue Growth	2.00%
Expense Growth	3.00%
Basis Adjust	130%
Applicable Fraction	88.73%
APP % Acquisition	3.32%
APP % Construction	9.00%
Average Unit Size	900 sf

UNIT MIX / MONTHLY RENT SCHEDULE

HTC		TDHCA Direct Loan Program		UNIT MIX				APPLICABLE PROGRAM RENT			APPLICANT'S PRO FORMA RENTS				TDHCA PRO FORMA RENTS				MARKET RENTS		
Type	Gross Rent	Type	Gross Rent	# Units	# Beds	# Baths	NRA	Gross Rent	Utility Allow	Max Net Program Rent	Delta to Max	Rent psf	Net Rent per Unit	Total Monthly Rent	Total Monthly Rent	Rent per Unit	Rent psf	Delta to Max	Underwritten		Mrkt Analyst
TC 30%	$445	HH/60%	$946	2	1	1	652	$445	$82	$363	$0	$0.56	$363	**$726**	**$726**	$363	$0.56	$0	$1,127	$1.73	$1,127
TC 50%	$743	HH/60%	$946	1	1	1	652	$743	$82	$661	$0	$1.01	$661	**$661**	**$661**	$661	$1.01	$0	$1,127	$1.73	$1,127
TC 60%	$891			2	1	1	652	$891	$82	$809	$0	$1.24	$809	**$1,618**	**$1,618**	$809	$1.24	$0	$1,127	$1.73	$1,127
MR				1	1	1	652	$0	$82		NA	$1.37	$891	**$891**	**$1,127**	$1,127	$1.73	NA	$1,127	$1.73	$1,127
TC 30%	$445	LH/50%	$743	1	1	1	703	$445	$82	$363	$0	$0.52	$363	**$363**	**$363**	$363	$0.52	$0	$1,127	$1.60	$1,127
TC 50%	$743	HH/60%	$946	6	1	1	703	$743	$82	$661	$0	$0.94	$661	**$3,966**	**$3,966**	$661	$0.94	$0	$1,127	$1.60	$1,127
TC 50%	$743			8	1	1	703	$743	$82	$661	$0	$0.94	$661	**$5,288**	**$5,288**	$661	$0.94	$0	$1,127	$1.60	$1,127
TC 30%	$445	LH/50%	$743	1	1	1	734	$445	$82	$363	$0	$0.49	$363	**$363**	**$363**	$363	$0.49	$0	$1,127	$1.54	$1,127
TC 50%	$743			2	1	1	734	$743	$82	$661	$0	$0.90	$661	**$1,322**	**$1,322**	$661	$0.90	$0	$1,127	$1.54	$1,127
TC 30%	$445			1	1	1	650	$445	$82	$363	$0	$0.56	$363	**$363**	**$363**	$363	$0.56	$0	$1,127	$1.73	$1,127
TC 50%	$743			2	1	1	650	$743	$82	$661	$0	$1.02	$661	**$1,322**	**$1,322**	$661	$1.02	$0	$1,127	$1.73	$1,127
TC 30%	$534	HH/60%	$1,137	1	2	2	888	$534	$105	$429	($89)	$0.38	$340	**$340**	**$429**	$429	$0.48	$0	$1,308	$1.47	$1,308
TC 50%	$891	HH/60%	$1,137	1	2	2	888	$891	$105	$786	$0	$0.89	$786	**$786**	**$786**	$786	$0.89	$0	$1,308	$1.47	$1,308
TC 60%	$1,069	HH/60%	$1,137	1	2	2	888	$1,069	$105	$964	$0	$1.09	$964	**$964**	**$964**	$964	$1.09	$0	$1,308	$1.47	$1,308
TC 50%	$891	HH/60%	$1,137	1	2	1	899	$891	$105	$786	$0	$0.87	$786	**$786**	**$786**	$786	$0.87	$0	$1,308	$1.45	$1,308
TC 60%	$1,069	HH/60%	$1,137	2	2	1	899	$1,069	$105	$964	$0	$1.07	$964	**$1,928**	**$1,928**	$964	$1.07	$0	$1,308	$1.45	$1,308
TC 50%	$891	HH/60%	$1,137	1	2	2	915	$891	$105	$786	$0	$0.86	$786	**$786**	**$786**	$786	$0.86	$0	$1,308	$1.43	$1,308
TC 60%	$1,069			2	2	2	915	$1,069	$105	$964	$0	$1.05	$964	**$1,928**	**$1,928**	$964	$1.05	$0	$1,308	$1.43	$1,308
TC 50%	$891	HH/60%	$1,137	1	2	2	919	$891	$105	$786	$0	$0.86	$786	**$786**	**$786**	$786	$0.86	$0	$1,308	$1.42	$1,308
TC 60%	$1,069			2	2	2	919	$1,069	$105	$964	$0	$1.05	$964	**$1,928**	**$1,928**	$964	$1.05	$0	$1,308	$1.42	$1,308
TC 50%	$891	LH/50%	$891	4	2	2	947	$891	$105	$786	$0	$0.83	$786	**$3,144**	**$3,144**	$786	$0.83	$0	$1,308	$1.38	$1,308
TC 60%	$1,069			17	2	2	947	$1,069	$105	$964	$0	$1.02	$964	**$16,388**	**$16,388**	$964	$1.02	$0	$1,308	$1.38	$1,308
TC 60%	$1,069	HH/60%	$1,137	2	2	2	996	$1,069	$105	$964	$0	$0.97	$964	**$1,928**	**$1,928**	$964	$0.97	$0	$1,308	$1.31	$1,308
TC 60%	$1,069	HH/60%	$1,137	2	2	2	1,032	$1,069	$105	$964	$0	$0.93	$964	**$1,928**	**$1,928**	$964	$0.93	$0	$1,308	$1.27	$1,308
MR				1	2	2	1,032	$0	$105		NA	$1.04	$1,069	**$1,069**	**$1,308**	$1,308	$1.27	NA	$1,308	$1.27	$1,308
TC 30%	$618	LH/50%	$1,030	1	3	2	1,154	$618	$128	$490	$0	$0.42	$490	**$490**	**$490**	$490	$0.42	$0	$1,236	$1.07	$1,606
TC 50%	$1,030	HH/60%	$1,305	1	3	2	1,154	$1,030	$128	$902	$0	$0.78	$902	**$902**	**$902**	$902	$0.78	$0	$1,236	$1.07	$1,606
TC 60%	$1,236			1	3	2	1,154	$1,236	$128	$1,108	$0	$0.96	$1,108	**$1,108**	**$1,108**	$1,108	$0.96	$0	$1,236	$1.07	$1,606
TC 50%	$1,030	HH/60%	$1,305	2	3	2	1,166	$1,030	$128	$902	$206	$0.95	$1,108	**$2,216**	**$1,804**	$902	$0.77	$0	$1,236	$1.06	$1,606
MR				4	3	2	1,166	$0	$128		NA	$1.06	$1,236	**$4,944**	**$4,944**	$1,236	$1.06	NA	$1,236	$1.06	$1,606
TC 60%	$1,236	HH/60%	$1,305	1	3	2	1,462	$1,236	$128	$1,108	$0	$0.76	$1,108	**$1,108**	**$1,108**	$1,108	$0.76	$0	$1,236	$0.85	$1,606
TC 60%	$1,236			1	3	2	1,462	$1,236	$128	$1,108	$0	$0.76	$1,108	**$1,108**	**$1,108**	$1,108	$0.76	$0	$1,236	$0.85	$1,606
MR				1	3	2	1,462	$0	$128		NA	$0.85	$1,236	**$1,236**	**$1,236**	$1,236	$0.85	NA	$1,236	$0.85	$1,606
TOTALS/AVERAGES:				**77**			**69,291**				**$4**	**$0.93**	**$840**	**$64,684**	**$64,836**	**$842**	**$0.94**	**$0**	**$1,233**	**$1.37**	**$1,291**

ANNUAL POTENTIAL GROSS RENT:			
ANNUAL POTENTIAL GROSS RENT:	**$776,208**	**$778,032**	

STABILIZED PRO FORMA

Connect South Apartments, Houston, 9% HTC #21503/20082

STABILIZED FIRST YEAR PRO FORMA

	COMPARABLES				APPLICANT				PRIOR REPORT		TDHCA				VARIANCE	
	Database		Other		% EGI	Per SF	Per Unit	Amount	Applicant	TDHCA	Amount	Per Unit	Per SF	% EGI	%	$
POTENTIAL GROSS RENT						$0.93	$840	$776,208	$779,712	$778,692	$778,032	$842	$0.94		-0.2%	($1,824)
late fees							$20.00	$18,480	18,480							
Total Secondary Income							$20.00			18,480	$18,480	$20.00			0.0%	$0
POTENTIAL GROSS INCOME								$794,688	$798,192	$797,172	$796,512				-0.2%	($1,824)
Vacancy & Collection Loss							7.5% PGI	(59,602)	(59,864)	(59,788)	(59,738)	7.5% PGI			-0.2%	137
EFFECTIVE GROSS INCOME								$735,086	$738,328	$737,384	$736,774				-0.2%	($1,687)
General & Administrative	$33,200	$431/Unit	$56,420	$733	4.12%	$0.44	$394	$30,300	$30,300	$33,200	$33,200	$431	$0.48	4.51%	-8.7%	(2,900)
Management	$33,049	4.5% EGI	$34,713	$451	5.18%	$0.55	$494	$38,042	$36,527	$36,869	$36,839	$478	$0.53	5.00%	3.3%	1,203
Payroll & Payroll Tax	$104,255	$1,354/Unit	$88,568	$1,150	13.09%	$1.39	$1,250	$96,250	$96,250	$104,255	$96,250	$1,250	$1.39	13.06%	0.0%	-
Repairs & Maintenance	$56,830	$738/Unit	$45,118	$586	6.28%	$0.67	$600	$46,200	$46,200	$46,200	$46,200	$600	$0.67	6.27%	0.0%	-
Electric/Gas	$17,284	$224/Unit	$17,270	$224	0.73%	$0.08	$70	$5,390	$5,390	$17,284	$17,284	$224	$0.25	2.35%	-68.8%	(11,894)
Water, Sewer, & Trash	$48,334	$628/Unit	$50,060	$650	6.60%	$0.70	$630	$48,510	$48,510	$50,060	$50,060	$650	$0.72	6.79%	-3.1%	(1,550)
Property Insurance	$30,713	$0.44 /sf	$46,782	$608	11.05%	$1.17	$1,055	$81,223	$28,875	$30,713	$81,223	$1,055	$1.17	11.02%	0.0%	-
Property Tax (@ 100%) 2.5016	$61,618	$800/Unit	$79,563	$1,033	11.42%	$1.21	$1,090	$83,944	$96,187	$78,976	$79,023	$1,026	$1.14	10.73%	6.2%	4,921
Reserve for Replacements				$0	3.14%	$0.33	$300	$23,100	$19,250	$19,250	$23,100	$300	$0.33	3.14%	0.0%	-
TDHCA Compliance fees ($40/HTC unit)				$0	0.38%	$0.04	$36	$2,800	$2,800	$2,800	$2,800	$36	$0.04	0.38%	0.0%	-
City of Houston Fees				$0	0.16%	$0.02	$16	$1,200	$2,070	$2,070	$1,200	$16	$0.02	0.16%	0.0%	-
TOTAL EXPENSES					**62.23%**	**$6.60**	**$5,941**	**$ 457,469**	$412,359	$421,678	**$468,267**	**$6,081**	**$6.76**	**63.56%**	**-2.3%**	**$ (10,798)**
NET OPERATING INCOME ("NOI")					**37.77%**	**$4.01**	**$3,605**	**$277,617**	$325,969	$315,706	**$268,507**	**$3,487**	**$3.88**	**36.44%**	**3.4%**	**$ 9,110**

CONTROLLABLE EXPENSES	$2,944/Unit		$3,156/Unit		

CAPITALIZATION / TOTAL DEVELOPMENT BUDGET / ITEMIZED BASIS

Connect South Apartments, Houston, 9% HTC #21503/20082

DEBT / GRANT SOURCES

		APPLICANT'S PROPOSED DEBT/GRANT STRUCTURE								Prior Underwriting		AS UNDERWRITTEN DEBT/GRANT STRUCTURE						
		Cumulative DCR															Cumulative	
DEBT (Must Pay)	Fee	UW	App	Pmt	Rate	Amort	Term	Principal		Applicant	TDHCA	Principal	Term	Amort	Rate	Pmt	DCR	LTC
Capital One		1.35	1.40	198,454	5.13%	35	18	$3,223,697		$4,072,000	$4,072,000	$3,223,697	18	35	5.13%	$198,454	1.40	10.7%
TDHCA Deferred Payable		1.35	1.40		0.00%	35	18	$3,000,000				$3,000,000	18		0.00%		1.40	10.0%
CASH FLOW DEBT / GRANTS																		
City of Houston CDBG-DR		1.07	1.11	$52,458	1.00%	na	40	$9,000,000		$7,000,000	$3,600,000	$9,000,000	40	na	1.00%	$23,000	1.25	29.9%
Cadence McShane (GC) MDL Match		1.07	1.11		0.00%	0	0	$175,000		$0	$0	$175,000	0	0	0.00%		1.25	0.6%
APMA (Architect) MDL Match		1.07	1.11		0.00%	0	0	$50,000		$0	$0	$50,000	0	0	0.00%		1.25	0.2%
				$250,912	**TOTAL DEBT / GRANT SOURCES**			**$15,448,697**		**$11,072,000**	**$11,072,000**	**$15,448,697**			**TOTAL DEBT SERVICE**	**$221,454**	**1.25**	51.3%
NET CASH FLOW		$17,595	$26,705									**APPLICANT**	**NET OPERATING INCOME**		**$277,617**	**$56,163**	**NET CASH FLOW**	

EQUITY SOURCES

	APPLICANT'S PROPOSED EQUITY STRUCTURE					Prior Underwriting		AS UNDERWRITTEN EQUITY STRUCTURE						
EQUITY / DEFERRED FEES	DESCRIPTION	% Cost	Annual Credit	Credit Price	Amount	Applicant	TDHCA	Amount	Credit Price	Annual Credit	% Cost	Annual Credits per Unit	Allocation Method	
Hudson Housing Capital	LIHTC Equity	46.4%	$1,500,000	0.93	$13,948,605	$13,948,605	$13,948,605	$13,948,605	$0.93	$1,500,000	46.4%	$19,481	Previous Allocation	
Connect South Development, LLC	Deferred Developer Fees	4.0%	(45% Deferred)		$1,193,969	$1,193,969	$693,969	$693,969	(26% Deferred)		2.3%	**Total Developer Fee:**		**$2,672,513**
Additional (Excess) Funds Req'd		0.0%					$0	$0			0.0%			
TOTAL EQUITY SOURCES		50.3%			$15,142,574	$15,142,574	$14,642,574	$14,642,574			48.7%			
TOTAL CAPITALIZATION					**$30,591,271**	$26,214,574	$25,714,574	**$30,091,271**				**15-Yr Cash Flow after Deferred Fee:**		**$237,610**

DEVELOPMENT COST / ITEMIZED BASIS

	APPLICANT COST / BASIS ITEMS					Prior Underwriting		TDHCA COST / BASIS ITEMS					COST VARIANCE	
	Eligible Basis										Eligible Basis			
	Acquisition	New Const. Rehab	Total Costs			Applicant	TDHCA	Total Costs			New Const. Rehab	Acquisition	%	$
Land Acquisition				$45,455 / Unit	$3,500,000	$3,500,000	$3,000,000	$3,000,000	$38,961 / Unit				16.7%	$500,000
Closing costs & acq. legal fees					$0	$15,000	$15,000	$0						$0
Site Work		$864,202		$14,333 / Unit	$1,103,673	$1,131,900	$1,131,900	$1,085,198	$14,093 / Unit		$864,202		1.7%	$18,475
Site Amenities		$192,500		$2,500 / Unit	$192,500	$500,000	$500,000	$242,500	$3,149 / Unit		$192,500		-20.6%	($50,000)
Commercial Space				$8,517 / Unit	$655,830	$600,000	$600,000	$655,830	$8,517 / Unit		$0		0.0%	$0
Podium Parking		$2,500,000		$32,468 / Unit	$2,500,000	$2,000,000	$2,000,000	$2,500,000	$32,468 / Unit		$2,500,000		0.0%	$0
Building Cost		$12,483,460	$180.16 /sf	$162,123/Unit	$12,483,460	$7,951,680	$7,054,473	$12,451,935	$161,713/Unit	$179.70 /sf	$12,451,935		0.3%	$31,525
Contingency		$819,849	5.11%	4.93%	$835,523	$609,178	$609,178	$835,523	4.93%	5.12%	$819,849		0.0%	$0
Contractor Fees		$2,339,465	13.88%	13.16%	$2,339,465	$1,705,702	$1,665,377	$2,339,465	13.16%	13.90%	$2,339,465		0.0%	$0
Soft Costs	0	$2,213,170		$30,366 / Unit	$2,338,170	$2,878,712	$2,878,712	$2,338,170	$30,366 / Unit		$2,213,170	$0	0.0%	$0
Financing	0	$914,103		$21,085 / Unit	$1,623,510	$2,321,627	$2,321,627	$1,623,510	$21,085 / Unit		$914,103	$0	0.0%	$0
Developer Fee	$0	$2,672,513	11.97%	11.50%	$2,672,513	$2,672,513	$2,537,932	$2,672,513	11.50%	11.99%	$2,672,513	$0	0.0%	$0
Reserves				6 Months	$346,627	$328,262	$328,262	$346,627	6 Months				0.0%	$0
TOTAL HOUSING DEVELOPMENT COST (UNADJUSTED BASIS)	**$0**	**$24,999,262**		$397,289 / Unit	**$30,591,271**	$26,214,574	$24,642,461	**$30,091,271**	$390,796 / Unit		**$24,967,737**	**$0**	**1.7%**	**$500,000**
Acquisition Cost	$0				($500,000)	($500,000)								
Contingency		$0			$0	$0								
Contractor's Fee		$0			$0	$0								
Financing Cost		$0												
Developer Fee	$0	$0			$0	$0								
Reserves					$0	$0								
ADJUSTED BASIS / COST	**$0**	**$24,999,262**		$390,796/unit	**$30,091,271**	$25,714,574	$24,642,461	**$30,091,271**	$390,796/unit		**$24,967,737**	**$0**	**0.0%**	**$0**

TOTAL HOUSING DEVELOPMENT COSTS (Applicant's Uses are within 5% of TDHCA Estimate): **$30,091,271**

CAPITALIZATION / DEVELOPMENT COST BUDGET / ITEMIZED BASIS ITEMS

Connect South Apartments, Houston, 9% HTC #20082

	CREDIT CALCULATION ON QUALIFIED BASIS			
	Applicant		TDHCA	
	Acquisition	Construction Rehabilitation	Acquisition	Construction Rehabilitation
ADJUSTED BASIS	$0	$24,999,262	$0	$24,967,737
Deduction of Federal Grants	$0	$0	$0	$0
TOTAL ELIGIBLE BASIS	$0	$24,999,262	$0	$24,967,737
High Cost Area Adjustment		130%		130%
TOTAL ADJUSTED BASIS	$0	$32,499,041	$0	$32,458,058
Applicable Fraction	88.73%	88.73%	88.73%	88.73%
TOTAL QUALIFIED BASIS	$0	$28,835,975	$0	$28,799,611
Applicable Percentage	3.32%	9.00%	3.32%	9.00%
ANNUAL CREDIT ON BASIS	$0	$2,595,238	$0	$2,591,965
CREDITS ON QUALIFIED BASIS	$2,595,238		$2,591,965	

	ANNUAL CREDIT CALCULATION BASED ON APPLICANT BASIS		FINAL ANNUAL LIHTC ALLOCATION		
			Credit Price $0.9299	**Variance to Request**	
Method	Annual Credits	Proceeds	**Credit Allocation**	**Credits**	**Proceeds**
Eligible Basis	$2,595,238	$24,133,297	----	----	----
Needed to Fill Gap	$1,574,628	$14,642,574	----	----	----
Previous Allocation	$1,500,000	$13,948,605	**$1,500,000**	**$0**	**$0**

Long-Term Pro Forma

Connect South Apartments, Houston, 9% HTC #21503/20082

	Growth Rate	Year 1	Year 2	Year 3	Year 4	Year 5	Year 10	Year 15	Year 20	Year 25	Year 30	Year 35
EFFECTIVE GROSS INCOME	2.00%	$735,086	$749,788	$764,784	$780,080	$795,681	$878,496	$969,931	$1,070,882	$1,182,340	$1,305,399	$1,441,266
TOTAL EXPENSES	3.00%	$457,469	$470,813	$484,549	$498,690	$513,247	$592,721	$684,617	$790,888	$913,797	$1,055,964	$1,220,423
NET OPERATING INCOME ("NOI")		**$277,617**	**$278,975**	**$280,235**	**$281,390**	**$282,434**	**$285,775**	**$285,314**	**$279,994**	**$268,543**	**$249,435**	**$220,843**
EXPENSE/INCOME RATIO		62.2%	62.8%	63.4%	63.9%	64.5%	67.5%	70.6%	73.9%	77.3%	80.9%	84.7%
MUST -PAY DEBT SERVICE												
Capital One		$198,454	$198,454	$198,454	$198,454	$198,454	$198,454	$198,454	$198,454	$198,454	$198,454	$198,454
City of Houston CDBG-DR		$23,000	$23,000	$23,000	$23,000	$23,000	$23,000	$23,000	$23,000	$23,000	$23,000	$23,000
TOTAL DEBT SERVICE		**$221,454**	**$221,454**	**$221,454**	**$221,454**	**$221,454**	**$221,454**	**$221,454**	**$221,454**	**$221,454**	**$221,454**	**$221,454**
DEBT COVERAGE RATIO		1.25	1.26	1.27	1.27	1.28	1.29	1.29	1.26	1.21	1.13	1.00
ANNUAL CASH FLOW		**$56,163**	**$57,521**	**$58,781**	**$59,936**	**$60,980**	**$64,321**	**$63,860**	**$58,540**	**$47,089**	**$27,981**	**($611)**
Deferred Developer Fee Balance		$637,806	$580,285	$521,504	$461,568	$400,588	$84,330	$0	$0	$0	$0	$0
CUMULATIVE NET CASH FLOW		$0	$0	$0	$0	$0	$0	$237,610	$543,132	$804,217	$985,743	$1,044,074

20082 Connect South Apartments - Application Summary

REAL ESTATE ANALYSIS DIVISION
September 3, 2020

PROPERTY IDENTIFICATION	
Application #	20082
Development	Connect South Apartments
City / County	Houston / Harris
Region/Area	6 / Urban
Population	General
Set-Aside	Non-Profit
Activity	New Construction

RECOMMENDATION

TDHCA Program	Request	Recommended		
LIHTC (9% Credit)	$1,500,000	$1,500,000	$19,481/Unit	$0.93

KEY PRINCIPALS / SPONSOR

Anne Whitlock, Executive Director
My Connect Community

and

Richard Sciortino
Brinshore Development

Related Parties	Contractor - Yes	Seller - No

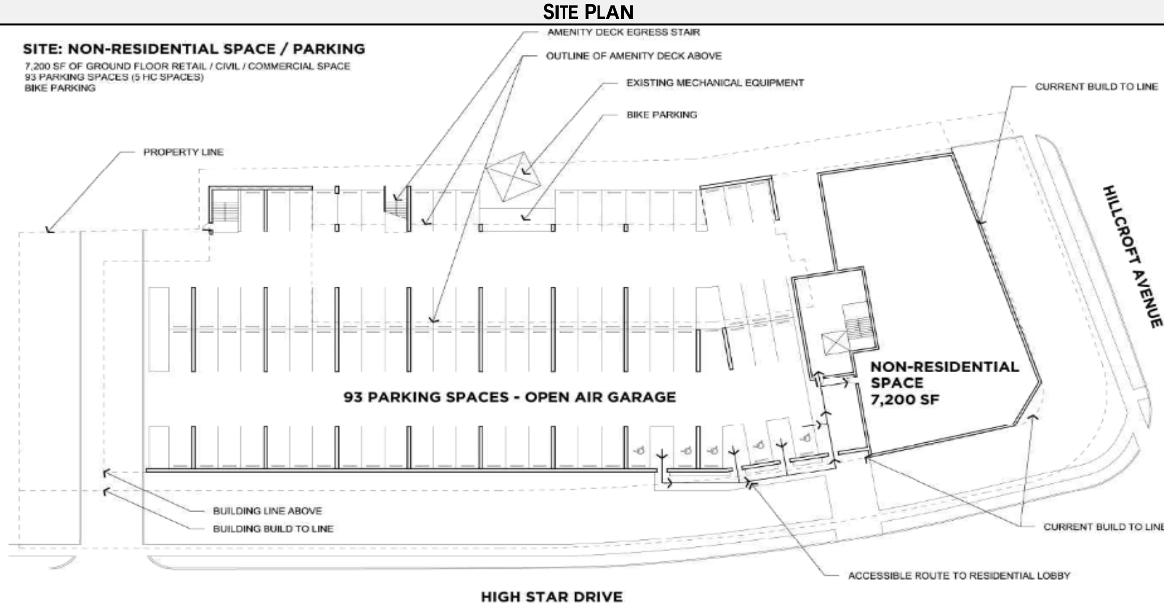
TYPICAL BUILDING ELEVATION/PHOTO

UNIT DISTRIBUTION			INCOME DISTRIBUTION		
# Beds	# Units	% Total	Income	# Units	% Total
Eff	-	0%	30%	7	9%
1	27	35%	40%	-	0%
2	38	49%	50%	28	36%
3	12	16%	60%	32	42%
4	-	0%	MR	7	9%
TOTAL	77	100%	TOTAL	74	100%

PRO FORMA FEASIBILITY INDICATORS

Pro Forma Underwritten		Applicant's Pro Forma	
Debt Coverage	1.15	Expense Ratio	55.9%
Breakeven Occ.	87.1%	Breakeven Rent	$793
Average Rent	$844	B/E Rent Margin	$51
Property Taxes	$1,249/unit	Exemption/PILOT	0%
Total Expense	$5,355/unit	Controllable	$2,944/unit

SITE PLAN



MARKET FEASIBILITY INDICATORS

Gross Capture Rate (10% Maximum)			0.9%
Highest Unit Capture Rate	5%	2 BR/60%	27
Dominant Unit Cap. Rate	5%	2 BR/60%	27
Premiums (↑60% Rents)	Yes	$481/Avg.	
Rent Assisted Units	N/A		

DEVELOPMENT COST SUMMARY

Costs Underwritten		Applicant's Costs	
Avg. Unit Size	900 SF	Density	51.2/acre
Acquisition		$39K/unit	$3,015K
Building Cost	$152.28/SF	$137K/unit	$10,552K
Hard Cost		$166K/unit	$12,793K
Total Cost		$334K/unit	$25,715K
Developer Fee	$2,673K	(26% Deferred)	Paid Year: 13
Contractor Fee	$1,706K	30% Boost	Yes

DEBT (Must Pay)

Source	Term	Rate	Amount	DCR
Amegy Bank	20/35	5.00%	$4,072,000	1.32
TOTAL DEBT (Must Pay)			**$4,072,000**	

CASH FLOW DEBT / GRANT FUNDS

Source	Term	Rate	Amount	DCR
City of Houston CDBG-DR	40/40	1.00%	$7,000,000	1.15
CASH FLOW DEBT / GRANTS			**$7,000,000**	

EQUITY / DEFERRED FEES

Source	Amount
Richman Group Affordable Housing Co	$13,948,605
Connect South Development, LLC	$693,969
TOTAL EQUITY SOURCES	**$14,642,574**
TOTAL DEBT SOURCES	**$11,072,000**
TOTAL CAPITALIZATION	**$25,714,574**

CONDITIONS

1 Receipt and acceptance by Carryover:

a: Formal approval from the City of Houston to provide a loan in the amount of $7,000,000, identifying the source of the funds, and a detailed term sheet specifying all terms and conditions, and income restrictions.

b: Confirmation from the City of Houston that the site plan satisfies minimum parking requirements for the residential tenants and for the retail space.

c: Executed design contract with architect (Alley Poyner Macchietto) supporting the architectural and engineering estimates provided in the application.

2 Receipt and acceptance by 10% test:

a: Architect certification that all noise assessment recommendations were implemented and the Development is compliant with HUD noise guidelines.

3 Documentation at Cost Certification clearing environmental issues identified in the ESA report, specifically:

a: Certification that testing for asbestos and lead-based paint was performed on the existing structures prior to demolition, and if necessary, a certification that any appropriate abatement procedures were implemented.

b: Architect certification that all noise assessment recommendations were implemented and the Development is compliant with HUD noise guidelines.

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

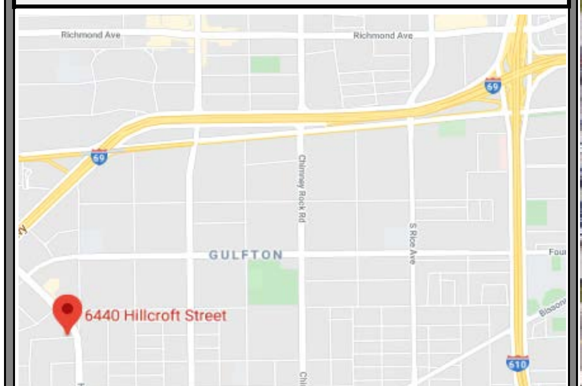
STRENGTHS/MITIGATING FACTORS

- Overall feasibility indicators
- Low Gross Capture Rate
- Partnership with non-profit My Connect Community
- Proximity to employment opportunities

WEAKNESSES/RISKS

- Less than one parking space per unit

AREA MAP



AERIAL PHOTOGRAPH(s)

Real Estate Analysis Division
Underwriting Report
September 3, 2020
Summary Posted 7/30/2020

DEVELOPMENT IDENTIFICATION

TDHCA Application #: **20082** Program(s): **9% HTC**

Connect South Apartments

Address/Location: 6440 Hillcroft Avenue

City: Houston County: Harris Zip: 77074

Population: General Program Set-Aside: Non-Profit Area: Urban

Activity: New Construction Building Type: Garden (Up to 4-story) Region: 6

Analysis Purpose: New Application - Initial Underwriting

ALLOCATION

	REQUEST				RECOMMENDATION				
TDHCA Program	**Amount**	**Interest Rate**	**Amort**	**Term**	**Amount**	**Interest Rate**	**Amort**	**Term**	**Lien**
LIHTC (9% Credit)	$1,500,000				**$1,500,000**				

CONDITIONS

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SET-ASIDES

TDHCA SET-ASIDES for HTC LURA		
Income Limit	Rent Limit	Number of Units
30% of AMI	30% of AMI	7
50% of AMI	50% of AMI	28
60% of AMI	60% of AMI	32
80% of AMI	80% of AMI	3

DEVELOPMENT SUMMARY

Connect South Apartments is a new construction development in Houston. There will be 77 total units with 70 reserved for income-qualified residents, in a mix of 1,2, and 3 bedroom units. The development has applied to the City of Houston for CDBG-DR funding which will be structured as a loan to the partnership. The development is in the Gulfton Complete Community, a priority revitalization area for the City of Houston.

The site will have commerical space that is legally separated from the residential development through a condo regime. The cost of this ground-floor commerical space is included in the total development costs, but not in basis.

RISK PROFILE

	STRENGTHS/MITIGATING FACTORS
▫	Overall feasibility indicators
▫	Low Gross Capture Rate
▫	Partnership with non-profit My Connect Community
▫	Proximity to employment opportunities

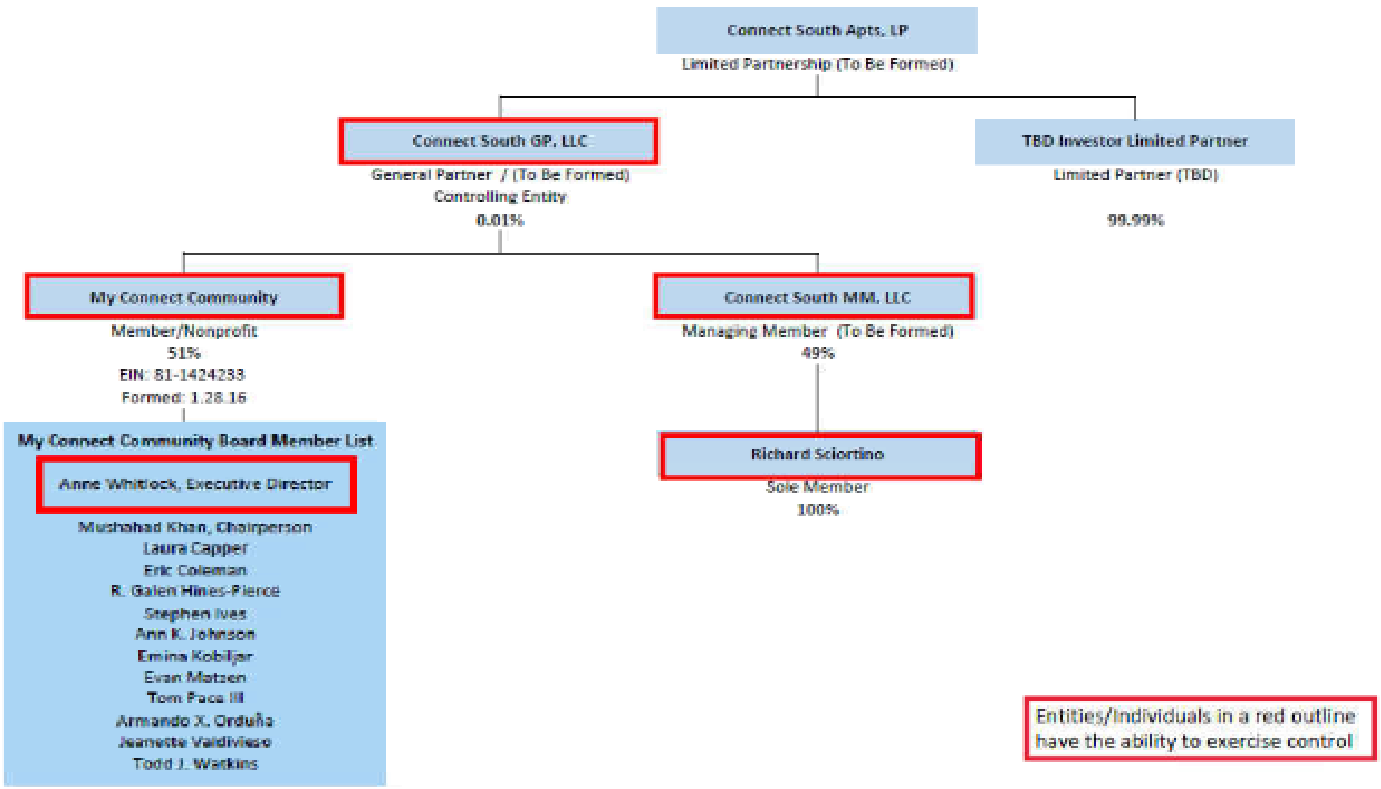
	WEAKNESSES/RISKS
▫	Less than one parking space per unit
▫	
▫	
▫	

DEVELOPMENT TEAM

PRIMARY CONTACTS

Name:	Scott Puffer	Name:	Ruben Esqueda
Phone:	(513) 603-0074	Phone:	(817) 329-8051

OWNERSHIP STRUCTURE

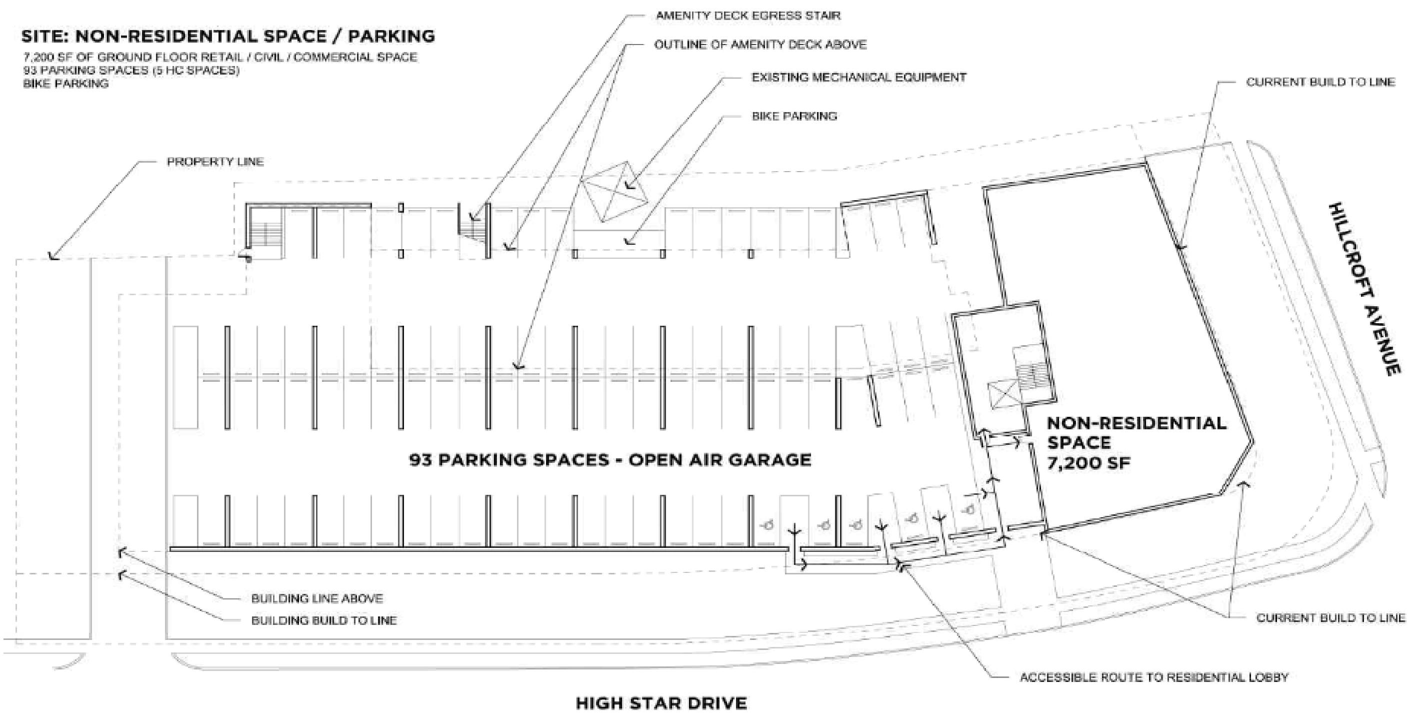


- My Connect Community is a non-profits aimed at being a "Neighborhood Quarterback" to build purpose built communities focused on Mixed Income Housing and Community Wellness. In Houston, they have a primary focus on the subject neighborhood.

  Established in 1994, Brinshore Development, LLC has undertaken dozens of developments, from large-scale master planned communities to the restoration of historic properties. The Brinshore portfolio encompasses more than 7,000 residential units valued at more than $1 billion.

DEVELOPMENT SUMMARY

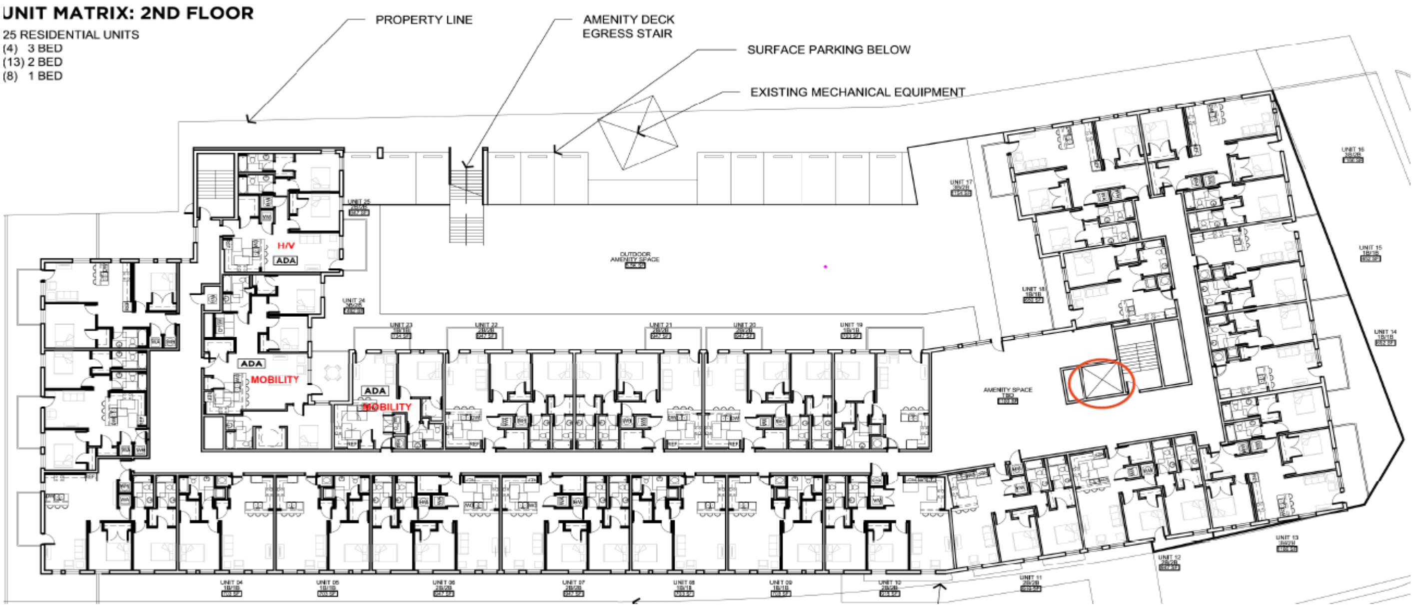
SITE PLAN



Comments:

The site will be almost entirely built-out by the podium structure that extends from Hillcroft Ave to the western site boundary. The open-air garage fills the entire ground level aside from the commercial space fronting the street. Aside from the demolition costs of the existing 3 story office tower, site work costs per unit are low. There is no need for on-site detention and very limited greenspace aside from landscaping to be installed on the 5,500 sqft rooftop amenity deck.

BUILDING PLAN (Typical)



Comments:

The Building Plan proposes conditioned corridors on all 3 residential levels, along with large balconies for nearly half of the units. Walk-in closets in all master bedroom; all bathrooms have a single vanity sink. Second floor includes 5,500 sf outdoor amenity deck.

All management/leasing/maintenance activity is concentrated in a 1,100 sf elevator lobby on the second floor. Building Plans do not include any restrooms for the staff or the public. Applicant states this was a desigh oversight that wil be corrected in plans submitted for permitting.

Parking	No Fee		Tenant-Paid		Total	
Garage	93	*1.2/unit*	0	--	93	*1.2/unit*
Total Parking	**93**	*1.2/unit*	**0**	--	**93**	*1.2/unit*

Comments:

The Applicant states that all parking will be available free of charge to the residents. The standard requirement based on Houston code would be for 123 parking spaces (1.6 per unit) for the multifamily and 29 spaces (4 spaces per 1,00 sf) for the commercial space. The proposed parking structure only porvides 93 spaces. If 29 are allocated to commercial, that leaves only 64 spaces (0.83 spaces per unit) available for the mltifamily residents.

As part of the building permitting process, the Applicant will seek a parking variance consistent with Urban Design Standards.

BUILDING ELEVATION

Comments:

This design is a flat roof 4-story podium structure with significant ornamentation by request of the neighborhood. Nearly half of the units have access to a balcony. The exterior is 100% cementious (Hardiboard) siding, except for the floor to ceiling storefront glass in front of retail on the East and South elevations.

BUILDING CONFIGURATION

Building Type	1												**Total Buildings**
Floors/Stories	4												
Number of Bldgs	1												**1**
Units per Bldg	77												
Total Units	77												**77**

Avg. Unit Size (SF)	**900 sf**	**Total NRA (SF)**	**69,291**	**Common Area (SF)***	**17,200**

*Common Area Square Footage as specified on Architect Certification

SITE CONTROL INFO

Site Acreage: Development Site: 1.50 acres | Density: 51.2 units/acre

Site Control: 1.504 **Site Plan:** 1.504 **Appraisal:** 0 **ESA:** 0

Control Type: Comercial Contract - Improved Property | Contract Expiration: 4/6/2020

Development Site: 1.50 acres | Cost: $3,000,000 | $38,961 per unit

Seller: Alliance for Multicultural Community Services

Buyer: My Connect Community dba Connect Community

Related-Party Seller/Identity of Interest: No

Comments:

Acquisition includes an existing office building that willl be demolished.

$38,961 per unit acquisition cost is relatively high for the LIHTC program, but is below the average for applications in Houston this cycle, reflecting the competitive nature of the program.

SITE INFORMATION

Flood Zone:	x	Scattered Site?	No
Zoning:	N/A in Houston	Within 100-yr floodplain?	No
Re-Zoning Required?	No	Utilities at Site?	Yes
Year Constructed:	N/A	Title Issues?	No

Current Uses of Subject Site:

The existing five-story, 6,500 sq. ft building currently serves as headquarters for a non-profit charity, Alliance for Multicultural Community Services.

Surrounding Uses:

Five large apartment communities are within the first block to the east and to the south. There's a significant effort to bring more residential units to this Sharpstown Super Neighborhood.

HIGHLIGHTS of ENVIRONMENTAL REPORTS

Provider: AEI Consultants | Date: 2/21/2020

Recognized Environmental Conditions (RECs) and Other Concerns:

- Based on the presence of potential adverse noise sources within the established HUD threshold distances, provider recommends completion of a HUD-compliant noise study.

Comments:

The ESA provider performed a Limited Asbestos Survey and Lead-Based Paint Survey which identified asbestos-containing materials and lead-based paint in the existing structure. The report recommends additional sampling prior to demolition.

MARKET ANALYSIS

Provider: Affordable Housing Analysts Date: 3/23/2020

Contact: Bob Coe Phone: 281-387-7552

Primary Market Area (PMA): 9 sq. miles 2 mile equivalent radius

The Primary Market Area is 9 square miles in West Houston bound by U.S. Highway 59 to the north; Fondren Road to the west; S. Braeswood Boulevard to the south; and Loop 610 to the east.

ELIGIBLE HOUSEHOLDS BY INCOME

Harris County Income Limits

HH Size		1	2	3	4	5	6	7+
30% AMGI	Min	$12,870	$12,870	$15,450	$15,450	$17,850	$17,850	---
	Max	$16,050	$18,330	$20,610	$22,890	$24,750	$26,580	---
50% AMGI	Min	$21,480	$21,480	$25,740	$25,740	$29,760	$29,760	---
	Max	$26,750	$30,550	$34,350	$38,150	$41,250	$44,300	---
60% AMGI	Min	$25,770	$25,770	$30,900	$30,900	$35,730	$35,730	---
	Max	$32,100	$36,660	$41,220	$45,780	$49,500	$53,160	---
80% AMGI	Min	$34,380	$34,380	$41,220	$41,220	$47,640	$47,640	---
	Max	$42,800	$48,880	$54,960	$61,040	$66,000	$70,880	---

AFFORDABLE HOUSING INVENTORY

Competitive Supply (Proposed, Under Construction, and Unstabilized)

File #	Development	In PMA?	Type	Target Population	Comp Units	Total Units
19070	South Rice Apartments	Y	New	Family	86	115

Other Affordable Developments in PMA since 2015

	None					

Stabilized Affordable Developments in PMA	Total Units	660
	Total Developments	3

Proposed, Under Construction, and Unstabilized Competitive Supply:

19070 South Rice Apartments will have 86 competitive units when placed in-service about one year ahead of the subject.

OVERALL DEMAND ANALYSIS		
	Market Analyst	
	HTC	Assisted
Total Households in the Primary Market Area	31,931	
Potential Demand from the Primary Market Area	15,348	
10% External Demand	1,535	
Potential Demand from Other Sources	0	
GROSS DEMAND	16,883	
Subject Affordable Units	70	
Unstabilized Competitive Units	86	
RELEVANT SUPPLY	156	
Relevant Supply ÷ Gross Demand = GROSS CAPTURE RATE	**0.9%**	

Population: **General** **Market Area:** **Urban** **Maximum Gross Capture Rate:** **10%**

UNDERWRITING ANALYSIS of PMA DEMAND by AMGI BAND

	Market Analyst				
AMGI Band	Demand	10% Ext	Subject Units	Comp Units	AMGI Band Capture Rate
30% AMGI	3,775	378	7	9	0.4%
50% AMGI	5,939	594	28	35	1%
60% AMGI	3,450	345	32	42	2%
80% AMGI	2,183	218	3	0	0.1%

Demand Analysis:

The capture rates only reflect the demand for the 70 affordable units at the Subject property and do not include any of the 7 market units in the analysis.

UNDERWRITING ANALYSIS of PMA DEMAND by UNIT TYPE					
	Market Analyst				
Unit Type	Demand	10% Ext	Subject Units	Comp Units	Unit Capture Rate
1 BR/30%	765	77	5	6	1%
1 BR/50%	842	84	19	23	5%
1 BR/60%	646	65	1	24	4%
1 BR/80%	711	71	1	0	0.1%
2 BR/30%	659	66	1	2	0.4%
2 BR/50%	806	81	8	10	2%
2 BR/60%	657	66	27	10	5%
2 BR/80%	627	63	1	0	0.1%
3 BR/30%	1,614	161	1	1	0.1%
3 BR/50%	1,469	147	1	2	0.2%
3 BR/60%	933	93	4	8	1%
3 BR/80%	648	65	1	0	0.1%

Market Analyst Comments:

"The selected comparable apartments surveyed in the primary market area of the subject generally exhibited strong occupancy rates, with an average occupancy level of 95% and an average rental rate of ±$1.30 per square foot per month." (p. 12)

"Occupancies of the affordable housing projects are high, with some maintaining waiting lists. Therefore, the subject property need only achieve moderate penetration to be feasible. This is realistic s considering the limited supply of quality affordable General Population housing in the subject's primary market area." (p. 13)

Revisions to Market Study:	0

OPERATING PRO FORMA

SUMMARY- AS UNDERWRITTEN (Applicant's Pro Forma)					
NOI:	$325,969	Avg. Rent:	$844	Expense Ratio:	55.9%
Debt Service:	$282,611	B/E Rent:	$793	Controllable Expenses:	$2,944
Net Cash Flow:	$43,358	UW Occupancy:	92.5%	Property Taxes/Unit:	$1,249
Aggregate DCR:	1.15	B/E Occupancy:	87.1%	Program Rent Year:	2019

Applicant will elect Income Averaging. Submitted rent schedule reflects 54% overall average income, with units at 30%, 50%, 60%, and 80% of AMI. All restricted units are underwritten at maximum HTC rents.

Seven market units (9% of the total) u nderwritten at premiums ranging from $52 (two-bedroom) to $144 (three-bedroom) over the 80% AMI Net Rents.

Underwriter's expense estimates based on comparable properties in Houston.

Estimates are within 5% so feasibility is determined by the Applicant's pro forma.

Underwritten pro forma assumes 6 units vacant; break-even occurs with 10 units vacant.

Related-Party Property Management Company: No

Revisions to Rent Schedule:	0	Revisions to Annual Operating Expenses:	0

DEVELOPMENT COST EVALUATION

SUMMARY- AS UNDERWRITTEN (Applicant's Costs)

Acquisition	$2,327,128/ac	$39,156/unit	**$3,015,000**	Contractor Fee	**$1,705,702**
Off-site + Site Work		$21,194/unit	**$1,631,900**	Soft Cost + Financing	**$5,200,339**
Building Cost	$152.28/sf	$137,035/unit	**$10,551,680**	Developer Fee	**$2,672,513**
Contingency	5.00%	$7,911/unit	**$609,178**	Reserves	**$328,262**
Total Development Cost	$333,956/unit	**$25,714,574**		**Rehabilitation Cost**	**N/A**

Qualified for 30% Basis Boost?	Located in QCT with < 20% HTC units/HH

Acquisition:

Applicant's cost schedule indicates $3,500,000 acquisition cost. Underwriter adjusted to the $3,000,000 reflected in the Purchase Contract.

Site Work:

$14.7K per unit site work cost consists of $3.2K for demolition of existing building, $1.6K grading, $4.2K paving and concrete, and $5.1K utilities.

Building Cost:

General Contractor Cadence McShane provided $2,000,000 cost estimate for podium garage and $600,000 for commercial space.

Underground vault in parking garage for on-site water detention.

Underwriter's building cost estimate for the residential portion based on Marshall & Swift Good Quality multifamily model to account for building design features. Applicant's cost is 13% higher than Underwriter's estimate.

Contingency:

Contingency understated at 5% as compared to 7% allowed by REA rule.

Soft Costs:

Architectural and Engineering fees are $1,235,000 total ($16,039 per unit). These values are more than double the average of similarly designed buildings in Houston on a total dollar fee basis, and more than triple on a per-unit basis. For this reason, an executed design contract for all members of the design team are required to be provided at Carryover. If executed contracts are not in place at Carryover, a letter from the architect itemizing the cost for each design phase must be provided.

Credit Allocation Supported by Costs:

Total Development Cost	Adjusted Eligible Cost	Credit Allocation Supported by Eligible Basis
$25,714,574	**$14,594,232**	**$1,515,065**

Related-Party Contractor: Yes

Related-Party Cost Estimator: Yes

Revisions to Development Cost Schedule:	0

UNDERWRITTEN CAPITALIZATION

INTERIM SOURCES

Funding Source	Description	Amount	Rate	LTC
Amegy Bank	Const-to-Perm Loan	$18,900,000	5.50%	93%
Richman Group Affordable Housing Corp.	HTC	$1,394,861	$0.93	7%
		$20,294,861	**Total Sources**	

PERMANENT SOURCES

	PROPOSED				UNDERWRITTEN				
Debt Source	**Amount**	**Interest Rate**	**Amort**	**Term**	**Amount**	**Interest Rate**	**Amort**	**Term**	**LTC**
Amegy Bank	$4,072,000	5.00%	35	20	$4,072,000	5.00%	35	20	16%
City of Houston CDBG-DR	$7,000,000	1.00%	40	40	$7,000,000	1.00%	40	40	27%
Total	**$11,072,000**				**$11,072,000**				

Comments:

Applicant has applied for a $7,000,000 forgivable City of Houston loan (CDBG Disaster Relief Fund) with 1% non-amortizing, interest only cash flow payments. It is likely the City will layer income restrictions on top of the HTC restrictions. Recommendations for award will be announced after June 1st and submitted for city council approval. The City is aware the Applicant has committed to closing by November 30, 2020.

The Development Cost Schedule includes $11,120,341 that is not included in Tax Credit Eligible Basis. The $7,000,000 CDBG funding can be a applied to this ineligible cost. Therefore, no valid debt review is being performed.

The 1.00% interst-only payment can be serviced for $3.6M of the CDBG funds while maintaining the minimum 1.15 times debt coverage. Ther remainder of the interest would be subject to available cash flow.

	PROPOSED			UNDERWRITTEN			
Equity & Deferred Fees	**Amount**	**Rate**	**% Def**	**Amount**	**Rate**	**% TC**	**% Def**
Richman Group Affordable Housing Corp.	$13,948,605	$0.93		$13,948,605	$0.93	54%	
Connect South Development, LLC	$1,193,969		45%	$693,969		3%	27%
Total	**$15,142,574**			**$14,642,574**			
				$25,714,574	**Total Sources**		

Credit Price Sensitivity based on current capital structure	
$0.976	Maximum Credit Price before the Development is oversourced and allocation is limited
$0.916	Minimum Credit Price below which the Development would be characterized as infeasible

Revisions to Sources Schedule:	0

CONCLUSIONS

Gap Analysis:	
Total Development Cost	$25,714,574
Permanent Sources (debt + non-HTC equity)	$11,072,000
Gap in Permanent Financing	$14,642,574

Possible Tax Credit Allocations:	Equity Proceeds	Annual Credits
Determined by Eligible Basis	$14,088,693	$1,515,065
Needed to Balance Sources & Uses	$14,642,574	$1,574,628
Requested by Applicant	$13,948,605	$1,500,000

	RECOMMENDATION	
	Equity Proceeds	Annual Credits
Tax Credit Allocation	**$13,948,605**	**$1,500,000**

Deferred Developer Fee	**$693,969**	**(27% deferred)**
Repayable in	**13 years**	

Comments:

Recommended credit allocation is $1,500,000 ar requested by the Applicant.

Underwriter:	*Greg Stoll*
Manager of Real Estate Analysis:	*Thomas Cavanagh*
Director of Real Estate Analysis:	*Brent Stewart*

UNIT MIX/RENT SCHEDULE

Connect South Apartments, Houston, 9% HTC #20082

LOCATION DATA	
CITY:	Houston
COUNTY:	Harris
Area Median Income	$76,300
PROGRAM REGION:	6
PROGRAM RENT YEAR:	2019

UNIT DISTRIBUTION				
# Beds	# Units	% Total	Assisted	MDL
Eff	-	0.0%	0	0
1	27	35.1%	0	0
2	38	49.4%	0	0
3	12	15.6%	0	0
4	-	0.0%	0	0
5	-	0.0%	0	0
TOTAL	**77**	**100.0%**	**-**	**-**

54%	Average Income	
Income	# Units	% Total
20%	-	0.0%
30%	7	9.1%
40%	-	0.0%
50%	28	36.4%
60%	32	41.6%
70%	-	0.0%
80%	3	3.9%
MR	7	9.1%
TOTAL	**77**	**100.0%**

Pro Forma ASSUMPTIONS	
Revenue Growth	2.00%
Expense Growth	3.00%
Basis Adjust	130%
Applicable Fraction	88.73%
APP % Acquisition	3.32%
APP % Construction	9.00%
Average Unit Size	900 sf

UNIT MIX / MONTHLY RENT SCHEDULE

HTC		UNIT MIX				APPLICABLE PROGRAM RENT			APPLICANT'S PRO FORMA RENTS				TDHCA PRO FORMA RENTS				MARKET RENTS		
Type	Gross Rent	# Units	# Beds	# Baths	NRA	Gross Rent	Utility Allow	Max Net Program Rent	Delta to Max	Rent psf	Net Rent per Unit	Total Monthly Rent	Total Monthly Rent	Rent per Unit	Rent psf	Delta to Max	Underwritten		Mrkt Analyst
TC 30%	$429	2	1	1	652	$429	$91	$338	$0	$0.52	$338	**$676**	**$676**	$338	$0.52	$0	$1,127	$1.73	$1,127
TC 50%	$716	1	1	1	652	$716	$91	$625	$0	$0.96	$625	**$625**	**$625**	$625	$0.96	$0	$1,127	$1.73	$1,127
TC 60%	$859	1	1	1	652	$859	$91	$768	$0	$1.18	$768	**$768**	**$768**	$768	$1.18	$0	$1,127	$1.73	$1,127
TC 80%	$1,146	1	1	1	652	$1,146	$91	$1,055	$0	$1.62	$1,055	**$1,055**	**$1,055**	$1,055	$1.62	$0	$1,127	$1.73	$1,127
MR		1	1	1	652	$0	$91		NA	$1.76	$1,146	**$1,146**	**$1,127**	$1,127	$1.73	NA	$1,127	$1.73	$1,127
TC 30%	$429	1	1	1	703	$429	$91	$338	$0	$0.48	$338	**$338**	**$338**	$338	$0.48	$0	$1,127	$1.60	$1,127
TC 50%	$716	14	1	1	703	$716	$91	$625	$0	$0.89	$625	**$8,750**	**$8,750**	$625	$0.89	$0	$1,127	$1.60	$1,127
TC 30%	$429	1	1	1	734	$429	$91	$338	$0	$0.46	$338	**$338**	**$338**	$338	$0.46	$0	$1,127	$1.54	$1,127
TC 50%	$716	2	1	1	734	$716	$91	$625	$0	$0.85	$625	**$1,250**	**$1,250**	$625	$0.85	$0	$1,127	$1.54	$1,127
TC 30%	$429	1	1	1	650	$429	$91	$338	$0	$0.52	$338	**$338**	**$338**	$338	$0.52	$0	$1,127	$1.73	$1,127
TC 50%	$716	2	1	1	650	$716	$91	$625	$0	$0.96	$625	**$1,250**	**$1,250**	$625	$0.96	$0	$1,127	$1.73	$1,127
TC 30%	$515	1	2	2	888	$515	$118	$397	$0	$0.45	$397	**$397**	**$397**	$397	$0.45	$0	$1,308	$1.47	$1,308
TC 50%	$858	1	2	2	888	$858	$118	$740	$0	$0.83	$740	**$740**	**$740**	$740	$0.83	$0	$1,308	$1.47	$1,308
TC 60%	$1,030	1	2	2	888	$1,030	$118	$912	$0	$1.03	$912	**$912**	**$912**	$912	$1.03	$0	$1,308	$1.47	$1,308
TC 50%	$858	1	2	1	899	$858	$118	$740	$0	$0.82	$740	**$740**	**$740**	$740	$0.82	$0	$1,308	$1.45	$1,308
TC 60%	$1,030	2	2	1	899	$1,030	$118	$912	$0	$1.01	$912	**$1,824**	**$1,824**	$912	$1.01	$0	$1,308	$1.45	$1,308
TC 50%	$858	1	2	2	915	$858	$118	$740	$0	$0.81	$740	**$740**	**$740**	$740	$0.81	$0	$1,308	$1.43	$1,308
TC 60%	$1,030	2	2	2	915	$1,030	$118	$912	$0	$1.00	$912	**$1,824**	**$1,824**	$912	$1.00	$0	$1,308	$1.43	$1,308
TC 50%	$858	1	2	2	919	$858	$118	$740	$0	$0.81	$740	**$740**	**$740**	$740	$0.81	$0	$1,308	$1.42	$1,308
TC 60%	$1,030	2	2	2	919	$1,030	$118	$912	$0	$0.99	$912	**$1,824**	**$1,824**	$912	$0.99	$0	$1,308	$1.42	$1,308
TC 50%	$858	4	2	2	947	$858	$118	$740	$0	$0.78	$740	**$2,960**	**$2,960**	$740	$0.78	$0	$1,308	$1.38	$1,308
TC 60%	$1,030	17	2	2	947	$1,030	$118	$912	$0	$0.96	$912	**$15,504**	**$15,504**	$912	$0.96	$0	$1,308	$1.38	$1,308
TC 60%	$1,030	2	2	2	996	$1,030	$118	$912	$0	$0.92	$912	**$1,824**	**$1,824**	$912	$0.92	$0	$1,308	$1.31	$1,308
TC 60%	$1,030	1	2	2	1,032	$1,030	$118	$912	$0	$0.88	$912	**$912**	**$912**	$912	$0.88	$0	$1,308	$1.27	$1,308
TC 80%	$1,374	1	2	2	1,032	$1,374	$118	$1,256	$0	$1.22	$1,256	**$1,256**	**$1,256**	$1,256	$1.22	$0	$1,308	$1.27	$1,308
MR		1	2	2	1,032	$0	$118		NA	$1.33	$1,374	**$1,374**	**$1,308**	$1,308	$1.27	NA	$1,308	$1.27	$1,308
TC 30%	$595	1	3	2	1,154	$595	$144	$451	$0	$0.39	$451	**$451**	**$451**	$451	$0.39	$0	$1,588	$1.38	$1,606
TC 50%	$992	1	3	2	1,154	$992	$144	$848	$0	$0.73	$848	**$848**	**$848**	$848	$0.73	$0	$1,588	$1.38	$1,606
TC 60%	$1,191	1	3	2	1,154	$1,191	$144	$1,047	$0	$0.91	$1,047	**$1,047**	**$1,047**	$1,047	$0.91	$0	$1,588	$1.38	$1,606
TC 60%	$1,191	2	3	2	1,166	$1,191	$144	$1,047	$0	$0.90	$1,047	**$2,094**	**$2,094**	$1,047	$0.90	$0	$1,588	$1.36	$1,606
MR		4	3	2	1,166	$0	$144		NA	$1.36	$1,588	**$6,352**	**$6,352**	$1,588	$1.36	NA	$1,588	$1.36	$1,606
TC 60%	$1,191	1	3	2	1,462	$1,191	$144	$1,047	$0	$0.72	$1,047	**$1,047**	**$1,047**	$1,047	$0.72	$0	$1,588	$1.09	$1,606
TC 80%	$1,588	1	3	2	1,462	$1,588	$144	$1,444	$0	$0.99	$1,444	**$1,444**	**$1,444**	$1,444	$0.99	$0	$1,588	$1.09	$1,606
MR		1	3	2	1,462	$0	$144		NA	$1.09	$1,588	**$1,588**	**$1,588**	$1,588	$1.09	NA	$1,588	$1.09	$1,606
TOTALS/AVERAGES:		**77**			**69,291**				**$0**	**$0.94**	**$844**	**$64,976**	**$64,891**	**$843**	**$0.94**	**$0**	**$1,288**	**$1.43**	**$1,291**
ANNUAL POTENTIAL GROSS RENT:												**$779,712**	**$778,692**						

STABILIZED PRO FORMA

Connect South Apartments, Houston, 9% HTC #20082

	STABILIZED FIRST YEAR PRO FORMA													
	COMPARABLES				APPLICANT				TDHCA				VARIANCE	
	Database		Other		% EGI	Per SF	Per Unit	Amount	Amount	Per Unit	Per SF	% EGI	%	$
POTENTIAL GROSS RENT						$0.94	$844	$779,712	$778,692	$843	$0.94		0.1%	$1,020
late fees							$20.00	$18,480						
Total Secondary Income							$20.00		$18,480	$20.00			0.0%	$0
POTENTIAL GROSS INCOME								$798,192	$797,172				0.1%	$1,020
Vacancy & Collection Loss							7.5% PGI	(59,864)	(59,788)	7.5% PGI			0.1%	(77)
EFFECTIVE GROSS INCOME								$738,328	$737,384				0.1%	$944
General & Administrative	$33,200	$431/Unit	$56,420	$733	4.10%	$0.44	$394	$30,300	$33,200	$431	$0.48	4.50%	-8.7%	(2,900)
Management	$33,049	4.5% EGI	$34,713	$451	4.95%	$0.53	$474	$36,527	$36,869	$479	$0.53	5.00%	-0.9%	(342)
Payroll & Payroll Tax	$104,255	$1,354/Unit	$88,568	$1,150	13.04%	$1.39	$1,250	$96,250	$104,255	$1,354	$1.50	14.14%	-7.7%	(8,005)
Repairs & Maintenance	$56,830	$738/Unit	$45,118	$586	6.26%	$0.67	$600	$46,200	$46,200	$600	$0.67	6.27%	0.0%	-
Electric/Gas	$17,284	$224/Unit	$17,270	$224	0.73%	$0.08	$70	$5,390	$17,284	$224	$0.25	2.34%	-68.8%	(11,894)
Water, Sewer, & Trash	$48,334	$628/Unit	$50,060	$650	6.57%	$0.70	$630	$48,510	$50,060	$650	$0.72	6.79%	-3.1%	(1,550)
Property Insurance	$30,713	$0.44 /sf	$25,542	$332	3.91%	$0.42	$375	$28,875	$30,713	$399	$0.44	4.17%	-6.0%	(1,838)
Property Tax (@ 100%) 2.5016	$61,618	$800/Unit	$57,288	$744	13.03%	$1.39	$1,249	$96,187	$78,976	$1,026	$1.14	10.71%	21.8%	17,211
Reserve for Replacements				$0	2.61%	$0.28	$250	$19,250	$19,250	$250	$0.28	2.61%	0.0%	-
TDHCA Compliance fees ($40/HTC unit)				$0	0.38%	$0.04	$36	$2,800	$2,800	$36	$0.04	0.38%	0.0%	-
City of Houston Fees				$0	0.28%	$0.03	$27	$2,070	$2,070	$27	$0.03	0.28%	0.0%	-
TOTAL EXPENSES					**55.85%**	**$5.95**	**$5,355**	**$ 412,359**	**$421,678**	**$5,476**	**$6.09**	**57.19%**	**-2.2%**	**$ (9,319)**
NET OPERATING INCOME ("NOI")					**44.15%**	**$4.70**	**$4,233**	**$325,969**	**$315,706**	**$4,100**	**$4.56**	**42.81%**	**3.3%**	**$ 10,263**

CONTROLLABLE EXPENSES	$2,944/Unit		$3,260/Unit

CAPITALIZATION / TOTAL DEVELOPMENT BUDGET / ITEMIZED BASIS

Connect South Apartments, Houston, 9% HTC #20082

DEBT / GRANT SOURCES

		APPLICANT'S PROPOSED DEBT/GRANT STRUCTURE							AS UNDERWRITTEN DEBT/GRANT STRUCTURE						
		Cumulative DCR												Cumulative	
DEBT (Must Pay)	Fee	UW	App	Pmt	Rate	Amort	Term	Principal	Principal	Term	Amort	Rate	Pmt	DCR	LTC
Amegy Bank		1.16	1.20	271,611	5.00%	35	20	$4,072,000	$4,072,000	20	35	5.00%	$246,611	1.32	15.8%
CASH FLOW DEBT / GRANTS															
City of Houston CDBG-DR		1.16	1.20		1.00%	40	40	$7,000,000	$3,600,000	40	40	1.00%	$36,000	1.15	14.0%
City of Houston CDBG-DR		1.16	1.20						$3,400,000	40	40	1.00%		1.15	13.2%
				$271,611	TOTAL DEBT / GRANT SOURCES			$11,072,000	$11,072,000			TOTAL DEBT SERVICE	$282,611	1.15	43.1%
NET CASH FLOW		$44,095	$54,358						APPLICANT	NET OPERATING INCOME		$325,969	$43,358	NET CASH FLOW	

EQUITY SOURCES

	APPLICANT'S PROPOSED EQUITY STRUCTURE					AS UNDERWRITTEN EQUITY STRUCTURE					
EQUITY / DEFERRED FEES	DESCRIPTION	% Cost	Annual Credit	Credit Price	Amount	Amount	Credit Price	Annual Credit	% Cost	Annual Credits per Unit	Allocation Method
Richman Group Affordable Housing Corp.	LIHTC Equity	54.2%	$1,500,000	0.93	$13,948,605	$13,948,605	$0.93	$1,500,000	54.2%	$19,481	Applicant Request
Connect South Development, LLC	Deferred Developer Fees	4.6%	(45% Deferred)		$1,193,969	$693,969	(26% Deferred)		2.7%	Total Developer Fee:	$2,672,513
Additional (Excess) Funds Req'd		0.0%				$0			0.0%		
TOTAL EQUITY SOURCES		58.9%			$15,142,574	$14,642,574			56.9%		
TOTAL CAPITALIZATION					$26,214,574	$25,714,574			15-Yr Cash Flow after Deferred Fee:		$213,336

DEVELOPMENT COST / ITEMIZED BASIS

	APPLICANT COST / BASIS ITEMS					TDHCA COST / BASIS ITEMS					COST VARIANCE	
	Eligible Basis								Eligible Basis			
	Acquisition	New Const. Rehab			Total Costs	Total Costs			New Const. Rehab	Acquisition	%	$
Land Acquisition				$45,455 / Unit	$3,500,000	$3,000,000	$38,961 / Unit				16.7%	$500,000
Closing costs & acq. legal fees					$15,000	$15,000						$0
Site Work		$881,900		$14,700 / Unit	$1,131,900	$1,131,900	$14,700 / Unit		$881,900		0.0%	$0
Site Amenities		$500,000		$6,494 / Unit	$500,000	$500,000	$6,494 / Unit		$500,000		0.0%	$0
Commercial Space				$7,792 / Unit	$600,000	$600,000	$7,792 / Unit		$0		0.0%	$0
Podium Parking		$2,000,000		$25,974 / Unit	$2,000,000	$2,000,000	$25,974 / Unit		$2,000,000		0.0%	$0
Building Cost		$3,919,664	$114.76 /sf	$103,269/Unit	$7,951,680	$7,054,473	$91,617/Unit	$101.81 /sf	$3,919,664		12.7%	$897,207
Contingency		$365,077	5.00%	5.00%	$609,178	$609,178	5.40%	5.00%	$365,077		0.0%	$0
Contractor Fees		$1,073,331	14.00%	13.33%	$1,705,702	$1,665,377	14.00%	14.00%	$1,073,330		2.4%	$40,325
Soft Costs	0	$2,678,712		$37,386 / Unit	$2,878,712	$2,878,712	$37,386 / Unit		$2,678,712	$0	0.0%	$0
Financing	0	$1,271,954		$30,151 / Unit	$2,321,627	$2,321,627	$30,151 / Unit		$1,271,954	$0	0.0%	$0
Developer Fee	$0	$1,903,596	15.00%	15.00%	$2,672,513	$2,537,932	15.00%	15.00%	$1,903,595	$0	5.3%	$134,581
Reserves				6 Months	$328,262	$328,262	6 Months				0.0%	$0
TOTAL HOUSING DEVELOPMENT COST (UNADJUSTED BASIS)	**$0**	**$14,594,233**		$340,449 / Unit	**$26,214,574**	**$24,642,461**	$320,032 / Unit		**$14,594,232**	**$0**	**6.4%**	**$1,572,113**
Acquisition Cost	$0				($500,000)							
Contingency		$0			$0							
Contractor's Fee		($1)			$0							
Financing Cost		$0										
Developer Fee	$0	($0)			$0							
Reserves					$0							
ADJUSTED BASIS / COST	**$0**	**$14,594,232**		$333,956/unit	**$25,714,574**	**$24,642,461**	$320,032/unit		**$14,594,232**	**$0**	**4.4%**	**$1,072,113**
TOTAL HOUSING DEVELOPMENT COSTS (Applicant's Uses are within 5% of TDHCA Estimate):					**$25,714,574**							

CAPITALIZATION / DEVELOPMENT COST BUDGET / ITEMIZED BASIS ITEMS

Connect South Apartments, Houston, 9% HTC #20082

CREDIT CALCULATION ON QUALIFIED BASIS

	Applicant		TDHCA	
	Acquisition	**Construction Rehabilitation**	**Acquisition**	**Construction Rehabilitation**
ADJUSTED BASIS	$0	$14,594,232	$0	$14,594,232
Deduction of Federal Grants	$0	$0	$0	$0
TOTAL ELIGIBLE BASIS	$0	$14,594,232	$0	$14,594,232
High Cost Area Adjustment		130%		130%
TOTAL ADJUSTED BASIS	$0	$18,972,501	$0	$18,972,501
Applicable Fraction	88.73%	88.73%	88.73%	88.73%
TOTAL QUALIFIED BASIS	$0	$16,834,053	$0	$16,834,053
Applicable Percentage	3.32%	9.00%	3.32%	9.00%
ANNUAL CREDIT ON BASIS	$0	$1,515,065	$0	$1,515,065
CREDITS ON QUALIFIED BASIS	$1,515,065		$1,515,065	

	ANNUAL CREDIT CALCULATION BASED ON APPLICANT BASIS		FINAL ANNUAL LIHTC ALLOCATION		
			Credit Price $0.9299	**Variance to Request**	
Method	Annual Credits	Proceeds	**Credit Allocation**	**Credits**	**Proceeds**
Eligible Basis	$1,515,065	$14,088,693	**----**	**----**	**----**
Needed to Fill Gap	$1,574,628	$14,642,574	**----**	**----**	**----**
Applicant Request	$1,500,000	$13,948,605	**$1,500,000**	**$0**	**$0**

BUILDING COST ESTIMATE

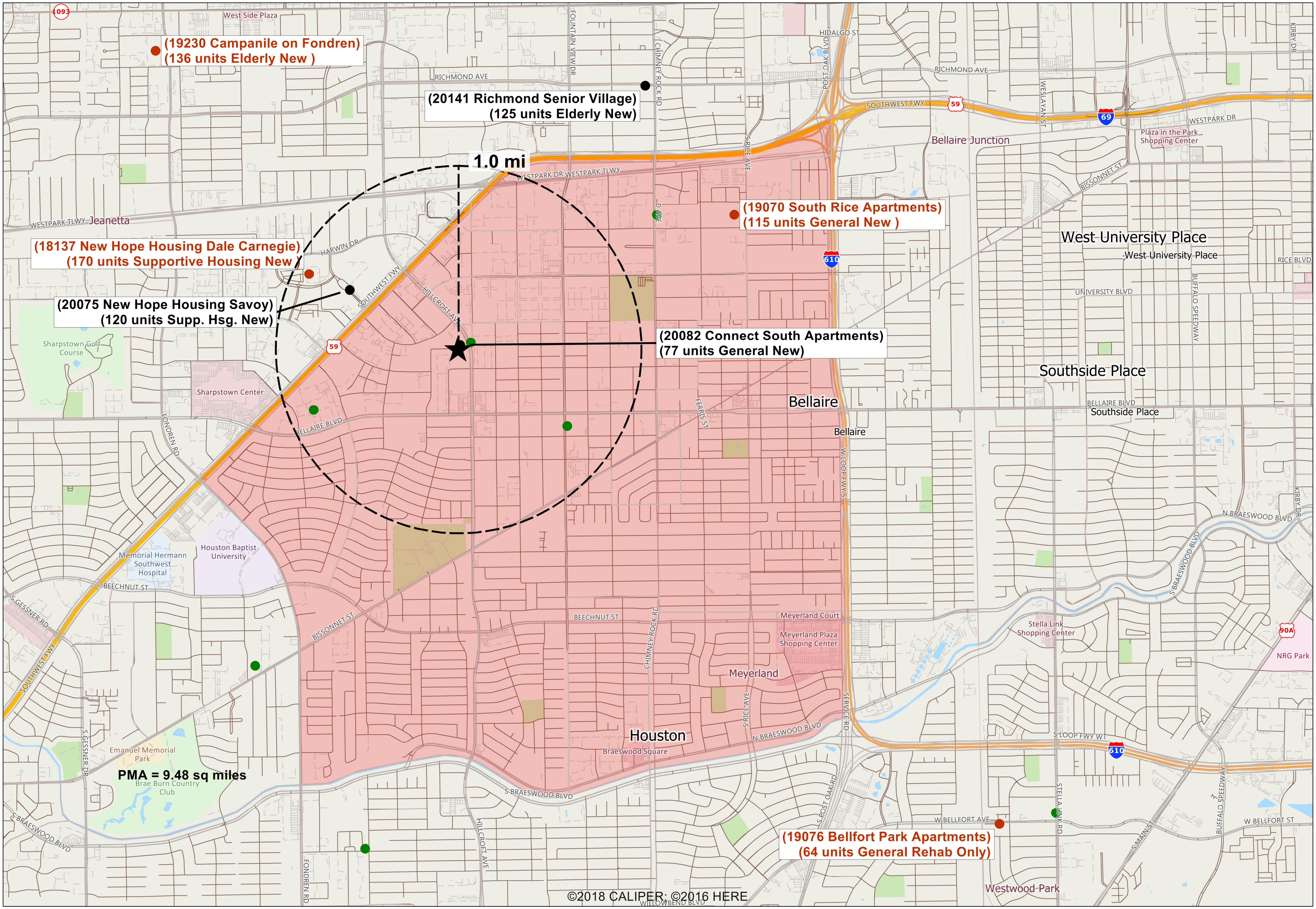
CATEGORY	FACTOR	UNITS/SF	PER SF	
Base Cost:	Garden (Up to 4-story)	69,291 SF	$91.57	6,345,111
Adjustments				
Exterior Wall Finish	0.00%		0.00	$0
Elderly	0.00%		0.00	0
9-Ft. Ceilings	3.00%		2.75	190,353
Roof Adjustment(s)			1.33	92,400
Subfloor			0.22	15,417
Floor Cover			2.56	177,385
Enclosed Corridors	$83.12	10,944	13.13	909,686
Balconies	$28.68	10,093	4.18	289,480
Plumbing Fixtures	$1,080	150	2.34	162,000
Rough-ins	$530	154	1.18	81,620
Built-In Appliances	$1,830	77	2.03	140,910
Exterior Stairs	$2,460	7	0.25	17,220
Heating/Cooling			2.34	162,141
Storage Space	$83.12	0	0.00	0
Commercial Space	$0.00	0	0.00	0
Podium Garage	$0.00	0	0.00	0
Common/Support Area	$104.38	1,100	1.66	114,818
Elevators	$106,800	1	1.54	106,800
Amenity deck area:	$28.68	5,500	2.28	157,747
Fire Sprinklers	$2.59	91,428	3.42	236,799
SUBTOTAL			**132.77**	**9,199,886**
Current Cost Multiplier	1.00		0.00	0
Local Multiplier	0.90		(13.28)	(919,989)
Reserved				0
TOTAL BUILDING COSTS			**119.49**	**$8,279,898**
Plans, specs, survey, bldg permits	3.30%		(3.94)	($273,237)
Contractor's OH & Profit	11.50%		(13.74)	(952,188)
NET BUILDING COSTS		$91,617/unit	$101.81/sf	$7,054,473

Long-Term Pro Forma

Connect South Apartments, Houston, 9% HTC #20082

	Growth Rate	Year 1	Year 2	Year 3	Year 4	Year 5	Year 10	Year 15	Year 20	Year 25	Year 30	Year 35	Year 40
EFFECTIVE GROSS INCOME	2.00%	$738,328	$753,094	$768,156	$783,519	$799,190	$882,370	$974,208	$1,075,604	$1,187,554	$1,311,155	$1,447,621	$1,598,291
TOTAL EXPENSES	3.00%	$412,359	$424,365	$436,723	$449,445	$462,540	$534,029	$616,676	$712,237	$822,740	$950,539	$1,098,355	$1,269,342
NET OPERATING INCOME ("NOI")		**$325,969**	**$328,730**	**$331,433**	**$334,075**	**$336,649**	**$348,341**	**$357,531**	**$363,367**	**$364,813**	**$360,616**	**$349,266**	**$328,949**
EXPENSE/INCOME RATIO		55.9%	56.3%	56.9%	57.4%	57.9%	60.5%	63.3%	66.2%	69.3%	72.5%	75.9%	79.4%
MUST -PAY DEBT SERVICE													
Amegy Bank		$246,611	$246,611	$246,611	$246,611	$246,611	$246,611	$246,611	$246,611	$246,611	$246,611	$246,611	$246,611
City of Houston CDBG-DR		$36,000	$36,000	$36,000	$36,000	$36,000	$36,000	$36,000	$36,000	$36,000	$36,000	$36,000	$36,000
TOTAL DEBT SERVICE		**$282,611**	**$282,611**	**$282,611**	**$282,611**	**$282,611**	**$282,611**	**$282,611**	**$282,611**	**$282,611**	**$282,611**	**$282,611**	**$282,611**
DEBT COVERAGE RATIO		1.15	1.16	1.17	1.18	1.19	1.23	1.27	1.29	1.29	1.28	1.24	1.16
ANNUAL CASH FLOW		**$43,358**	**$46,119**	**$48,823**	**$51,464**	**$54,039**	**$65,731**	**$74,921**	**$80,757**	**$82,203**	**$78,006**	**$66,656**	**$46,339**
Deferred Developer Fee Balance		$650,611	$604,492	$555,669	$504,205	$450,167	$144,047	$0	$0	$0	$0	$0	$0
CUMULATIVE NET CASH FLOW		$0	$0	$0	$0	$0	$0	$213,336	$606,981	$1,017,092	$1,418,052	$1,777,230	$2,053,549

20082 Connect South Apartments - PMA Map



Disclaimer: This map is not a survey. Boundaries, distance and scale are approximate only.

12b

BOARD ACTION REQUEST

MULTIFAMILY FINANCE DIVISION

MARCH 10, 2022

Presentation, discussion, and possible action regarding a waiver of 10 TAC §13.8(b)(6)(A) for Balcones Terrace (#21513)

RECOMMENDED ACTION

WHEREAS, 10 TAC §13.8(b)(6)(A) establishes that equity in an amount not less than ten percent of total housing development costs must be provided if the only permanent Department funding for a development is multifamily direct loan funding;

WHEREAS, Balcones Terrace has experienced cost increases which have resulted in the equity decreasing below ten percent, and the applicant has requested a waiver of 10 TAC §13.8(b)(6)(A) as a result; and

WHEREAS, staff has reviewed the request and determined that it satisfies the requirements for waiving the rule in question.

NOW, therefore, it is hereby

RESOLVED, that the waiver of 10 TAC §13.8(b)(6)(A) for Balcones Terrace is hereby granted.

BACKGROUND

Balcones Terrace is a 2021 application for multifamily direct loan funds (MFDL) which proposes 123 units with a supportive housing population in Austin, Travis County. The applicant has not applied for any other sources of funding from the Department. Per 10 TAC §13.8(b)(6)(A), owner equity in an amount of not less than 10% is to be provided if MFDL funds are the only permanent source of Department funding for a development.

The applicant submitted updated information to the Department on January 20, 2022, which reflects total development costs of $24,324,545 and owner equity of $2,193,045 (approximately nine percent). The applicant subsequently requested a waiver of 10 TAC §13.8(b)(6)(A) and has requested that the equity requirement be waived entirely rather than reduced.

Per 10 TAC §13.8(b)(6)(A)(i), specific criteria related to waivers of this provision of the rule are:

(i) An Applicant for Direct Loan funds may request Board approval to have an equity requirement of less than 10% that would not have to meet the waiver requirements in §11.207 of this title (relating to Waiver of Rules). The request must specify the proposed equity that will be provided and provide support for why that reduced level of equity will be sufficient to provide reasonable assurance that such owner will be able to complete construction and stabilization timely.

Staff has reviewed the Applicant's request and determined that it sufficiently addresses this criteria as the development has received $16,131,500 in funding from the City of Austin. In addition, Foundation Communities, Inc., is acting as both the developer and guarantor for this Application, and is able to provide gap funding if needed. Staff recommends that the waiver be granted.

FOUNDATION COMMUNITIES
creating housing where families succeed

3000 S IH 35, Ste 300
Austin, TX 78704

tel: 512-447-2026
fax: 512-447-0288

foundcom.org

January 26, 2022

RE: 21513 Balcones Terrace – Waiver Request

To Whom it may concern,

As the Applicant for a Direct Loan for Balcones Terrace (21513) we are requesting a waiver of 10 TAC 13.8 (c)(10)(A), which requires equity in an amount not less than 10% of Total Housing Development Costs. The Total Development Costs and the dollar amount of Owner Equity has increased since the time of application as shown in an updated excel application submitted to TDHCA staff in response to deficiency notice received January 20, 2022. Total Development Costs are now $24,324,545 and Owner Equity is now $2,193,045, which is 9% of total costs and only slightly less than the 10% requirement. However, we are requesting to waive the equity requirement rather than reduce it as allowed under 13.8(c)(10)(A).

By granting the waiver, it better serves the policies and purposes articulated in Tex. Gov't Code §§2306.001, 2306.002, 2306.359, and 2306.6701 for the following reasons.

- As a supportive housing adaptive reuse of a hotel, this project is a special opportunity to bring units online very quickly to house individuals with very low incomes and high service needs.

- Although the Direct Loan is the only source of permanent Department funding, this project has already received a significant investment from the local municipality. The City of Austin has already awarded and loaned $16,131,500 to the project for acquisition of the hotel.

- Waiving this equity requirement for a mission-driven nonprofit allows the Applicant to leverage other funds such as grants from FHLB, Capital Magnet Fund, and large foundations and donors and use equity to support the next pipeline of projects. Foundation Communities, a mission driven nonprofit, is acting as the guarantor for this project and is committed and fully prepared to provide the gap of $2,193,045 as a construction period and permanent

NeighborWorks CHARTERED MEMBER
a Partner Agency of United Way
United Way for Greater Austin

funding source. It is our intention to apply for additional grant funds from FHLB and large foundations and donors which will be used to reduce or reimburse the funds Foundation Communities has committed. Because Foundation Communities is able to front-load funds, construction and stabilization is able to proceed in a timely manner. As our equity is reduced and/or reimbursed with other funds, we are able to re-use equity for the next project. For these reasons, we ask that the Board waive this requirement for this project.

Sincerely,

Walter Moreau

Walter Moreau
Executive Director
Foundation Communities

12c

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

12d

BOARD ACTION REQUEST

MULTIFAMILY FINANCE DIVISION

MARCH 10, 2022

Presentation, discussion, and possible action regarding approval of Supplemental Housing Tax Credit requests for the 2022 Competitive Housing Tax Credit Application Round

20202	Pathways at Chalmers	Austin
19077	Telephone Road Elderly	Houston
19088	Metro Tower Lofts	Lubbock
20018	The Park Tower	Fort Worth
19315	Hammack Creek Apartments	Kennedale
20016	Reserve at Sulphur Springs	Sulphur Springs
20205	Ella Grand	Houston
19085	Gala at MacGregor	Houston
20273	La Grange Springs	La Grange
20192	Arbor Park	Austin
19238	Franklin Trails	Franklin
20190	Nuestra Senora	El Paso
20297	Artcraft Palms	El Paso

RECOMMENDED ACTION

WHEREAS, 10 TAC §11.1003(a) of the 2022 Qualified Allocation Plan (QAP) allows up to $5,000,000 to be allocated as supplemental funding for 2019 and 2020 9% Housing Tax Credit (HTC) awards which have experienced cost increases related to the COVID-19 pandemic; and

WHEREAS, the Department timely received 36 requests for supplemental allocations, 23 of which have since been conditionallyapproved by the Board, and the remaining 13 are presented in this item for approval.

NOW, therefore, it is hereby

RESOLVED, that the list of recommended requests for supplemental Housing Tax Credits from the 2022 State Competitive Housing Credit Ceiling are hereby approved in the form presented at this meeting; and

FURTHER RESOLVED, that the Board's approval is conditioned upon the completion of underwriting, the imposing of all conditions of underwriting, the imposing of the conditions previously recommended by the Executive Award Review and Advisory

Committee and those resulting from staff review, the completion of any other reviews required to ensure compliance with the applicable rules and requirements for the Competitive Housing Tax Credit Program, and any other special conditions the Board may consider appropriate.

BACKGROUND

The supplemental Housing Tax Credit recommendations are presented in the Board materials. All requests recommended on the lists have been cleared for award, or award with conditions, by Compliance and Program staff for purposes of a recommendation from the Executive Award and Review Advisory Committee (EARAC) during either the 2019 or 2020 Competitive HTC rounds. To the extent that some supplemental requests do not yet have a final underwriting or program assessment, those requests will be considered conditionally recommended, with the condition being the completion of the underwriting and/or program assessment and recommendation of award, or award with conditions. For any supplemental allocations made by the Board by this item that subsequently are recommended by underwriting with conditions, these conditions will be considered to be the Board's conditions of the award.

Reports located in the Board Book

- Active Requests and awards from the At-Risk, USDA, and Nonprofit Set-Asides and the Rural and Urban Regional Allocations, inclusive of those which were awarded supplemental credits during the preceding Board meeting. Requests recommended for approval today are indicated by yellow highlighting in the "2022 Credits Requested" column.

REQUEST SUBMISSIONS

There are currently 13 requests eligible for consideration, which are collectively requesting credits totaling approximately $2,364,230.

The ultimate amount of the credit awarded will be reflected in the underwriting report. Additionally, staff may identify through the review process cost increases which either do not appear to meet the intention of Subchapter F or otherwise require additional evaluation. Identified costs may be excluded by staff from consideration for funding. Staff will evaluate these costs individually and may present them to the Board for resolution if necessary.

The following table lists all 13 developments, the funding amount requested, the funding amount as a percentage of the initial LIHTC award, and whether the development has a current application for Multifamily Direct Loan (MFDL) funding from the Department (developments with prior MFDL funds unrelated to cost increases are not included).

	Development	Request	Percent	Current MFDL Application
20202	Pathways at Chalmers	$ 300,000.00	15.0%	
19077	Telephone Road Elderly	$ 291,150.00	15.0%	
19088	Metro Tower Lofts	$ 159,954.00	12.73%	
20018	The Park Tower	$ 204,796.00	14.0%	
19315	Hammack Creek Apartments	$ 156,500.00	10.4%	
20016	Reserve at Sulphur Springs	$ 93,000.00	9.3%	
20205	Ella Grand	$ 225,000.00	15.00%	X
19085	Gala at MacGregor	$ 218,964.00	15.0%	
20273	La Grange Springs	$ 79,483.00	9.0%	
20192	Arbor Park	$ 225,000.00	15.0%	X
19238	Franklin Trails	$ 40,550.00	8.2%	
20190	Nuestra Senora	$ 184,917.00	15.0%	
20297	Artcraft Palms	$ 184,916.00	15.0%	

Texas Department of Housing and Community Affairs
2022 Supplemental 9% Credit - Active Requests

The list is organized by region and subregion. Requesters of supplemental credits with Original Applications within the At-Risk/USDA Set-Asides are listed first and are organized by best possible score rather than by region. Requests with highlighted amounts on this log submitted waiver requests which were granted at the February 2022 Board meeting. These requests for supplemental credits are presented for approval today. The remaining requests have previously been approved by the Board.

Date: March 10th, 2022

Application Number	Development Name	Development Address	City	ZIP Code	County	Region	Urban/Rural	At-Risk	USDA	Nonprofit	Target Population (Supp. Hsg. = SH)	2022 Credits Requested	Applicant Contact Name	Census Tract(s)	Best Possible Score
At-Risk Set-Aside															
20202	Pathways at Chalmers Courts West	NWC of Chalmers Ave. and Eas	Austin	78702	Travis	7	Urban	X		X	General	$ 300,000.00	Suzanne Schwertner	48453000902	163
19077	Telephone Road Elderly	6000 Telephone Road	Houston	77087	Harris	6	Urban	X		X	Elderly	$ 291,150.00	James Williams	48201332600	158
Estimated At-Risk Available		**$750,000**									**Total HTCs Requested**	**$ 591,150.00**			
Region 1/Rural															
20272	Westwind of Dumas	331 W. 16th Street	Dumas	79029	Moore	1	Rural				General	$ 49,230.00	Lora Myrick	48341950200	166
Estimated Amount Available		**$44,841**									**Total HTCs Requested**	**$ 49,230.00**			
Region 1/Urban															
19088	Metro Tower Lofts	1220 Broadway Street	Lubbock	79401	Lubbock	1	Urban				General	$ 159,954.00	Daniel Sailler, III	48303000700	159
Estimated Amount Available		**$79,977**									**Total HTCs Requested**	**$ 159,954.00**			
Region 2/Rural															
20212	Vernon Pioneer Crossing	1916 Stadium Drive	Vernon	76384	Wilbarger	2	Rural				Elderly	$ 44,369.00	Lora Myrick	48487950600	161
Estimated Amount Available		**$40,000**									**Total HTCs Requested**	**$ 44,369.00**			
Region 2/Urban															
20306	The Trails of Abilene	733 ES 27th St.	Abilene	79602	Taylor	2	Urban				General	$ 57,639.68	Adrian Iglesias	48441012000	166
19216	Heritage Heights at Abilene	2401 S. 25th Street	Abilene	79605	Taylor	2	Urban				Elderly	$ 42,000.00	Adrian Iglesias	48441012300	155
Estimated Amount Available		**$40,000**									**Total HTCs Requested**	**$ 99,639.68**			
Region 3/Rural															
20211	Ennis Trails	SEQ Dolfie Lane and Sonoma T	Ennis	75119	Ellis	3	Rural				General	$ 40,000.00	Michael Fogel	48139061700	166

19214	Lakeridge Villas	2500 W. Ennis Ave.	Ennis	75119	Ellis	3	Rural		Elderly	$	43,054.00	Ryan Hudspeth	48139061400	153
19189	Lakewood Crossing	300 S Park	Granbury	76048	Hood	3	Rural		General	$	43,050.00	Justin Zimmerman	48221160100	138
Estimated Amount Available		**$40,000**							**Total HTCs Requested**	**$**	**126,104.00**			
Region 3/Urban														
20018	The Park Tower	1209 Jacksboro Highway	Fort Worth	76114	Tarrant	3	Urban		General	$	204,796.00	Val DeLeon	48439100800	171
20147	Kestrel on Cooper	2017-2025 S. Cooper St.	Arlington	76010	Tarrant	3	Urban		General	$	65,000.00	Megan Lasch	48439122801	171
19315	Hammack Creek Apts	NEQ Kennedale Sublett Rd. and	Kennedale	76060	Tarrant	3	Urban		General	$	156,500.00	Deepak P. Sulakhe	48439111404	153
Estimated Amount Available		**$987,864**							**Total HTCs Requested**	**$**	**426,296.00**			
Region 4/Rural														
20262	Abbington Park	321 S. Standish Street	Henderson	75654	Rusk	4	Rural		Elderly	$	63,307.00	Breck Kean	48401950800	166
20016	Reserve at Sulphur Springs	NWC of League Street and Bell	Sulphur Springs	75482	Hopkins	4	Rural		Elderly	$	93,000.00	Brian McGeady	48223950402	137
19236	Tool Cedar Trails	NEQ N Tool Dr. and Oak Cir.	Tool	75143	Henderson	4	Rural		Elderly	$	66,657.00	Michael Fogel	48213950800	120
Estimated Amount Available		**$88,912**							**Total HTCs Requested**	**$**	**222,964.00**			
Region 4/Urban														
19225	Rosewood Senior Villas	2929 Calloway Road	Tyler	75707	Smith	4	Urban		Elderly	$	86,428.49	Donna Rickenbacker	48423001803	111
Estimated Amount Available		**$86,428**							**Total HTCs Requested**	**$**	**86,428.49**			
Region 5/Rural														
19364	The Villas at Pine Grove	2602 S John Redditt Drive	Lufkin	75904	Angelina	5	Rural		Elderly	$	153,500.00	Rick J. Deyoe	48005000902	120
Estimated Amount Available		**$66,652**							**Total HTCs Requested**	**$**	**153,500.00**			
Region 5/Urban														
Estimated Amount Available		**$60,029**							**Total HTCs Requested**	**$**	**-**			
Region 6/Rural														
Estimated Amount Available		**$40,000**							**Total HTCs Requested**	**$**	**-**			
Region 6/Urban														
20075	New Hope Housing Savoy (receive	6315 Savoy Drive	Houston	77036	Harris	6	Urban	X	Supp Hsg	$	103,030.00	Emily Abeln	48201432801	177
20011	Canal Lofts	5601 Canal Street	Houston	77011	Harris	6	Urban		General	$	105,000.00	Nathan Kelley	48201310500	176
20204	Heritage Senior Residences	1120 Moy Street	Houston	77007	Harris	6	Urban		Elderly	$	100,611.77	Carine Yhap	48201510600	176
20205	Ella Grand	2077 S Gessner Rd.	Houston	77063	Harris	6	Urban		Elderly	$	225,000.00	Janine Sisak	48201431101	175
19074	900 Winston	900 Winston	Houston	77009	Harris	6	Urban		Elderly	$	105,000.00	Amay Inamdar	48201511400	127
19085	Gala at MacGregor	Approx 102 Carson Ct.	Houston	77004	Harris	6	Urban		Elderly	$	218,964.00	Amy Dosen	48201312600	125
Estimated Amount Available		**$943,796**							**Total HTCs Requested**	**$**	**857,605.77**			

Region 7/Rural													
20273	La Grange Springs	NEC of Hwy 77 and CR 2145	La Grange	78945	Fayette	7	Rural	General	$	79,483.00	Robbye Meyer	48149970200	168
Estimated Amount Available		**$40,000**					**Total HTCs Requested**		**$**	**79,483.00**			
Region 7/Urban													
20192	Arbor Park	6306 McNeil Drive	Austin	78729	Travis	7	Urban	Elderly	$	225,000.00	Janine Sisak	48453001785	168
Estimated Amount Available		**$267,161**					**Total HTCs Requested**		**$**	**225,000.00**			
Region 8/Rural													
19238	Franklin Trails	S side of W. Decherd St., W of I	Franklin	77859	Robertson	8	Rural	Elderly	$	40,550.00	Michael Fogel	48395960300	117
Estimated Amount Available		**$43,164**					**Total HTCs Requested**		**$**	**40,550.00**			
Region 8/Urban													
Estimated Amount Available		**$150,071**					**Total HTCs Requested**		**$**	**-**			
Region 9/Rural													
20186	Residence at Ridgehill	160-170 Lehmann Dr	Kerrville	78020	Kerr	9	Rural	Elderly	$	62,809.00	April Engstrom	48265960402	150
Estimated Amount Available		**$40,000**					**Total HTCs Requested**		**$**	**62,809.00**			
Region 9/Urban													
Estimated Amount Available		**$345,760**					**Total HTCs Requested**		**$**	**-**			
Region 10/Rural													
20054	Gulf Shore Villas	1400 FM 3036	Rockport	78382	Aransas	10	Rural		$	40,000.00	Rick J. Deyoe	48007950300	168
Estimated Amount Available		**$41,183**					**Total HTCs Requested**		**$**	**40,000.00**			
Region 10/Urban													
Estimated Amount Available		**$81,386**					**Total HTCs Requested**		**$**	**-**			
Region 11/Rural													
20181	Avanti Valley View	1000 N. Jackson Rd	Hidalgo	78557	Hidalgo	11	Rural	General	$	63,325.00	Enrique Flores	48215021305	170
Estimated Amount Available		**$63,326**					**Total HTCs Requested**		**$**	**63,325.00**			
Region 11/Urban													
19330	Avanti Legacy at Emerald Point	3300 N K Center	McAllen	78501	Hidalgo	11	Urban	Elderly	$	74,990.00	Henry Flores	48215020904	122
19331	Avanti at Emerald Point	3301 N Jackson Rd	McAllen	78501	Hidalgo	11	Urban	General	$	74,990.00	Henry Flores	48215020904	122
Estimated Amount Available		**$378,077**					**Total HTCs Requested**		**$**	**149,980.00**			

Region 12/Rural														
19202	Heritage Heights at Big Spring	120 Airbase Rd	Big Spring	79720	Howard	2	Rural		Elderly	$	63,000.00	Adrian Iglesias	48227950802	116
Estimated Amount Available		**$40,000**							**Total HTCs Requested**	**$**	**63,000.00**			
Region 12/Urban														
Estimated Amount Available		**$56,194**							**Total HTCs Requested**	$	-			
Region 13/Rural														
20268	Inkwood Estates	107 S. San Elizario Rd	Clint	79836	El Paso	13	Rural		General	$	51,750.00	Roy Lopez	48141010404	141
Estimated Amount Available		**$40,000**							**Total HTCs Requested**	**$**	**51,750.00**			
Region 13/Urban														
20190	Nuestra Senora	415 Montana Avenue	El Paso	79902	El Paso	13	Urban	X	General	$	184,917.00	Tom Deloye	48141001600	158
20297	Artcraft Palms	6137 Will Jordan Place	El Paso	79932	El Paso	13	Urban		General	$	184,916.00	R. L. Bowling, IV	48141010219	155
Estimated Amount Available		**$145,178**							**Total HTCs Requested**	**$**	**369,833.00**			
Estimated Total Available		**$5,000,000**							**Total Amount Requested**	**$**	**3,962,971**			