

**BOARD BOOK
OF
July 28, 2022**



Leo Vasquez III, Chair
Kenny Marchant, Vice-Chair
Ajay Thomas, Member
Brandon Batch, Member
Anna Maria Farias, Member

Texas Department of Housing and Community Affairs

PROGRAMMATIC IMPACT

Fiscal Year 2022 Reporting Period (9/1/2021 – 2/28/2022)

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: \$886,230,750
Total Households Served: 4,121

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: \$83,890,558
Total Households Served: 88,986

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: \$47,704,669
Total Households Served: 4,626

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: \$19,481,276
Total Individuals Served: 22,446

Multifamily Rehab Construction

- Affordable rental units financed and rehabilitated

Programs:

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

Expended Funds: \$10,573,878
Total Households Served: 1,903

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: \$17,752,129
Total Individuals Served: 181,458

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: \$3,815,870
Total Households Served: 56

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: \$5,245,935
Total Households Served: 3,977

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: \$841,500
Total Households Served: 17

Total Expended Funds: \$1,084,528,836
Total Households Served: 308,756

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
July 28, 2022**

**Capitol Extension, Hearing Room E2.030
1100 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.

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:

ASSET MANAGEMENT

- a) Presentation, discussion, and possible action regarding a Material Amendment to the Housing Tax Credit Application

Rosalio Banuelos
Director of Asset
Management

20205 Ella Grand Houston
19273 Nolana Villas McAllen

- b) Presentation, discussion, and possible action regarding a Material Amendment to the Housing Tax Credit Application and Land Use Restriction Agreement

04439 Uvalde Ranch Apartments Houston

MULTIFAMILY BOND FINANCE

- c) Presentation, discussion, and possible action on Inducement Resolution No. 22-033 for Multifamily Housing Revenue Bonds regarding authorization for filing applications for private activity bond authority

Teresa Morales
Director of
Multifamily Bond

FINANCIAL ADMINISTRATION

- d) Presentation, discussion, and possible action to adopt a resolution regarding designating signature authority and superseding previous resolutions

Joe Guevara
Director of Financial
Administration

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.

MULTIFAMILY FINANCE

- e) Presentation, discussion, and possible action confirming obligations for those properties recommended for an award of competitive low income housing tax credits that sought and were awarded one point for committing at least an additional 2% of the total Units to Persons referred from the Continuum of Care or local homeless service providers to be made available for those experiencing homelessness under 10 TAC §11.9(c)(6) related to Residents with Special Housing Needs

Cody Campbell
Director of Multifamily
Programs

CONSENT AGENDA REPORT ITEMS

ITEM 2: THE BOARD ACCEPTS THE FOLLOWING REPORTS:

- a) Media Analysis and Outreach Report, June 2022
- b) Report on TDHCA One-Time or Temporary Allocations – Pandemic Response and Other Initiatives
- c) Report on the Department’s 3rd Quarter Investment Report relating to funds held under Bond Trust Indentures
- d) Report on the Department’s 3rd Quarter Investment Report in accordance with the Public Funds Investment Act

Michael Lyttle
Director of
External Affairs
Brooke Boston
Deputy Director
of Programs
Heather Hodnett
Manager of Single
Family Finance
Joe Guevara
Director of Financial
Administration

ACTION ITEMS

Executive Session: the Chair may call an Executive Session at this point in the agenda in accordance with the below-cited provisions¹

Leo Vasquez
Chair

ITEM 3: EXECUTIVE

Executive Director’s Report

Bobby Wilkinson
Executive Director, TDHCA

ITEM 4: TEXAS HOMEOWNER ASSISTANCE FUND

Presentation, discussion and possible action granting on Homeowner Assistance Fund (HAF) Program Services Awards

Tanya Birks
Director of Texas
Homeowner Assistance
Fund

ITEM 5: COMMUNITY AFFAIRS

Presentation, discussion, and possible action on approval of the 2023 Low Income Home Energy Assistance Program State Plan for submission to the U.S. Department of Health and Human Services and approval of the associated 2023 awards

Michael De Young
Director of Community
Affairs

ITEM 6: SINGLE FAMILY & HOMELESS PROGRAMS

Presentation, discussion, and possible action on State Fiscal Year 2023 Homeless Housing and Services Program Awards

Abigail Versyp
Director of Single Family
& Homeless Programs

ITEM 7: MULTIFAMILY FINANCE

- a) Presentation, discussion, and possible action on a timely filed scoring appeal under the Department’s Multifamily Program Rules for Calle del Norte Apartments (#22112)
- b) Presentation, discussion, and possible action on timely filed appeal of the underwriting report published under the Department’s Multifamily Program Rules for The Warehouse Lofts at 707 (#22295)
- c) Presentation, discussion, and possible action regarding awards from the 2022 State Competitive Housing Credit Ceiling and approval of the waiting list for the 2022 Competitive Housing Tax Credit Application Round

Cody Campbell
Director of Multifamily
Programs

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

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

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.

CONSENT AGENDA

1a

BOARD ACTION REQUEST
ASSET MANAGEMENT DIVISION
JULY 28, 2022

Presentation, discussion, and possible action regarding a Material Amendment to the Housing Tax Credit Application for Ella Grand (HTC #20205)

RECOMMENDED ACTION

WHEREAS, Ella Grand (Development) received an award of 9% Housing Tax Credits (HTCs) in 2020 for the new construction of 145 multifamily units with an elderly designation in Houston, Harris County;

WHEREAS, the Development also received a \$2,180,000 Multifamily Direct Loan (MFDL) award in 2021, and a \$225,000 supplemental credit allocation in 2022;

WHEREAS, Houston DMA Housing II, LLC (Development Owner or Owner) requests approval for a reduction in the number of units from 145 to 128 with the elimination of 17 of the market rate units, reducing the market rate units from 30 to 13, without affecting the number of the affordable units;

WHEREAS, this change results in a modification of the architectural design and site plan including slight changes in the size of the units, and an increase in the parking spaces and configuration;

WHEREAS, Board approval is required for a reduction to the number of units, a significant modification of the site plan, a significant modification of the architectural design of the Development, and a modification of the residential density of at least 5% as directed in 10 TAC §10.405(a)(4)(A), (B), (E), and (F), and in Tex. Gov't Code §2306.6712(d)(1), (2), (5), and (6), and the Owner has complied with the amendment requirements therein;

WHEREAS, Board approval of this amendment does not constitute a waiver of any of the rules or statutes applicable to the 2020 9% HTC Application, including but not limited to the accessibility requirements stated in Chapter 1, Subchapter B; 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 Ella Grand 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.

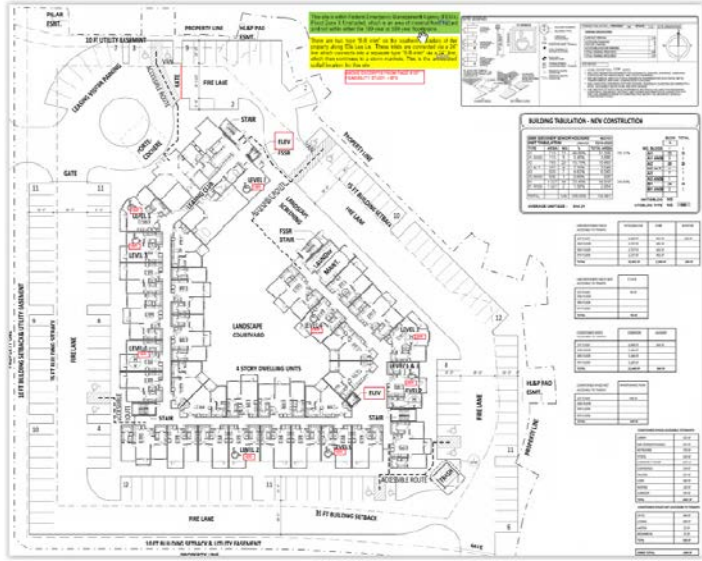
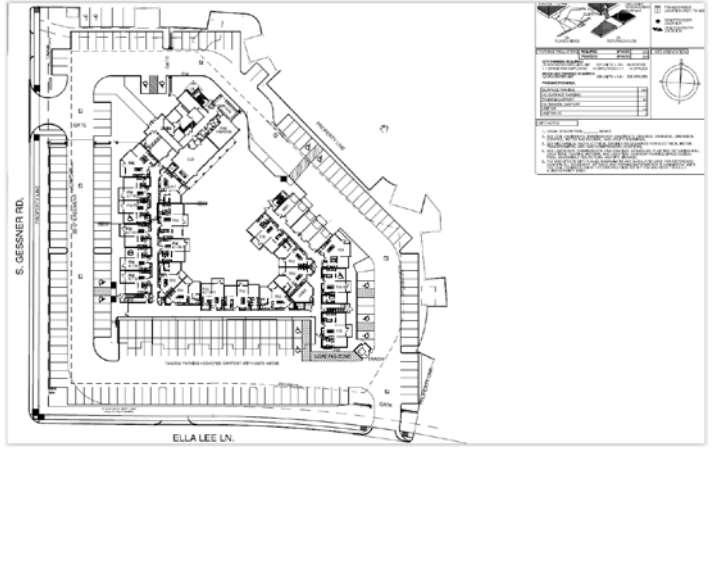
BACKGROUND

Ella Grand received a 9% HTC award in 2020 for the new construction of 145 multifamily units with an elderly designation in Houston, Harris County. The Development also received a \$2,180,000 Multifamily Direct Loan (MFDL) award in 2021 and a \$225,000 supplemental credit allocation in 2022. In a letter dated May 9, 2022, Janine Sisak, the representative for the Development Owner, requested approval for a material amendment to reduce the number of units from 145 to 128, by eliminating 17 of the 30 market rate units originally proposed in the Application. The Owner states the site is encumbered by a restrictive covenant that specifies residential parking requirements are 1.6 spaces per unit and that the architectural design must be approved by the Woodlake Community Association's architectural review committee (WCA). Based on this requirement, the Development would be required to provide 232 parking spaces. However, the original site plan only included 146 parking spaces. The Owner states while the City of Houston's municipal code includes a modified parking requirement, which their architect confirms is one space per unit for senior housing, the restrictive covenant does not, and the Owner believed that was an oversight in the details of the covenant. Therefore, after receiving the tax credit award, the Owner submitted their plans along with a request for a waiver of the parking requirements to WCA for review and approval. The Owner also provided WCA documentation, including multiple reports, peer-reviewed transportation research, and parking data from the Owner's other senior developments to support their proposed parking ratio of one space per unit. However, WCA denied their request and invited them to submit a revised site plan with a parking configuration that meets the 1.6 space per unit requirement.

The Owner submitted a revised plan that has been approved by WCA. They met the parking requirement through a reconfiguration of the design plans that required a reduction in the total units from 145 to 128. This allows the restrictive covenant's parking requirement of 205 spaces for 128 units to be met by eliminating the ground floor in one section of the building and designing 42 standard and two accessible tandem carports below the second floor units. Staff discussed concerns with the functionality of a tandem configuration with the Owner. The Owner states that revised parking will provide more spaces than is required by the City of Houston for a senior development, and also more spaces than is needed based on their experience with other senior developments. However, to address staff's concerns, the Owner agreed to limit each tandem space to one car.

The table below compares the changes between the original and amended site plans.

**Material Alterations as defined in Tex. Gov't Code §2306.6712(d)(1), (2), (5), and (5)
and 10 TAC §10.405(a)(4)(A), (B), (E), and (F)**

Application	Amendment
<p>Original Site Plan</p> <p>Acres: 3.558</p> <p>Residential Density: 40.753 units/acre</p> <p>Unit Mix: 1BR/1BA – 109 units 2BR/2BA - 36 units Total : 145 units (115 affordable, 30 market rate)</p> <p>Net Rentable Area: 118,061 s.f.</p> <p>Parking Spaces: 146 surface spaces</p> 	<p>Revised Site Plan</p> <p>Acres: 3.558</p> <p>Residential Density: 35.975 unit/acre, 4.778 unit/acre reduction or 11.72% change</p> <p>Unit Mix: 1BR/1BA – 101 units 2BR/2BA - 27 units Total: 128 units (115 affordable, 13 market rate), a reduction of 17 units</p> <p>Net Rentable Area: 104,341 s.f. (an 11.62% or 14,031 s.f. reduction)</p> <p>Parking Spaces: 205 spaces composed of 161 surface spaces and 44 tandem carports (increase of 59 total spaces)</p> 

The elimination of the 17 units does not materially affect the total size of the Common Area. However, the originally proposed library space will be replaced by a pump room. The Owner has confirmed that the Development will still meet the Common Area point requirements in the 2020 Qualified Allocation Plan (QAP).

The table below compares the changes between the original and amended Common Area design plan:

Notification Item as defined in 10 TAC §10.405(a)(2)(C)	
Application	Amendment
<p>Common Area Design:</p> <p>Total Common Area identified as 40,867 s.f.</p>	<p>Common Area Design:</p> <p>Revised Common Area identified as 41,682 s.f.</p>

The Development was re-underwritten based on the proposed amendment and revised financial exhibits provided. The results of the analysis indicate the Development is still feasible with the changes to the costs and financing structure.

Staff confirmed that the revised design plans and parking will continue to meet accessibility requirements. Additionally, staff reviewed the original application and scoring documentation against this amendment request, and has concluded that none of the changes would have resulted in selection or threshold criteria changes that would have affected the selection of the Application in the competitive round.

Staff recommends approval of the requested material amendment to the Application.



Addendum to Underwriting Report

TDHCA Application #: **22971 21509 20205** Program(s): **9% HTC/MDL**

Ella Grand

Address/Location: 2077 S. Gessner Road

City: Houston County: Harris Zip: 77063

APPLICATION HISTORY	
Report Date	PURPOSE
07/08/22	Amendment
03/03/22	Supplemental Credit Allocation and MDL Closing
10/07/21	MDL Application and Amendment
08/07/20	Original Underwriting Report

ALLOCATION

TDHCA Program	Previous Allocation				RECOMMENDATION				
	Amount	Rate	Amort	Term	Amount	Rate	Amort	Term	Lien
Multifamily Direct Loan (Deferred Payable)	\$2,180,000	0.00%	N/A	15.0	\$2,180,000	0.00%	N/A	15.5	2
LIHTC (9% Credit)	\$1,725,000				\$1,674,577				

* 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 before Direct Loan Contract Execution
 - GLO approval of \$12M CDBG award to be confirmed by legal at MDL Contract Execution.
- 2 Receipt and acceptance before 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.
 - e: Documentation that a noise study has been completed, and certification from the Architect that all recommendations from the noise study are incorporated into the development plans.

Status: Satisfied.

- 3 Documentation at Cost Certification clearing environmental issues identified in the ESA report, specifically:
 - 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.

SET-ASIDES

TDHCA SET-ASIDES for HTC LURA		
Income Limit	Rent Limit	Number of Units
30% of AMI	30% of AMI	14
50% of AMI	50% of AMI	44
60% of AMI	60% of AMI	57

TDHCA SET-ASIDES for DIRECT LOAN LURA		
Income Limit	Rent Limit	Number of Units
30% of AMFI	30% of AMFI	16

ANALYSIS

The Applicant is requesting an Amendment to reduce the total number of units from 145 to 128. The number of rent restricted units remained constant, however, the number of market rate units was reduced from 30 units to 13 units to meet the HOA's parking requirements.

The site is encumbered by a restrictive covenant that requires that the Woodlake Community Association's architectural review committee to approve the overall design of the development. The Association did not approve a waiver of the parking requirement of 1.6 spaces per unit. The Applicant provided a new site plan meeting the requirement but this required a reduction of 17 (market rate) units to comply.

The requested Direct Loan funding requires the restriction of 16 units at 30% AMI.

Operating Pro Forma

Rents have been updated to the 2022 LIHTC and HOME Program Rents. Due to the fact that the percentage of Market Rate units is now less than 15% of the total units, Applicant used 2022 60% Gross AMI rents per rule. The Underwriter used the per unit expenses on the 2022 Supp Credit underwriting for G&A, Elec/Gas, and Water/Trash proforma expenses. Underwriter adjusted Supp Credit underwriting to Applicant's revised number for Insurance expense and eliminated Supportive Services per Applicant to offset additional insurance expense. The Applicant provided a statement that Supportive Services will now be provided by existing overhead.

Development Cost

Building Cost decreased \$1.5M and total development costs decreased \$2.2M as a result of less units being developed. Underwriter utilized \$116k/unit building costs from 2022 Supp Credit Underwriting since the Applicant provided a GC estimate at that time. Since Applicant's costs are within 5% of Underwriter's, the Applicant's costs are being used for analysis. The Applicant feels that costs will increase significantly to the overall costs presented back in March. Underwriter recommends that this be reviewed again at the time of MDL closing when the GC contract will be provided as a condition to close.

The NOFA and Subchapter F require that Total Developer Fee and Eligible Developer Fee cannot increase, and that Deferred Developer Fee cannot decrease from the original underwriting.

Sources of Funds

Applicant reduced senior debt from \$7.8M to \$5.7M and increased the amortization period from 35 years to 40 years. Applicant provided documentation that an additional \$1M in CDBG funds will be provided by GLO for a total of \$12M.

Underwriter held the deferred developer fee to \$802,933 as originally underwritten, causing the project to be oversourced. Underwriter assumes a \$474,369 decrease in total equity to balance sources and uses. Credits will be evaluated at cost certification and may be claimed up to the previously awarded annual amount of \$1,725,000.

Current underwriting still supports the MFDL in the amount of \$2,180,000 at 0% interest, structured as Deferred Repayable with a 15.5 year term (to match the senior debt) and 30 month construction term along with an annual tax credit allocation of \$1,674,577.

Underwriter:	<u>Eric Weiner</u>
Manager of Real Estate Analysis:	<u>Gregg Kazak</u>
Director of Real Estate Analysis:	<u>Jeanna Adams</u>

UNIT MIX/RENT SCHEDULE
Ella Grand, Houston, 9% HTC #22971 21509 20205

LOCATION DATA	
CITY:	Houston
COUNTY:	Harris
Area Median Income	\$90,100
PROGRAM REGION:	6
PROGRAM RENT YEAR:	2022

UNIT DISTRIBUTION				
# Beds	# Units	% Total	Assisted	MDL
Eff	-	0.0%	0	0
1	101	78.9%	0	12
2	27	21.1%	0	4
3	-	0.0%	0	0
4	-	0.0%	0	0
5	-	0.0%	0	0
TOTAL				
	128	100.0%	-	16

53% Average Income		
Income	# Units	% Total
20%	-	0.0%
30%	14	10.9%
40%	-	0.0%
50%	44	34.4%
60%	57	44.5%
70%	-	0.0%
80%	-	0.0%
MR	13	10.2%
TOTAL		
	128	100.0%

Pro Forma ASSUMPTIONS	
Revenue Growth	2.00%
Expense Growth	3.00%
Basis Adjust	130%
Applicable Fraction	88.67%
APP % Acquisition	3.32%
APP % Construction	9.00%
Average Unit Size	815 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%	\$498	30%/30%	\$499	10	1	1	716	\$498	\$76	\$422	\$1	\$0.59	\$423	\$4,230	\$4,220	\$422	\$0.59	\$0	\$997	\$1.39	\$1,135
TC 50%	\$831	30%/30%	\$499	1	1	1	716	\$499	\$76	\$423	\$0	\$0.59	\$423	\$423	\$423	\$423	\$0.59	\$0	\$997	\$1.39	\$1,135
TC 50%	\$831			34	1	1	716	\$831	\$76	\$755	\$0	\$1.05	\$755	\$25,670	\$25,670	\$755	\$1.05	\$0	\$997	\$1.39	\$1,135
TC 50%	\$831			1	1	1	716	\$831	\$76	\$755	\$0	\$1.05	\$755	\$755	\$755	\$755	\$1.05	\$0	\$997	\$1.39	\$1,170
TC 60%	\$997			16	1	1	716	\$997	\$76	\$921	\$0	\$1.29	\$921	\$14,736	\$14,736	\$921	\$1.29	\$0	\$997	\$1.39	\$1,185
TC 60%	\$997			4	1	1	716	\$997	\$76	\$921	\$0	\$1.29	\$921	\$3,684	\$3,684	\$921	\$1.29	\$0	\$997	\$1.39	\$1,185
TC 60%	\$997			4	1	1	776	\$997	\$76	\$921	\$0	\$1.19	\$921	\$3,684	\$3,684	\$921	\$1.19	\$0	\$997	\$1.28	\$1,185
TC 60%	\$997			17	1	1	791	\$997	\$76	\$921	\$0	\$1.16	\$921	\$15,657	\$15,657	\$921	\$1.16	\$0	\$997	\$1.26	\$1,300
MR				3	1	1	791	\$0	\$76		NA	\$1.26	\$997	\$2,991	\$2,991	\$997	\$1.26	NA	\$997	\$1.26	\$1,300
MR				3	1	1	877	\$0	\$76		NA	\$1.14	\$997	\$2,991	\$2,991	\$997	\$1.14	NA	\$997	\$1.14	\$1,300
MR				3	1	1	935	\$0	\$76		NA	\$1.07	\$997	\$2,991	\$2,991	\$997	\$1.07	NA	\$997	\$1.07	\$1,300
TC 50%	\$831	30%/30%	\$499	1	1	1	935	\$499	\$76	\$423	\$0	\$0.45	\$423	\$423	\$423	\$423	\$0.45	\$0	\$997	\$1.07	\$1,300
TC 60%	\$997			2	1	1	950	\$997	\$76	\$921	\$0	\$0.97	\$921	\$1,842	\$1,842	\$921	\$0.97	\$0	\$997	\$1.05	\$1,300
MR				2	1	1	950	\$0	\$76		NA	\$1.05	\$997	\$1,994	\$1,994	\$997	\$1.05	NA	\$997	\$1.05	\$1,300
TC 30%	\$598	30%/30%	\$598	4	2	2	1,027	\$598	\$100	\$498	\$0	\$0.48	\$498	\$1,992	\$1,992	\$498	\$0.48	\$0	\$1,197	\$1.17	\$1,500
TC 50%	\$997			6	2	2	1,027	\$997	\$100	\$897	\$0	\$0.87	\$897	\$5,382	\$5,382	\$897	\$0.87	\$0	\$1,197	\$1.17	\$1,500
TC 50%	\$997			1	2	2	1,027	\$997	\$100	\$897	\$0	\$0.87	\$897	\$897	\$897	\$897	\$0.87	\$0	\$1,197	\$1.17	\$1,500
TC 60%	\$1,197			7	2	2	1,027	\$1,197	\$100	\$1,097	\$0	\$1.07	\$1,097	\$7,679	\$7,679	\$1,097	\$1.07	\$0	\$1,197	\$1.17	\$1,500
TC 60%	\$1,197			7	2	2	1,056	\$1,197	\$100	\$1,097	\$0	\$1.04	\$1,097	\$7,679	\$7,679	\$1,097	\$1.04	\$0	\$1,197	\$1.13	\$1,500
MR				2	2	2	1,056	\$0	\$100		NA	\$1.13	\$1,197	\$2,394	\$2,394	\$1,197	\$1.13	NA	\$1,197	\$1.13	\$1,500
TOTALS/AVERAGES:				128			104,341				\$0	\$1.04	\$844	\$108,094	\$108,084	\$844	\$1.04	\$0	\$1,039	\$1.27	\$1,262

ANNUAL POTENTIAL GROSS RENT:	\$1,297,128	\$1,297,008
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STABILIZED PRO FORMA

Ella Grand, Houston, 9% HTC #22971 21509 20205

STABILIZED FIRST YEAR PRO FORMA

	COMPARABLES		APPLICANT				Supp Credit	Original UW		Supp Credit	TDHCA				VARIANCE			
	Database	Local Comps	% EGI	Per SF	Per Unit	Amount	Applicant	Applicant	TDHCA	TDHCA	Amount	Per Unit	Per SF	% EGI	%	\$		
POTENTIAL GROSS RENT				\$1.04	\$844	\$1,297,128	\$1,422,972	\$1,436,544	\$1,426,056	\$1,422,972	\$1,297,008	\$844	\$1.04		0.0%	\$120		
Laundry					\$1.95	\$3,000	\$8,700	10,476										
Total Secondary Income					\$1.95				10,476	8,700	\$7,680	\$5.00			-60.9%	(\$4,680)		
POTENTIAL GROSS INCOME						\$1,300,128	\$1,431,672	\$1,447,020	\$1,436,532	\$1,431,672	\$1,304,688				-0.3%	(\$4,560)		
Vacancy & Collection Loss					7.5% PGI	(97,510)	(107,375)	(108,527)	(107,740)	(107,375)	(97,852)	7.5% PGI			-0.3%	342		
EFFECTIVE GROSS INCOME						\$1,202,618	\$1,324,297	\$1,338,494	\$1,328,792	\$1,324,297	\$1,206,836				-0.3%	(\$4,218)		
General & Administrative	\$52,508	\$410/Unit	\$59,319	\$463	3.31%	\$0.38	\$311	\$39,800	\$42,300	\$44,272	\$51,330	\$51,330	\$45,312	\$354	\$0.43	3.75%	-12.2%	(5,512)
Management	\$52,278	4.5% EGI	\$50,220	\$392	4.97%	\$0.57	\$467	\$59,716	\$66,215	\$67,700	\$66,440	\$66,215	\$60,342	\$471	\$0.58	5.00%	-1.0%	(626)
Payroll & Payroll Tax	\$173,307	\$1,354/Unit	\$191,939	\$1,500	14.97%	\$1.73	\$1,406	\$180,000	\$204,500	\$190,000	\$190,000	\$204,500	\$180,000	\$1,406	\$1.73	14.92%	0.0%	-
Repairs & Maintenance	\$94,471	\$738/Unit	\$78,374	\$612	3.84%	\$0.44	\$361	\$46,200	\$56,200	\$60,200	\$87,000	\$87,000	\$83,200	\$650	\$0.80	6.89%	-44.5%	(37,000)
Electric/Gas	\$27,260	\$213/Unit	\$25,459	\$199	1.33%	\$0.15	\$125	\$16,000	\$25,000	\$25,000	\$28,841	\$28,841	\$25,459	\$199	\$0.24	2.11%	-37.2%	(9,459)
Water, Sewer, & Trash	\$80,347	\$628/Unit	\$51,726	\$404	3.74%	\$0.43	\$352	\$45,000	\$77,000	\$77,000	\$58,596	\$58,596	\$51,726	\$404	\$0.50	4.29%	-13.0%	(6,726)
Property Insurance	\$51,056	\$0.49 /sf	\$50,757	\$397	12.47%	\$1.44	\$1,172	\$150,000	\$130,000	\$90,000	\$90,000	\$130,000	\$150,000	\$1,172	\$1.44	12.43%	0.0%	-
Property Tax (@ 100%) 2.4216	\$97,546	\$762/Unit	\$87,329	\$682	10.64%	\$1.23	\$1,000	\$128,000	\$130,500	\$145,000	\$136,277	\$124,819	\$124,819	\$975	\$1.20	10.34%	2.5%	3,181
Reserve for Replacements			\$0	\$0	3.19%	\$0.37	\$300	\$38,400	\$43,500	\$43,500	\$43,500	\$43,500	\$38,400	\$300	\$0.37	3.18%	0.0%	-
Supportive Services			\$0	\$0	0.00%	\$0.00	\$0	\$0	\$6,000	\$6,000	\$6,000	\$6,000	\$0	\$0	\$0.00	0.00%	0.0%	-
TDHCA Compliance fees (\$40/HTC unit)			\$0	\$0	0.38%	\$0.04	\$36	\$4,600	\$4,600	\$4,600	\$4,600	\$4,600	\$4,600	\$36	\$0.04	0.38%	0.0%	-
City of Houston Compliance Fee for Gap Funds			\$0	\$0	0.29%	\$0.03	\$27	\$3,450	\$3,450	\$3,450	\$3,450	\$3,450	\$3,450	\$27	\$0.03	0.29%	0.0%	-
TOTAL EXPENSES					59.57%	\$6.87	\$5,597	\$ 716,398	\$ 789,265	\$756,722	\$766,033	\$808,851	\$772,541	\$6,035	\$7.40	64.01%	-7.3%	\$ (56,143)
NET OPERATING INCOME ("NOI")					40.43%	\$4.66	\$3,799	\$486,220	\$535,032	\$581,772	\$562,759	\$515,446	\$434,296	\$3,393	\$4.16	35.99%	12.0%	\$ 51,925

CONTROLLABLE EXPENSES		\$2,555/Unit		\$3,013/Unit
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CAPITALIZATION / TOTAL DEVELOPMENT BUDGET / ITEMIZED BASIS

Ella Grand, Houston, 9% HTC #22971 21509 20205

DEBT / GRANT SOURCES																							
APPLICANT'S PROPOSED DEBT/GRANT STRUCTURE										AS UNDERWRITTEN DEBT/GRANT STRUCTURE													
DEBT (Must Pay)	Fee	Cumulative DCR		Pmt	Rate	Amort	Term	Principal	Supp Credit Applicant	Original UW		Supp Credit TDHCA	Principal	Term	Amort	Rate	Pmt	Cumulative					
		UW	App							Applicant	Applicant							TDHCA	DCR	LTC			
Capital One Bank		1.18	1.32	369,219	5.85%	40	15	\$5,700,000	\$7,800,000	\$6,600,000	\$6,600,000	\$7,800,000	\$5,700,000	15	40	5.85%	\$369,219	1.18	15.6%				
TDHCA-Direct Loan (Deferred Payable)		1.18	1.32		0.00%	35	15.5	\$2,180,000	\$2,180,000			\$2,180,000	\$2,180,000	15.5		0.00%		1.18	6.0%				
CASH FLOW DEBT / GRANTS																							
City of Houston		1.18	1.32		0.00%	0	0	\$500	\$500	\$500	\$500	\$500	\$500	0	0	0.00%		1.18	0.0%				
City of Houston-CDBG		1.18	1.32		0.00%	0	0	\$12,000,000	\$11,000,000	\$6,500,000	\$6,500,000	\$11,000,000	\$12,000,000	0		0.00%		1.18	32.8%				
HEDK: MDL Match		1.18	1.32		0.00%	0	0	\$165,000	\$165,000	\$0	\$0	\$165,000	\$165,000	0	0	0.00%		1.18	0.5%				
				\$369,219	TOTAL DEBT / GRANT SOURCES				\$20,045,500	\$21,145,500	\$13,100,500	\$13,100,500	\$21,145,500	\$20,045,500	TOTAL DEBT SERVICE			\$369,219	1.18	54.8%			
NET CASH FLOW		\$65,077	\$117,001																	TDHCA NET OPERATING INCOME	\$434,296	\$65,077	NET CASH FLOW

EQUITY SOURCES																
APPLICANT'S PROPOSED EQUITY STRUCTURE							AS UNDERWRITTEN EQUITY STRUCTURE									
EQUITY / DEFERRED FEES	DESCRIPTION	% Cost	Annual Credit	Credit Price	Amount	Supp Credit Applicant	Original UW		Supp Credit TDHCA	Amount	Credit Price	Annual Credit	% Cost	Annual Credits per Unit	Allocation Method	
							Applicant	TDHCA								Applicant
RBC Capital	LIHTC Equity	44.3%	\$1,725,000	\$0.94	\$16,228,377	\$16,228,377	\$14,248,575	\$14,248,575	\$16,228,377	\$15,754,008	\$0.94	\$1,674,577	43.0%	\$13,083	Needed to Fill Gap	
DMA Development Company, LLC/JSA Development	Deferred Developer Fees	4.0%	(49% Deferred)		\$1,451,653	\$1,993,282	\$803,025	\$802,933	\$1,319,055	\$802,933	(31% Deferred)		2.2%		Total Developer Fee: \$2,573,908	
Additional (Excess) Funds Req'd		0.0%					\$0	\$0	\$0	\$0			0.0%			
TOTAL EQUITY SOURCES		48.3%			\$17,680,030	\$18,221,659	\$15,051,600	\$15,051,508	\$17,547,432	\$16,556,941			45.2%			
TOTAL CAPITALIZATION						\$37,725,530	\$39,367,159	\$28,152,100	\$28,152,008	\$38,692,932	\$36,602,441	15-Yr Cash Flow after Deferred Fee:			\$239,470	

DEVELOPMENT COST / ITEMIZED BASIS															
APPLICANT COST / BASIS ITEMS						TDHCA COST / BASIS ITEMS						COST VARIANCE			
Eligible Basis	New Const. Rehab	Total Costs	Supp Credit Applicant	Original UW		Supp Credit TDHCA	Total Costs	Eligible Basis		%	\$				
				Applicant	TDHCA			New Const. Rehab	Acquisition						
Land Acquisition		\$54,688 / Unit	\$7,000,000	\$7,000,000	\$7,000,000	\$7,000,000	\$7,000,000	\$54,688 / Unit		0.0%	\$0				
Off-Sites		\$ / Unit	\$0	\$0	\$0	\$0	\$0	\$ / Unit		0.0%	\$0				
Site Work	\$2,911,500	\$22,746 / Unit	\$2,911,500	\$2,911,500	\$1,276,635	\$1,276,635	\$3,046,500	\$3,046,500	\$23,801 / Unit	\$2,951,500	-4.4%	(\$135,000)			
Site Amenities	\$390,000	\$3,047 / Unit	\$390,000	\$390,000	\$309,299	\$309,299	\$350,000	\$350,000	\$2,734 / Unit	\$350,000	11.4%	\$40,000			
Building Cost	\$15,409,973	\$147.69 /sf	\$120,390/Unit	\$15,409,973	\$16,976,575	\$11,257,406	\$12,003,095	\$16,881,573	\$14,902,400	\$116,425/Unit	\$142.82 /sf	\$14,902,400	3.4%	\$507,573	
Contingency	\$1,426,100	7.62%	7.62%	\$1,426,100	\$1,294,669	\$800,217	\$800,217	\$1,294,669	\$1,280,923	7.00%	7.00%	\$1,274,273	11.3%	\$145,177	
Contractor Fees	\$2,800,000	13.90%	13.90%	\$2,800,000	\$3,293,319	\$1,839,000	\$1,839,000	\$3,020,184	\$2,741,175	14.00%	14.00%	\$2,726,944	2.1%	\$58,825	
Soft Costs	0	\$1,734,900	\$13,896 / Unit	\$1,778,750	\$1,813,650	\$1,329,680	\$1,329,680	\$1,813,650	\$1,778,750	\$13,896 / Unit		\$1,734,900	0.0%	\$0	
Financing	0	\$995,000	\$13,088 / Unit	\$1,675,300	\$1,875,382	\$1,150,350	\$1,150,350	\$1,875,382	\$1,675,300	\$13,088 / Unit		\$995,000	0.0%	\$0	
Developer Fee	\$0	\$2,975,000	11.59%	11.59%	\$2,975,000	\$2,975,000	\$2,574,000	\$2,573,908	\$2,573,908	10.28%	9.33%	\$2,326,243	15.6%	\$401,092	
Reserves			8 Months	\$753,207	\$837,064	\$615,513	\$615,513	\$837,064	\$753,207	8 Months			0.0%	\$0	
TOTAL HOUSING DEVELOPMENT COST (UNADJUSTED BASIS)		\$0	\$28,642,473	\$289,999 / Unit	\$37,119,830	\$39,367,159	\$28,152,100	\$28,897,697	\$38,692,930	\$36,102,163	\$282,048 / Unit	\$27,261,260	\$0	2.8%	\$1,017,667
Acquisition Cost	\$0			\$0	\$0	\$0									
Contingency		(\$116,297)		(\$116,297)	\$0	\$0									
Contractor's Fee		\$0		\$0	(\$273,135)	\$0									
Financing Cost		\$0		\$0											
Developer Fee	\$0	(\$648,757)		(\$401,092)	(\$401,092)	(\$92)									
Reserves				\$0	\$0	\$0									
ADJUSTED BASIS / COST		\$0	\$27,877,419	\$285,957/unit	\$36,602,441	\$38,692,932	\$28,152,008	\$28,897,697	\$38,692,930	\$36,102,163	\$282,048/unit	\$27,261,260	\$0	1.4%	\$500,278
TOTAL HOUSING DEVELOPMENT COSTS (Applicant's Uses are within 5% of TDHCA Estimate):						\$36,602,441									

CAPITALIZATION / DEVELOPMENT COST BUDGET / ITEMIZED BASIS ITEMS

Ella Grand, Houston, 9% HTC #22971 21509 20205

	CREDIT CALCULATION ON QUALIFIED BASIS			
	Applicant		TDHCA	
	Acquisition	Construction Rehabilitation	Acquisition	Construction Rehabilitation
ADJUSTED BASIS	\$0	\$27,877,419	\$0	\$27,261,260
Deduction of Federal Grants	\$0	\$0	\$0	\$0
TOTAL ELIGIBLE BASIS	\$0	\$27,877,419	\$0	\$27,261,260
High Cost Area Adjustment		130%		130%
TOTAL ADJUSTED BASIS	\$0	\$36,240,645	\$0	\$35,439,638
Applicable Fraction	88.67%	88.67%	88.67%	88.67%
TOTAL QUALIFIED BASIS	\$0	\$32,134,870	\$0	\$31,424,611
Applicable Percentage	3.32%	9.00%	3.32%	9.00%
ANNUAL CREDIT ON BASIS	\$0	\$2,892,138	\$0	\$2,828,215
CREDITS ON QUALIFIED BASIS		\$2,892,138		\$2,828,215

Method	ANNUAL CREDIT CALCULATION BASED ON APPLICANT BASIS		FINAL ANNUAL LIHTC ALLOCATION		
	Annual Credits	Proceeds	Credit Price \$0.9408	Variance to Request	
			Credit Allocation	Credits	Proceeds
Eligible Basis	\$2,892,138	\$27,208,528	----	----	----
Needed to Fill Gap	\$1,674,577	\$15,754,008	\$1,674,577	(\$50,423)	(\$474,369)
Applicant Request	\$1,725,000	\$16,228,377	----	----	----

*Credit allocation adjusted to hold deferred fee to original underwriting per Subchapter F.

Long-Term Pro Forma

Ella Grand, Houston, 9% HTC #22971 21509 20205

	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%	\$1,206,836	\$1,230,973	\$1,255,593	\$1,280,704	\$1,306,319	\$1,442,281	\$1,592,395	\$1,758,133	\$1,941,121	\$2,143,154	\$2,366,215	\$2,612,493
TOTAL EXPENSES	3.00%	\$772,541	\$795,113	\$818,351	\$842,274	\$866,902	\$1,001,372	\$1,156,884	\$1,336,752	\$1,544,810	\$1,785,501	\$2,063,971	\$2,386,178
NET OPERATING INCOME ("NOI")		\$434,296	\$435,860	\$437,241	\$438,430	\$439,417	\$440,909	\$435,511	\$421,381	\$396,311	\$357,653	\$302,245	\$226,315
EXPENSE/INCOME RATIO		64.0%	64.6%	65.2%	65.8%	66.4%	69.4%	72.7%	76.0%	79.6%	83.3%	87.2%	91.3%
MUST -PAY DEBT SERVICE													
Capital One Bank		\$369,219	\$369,219	\$369,219	\$369,219	\$369,219	\$369,219	\$369,219	\$369,219	\$369,219	\$369,219	\$369,219	\$369,219
TDHCA-Direct Loan (Deferred Payable)		\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
TOTAL DEBT SERVICE		\$369,219	\$369,219	\$369,219	\$369,219	\$369,219	\$369,219	\$369,219	\$369,219	\$369,219	\$369,219	\$369,219	\$369,219
DEBT COVERAGE RATIO		1.18	1.18	1.18	1.19	1.19	1.19	1.18	1.14	1.07	0.97	0.82	0.61
ANNUAL CASH FLOW		\$65,077	\$66,641	\$68,022	\$69,212	\$70,198	\$71,690	\$66,292	\$52,162	\$27,092	(\$11,566)	(\$66,974)	(\$142,904)
Deferred Developer Fee													
balance		\$802,933	\$737,856	\$671,215	\$603,193	\$533,981	\$177,577	\$0	\$0	\$0	\$0	\$0	\$0
annual interest		0	0	0	0	0	0	0	0	0	0	0	0
payment		65,077	66,641	68,022	69,212	70,198	71,690	0	0	0	0	0	0
Deferred Developer Fee Balance		\$737,856	\$671,215	\$603,193	\$533,981	\$463,783	\$105,886	\$0	\$0	\$0	\$0	\$0	\$0
CUMULATIVE NET CASH FLOW		\$0	\$0	\$0	\$0	\$0	\$0	\$239,470	\$532,446	\$722,918	\$748,432	\$531,785	(\$21,825)



May 9, 2022

VIA EMAIL: lucy.trevino@tdhca.state.tx.us

Ms. Lucy Trevino
Asset Management, TDHCA
221 E. 11th Street
Austin, TX 78701

RE: Request for Amendment for Ella Grand, #22971/21509/20205

Dear Ms. Trevino,

Please accept this letter and attachments as a formal request for a post award amendment. The amendment request is to reduce the total number of units from 145 to 128. Please note that neither the number of low-income units has changed, nor has the level of income targeting changed. We have only reduced the number of market rate units.

The original application was submitted with a total of 145 units and 147 parking spaces. The site is encumbered by a restrictive covenant that has a specific residential parking requirement and requires architectural approval from the Woodlake Community Association's architectural review committee on the overall design of the development. We submitted our plans for architectural review after receiving our tax credit award in 2021, and requested a waiver of the parking requirement, which, at 1.6 spaces per unit, resulted in our senior development being overparked. The restrictive covenant did not have specify a modified parking requirement for senior housing, while the City of Houston municipal code does, and we were confident that this was likely an oversight in the details of the covenants. We provided the architectural review committee multiple reports and peer-reviewed transportation research to justify our proposed parking ratio of one space per unit, including actual parking counts from DMA's many other senior developments, both in terms of what ratio of parking we provided at those comparable properties and how many cars were parked there at different peak travel times. Please note that our initial plan was also significantly greater than the City of Houston's parking requirements for senior housing. Despite this compelling data, the architectural committee denied our request and invited us to submit a revised site plan showing a parking configuration with the required 1.6 spaces, denying our waiver request. We subsequently developed and provided a new site plan, which they have approved, but the only way to meet the parking requirement was through a reduction in total units.

Despite this total reduction in units, we have elected to only reduce the number of market rate units so that this development still qualifies for the same number of points as it did with the original unit yield of 145 units. Again, the number of income restricted units and the various income limits have not changed so we still would have received the maximum 15 points for "Income Level of Residents" and 11 points for "Rent Level of Residents." We also would have received 12 points for cost per square feet, because we would have capped our total eligible costs to \$81.5 per net rentable sf total, and still justified the original tax credit amount of \$1.5M. Finally, we

would have still received 3 leveraging points if we submitted the application with the lower number of units and the new financing structure, regardless of whether you assuming 2020 or 2022 construction pricing.

The unit yield change was not foreseeable early in the process because it was premature to seek architectural review approval during the tax credit application process when our application was speculative due to the competitive nature of the program. The architectural review committee is made up of volunteer members and only meets occasionally when a project has permitted plans ready to review. In fact, the group has largely been inactive because our site is the last undeveloped site within the boundaries of the Woodlake Community. Furthermore, we believed that our waiver request was very reasonable, given our significant experience with developing and owning senior housing, and the data we provided to support our request.

Nevertheless, we recognize that this is a material change and will require real estate analysis to perform another underwriting. Therefore, we have included all the relevant application financial spreadsheets for REA review. Please note, however, that construction costs have charged dramatically since we submitted our application, so the construction costs included herein are comparable to the construction costs we submitted two years ago, when we were constructing 17 more units.

An amendment fee in the amount of \$3,000 is attached. If you have any questions or need any additional information, please contact me at JanineS@dmacompanies.com or 512-328-3232 extension 4505.

Sincerely,

DMA DEVELOPMENT COMPANY, LLC

A handwritten signature in blue ink, appearing to read "Janine Sisak".

Janine Sisak

Senior Vice President/General Counsel

BOARD ACTION REQUEST
ASSET MANAGEMENT DIVISION
JULY 28, 2022

Presentation, discussion, and possible action regarding a Material Amendment to the Housing Tax Credit Application for Nolana Villas (HTC #19273)

RECOMMENDED ACTION

WHEREAS, Nolana Villas (the Development) received an award of 9% Housing Tax Credits (HTCs) in 2019 for the new construction of 124 units for the general population in McAllen, Hidalgo County;

WHEREAS, due to dedication of land for right-of-way, TGO Nolana Villas 19 LP (the Development Owner or Owner) requests approval for a reduction in the site area from 7.517 acres to 6.797 acres, representing a site area reduction of 0.72 acre or 9.6% and a 10.6% increase in density from 16.50 units per acre to 18.24 units per acre;

WHEREAS, Board approval is required for a modification of the residential density of at least 5%, as directed in Tex. Gov't Code §2306.6712(d)(6) and 10 TAC §10.405(a)(4)(F), and the Owner has complied with the amendment requirements therein; and

WHEREAS, the requested change does 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 Nolana Villas 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

Nolana Villas received an award of 9% Housing Tax Credits in 2019 for the new construction of 124 units, of which 104 are income and rent restricted, for the general population in McAllen, Hidalgo County. Construction of the Development has been completed, and the Owner is in the cost certification process. Staff's cost certification analysis revealed that the final platted site area is 6.797 acres, whereas the site had been reported as 7.517 acres at Application. This 9.6% reduction in site area results in an increase in density of 10.6%, from 16.50 units per acre to 18.24

units per acre. Steve Lollis, representative for the Development Owner, requested approval for this change in a letter as of May 11, 2022.

The Application amendment request letter from the Owner indicates that the decrease in acreage is a result of the fact that the site area reported at Application was based on an assumption that the site extended to the middle of the adjacent street, East Jonquil Avenue, while at re-platting, the ownership in roads was adjusted, resulting in the site extending to the north edge of East Jonquil Avenue. The 10.6% increase in residential density represents a material amendment under Tex. Gov't Code §2306.6712(d)(6) and 10 TAC §10.405(a)(4)(F) and requires Board approval. The table below shows a comparison between the original Application information and the filed plat.

Material Alterations as defined in: Tex. Gov't Code §2306.6712(d)(6) and 10 TAC §10.405(a)(4)(F)	
Application	Amendment
<p>Site Area: 7.517 Acres 16.50 Units per Acre</p>	<p>Site Area: 6.797 Acres 18.24 Units per Acre</p>

This change does not alter the Development in a negative manner and was not reasonably foreseeable or preventable by the Owner at the time of Application.

This change does not affect the scoring of the Application. The final recommended HTC amount will be determined upon finalization of the cost certification process.

Staff recommends approval of the amendment request as presented herein.

TGO Nolana Villas 19 LP

9907 Moorberry
Houston, Texas 77080

5/11/2022

Mr. Jonathan Chilson
Asset Manager
TDHCA
221 East 11th Street
Austin, Texas 78701

RE: Nolana Villas (TDHCA #19273 CMTS# 5510) Application Amendment

Dear Mr. Chilson:

Please accept this request for a material application amendment to correct the developable site acreage and resulting density calculation.

At Cost Certification review you identified the need for the Board to review and approve a density change greater than allowed to be approved administratively. The site acreage decreased from 7.517 acres at application to 6.797 acres at completion. The density increased from 16.50 units per acre to 18.24 units per acre, a 10.59% increase in density per acre. The decrease in acreage is a result of the re-platting process where ownership in roads may be adjusted. So previously, the site boundary included to the center of the public street and post plat approval the boundary extends to the edge of the street, a corresponding decrease in site acreage.

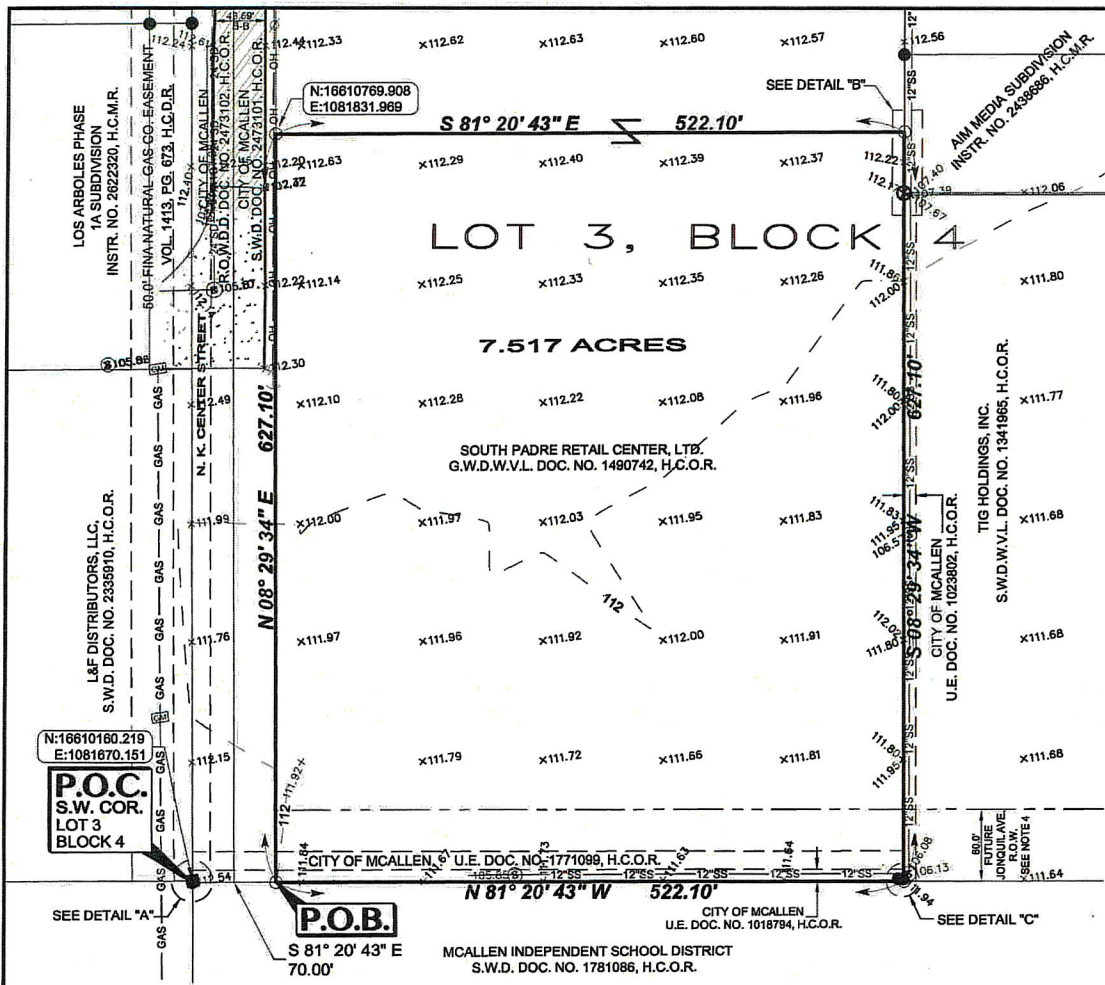
While we wish we could definitively say exactly the size of a developable tract to be re-platted at application, when a tract is re-platted, it often changes in total area slightly. And we don't go through re-platting until we are moving forward with a purchase. And if we projected site acreage at application that did not match the survey, we would be answering other deficiencies. So, unfortunately, I think this is one of those instances of data that is not fully known until after award.

Sincerely,

TGO Nolana Villas 19 LP

By:


Steve Lollis, Duly Authorized Representative



- LEGEND**
- FOUND No.4 REBAR
 - ⊗ FOUND No.5 REBAR
 - ⊠ FOUND CONCRETE MONUMENT
 - SET No.4 REBAR WITH PLASTIC CAP STAMPED MELDEN & HUNT
 - ∅ POWER POLE
 - GUY WIRE
 - ⊙ SANITARY SEWER MANHOLE
 - ⊕ STORM SEWER MANHOLE
 - ⊖ TYPE "A" INLET
 - ⊞ GAS MARKER
 - 24"SD 24" STORM SEWER LINE
 - 12"SS 12" SANITARY SEWER LINE
 - GAS GAS LINE
 - OH OH OVERHEAD POWER LINE
 - ▨ ASPHALT AREA
 - ▭ CONCRETE AREA
 - B-B BACK OF CURB TO BACK OF CURB
 - H.C.M.R. HIDALGO COUNTY MAP RECORDS
 - H.C.D.R. HIDALGO COUNTY DEED RECORDS
 - H.C.O.R. HIDALGO COUNTY OFFICIAL RECORDS
 - S.W. COR. SOUTHWEST CORNER
 - P.O.B. POINT OF BEGINNING
 - P.O.C. POINT OF COMMENCING
 - INSTR. NO. INSTRUMENT NUMBER
 - DOC. NO. DOCUMENT NUMBER
 - G.W.D.W.V.L. GENERAL WARRANTY DEED WITH VENDOR'S LIEN
 - S.W.D.W.V.L. SPECIAL WARRANTY DEED WITH VENDOR'S LIEN
 - R.O.W.D.L. RIGHT OF WAY DEDICATION DEED
 - S.W.D. SPECIAL WARRANTY DEED
 - U.E. UTILITY EASEMENT
 - VOL. VOLUME
 - PG. PAGE
 - N.T.S. NOT TO SCALE
 - SAME OWNER



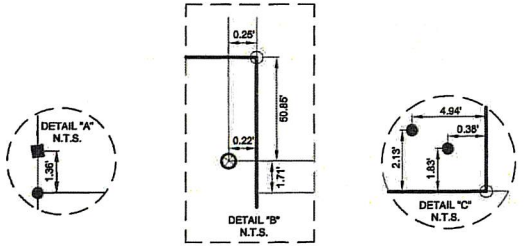
- NOTES:**
- SURVEY IS VALID ONLY IF PRINT HAS ORIGINAL SEAL & SIGNATURE OF SURVEYOR.
 - SURVEY WAS PREPARED WITHOUT THE BENEFIT OF A TITLE COMMITMENT WHICH MAY SHOW ADDITIONAL EASEMENTS AFFECTING THIS TRACT. THE SURVEYOR IS ADVISING THE RECIPIENT OF THIS PLAT THAT ADDITIONAL EASEMENTS MAY AFFECT THIS TRACT.
 - ALL BEARINGS AND DISTANCES ARE BASED ON GRID COORDINATES.
 - FUTURE JONQUIL AVENUE R.O.W. IS ACCORDING TO THE CITY OF MCALEN

FLOOD ZONE
ZONE "B"
 AREAS BETWEEN LIMITS OF THE 100-YEAR FLOOD AND 500-YEAR FLOOD; OR CERTAIN AREAS SUBJECT TO 100-YEAR FLOODING WITH AVERAGE DEPTHS LESS THAN ONE(1) FOOT OR WHERE THE CONTRIBUTING DRAINAGE AREA IS LESS THAN ONE SQUARE MILE; OR AREAS PROTECTED BY LEVEES FROM THE BASE FLOOD.
 COMMUNITY-PANEL NUMBER: 480334 0425 C
 MAP REVISED: NOVEMBER 16, 1982

**PLAT SHOWING
 7.517 ACRES OUT OF
 LOT 3, BLOCK 4,
 A.J. MCCOLL SUBDIVISION
 VOLUME 21, PAGE 598, H.C.D.R.
 CITY OF MCALEN
 HIDALGO COUNTY, TEXAS**

I, FRED L. KURTH, A REGISTERED PROFESSIONAL LAND SURVEYOR, DO HEREBY CERTIFY THE FOREGOING PLAT TO BE TRUE AND CORRECT REPRESENTATION OF A SURVEY MADE ON THE GROUND ON 01/31/2019 UNDER MY DIRECTION AND SUPERVISION.

Fred L. Kurth 2-25-19
FRED L. KURTH, RPLS No. 4750 DATE:



M MELDEN & HUNT INC.
 CONSULTANTS • ENGINEERS • SURVEYORS

TRPLS No. 10056500

PAGE: 2 OF 2
 BOOK: T-1072, PG.43-47
 DATE: 02/25/2019
 JOB No. 19037.08
 FILE NAME: 19037.08
 DRAWN BY: J.L.G.

115 W. MCINTYRE
 EDINBURG, TX 78541
 PH: (956) 381-0981
 FAX: (956) 381-1839
 ESTABLISHED 1947
 www.meldenandhunt.com

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SUBDIVISION MAP OF NOLANA VILLAS SUBDIVISION

BEING A SUBDIVISION OF A 7.517 ACRES SITUATED IN THE CITY OF McALLEN, HIDALGO COUNTY, TEXAS, BEING A PART OR PORTION OUT OF LOT 3, BLOCK 4, A.J. MCCOLL SUBDIVISION, ACCORDING TO THE PLAT THEREOF RECORDED IN VOLUME 21, PAGE 598, HIDALGO COUNTY DEED RECORDS.

METES AND BOUNDS DESCRIPTION:

NOLANA VILLAS SUBDIVISION BEING A TRACT OF LAND CONTAINING 7.517 ACRES SITUATED IN THE CITY OF McALLEN, HIDALGO COUNTY, TEXAS, BEING A PART OR PORTION OUT OF LOT 3, BLOCK 4, A.J. MCCOLL SUBDIVISION, ACCORDING TO THE PLAT THEREOF RECORDED IN VOLUME 21, PAGE 598, HIDALGO COUNTY DEED RECORDS, WHICH SAID 7.517-ACRE TRACT IS OUT OF A CERTAIN TRACT CONVEYED TO SOUTH PADRE RETAIL CENTER, LTD. BY VIRTUE OF A GENERAL WARRANTY DEED WITH VENDORS LIEN RECORDED UNDER DOCUMENT NUMBER 1490742, HIDALGO COUNTY OFFICIAL RECORDS, SAID 7.517 ACRES ALSO BEING MORE PARTICULARLY DESCRIBED AS FOLLOWS:

COMMENCING AT A NO. 4 REBAR FOUND (NORTHING: 16510160.219, EASTING: 1081670.151) ON THE SOUTHWEST CORNER OF SAID LOT 3, BLOCK 4,
THENCE, S 81° 20' 43" E ALONG THE SOUTH LINE OF SAID LOT 3, A DISTANCE OF 70.00 FEET TO A NO. 4 REBAR SET FOR THE SOUTHWEST CORNER AND POINT OF BEGINNING OF THIS HEREIN DESCRIBED TRACT;

1. THENCE, N 08° 29' 34" E ALONG THE EXISTING EAST RIGHT-OF-WAY LINE OF A CERTAIN RIGHT-OF-WAY CONVEYED TO THE CITY OF McALLEN BY VIRTUE OF A SPECIAL WARRANTY DEED RECORDED UNDER DOCUMENT NUMBER 2473101, HIDALGO COUNTY OFFICIAL RECORDS, A DISTANCE OF 827.10 FEET TO A NO. 4 REBAR SET (NORTHING: 16510789.908, EASTING: 1081831.969), FOR THE NORTHWEST CORNER OF THIS TRACT;
2. THENCE, S 81° 20' 43" E A DISTANCE OF 522.10 FEET TO A NO. 4 REBAR SET, FOR THE NORTHEAST CORNER OF THIS TRACT;
3. THENCE, S 08° 29' 34" W A DISTANCE OF 627.10 FEET TO A NO. 4 REBAR SET ON THE SOUTH LINE OF SAID LOT 3, FOR THE SOUTHEAST CORNER OF THIS TRACT;
4. THENCE, N 81° 20' 43" W ALONG THE SOUTH LINE OF SAID LOT 3, A DISTANCE OF 622.10 FEET TO THE POINT OF BEGINNING AND CONTAINING 7.517 ACRES OF LAND, MORE OR LESS.

I, THE UNDERSIGNED, MAYOR OF THE CITY OF McALLEN, HEREBY CERTIFY THAT THIS SUBDIVISION PLAT CONFORMS TO ALL REQUIREMENTS OF THE SUBDIVISION REGULATIONS OF THIS CITY WHEREIN MY APPROVAL IS REQUIRED.

James E. Durling
MAYOR, CITY OF McALLEN
DATE: 11/13/19



John Lee
CITY SECRETARY
DATE: 11/14/19

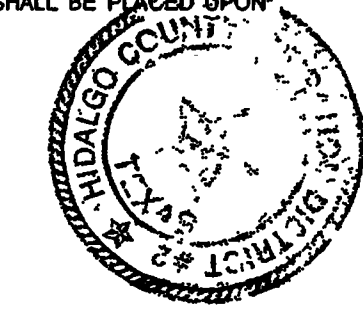
I, THE UNDERSIGNED, CHAIRMAN OF THE PLANNING AND ZONING COMMISSION OF THE CITY OF McALLEN HEREBY CERTIFY THAT THIS SUBDIVISION PLAT CONFORMS TO ALL REQUIREMENTS OF THE SUBDIVISION REGULATIONS OF THIS CITY WHEREIN MY APPROVAL IS REQUIRED.

M. J. P. H.
CHAIRMAN, PLANNING COMMISSION
DATE: 11/14/19

THIS PLAT IS HEREBY APPROVED BY THE HIDALGO COUNTY IRRIGATION DISTRICT NO. 2 ON THIS, THE 7th DAY OF November, 2019.

NO IMPROVEMENTS OF ANY KIND (INCLUDING WITHOUT LIMITATION, TREES, FENCES, AND BUILDINGS) SHALL BE PLACED UPON HIDALGO COUNTY IRRIGATION DISTRICT NO. 2 RIGHT OF WAYS OR EASEMENTS.

Mark Walker
PRESIDENT
ATTEST: *Jim Javel*
SECRETARY



THE STATE OF TEXAS
COUNTY OF BEXAR

WE, THE UNDERSIGNED, OWNERS OF THE LAND SHOWN ON THIS PLAT AND DESIGNATED HEREIN AS THE NOLANA VILLAS SUBDIVISION TO THE CITY OF McALLEN, TEXAS, AND WHOSE NAMES ARE SUBSCRIBED HERETO, HEREBY DEDICATE TO THE USE OF THE PUBLIC ALL STREETS, ALLEYS, PARKS, WATERCOURSES, DRAINAGE, EASEMENTS, WATER LINES, SEWER LINES, STORM SEWERS, FIRE HYDRANTS AND PUBLIC PLACES WHICH ARE INSTALLED OR WHICH WE WILL CAUSE TO BE INSTALLED THEREON, SHOWN OR NOT SHOWN, IF REQUIRED OTHERWISE TO BE INSTALLED OR DEDICATED UNDER THE SUBDIVISION APPROVAL PROCESS OF THE CITY OF McALLEN, ALL THE SAME FOR THE PURPOSES THEREIN EXPRESSED, EITHER ON THE PLAT HEREOF OR ON THE OFFICIAL MINUTES OF THE APPLICABLE AUTHORITIES OF THE CITY OF McALLEN.

Reuben Bar-Yadin
DATE: 10/30/19
REUBEN BAR-YADIN, VICE PRESIDENT & MANAGER
SOUTH PADRE RETAIL CENTER GP, LLC GENERAL PARTNER OF:
SOUTH PADRE RETAIL CENTER LTD., (OWNER)
A TEXAS LIMITED PARTNERSHIP
4629 MACRO DRIVE
SAN ANTONIO, TEXAS 78218

STATE OF TEXAS
COUNTY OF BEXAR

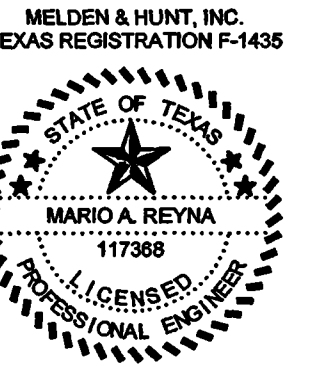
BEFORE ME, THE UNDERSIGNED AUTHORITY, ON THIS DAY PERSONALLY APPEARED REUBEN BAR-YADIN KNOWN TO ME TO BE THE PERSON WHOSE NAME IS SUBSCRIBED TO THE FOREGOING INSTRUMENT, AND ACKNOWLEDGED TO ME THAT HE EXECUTED THE SAME FOR THE PURPOSES AND CONSIDERATIONS THEREIN GIVEN UNDER MY HAND AND SEAL OF OFFICE, THIS THE 30th DAY OF Oct, 2019.

Camille Kelly Hawk
NOTARY PUBLIC, FOR THE STATE OF TEXAS
MY COMMISSION EXPIRES:

STATE OF TEXAS
COUNTY OF HIDALGO

I, THE UNDERSIGNED, MARIO A. REYNA, A LICENSED PROFESSIONAL ENGINEER IN THE STATE OF TEXAS, DO HEREBY CERTIFY THAT THE PROPER ENGINEERING CONSIDERATION HAS BEEN GIVEN TO THIS PLAT.

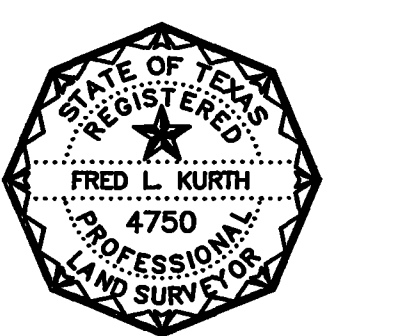
Mario A. Reyna
DATE: 11-14-19
MARIO A. REYNA, P.E. # 117388
DATE PREPARED: 04-10-2019
ENGINEERING JOB No. 19038.00



STATE OF TEXAS
COUNTY OF HIDALGO

I, THE UNDERSIGNED, FRED L. KURTH, A REGISTERED PROFESSIONAL LAND SURVEYOR, IN THE STATE OF TEXAS, DO HEREBY CERTIFY THAT THE HEREIN PRESENTED PLAT AND DESCRIPTION OF NOLANA VILLAS SUBDIVISION, WERE PREPARED FROM A SURVEY OF THE PROPERTY MADE ON THE GROUND BY ME OR UNDER MY SUPERVISION ON 02-25-19, AND THAT IT IS A TRUE AND ACCURATE REPRESENTATION OF THE SUBDIVISION OF THE LANDS HEREON DESCRIBED.

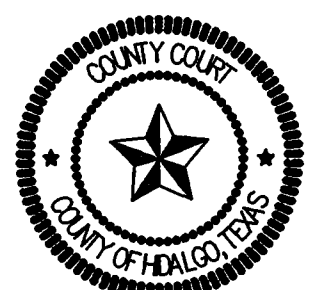
Fred L. Kurth
DATE: 11-14-19
FRED L. KURTH, R.P.L.S. # 4750
DATE SURVEYED: 02-25-19
T-1072, PAGE 43-47
SURVEY JOB No. 19037.08



APPROVED BY DRAINAGE DISTRICT:

HIDALGO COUNTY DRAINAGE DISTRICT NO. 1 HEREBY CERTIFIES THAT THE DRAINAGE PLANS FOR THIS SUBDIVISION COMPLY WITH THE MINIMUM STANDARDS OF THE DISTRICT ADOPTED UNDER TEXAS WATER CODE § 49.211 (C). THE DISTRICT HAS NOT REVIEWED AND DOES NOT CERTIFY THAT THE DRAINAGE STRUCTURES DESCRIBED ARE APPROPRIATE FOR THE SPECIFIC SUBDIVISION BASED ON GENERALLY ACCEPTED ENGINEERING CRITERIA. IT IS THE RESPONSIBILITY OF THE DEVELOPER AND HIS ENGINEER TO MAKE THESE DETERMINATIONS.

Raul E. Segin
DATE: 11/15/19
HIDALGO COUNTY DRAINAGE DISTRICT NO. 1
RAUL E. SEGIN, P.E., C.F.M.
GENERAL MANAGER

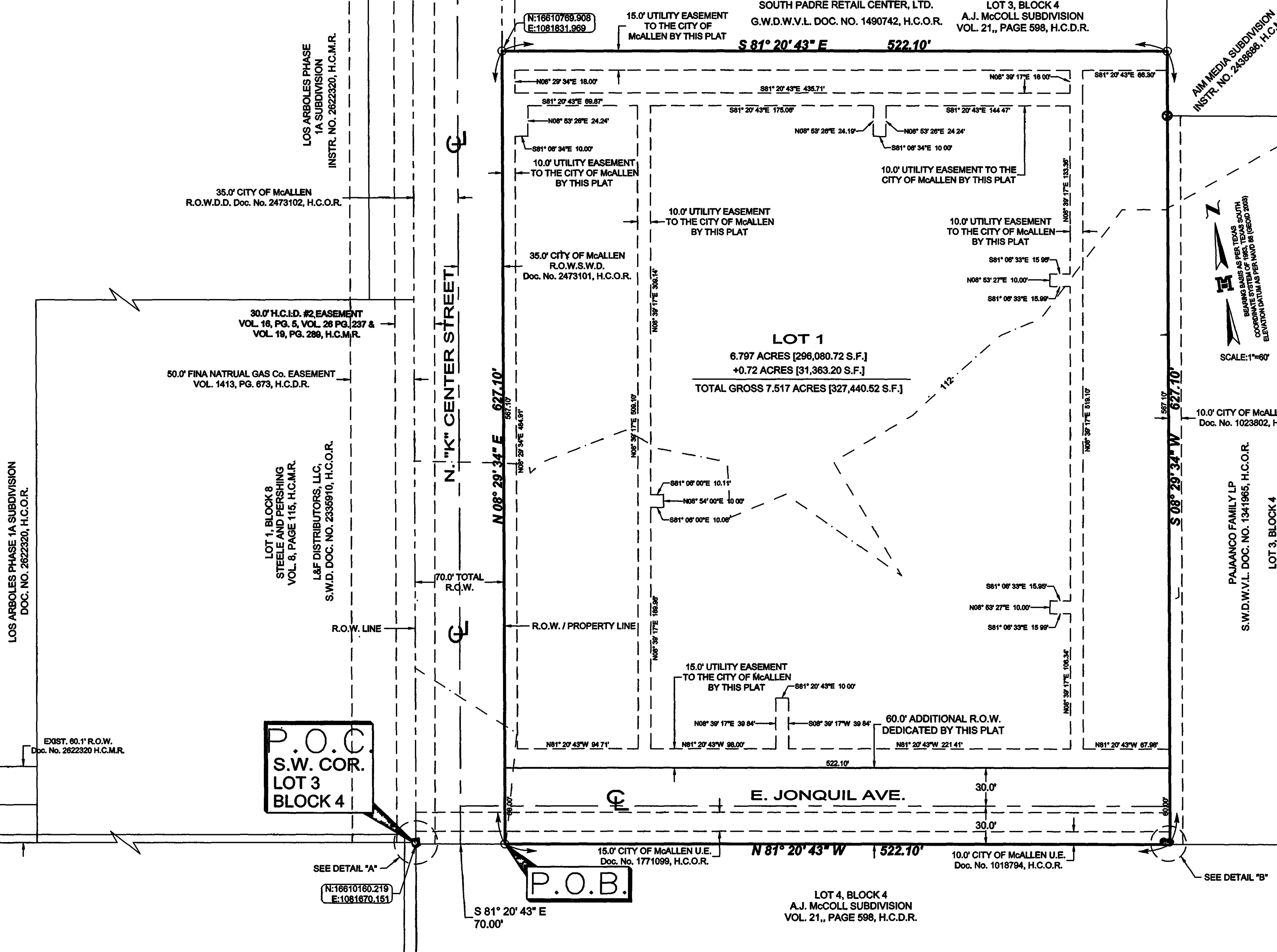


FILED FOR RECORD IN
HIDALGO COUNTY
ARTURO GUAJARDO, JR.
HIDALGO COUNTY CLERK

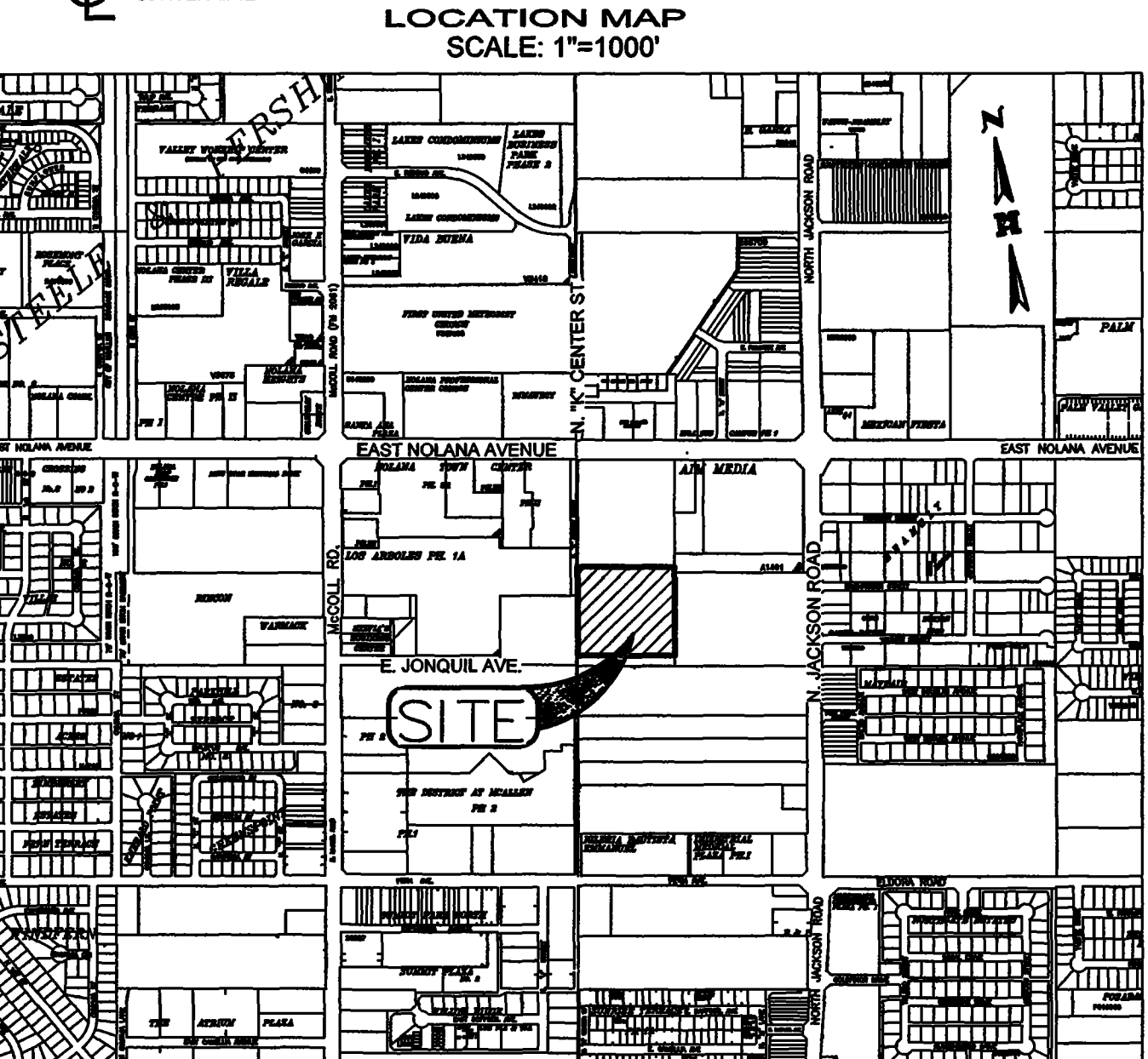
ON: 11/13/19 AT 4:51 AM/PM

INSTRUMENT NUMBER 30165201
OF THE MAP RECORDS OF HIDALGO COUNTY, TEXAS

Arturo Guajardo Jr.
DEPUTY



- ### LEGEND
- FOUND NO. 4 REBAR
 - FOUND NO. 5 REBAR
 - FOUND CONCRETE MONUMENT
 - SET NO. 4 REBAR WITH PLASTIC CAP STAMPED MELDEN & HUNT
- H.C.M.R. - HIDALGO COUNTY MAP RECORDS
H.C.D.R. - HIDALGO COUNTY DEED RECORDS
H.C.O.R. - HIDALGO COUNTY OFFICIAL RECORDS
S.W. COR. - SOUTHWEST CORNER
P.O.B. - POINT OF BEGINNING
P.O.C. - POINT OF COMMENCING
INSTR. NO. - INSTRUMENT NUMBER
DOC. NO. - DOCUMENT NUMBER
G.W.D.W.V.L. - GENERAL WARRANTY DEED WITH VENDOR'S LIEN
S.W.D.W.V.L. - SPECIAL WARRANTY DEED WITH VENDOR'S LIEN
R.O.W.D. - RIGHT OF WAY DEDICATION DEED
R.O.W.S.W.D. - RIGHT OF WAY SPECIAL WARRANTY DEED
U.E. - UTILITY EASEMENT
VOL. - VOLUME
PG. - PAGE
N.T.S. - NOT TO SCALE
CL - CENTER LINE



- ### GENERAL NOTES:
1. THE SITE LIES IN ZONE "B". ZONE "B" IS DEFINED AS " AREAS BETWEEN LIMITS OF THE 100-YEAR FLOOD AND 500-YEAR FLOOD; OR CERTAIN AREAS SUBJECT TO 100-YEAR FLOODING WITH AVERAGE DEPTHS LESS THAN ONE (1) FOOT OR WHERE THE CONTRIBUTING DRAINAGE AREA IS LESS THAN ONE SQUARE MILE; OR AREAS PROTECTED BY LEVEES FROM THE BASE FLOOD ZONE "B" SHOWN ON COMMUNITY-PANEL NUMBER: 480334 0425 C MAP REVISED: NOVEMBER 16, 1982
 2. MINIMUM FINISH FLOOR ELEVATION SHALL BE 16" ABOVE TOP OF CURB AT CENTER OF LOT.
 3. MINIMUM SETBACKS SHALL COMPLY WITH THE CITY OF McALLEN ZONING CODE.
FRONT (E. JONQUIL AVE.): 20 FEET, OR GREATER FOR EASEMENTS OR APPROVED SITE PLAN.
REAR: IN ACCORDANCE WITH THE ZONING ORDINANCE, OR GREATER FOR EASEMENTS OR APPROVED SITE PLAN.
SIDES: IN ACCORDANCE WITH THE ZONING ORDINANCE, OR GREATER FOR EASEMENTS OR APPROVED SITE PLAN.
CORNER (N. K. CENTER): 20 FEET, OR GREATER FOR EASEMENTS OR APPROVED SITE PLAN.
GARAGE: 18 FEET EXCEPT WHERE GREATER SETBACK IS REQUIRED, GREATER SETBACK APPLIES.
 4. REQUIRED DETENTION FOR STORM SEWER RUNOFF PER THE APPROVED DRAINAGE REPORT SHALL BE 47,850 CUBIC FEET. STORM WATER RUNOFF GENERATED FROM DEVELOPMENT SHALL BE DETAINED ON-SITE VIA A DETENTION POND WITH A CAPACITY OF 134,638 CUBIC FEET. WATER WILL THEN DISCHARGE THROUGH AN 24" BLEEDER LINE INTO AN EXISTING CITY OF McALLEN STORM SEWER NETWORK LOCATED ON THE WEST SIDE OF THE PROPERTY ALONG N. K. CENTER STREET.
 5. CITY OF McALLEN BENCHMARK: "MC 68" FROM THE CITY OF McALLEN G.P.S. REFERENCE MARKS LIST PREPARED BY GLICK, LINN ON OCTOBER 08, 1999, BEING LOCATED ON NORTHEAST CORNER OF THE INTERSECTION OF JACKSON ROAD & EL DORA ROAD, 30" ALUM. PIPE WITH A 3" BRASS MONUMENT CAP ON TOP AT ELEVATION = 111.23, NORTHING: 16608729 2851, EASTING: 1082210.81419 (NAVD83)
 6. NO STRUCTURES PERMITTED TO BE BUILT OVER EASEMENTS.
 7. 4 FT. WIDE MINIMUM SIDEWALK REQUIRED ON BOTH SIDES OF E. JONQUIL AVE. AND N "K" CENTER STREET.
 8. 25 FT. x 25 FT. SIGHT OBSTRUCTION EASEMENT REQUIRED AT ALL STREET INTERSECTIONS.
 9. 6 FT. OPAQUE BUFFER REQUIRED FROM ADJACENT/BETWEEN MULTI-FAMILY RESIDENTIAL AND COMMERCIAL, OR INDUSTRIAL ZONING USES.
 10. AN 8 FT. MASONRY WALL IS REQUIRED BETWEEN SINGLE FAMILY RESIDENTIAL AND COMMERCIAL, INDUSTRIAL, OR MULTI-FAMILY RESIDENTIAL ZONING USES.
 11. SET NO. 4 REBARS WITH PLASTIC CAP STAMPED MELDEN AND HUNT ON ALL LOT CORNERS.
 12. COMMON AREAS, PRIVATE SERVICE DRIVES MUST BE MAINTAINED BY THE LOT OWNERS AND NOT THE CITY OF McALLEN.

TBPE FIRM # F-1435

MELDEN & HUNT INC.

CONSULTANTS • ENGINEERS • SURVEYORS

115 W. McINTYRE
EDINBURG, TX 78541
PH: (956) 381-0981
FAX: (956) 351-1539
ESTABLISHED 1947

227 N. F.M. 3167
RIO GRANDE CITY, TX 78852
PH: (956) 487-5256
FAX: (956) 488-6591
www.meldenandhunt.com

DRAWN BY: CESAR	DATE: 04-10-19
SURVEYED, CHECKED	DATE
FINAL CHECK	DATE

1b

BOARD ACTION REQUEST
ASSET MANAGEMENT DIVISION
JULY 28, 2022

Presentation, discussion, and possible action regarding a material amendment to the Housing Tax Credit Application and Land Use Restriction Agreement for Uvalde Ranch Apartments (HTC #04439)

RECOMMENDED ACTION

WHEREAS, Uvalde Ranch Apartments (the Development) received an award of 4% Housing Tax Credits (HTCs) in 2004 for the construction of 244 units of multifamily housing in Houston, Harris County;

WHEREAS, to qualify to refinance using a new HUD loan with more favorable terms, Uvalde Ranch, Ltd. (Development Owner or Owner) is requesting approval to extend the term of the Land Use Restriction Agreement (LURA) until the end of 2037 and to decrease the Development site acreage from 17.947 to 15.07 acres, a reduction of 2.877 acres, by excluding land that is currently in the floodplain, which results in a 19.09% change in residential density from 13.60 to 16.19 units per acre;

WHEREAS, Board approval is required for a modification of the residential density of at least 5% as directed in Tex. Gov't Code §2306.6712(d)(6) and 10 TAC §10.405(a)(4)(F), and the Owner has complied with the amendment requirements therein; and

WHEREAS, the requested changes do not materially alter the Development in a negative manner, were not reasonably foreseeable or preventable by the Owner at the time of Application and would not have adversely affected the selection of the Application;

NOW, therefore, it is hereby

RESOLVED, that the requested material amendments to the Application and LURA for Uvalde Ranch Apartments are approved as presented at this meeting, and the Executive Director and his designees are each authorized, directed, and empowered to take all necessary action to effectuate the Board's determination.

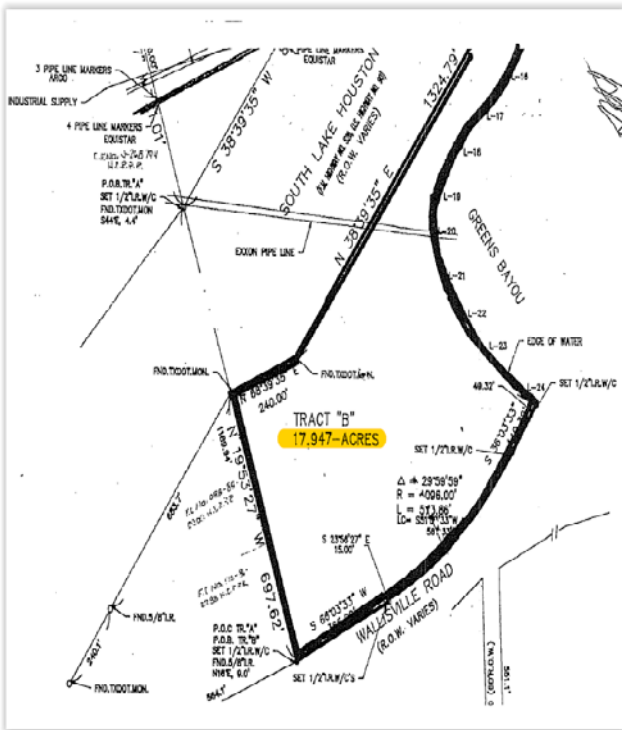
BACKGROUND

Uvalde Ranch Apartments received an award of 4% Housing Tax Credits in 2004 for the new construction of 244 multifamily units in Houston, Harris County. In a letter dated May 26, 2022, Tamea A. Dula, the authorized representative for the Owner, requested approval for a material amendment to the Application. The amendment is for a 19.09% increase in the residential density from 13.60 to 16.19 units per acre, which requires approval by the Board under Tex. Gov't Code §2306.6712(d)(6) and 10 TAC §10.405(a)(4)(F). The change is a result of a decrease in the Development site acreage from 17.947 to 15.07 acres, a reduction of 2.877 acres. It should be noted that the legal description in the LURA recorded December 22, 2005, and the survey dated January 13, 2003, identified the site acreage as 17.947 acres. However, based on a survey dated May 25, 2022, the site acreage is now identified as 17.75 acres. The HTC application had references to both 17.75 acres and 17.947 acres. The reason for the amendment request is that the Owner is seeking to refinance the debt with a HUD-insured loan. In order to qualify for the loan, the Owner needs to eliminate 2.680 acres located in the 100-year floodway, which will reduce the Development site to 15.07 acres as reflected below.

Material Alterations as defined in Texas Gov't Code §2306.6712(d)(6) and 10 TAC §10.405(a)(4)(F)

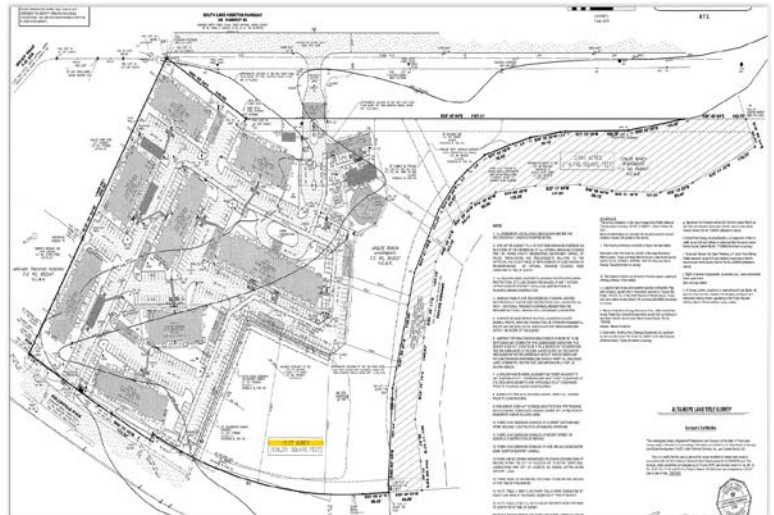
Application

Density: 13.60 units per acre (244 units constructed on 17.947 acres)



Amendment

Density: 16.19 units per acre (244 units on 15.07 acres)



The Owner's representative indicated that the acres being released from the LURA will continue to be used as green space, but that acreage cannot be included within the Development because HUD will not lend on land that is in the floodway. The HUD-insured 223(f) loan is needed to refinance the Development's existing debt and make necessary repairs to the Development. However, it should be noted that the HUD Commitment identifies needed repairs totaling to \$65,842, and a cash out of over \$7.9 million.

Additionally, the Owner requests approval for a non-material amendment to the LURA to extend the term through December 31, 2037, for a total of 32 years. It should be noted that the amendment request letter states that the term of the LURA ends on December 31, 2034, but the Department's records indicate that the LURA runs until December 31, 2035. In order to qualify for a reduced Mortgage Insurance Premium (MIP), the LURA must be in effect for at least 15 years after the loan closing.

The requested amendments do not materially alter the Development in a negative manner and would not have affected the HTC award.

Staff recommends approval of the requested material amendment to the Application and LURA. Compliance fees will be required to be paid to the Department throughout the extended term of the LURA.

COATS | ROSE

A PROFESSIONAL CORPORATION

TAMEA A. DULA
OF COUNSEL

tdula@coatsrose.com
Direct Dial
(713) 653-7322
Direct Fax
(713) 890-3918

May 26, 2022

By Email to rosalio.banuelos@tdhca.state.tx.us
Texas Department of Housing and Community Affairs
Asset Management Division
221 East 11th Street
Austin, Texas 78701-2410
Attention: Rosalio Banuelos, Director

By Email to stephanie.givens@tdhca.state.tx.us
Texas Department of Housing and Community Affairs
Asset Management Division
221 East 11th Street
Austin, Texas 78701-2410
Attention: Stephanie Givens, Asset Manager

RE: #04439 - Uvalde Ranch Apartments, Houston, Harris County, Texas;
Request for Non-Material LURA Amendment.

Dear Rosalio and Stephanie:

Uvalde Ranch Apartments (the "Project") was developed with a Tax Exempt Bond financing and 4% Housing Tax Credits in 2004. The Project is located on 17.75 acres owned by the Houston Housing Authority and ground leased to Uvalde Ranch, Ltd. (the "Owner"). The Project abuts Greens Bayou and a portion of the site lies in the 100-year flood plain and the 100-year floodway. Out of the 17.75 acres, 2.680 acres are located in the 100-year Regulatory Floodway (the "Floodway"). The existence of the flood plain and the Floodway did not impede development on the site, except that a small area in the parking lot had to be raised out of the flood plain. The flood plain acreage and the Floodway have been utilized as unimproved green space for the Project.

The changes requested and why they are necessary:

A. Reduction in Acreage. Now that the 15-year Compliance Period has expired, the Owner wishes to refinance the Project using \$20,500,000 in FHA-insured 223(f) financing to be

9 Greenway Plaza, Suite 1000 Houston, Texas 77046
Phone: 713-651-0111 Fax: 713-651-0220
Web: www.coatsrose.com

Rosalio Banuelos, Director
Stephanie Givens, Asset Manager
Asset Management, TDHCA
May 26, 2022
Page 2

provided by AGM Financial Services, Inc. A Firm Commitment for such insured financing was issued by HUD on May 6, 2022. The existence of the 2.680 acres of Floodway would make the Project ineligible for this financing, so the Firm Commitment was issued for the 15.07 acres that does not lie within the Floodway. In order to qualify for the preferred 223(f) financing, the Owner is requesting a LURA Amendment that would eliminate the 2.680 acres of Floodway from the Project. The ground lease would be amended to delete the Floodway acreage, which would remain owned by the Houston Housing Authority without being technically included in the Project.

B. Extension of Affordability Period. For HUD-insured FHA loans, in order to be considered 'broadly affordable' and therefore eligible for a reduced mortgage insurance premium (MIP), a property must have at least 90% of its units covered by an affordability use restriction under the LIHTC program with a recorded regulatory agreement in effect for at least 15 years after closing and monitored by a public entity such as TDHCA. Unfortunately, the existing LURA's Extended Use Period will end December 31, 2034, two years and approximately 6 months before the 15-year anniversary of the closing of the Loan (expected to occur in June or July 2022). Without the requested amendment to extend to existing LURA's term through the end of 2037, the Project will not meet HUD's criteria for the broadly affordable discounted MIP and the Loan will not be financially feasible.

The good cause for the changes:

If the TDHCA permits a LURA Amendment eliminating the Floodway acreage from the Project site and extending the Extended Use Period by thirty-six months, then the Project will qualify for HUD's broadly affordable discounted MIP and the Owner could obtain the Loan in order to refinance the Project's existing debt and make necessary repairs to the Project for its continued maintenance and operation which may otherwise be deferred. Furthermore, a longer affordability period is beneficial for current and potential future tenants of the Project.

Financial information related to the Amendment's financial impact on the Development:

Approval of the requested LURA Amendment will permit the Owner to refinance the Project's existing debt using the Loan with the broadly affordable reduced MIP and take advantage of an extraordinarily low interest rate of 2.75%. The terms of the Loan are set forth in the enclosed Legal Document Request Form and commitment letter.

Why the necessity of the amendment was not reasonably foreseeable at Application:

The Project received a 4% Housing Tax Credit award in 2004. HUD did not implement a reduction in MIPs for FHA loans to properties that qualify as broadly affordable until April of 2016. Because the financing incentive and the eligibility criteria for such incentive did not exist

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when the Owner submitted its Application to the TDHCA, the necessity of the amendment requested hereby was not reasonably foreseeable at the time of Application.

In summary, the Owner wishes for the Project to meet the requirements for 223(f) financing, including HUD's broadly affordable criteria. This will permit refinancing at a lower interest rate and the ability to make Project repairs. We respectfully ask that the TDHCA promote this goal by entering into a LURA Amendment to exclude the Floodway from the legal description and to permit an extended affordability period. In addition, please review and approve the enclosed HUD Amendment to Restrictive Covenants required of TDHCA and development owners with respect to any HUD-insured financing.

We believe this request can be processed as a Non-Material Amendment under Section 10.405(a)(3) of the 2022 Asset Management Rules (the "Rules"). With regard to the requested reduction in acreage, the 2022 Asset Management Rules (the "Rules") no longer provide that exceeding maximum changes in acreage or density mandates a Board review, and some such changes are now notification items under Section 10.405(a)(2) of the Rules. In this case, the reduction in site acreage is 15.1% and the increase in density is 2.44 units per acre or a 17.75% increase, which exceed the notification standards. Due to the site design, however, the Floodway area contains no buildings, improvements or other project amenities, so elimination of this space from the Project in order to qualify for the preferred 223(f) financing will have no net adverse effect upon the residents. Additionally, extending the affordability period until 2037 is beneficial to the tenants and does not adversely affect third party rights. The Owner acknowledges that it will be responsible for continued compliance monitoring fees during the extended LURA term being requested. We suggest that this makes the requested amendment a Non-Material LURA Amendment under Section 10.405(a)(3)(A) of the Rules that can be approved by the Executive Director, and which would not require payment of an Amendment Fee pursuant to Section 11.901(10) of the 2022 Qualified Allocation Plan. If your interpretation is different, please let us know.

Thank you for your consideration of this request. Enclosed please find the following materials that we think will be needed for your review:

1. Legal Document Request Form.
2. Survey of Project showing 2.680 acres within the 100-year Floodway and remaining 15.07 acres that would constitute the Project site if the LURA Amendment is granted.
3. Section 9.6.5 of the HUD MAP Guide (March 2021) regarding Flood Plain Management as provided in 24 CFR 50.4(b)(2), with pertinent provisions highlighted.
4. FEMA Letters of Map Amendment ("LOMAs") showing determinations made regarding the Uvalde Ranch site in December 2009.

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5. Revalidated Letters of Map Change for the City of Houston, TX dated November 16, 2019, showing on page 9 of the enclosure that the Uvalde Ranch LOMAs have been revalidated (highlighted).
6. Firm Commitment dated May 6, 2022 from HUD.

If you require any additional information in order to process this request, please do not hesitate to contact me.

Sincerely,

A handwritten signature in black ink that reads "Tamea A. Dula". The signature is written in a cursive style with a long horizontal stroke at the beginning.

Tamea A. Dula

Enclosures

cc: Mike Rogers
Barry Kahn
Kevin Marshall

LEGEND

GRATE INLET	FIRE HYDRANT	POWER POLE	LIGHT STANDARD	IRON FENCE	CONCRETE	CONTROLLING MONUMENT (9-28-21)	AE = AERIAL EASEMENT	MH = MANHOLE	SM MH = SANITARY SEWER MANHOLE	CPED = CABLE PEDESTAL	XFRM = TRANSFORMER	GI = GRATE INLET
B-INLET	WATER VALVE	GUY ANCHOR	GAS VALVE	WOOD FENCE	COVERED		BL = BUILDING LINE	OH = OVERHEAD UTILITIES	STM MH = STORM SEWER MANHOLE	CM = GAS METER	CB = COVERED BRICK	
BB-INLET	WATER METER	SANITARY MANHOLE	TELEPHONE PEDESTAL	STEEL FENCE			FNC = FENCE	P.V.C. = POLYVINYL CHLORIDE PIPE	UE = UTILITY EASEMENT	EM = ELECTRIC METER	SET = SET 5/8" I.R. W/ "TRI-TECH" CAP	
STORM MANHOLE	GAS METER	SANITARY MANHOLE	TELEPHONE PEDESTAL	CHAIN LINK FENCE			FND = FOUND	PL = BOUNDARY LINE	WLE = WATER LINE EASEMENT	WM = WATER METER	PVT. ST. = PAVED PRIVATE STREET	
TREE (SIZE SHOWN IF KNOWN)	CLEAN OUT	ELECTRIC MANHOLE	MAIL BOX	BARBED WIRE FENCE			LP = IRON PIPE	PP = POWER POLE	FWC = FIRE WATER CONTROL VALVE	LP = LIGHT POLE	F.H.E. = FIRE HYDRANT EASEMENT	
	SIGN	ELECTRIC MANHOLE	BOLLARD	POWER LINE			IR = IRON ROD	R.C.P. = REINFORCED CONCRETE PIPE	CC = COVERED CONCRETE	COL = COLUMN	W.L.E. = WATER LINE EASEMENT	

PARKING TABULATION

TOTAL REGULAR SPACES PROVIDED:	338
TOTAL COMPACT SPACES PROVIDED:	22
TOTAL GARAGE SPACES PROVIDED:	59
TOTAL COMBINED SPACES PROVIDED:	419

FLOOD INFORMATION

F.I.R.M. NO. 48201C PANEL: 0718M
 REVISED DATE 01/08/2017 ZONE: "X", "AE" & "LOMA CASE # 10-06-0077A" "X-SHADED"

FLOOD INFORMATION PROVIDED HEREON IS BASED ON SCALING THE LOCATION OF THE SUBJECT TRACT ON THE FLOOD INSURANCE RATE MAPS. THE INFORMATION SHOULD BE USED TO DETERMINE FLOOD INSURANCE RATES ONLY AND IS NOT INTENDED TO IDENTIFY SPECIFIC FLOODING CONDITIONS. WE ARE NOT RESPONSIBLE FOR THE F.I.R.M.'S ACCURACY.

Line Table

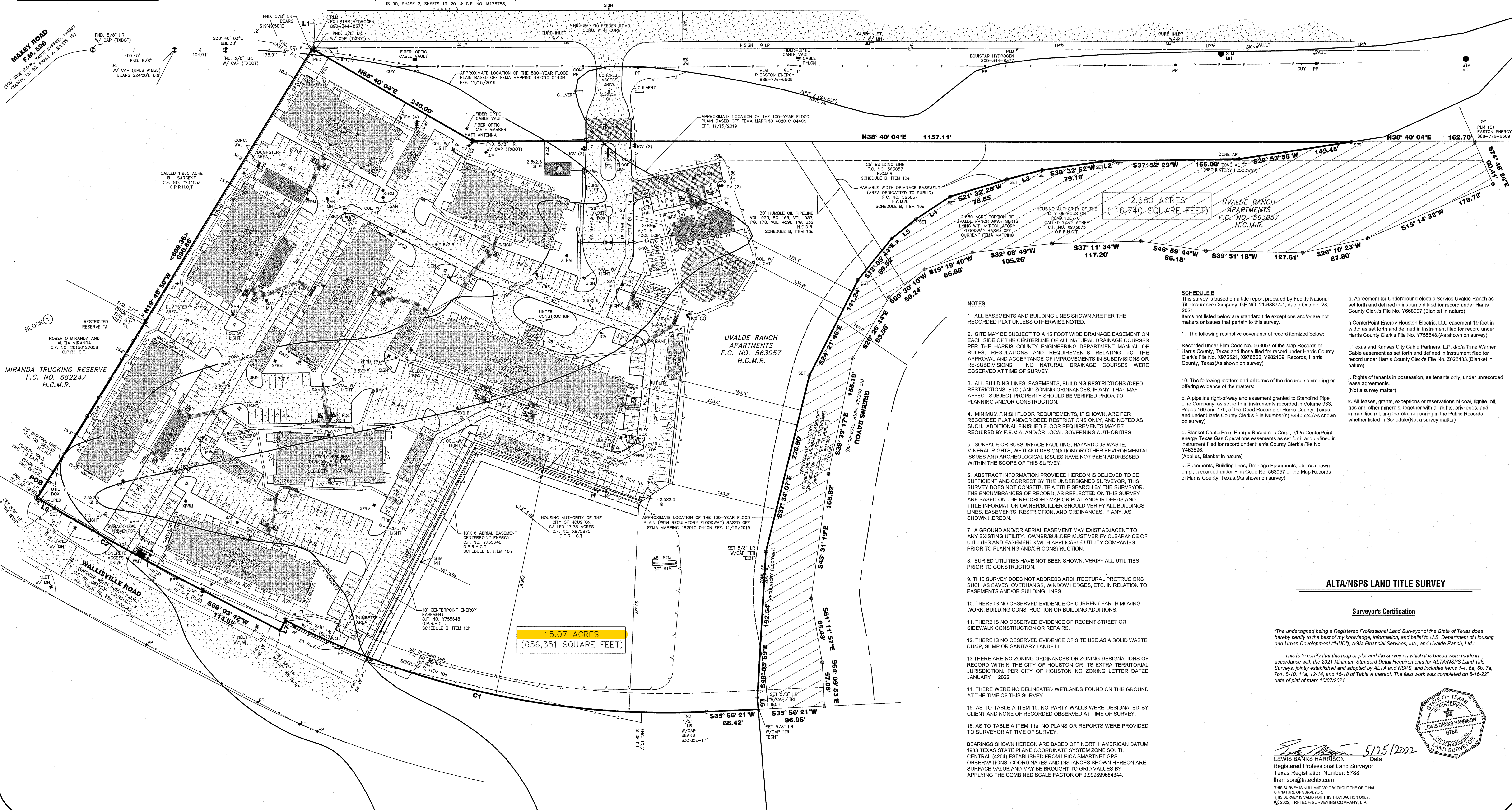
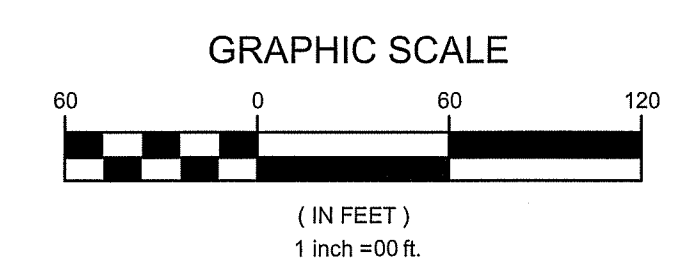
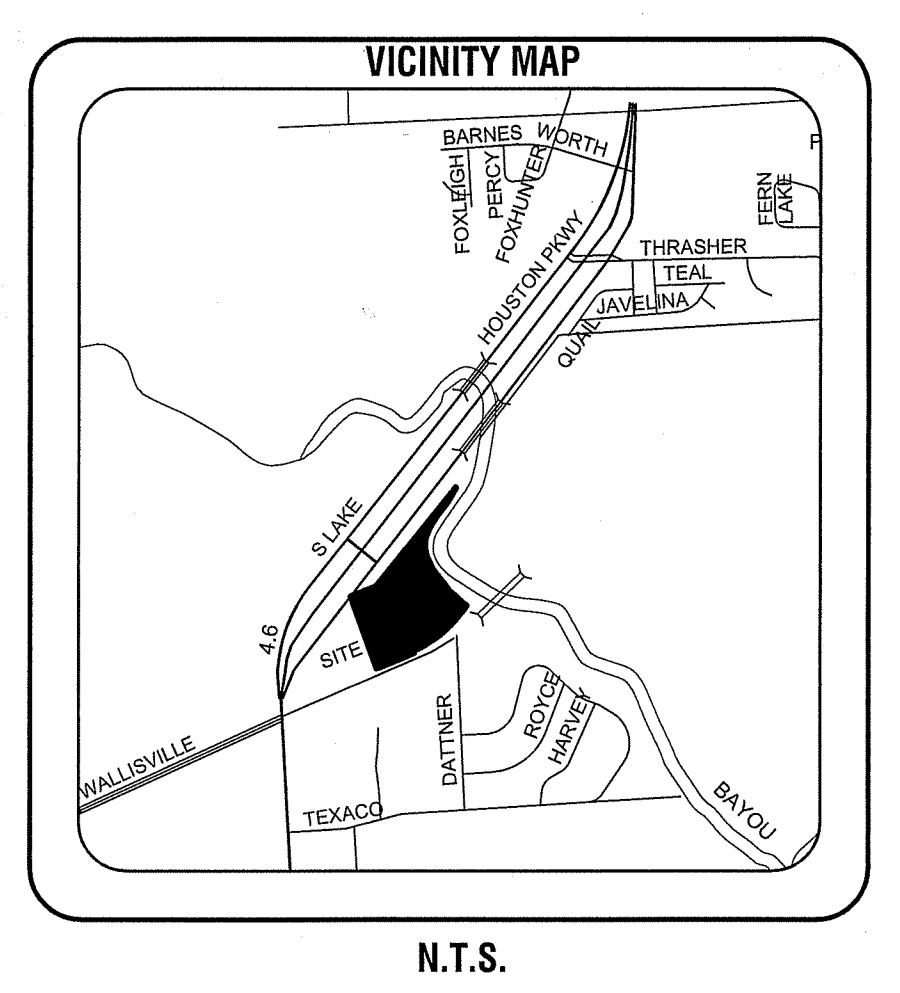
Line #	Direction	Length
L1	N38° 40' 03"E	3.68
L2	S34° 52' 29"W	14.53
L3	S23° 57' 44"W	47.82
L4	S05° 31' 39"W	53.42
L5	S00° 00' 03"W	41.27
L6	S55° 51' 23"E	15.69
L7	S24° 03' 44"E	15.00
L8	S69° 00' 27"W	27.07

Curve Table

Curve #	Length	Radius	Delta	CHD. BEARING	CHD. DIST.
C1	573.92	1096.11	29°59'59"	S50°56'21"W	567.36
C2	222.75	4332.41	2°56'44"	S67°32'05"W	222.72

COMMON ABBREVIATIONS

AE = AERIAL EASEMENT
 BL = BUILDING LINE
 FNC = FENCE
 LP = IRON PIPE
 IR = IRON ROD
 M.H. = MANHOLE
 O.H. = OVERHEAD UTILITIES
 P.V.C. = POLYVINYL CHLORIDE PIPE
 PL = BOUNDARY LINE
 PP = POWER POLE
 R.C.P. = REINFORCED CONCRETE PIPE
 SAN MH = SANITARY SEWER MANHOLE
 STM MH = STORM SEWER MANHOLE
 UE = UTILITY EASEMENT
 WLE = WATER LINE EASEMENT
 FWC = FIRE WATER CONTROL VALVE
 CC = COVERED CONCRETE
 CPED = CABLE PEDESTAL
 CM = GAS METER
 EM = ELECTRIC METER
 WM = WATER METER
 LP = LIGHT POLE
 COL = COLUMN
 XFRM = TRANSFORMER
 CB = COVERED BRICK
 SET = SET 5/8" I.R. W/ "TRI-TECH" CAP
 PVT. ST. = PAVED PRIVATE STREET
 F.H.E. = FIRE HYDRANT EASEMENT
 W.L.E. = WATER LINE EASEMENT



- NOTES**
- ALL EASEMENTS AND BUILDING LINES SHOWN ARE PER THE RECORDED PLAT UNLESS OTHERWISE NOTED.
 - SITE MAY BE SUBJECT TO A 15 FOOT WIDE DRAINAGE EASEMENT ON EACH SIDE OF THE CENTERLINE OF ALL NATURAL DRAINAGE COURSES PER THE HARRIS COUNTY ENGINEERING DEPARTMENT MANUAL OF RULES, REGULATIONS AND REQUIREMENTS RELATING TO THE APPROVAL AND ACCEPTANCE OF IMPROVEMENTS IN SUBDIVISIONS OR RE-SUBDIVISIONS. NO NATURAL DRAINAGE COURSES WERE OBSERVED AT TIME OF SURVEY.
 - ALL BUILDING LINES, EASEMENTS, BUILDING RESTRICTIONS (DEED RESTRICTIONS, ETC.) AND ZONING ORDINANCES, IF ANY, THAT MAY AFFECT SUBJECT PROPERTY SHOULD BE VERIFIED PRIOR TO PLANNING AND/OR CONSTRUCTION.
 - MINIMUM FINISH FLOOR REQUIREMENTS, IF SHOWN, ARE PER RECORDED PLAT AND/OR DEED RESTRICTIONS ONLY, AND NOTED AS SUCH. ADDITIONAL FINISHED FLOOR REQUIREMENTS MAY BE REQUIRED BY F.E.M.A. AND/OR LOCAL GOVERNING AUTHORITIES.
 - SURFACE OR SUBSURFACE FAULTING, HAZARDOUS WASTE, MINERAL RIGHTS, WETLAND DESIGNATION OR OTHER ENVIRONMENTAL ISSUES AND ARCHEOLOGICAL ISSUES HAVE NOT BEEN ADDRESSED WITHIN THE SCOPE OF THIS SURVEY.
 - ABSTRACT INFORMATION PROVIDED HEREON IS BELIEVED TO BE SUFFICIENT AND CORRECT BY THE UNDERSIGNED SURVEYOR. THIS SURVEY DOES NOT CONSTITUTE A TITLE SEARCH BY THE SURVEYOR. THE ENCUMBRANCES OF RECORD, AS REFLECTED ON THIS SURVEY ARE BASED ON THE RECORDED MAP OR PLAT AND/OR DEEDS AND TITLE INFORMATION OWNER/BUILDER SHOULD VERIFY ALL BUILDING LINES, EASEMENTS, RESTRICTIONS, AND ORDINANCES, IF ANY, AS SHOWN HEREON.
 - A GROUND AND/OR AERIAL EASEMENT MAY EXIST ADJACENT TO ANY EXISTING UTILITY. OWNER/BUILDER MUST VERIFY CLEARANCE OF UTILITIES AND EASEMENTS WITH APPLICABLE UTILITY COMPANIES PRIOR TO PLANNING AND/OR CONSTRUCTION.
 - BURIED UTILITIES HAVE NOT BEEN SHOWN. VERIFY ALL UTILITIES PRIOR TO CONSTRUCTION.
 - THIS SURVEY DOES NOT ADDRESS ARCHITECTURAL PROTRUSIONS SUCH AS EAVES, OVERHANGS, WINDOW LEDGES, ETC. IN RELATION TO EASEMENTS AND/OR BUILDING LINES.
 - THERE IS NO OBSERVED EVIDENCE OF CURRENT EARTH MOVING WORK, BUILDING CONSTRUCTION OR BUILDING ADJUSTMENTS.
 - THERE IS NO OBSERVED EVIDENCE OF RECENT STREET OR SIDEWALK CONSTRUCTION OR REPAIRS.
 - THERE IS NO OBSERVED EVIDENCE OF SITE USE AS A SOLID WASTE DUMP, SUMP OR SANITARY LANDFILL.
 - THERE WERE NO DELINEATED WETLANDS FOUND ON THE GROUND AT THE TIME OF THIS SURVEY.
 - AS TO TABLE A ITEM 10, NO PARTY WALLS WERE DESIGNATED BY CLIENT AND NONE OF RECORDED OBSERVED AT TIME OF SURVEY.
 - AS TO TABLE A ITEM 11a, NO PLANS OR REPORTS WERE PROVIDED TO SURVEYOR AT TIME OF SURVEY.
- BEARINGS SHOWN HEREON ARE BASED OFF NORTH AMERICAN DATUM 1983 TEXAS STATE PLANE COORDINATE SYSTEM ZONE SOUTH CENTRAL (4204) ESTABLISHED FROM LEICA SMARTNET GPS OBSERVATIONS. COORDINATES AND DISTANCES SHOWN HEREON ARE SURFACE VALUE AND MAY BE BROUGHT TO GRID VALUES BY APPLYING THE COMBINED SCALE FACTOR OF 0.998989684344.

SCHEDULE B

This survey is based on a title report prepared by Fidelity National Title Insurance Company, GF No. 21-68877-1, dated October 28, 2021. Items not listed below are standard title exceptions and/or are not matters or issues that pertain to this survey.

- The following restrictive covenants of record itemized below:
 - A pipeline right-of-way and easement granted to Stanoilind Pipe Line Company, as set forth in instruments recorded in Volume 533, Pages 169 and 170, of the Deed Records of Harris County, Texas, and under Harris County Clerk's File Number(s) B440524 (As shown on survey)
 - Blanket CenterPoint Energy Resources Corp., db/a CenterPoint energy Texas Gas Operations easements as set forth and defined in instrument filed for record under Harris County Clerk's File No. Y463896 (Applies, Blanket in nature)
 - Easements, Building Lines, Drainage Easements, etc. as shown on plat recorded under Film Code No. 563057 of the Map Records of Harris County, Texas. (As shown on survey)

g. Agreement for Underground electric Service Uvalde Ranch as set forth and defined in instrument filed for record under Harris County Clerk's File No. Y668997 (Blanket in nature)

h. CenterPoint Energy Houston Electric, LLC easement 10 feet in width as set forth and defined in instrument filed for record under Harris County Clerk's File No. Y755648 (As shown on survey)

i. Texas and Kansas City Cable Partners, L.P. db/a Time Warner Cable easement as set forth and defined in instrument filed for record under Harris County Clerk's File No. Z026433 (Blanket in nature)

j. Rights of tenants in possession, as tenants only, under unrecorded lease agreements. (Not a survey matter)

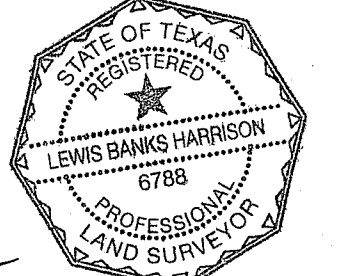
k. All leases, grants, exceptions or reservations of coal, lignite, oil, gas and other minerals, together with all rights, privileges, and immunities relating thereto, appearing in the Public Records whether listed in Schedule (Not a survey matter)

ALTA/NSPS LAND TITLE SURVEY

Surveyor's Certification

"The undersigned being a Registered Professional Land Surveyor of the State of Texas does hereby certify to the best of my knowledge, information, and belief to U.S. Department of Housing and Urban Development (HUD), AGM Financial Services, Inc., and Uvalde Ranch, Ltd.:

This is to certify that this map or plat and the survey on which it is based were made in accordance with the 2021 Minimum Standard Detail Requirements for ALTA/NSPS Land Title Surveys, jointly established and adopted by ALTA and NSPS, and includes items 1-4, 6a, 6b, 7a, 7b1, 8-10, 11a, 12-14, and 16-18 of Table A thereof. The field work was completed on 5-16-22" date of plat of map: 10/07/2021



Lewis Banks Harrison 5/25/2022
 Lewis Banks Harrison Date
 Registered Professional Land Surveyor
 Texas Registration Number: 6788
 lharrison@tritech.com
 THIS SURVEY IS NULL AND VOID WITHOUT THE ORIGINAL SIGNATURE OF SURVEYOR.
 THIS SURVEY IS VALID FOR THIS TRANSACTION ONLY.
 © 2022, TRI-TECH SURVEYING COMPANY, L.P.

BOUNDARY SURVEY

UVALDE RANCH APARTMENTS FHA #114-11569
 5300 SOUTH LAKE HOUSTON PARKWAY
 HOUSTON, HARRIS COUNTY, TEXAS 77013

REVISIONS

NO.	DATE	REVISION	BY
1	5/25/22	ADDF ELEV	LH
2	5/25/22	UPDATERELEASE	LH

REVISIONS %

TRI-TECH SURVEYING COMPANY, L.P.
 10401 WESTCOPPLE DR.
 HOUSTON, TEXAS 77042
 PH: 713-667-0800
 www.tritech.com

TBPLS #10115900

- b. Only HUD can consult with the Tribes.
- c. The tribal consultation requirement applies to properties *off* tribal lands as well as on tribal lands. Properties with religious and cultural significance to native people may include ancestral archaeological sites and natural areas where traditional practices or ceremonies have been carried out as well as more familiar historic properties. Some traditionally used places have very strong religious associations, and it may be difficult or even inappropriate for native people to talk about their significance. If this situation arises, hiring a qualified professional with experience in tribal consultation may be required. The cost of such a professional shall be paid by the Borrower.

J. The Section 106 review must be completed before HUD approves and/or commits assistance to a project. Additional guidance on the Section 106 review process is available at <https://www.hudexchange.info/programs/environmental-review/historic-preservation> and <https://www.achp.gov/protecting-historic-properties>.

K. For projects receiving federal and/or state historic tax credits (HTC) the HTC process does not replace HUD's obligations under Section 106. Projects with HTC must still consult with the SHPO, Tribes, other consulting Tribes and the public as appropriate. The materials used in the HTC application (Parts 1 and 2) should be useful in the Section 106 consultation. More information about HTC available at <https://www.hudexchange.info/programs/environmental-review/historic-preservation/tax-credit/>.

L. The cost of historic preservation mitigation may be included in the proposed mortgage loan.

9.6.5 Floodplain Management (24 CFR 50.4(b)(2))

A. Applications for Firm Commitment are subject to regulations regarding floodplain management found at 24 CFR Part 55 which implements Executive Order 11988 (Floodplain Management). Lenders must provide the effective FEMA Flood Insurance Rate Map (FIRM) with the subject site(s) clearly marked to determine whether the project is in or near a floodplain. In most areas, FIRMs are available online through the FEMA Map Service Center at <https://msc.fema.gov>.

B. In addition, Lenders must provide any FEMA-supplied preliminary or pending floodplain maps or studies or Advisory Base Flood Elevations (ABFE) for the site, as HUD must use the latest of these sources unless the ABFE or preliminary FIRM indicates a lower Base Flood Elevation (BFE) than the current FIRM and Flood Insurance Study (FIS). Preliminary FIRMs can be found through the FEMA Map Service Center by clicking "Show ALL Products", or at a central Flood Map Changes Viewer (<https://fema.maps.arcgis.com/apps/webappviewer/index.html?id=e7a7dc3ebd7f4ad39bb8e485bb64ce44>). FEMA issues Advisory Base Flood Elevations after major flood disasters and disseminates them by region.

C. FEMA maps indicate floodplains as follows:

1. **100-year floodplains** (a.k.a. the Special Flood Hazard Area (SFHA) and the 1% annual chance floodplain) are designated as Zone A1-30, **AE**, A, AH, AO, AR, or A99.
2. 500-year floodplains (a.k.a. the moderate flood hazard area and the 0.2% annual chance floodplain) are designated as Zone B or a shaded Zone X.

3. Floodways are the portion of the floodplain which is effective in carrying the flow of flood waters and will generally be the most dangerous part of the floodplain during riverine flooding. Floodways are designated as Zone AE hatched.
4. Coastal high hazard areas are areas subject to high velocity waters and wave action, and they are designated as Zone V1–30, VE, or V.
5. Limit of Moderate Wave Action (LiMWA) are coastal areas in updated FEMA maps that are outside of the coastal high hazard area, but which are expected to receive between 1.5 and 3 foot breaking waves during a 1% annual chance flood. LiMWAs are designated with an informational line.
6. Areas where FEMA has not completed a detailed study sufficient to identify the flood risk are designated as Zone D. As these areas have the potential for unidentified flood hazards, HUD will rely on best available information to assess risk.

D. If any part of the site or integral offsite development (i.e., ingress, egress and/or parking) is located within the 100-year floodplain or within a 500-year floodplain for critical actions⁴⁸, according to the best available data, the project must comply with HUD's floodplain management regulations at 24 CFR Part 55.

E. An application for mortgage insurance shall not be approved for a property located in: (a) a floodway; (b) a coastal high hazard area; or (c) a FEMA identified special flood hazard area in which the community has been suspended from or does not participate in the National Flood Insurance Program. If a stream coursing through a proposed site is designated as being in the 100-year floodplain according to FEMA's best available data, but there is no designated floodway area, development will be prohibited in the channel of the stream.

F. 24 CFR 55.12(c) lists categories of proposed actions for which the floodplain management requirements in 24 CFR 55 are not applicable. These exceptions include:

1. An incidental exception, if only an incidental portion of the project is in the 100-year floodplain, floodway, or coastal high hazard area (or for critical actions, the 500-year floodplain), and certain conditions are met (see 24 CFR 55.12(c)(7)).
 - a. HUD does not consider improvements⁴⁹ to be incidental, meaning that this exception does not apply if there are any buildings or improvements in any portion of the floodplain.
 - b. The incidental exception does not apply to sites that plan to bring in fill for a Letter of Map Revision because the fill modifies the floodplain.
 - c. For a visual representation of the incidental floodplain exception, see <https://www.hudexchange.info/resources/documents/Incidental-Floodplain-Exception-Illustration.pdf>.

⁴⁸ Critical Actions are defined at 24 CFR 55.2(b)(3). Critical actions include roadways providing sole egress from flood-prone areas, and projects likely to contain occupants who may not be sufficiently mobile to avoid loss of life or injury during flood or storm events, e.g., persons who reside in hospitals, nursing homes, convalescent homes, intermediate care facilities, board and care facilities, and retirement service centers. Housing for independent living for the elderly is not considered a critical action.

⁴⁹ HUD defines improvements as buildings, roads, sidewalks, parking lots, permanent recreational areas with impervious surfaces, or other man-made structures or impervious surfaces other than landscaping.

- d. When invoking the incidental portion exception at 24 CFR 55.12(c)(7), a protective covenant or comparable restriction must be placed on the property's continued use to preserve the floodplain. This covenant must protect the entire portion of the site in the floodplain. The covenant or comparable restriction must run with the land to provide for permanent preservation of the floodplain. A restriction that is contained in a document that would expire at the conclusion of the HUD-insured mortgage does not meet the requirement for permanent preservation of the floodplain.
 2. Refinances of currently HUD-insured mortgages are exempt from the 24 CFR Part 55 requirements when the refinance will not result in any physical impacts or changes except for maintenance under 24 CFR 50.19(b)(21) (CENST). However, the flood insurance requirements specified at 24 CFR 50.4(b)(1) and [Section 9.6.6](#) are still applicable.
 3. The requirement for a 5- or 8-step analysis does not apply if the project is not on a wetland and has a Conditional Letter of Map Amendment (CLOMA) or of Map Revision (CLOMR) removing the entire site from the applicable floodplain prior to submission of the pre-application or, in the absence of a pre-application, prior to submission of the application for Firm Commitment. If the Borrower has a CLOMA or CLOMR, HUD approval for a Firm Commitment will be conditioned on the Borrower: (1) meeting the requirements of the CLOMA or CLOMR; (2) obtaining a Final Letter of Map Amendment (LOMA) or Map Revision (LOMR) removing the entire property from the applicable floodplain prior to Final Endorsement; and, (3) maintaining flood insurance on any building during the construction period until the LOMA or LOMR is issued. If any portion of the HUD-insured property remains in the floodplain or floodway after the CLOMA/CLOMR, the project will not qualify for this exception and must proceed with a 5- or 8-step decision making process (see 24 CFR 55.12(c)(8).)
- G.** Projects that are converting from a non-residential to a residential use are considered the same as "new construction" for floodplain management.
- H.** In considering the safety of the residents, offsite floodways and other flood hazards will be evaluated in terms of separation distance, elevation differences, and the nature of the hazard in question. Unacceptable proximity to hazards may result in rejection of the application.
- I.** Due to the potential for significant wave damage in Limit of Moderate Wave Action (LiMWA) areas, HUD will not approve applications for any new construction or substantial rehabilitation project in the LiMWA. HUD strongly discourages approving currently uninsured 223(f)s or currently insured 223(f)s with repairs at Level Two or above in the LiMWA and will only do so if the work meets the current standards for coastal high hazard areas in FEMA regulations (44 CFR 60.3(e)). HUD will consider on a case by case basis approving currently insured refinance transactions that do not exceed Level One repairs (as defined in [Chapter 5](#) of this MAP guide) or currently assisted projects with minor rehabilitation.
- J.** New construction and substantial improvement, as defined at 24 CFR 55.2(b)(10), in 100-year floodplains are strongly discouraged. This flood buffer zone is extended to the 500-year floodplain for proposed rehabilitation, refinancing, or new construction for facilities housing or serving mobility-impaired individuals, a critical action. Such sites in the applicable floodplain according to the best available data will not be considered for mortgage insurance unless the following steps are taken:
1. HUD must determine if there may be extraordinary circumstances which lead to the conclusion that there are no practicable alternatives to the project site being in the floodplain. In order to make this determination, HUD must conduct an 8-step decision making process which includes publishing two

public notices and taking comments, as summarized in 24 CFR 55.20⁵⁰. Prior to issuing the first public notice, HUD will require detailed information about how the property will be altered and improvements designed. This information includes the elevation of the property, the base flood elevation, and the location of life support systems and other data that may be necessary to assess the safety of the site.

- a. The 8-step process may require as a condition of any project approval that a CLOMA or CLOMR for the buildings be issued prior to initial endorsement, a LOMA or LOMR be issued prior to Final Endorsement, and flood insurance be maintained on any building during the construction period until the issuance of the LOMA or LOMR.
- b. The 8-step process shall require that the lowest floor of new construction be elevated at or above the Base Flood Elevation of the applicable floodplain based on the best available FEMA data, plus two feet of freeboard. Substantial rehabilitation projects must elevate or mitigate following National Flood Insurance program requirements (as instituted by state and local codes).
- c. The 8-step process requires that all “critical actions” as defined in 24 CFR 55.2(b) (3) must comply with the requirements of 24 CFR 55.20(e).
- d. Instead of elevating non-residential or mixed-use structures that are not critical actions, the project may be designed and constructed such that below the flood level, the structure is non-residential and floodproofed to the level of the best available flood data plus two feet. Floodproofing requires structures to be watertight with walls substantially impermeable to the passage of water and with structural components having the capability of resisting hydrostatic loads, hydrodynamic loads, the effects of buoyancy, or higher standards required by the FEMA National Flood Insurance Program as well as state and locally adopted codes.
- e. The 8-step process shall be completed by HUD before issuance of the Firm Commitment. HUD will develop the 8-step, including the two notices, but the costs of publication will be borne by the Borrower.
- f. The 8-step process shall consider three alternatives: the action as proposed, modifications within the aggregated project site, or no action, i.e., rejection of the application.

K. For purchase or refinancing actions described in 24 CFR 55.12(a)(2) or non-substantial repair, rehabilitation, modernization or improvement actions described in 24 CFR 55.12(a)(3), an abbreviated 5-step process pursuant to 24 CFR 55.12(a) may be used by HUD to determine their acceptability. The abbreviated process eliminates the two public notices and the alternatives analysis. Detailed information about the proposed actions, and about any plans for mitigation, must be submitted with the application or preapplication. HUD will evaluate risks and mitigation measures in making its decision. HUD discourages these actions if the lowest floor and/or the life support facilities, or egress and ingress of the existing building, are below the 100-year base flood elevation. The abbreviated review process shall be completed by HUD before issuance of the Firm Commitment.

L. Where a site does not appear to be located in the floodplain on official FEMA maps, but shows evidence of flooding or has a history of flooding, HUD shall qualitatively evaluate the acceptability of the site.

⁵⁰ Additional guidance, including an example 8-step process and sample notices, can be found at <https://www.hudexchange.info/programs/environmental-review/floodplain-management/>.

Lenders will be required to provide extensive data to aid HUD in evaluating previously flooded or floodplain sites.

M. The cost of floodplain mitigation may be included in the proposed mortgage loan.

9.6.6 Flood Insurance (24 CFR 50.4(b)(1))

A. Flood insurance is property insurance that covers damages caused by flooding, ranging from the need for full replacement to repairs such as replacing flooring and walls. This type of insurance is typically not included in a standard property insurance policy. Flooding can cause a great deal of damage. Even if it does not destroy the property, it can fill the property with mud, silt, and other debris, and the moisture from the flooding may lead to rot, mold, mildew, and other problems. Many items may need to be rebuilt or replaced, forcing residents to stay in temporary facilities while their unit is made livable. Flood insurance mitigates these costs.

B. A project located in the 100-year flood zone, also known as the Special Flood Hazard Area (SFHA), has a 26% chance of flooding over the life of a 30-year mortgage. A project located in the moderate flood hazard zone (500-year floodplain) has a 6% chance of flooding over the life of a 30-year mortgage.

C. Any insurable structure that is located within a FEMA mapped SFHA is required to carry flood insurance under the National Flood Insurance Program for the term of the loan⁵¹. General flood insurance requirements as well as required insurance coverage amounts are set forth in MAP Guide [Chapter 3](#).

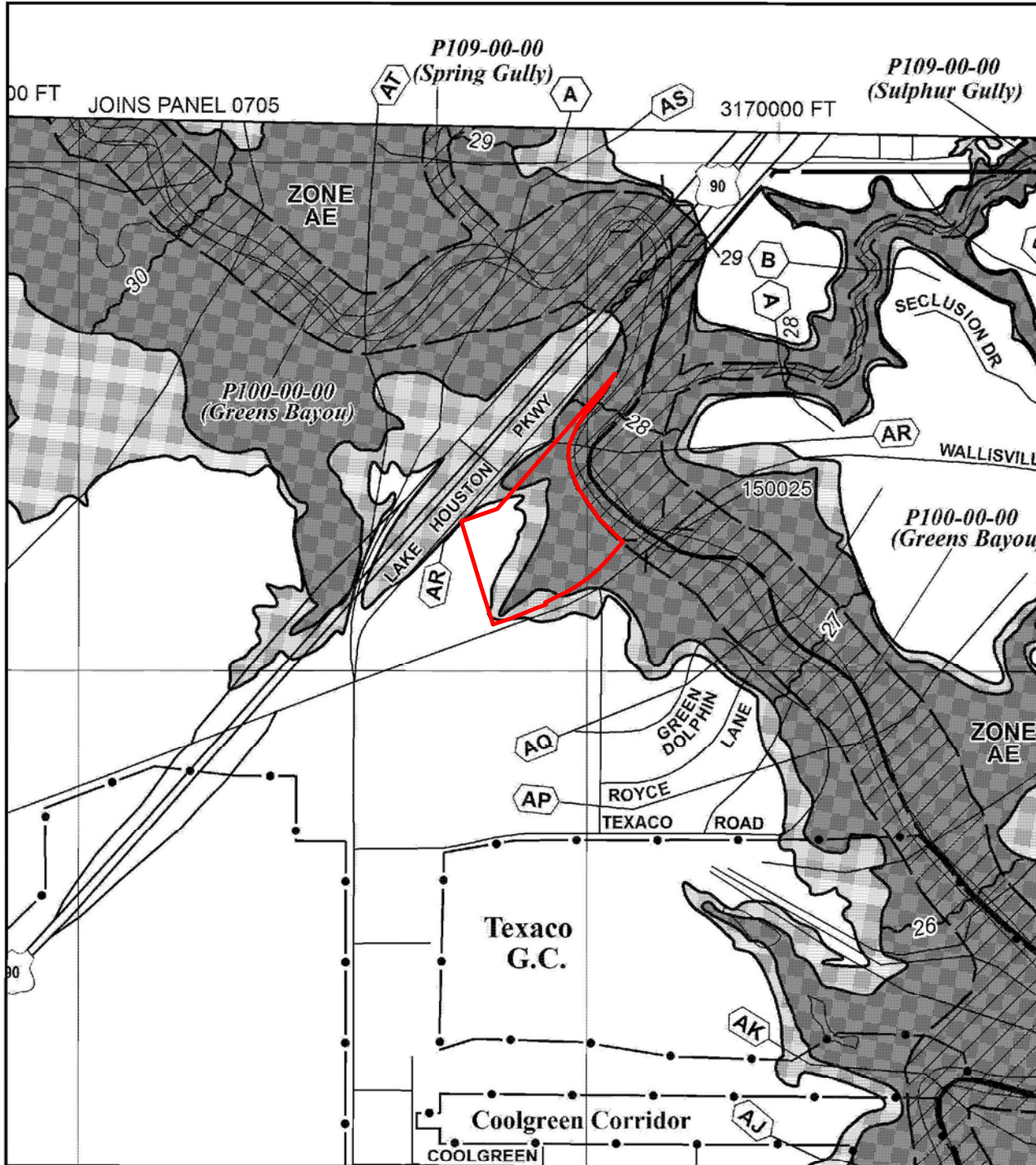
D. At the time of Application for Firm Commitment, the Lender must submit a completed Standard Flood Hazard Determination Form (found online at <https://www.fema.gov/media-library/assets/documents/225>) with proof that the new mortgagor has a commitment for flood insurance effective as of loan closing.

E. HUD will also require flood insurance on any building where the Advisory Base Flood Elevations (ABFE) or preliminary FEMA Flood Insurance Rate Map (FIRM) indicates it will be in a Special Flood Hazard Area. Additionally, Housing Approving Officials have the discretion to require flood insurance for buildings located⁵²:

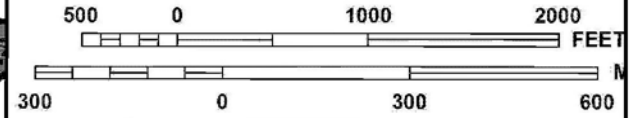
1. In the moderate flood hazard area (FEMA zones B or shaded X),
2. On a parcel that includes a SFHA (including those considered incidental for floodplain management), in coastal areas not in a SFHA but subject to tidal flooding, tsunami, wave action or storm surge, including LiMWAs, and

⁵¹ FEMA defines structure as a walled and roofed building, including a gas or liquid storage tank, that is principally above ground, as well as a manufactured home. Structure, for insurance purposes, means: (1) A building with two or more outside rigid walls and a fully secured roof, that is affixed to a permanent site; (2) A manufactured home ("a manufactured home," also known as a mobile home, is a structure: built on a permanent chassis, transported to its site in one or more sections, and affixed to a permanent foundation); or (3) A travel trailer without wheels, built on a chassis and affixed to a permanent foundation, that is regulated under the community's floodplain management and building ordinances or laws. For the latter purpose, "structure" does not mean a recreational vehicle or a park trailer or other similar vehicle, except as described in paragraph (3) of this definition, or a gas or liquid storage tank (44 CFR 59.1).

⁵² According to FEMA, 20 to 25% of claims nationally are for properties located outside of the 100-year flood zone.



MAP SCALE 1" = 1000'



NATIONAL FLOOD INSURANCE PROGRAM

PANEL 0715M

FIRM
FLOOD INSURANCE RATE MAP

HARRIS COUNTY,
TEXAS
AND INCORPORATED AREAS

PANEL 715 OF 1150
(SEE MAP INDEX FOR FIRM PANEL LAYOUT)

CONTAINS:

COMMUNITY	NUMBER	PANEL	SUFFIX
GALENA PARK, CITY OF	480293	0715	M
HARRIS COUNTY	480287	0715	M
HOUSTON, CITY OF	480296	0715	M
JACINTO CITY, CITY OF	480299	0715	M

Notice to User: The Map Number shown below should be used when placing map orders; the Community Number shown above should be used on insurance applications for the subject community.



MAP NUMBER
48201C0715M

MAP REVISED
JANUARY 6, 2017

Federal Emergency Management Agency

This is an official FIRMette showing a portion of the above-referenced flood map created from the MSC FIRMette Web tool. This map does not reflect changes or amendments which may have been made subsequent to the date on the title block. For additional information about how to make sure the map is current, please see the Flood Hazard Mapping Updates Overview Fact Sheet available on the FEMA Flood Map Service Center home page at <https://msc.fema.gov>.

1c

BOARD ACTION REQUEST
MULTIFAMILY BOND FINANCE
JULY 28, 2022

Presentation, discussion, and possible action on Inducement Resolution No. 22-033 for Multifamily Housing Revenue Bonds regarding authorization for filing applications for private activity bond authority

RECOMMENDED ACTION

WHEREAS, a bond pre-application, as further detailed below, was 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. 22-033 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 \$55 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-application listed below will be added to the Department's waiting list for a bond reservation.

22618 – The Life at Forest View

The acquisition and rehabilitation of 520 units is proposed for this multifamily development to be located at 201 Hackberry Street, Clute, Brazoria County. This transaction is proposed to be Priority 2, and will continue to serve the general population. The development proposes that all 520 units be rent and income restricted at 60% of Area Median Family Income. The Department has received no letters of support or opposition for the proposed development.

Bond Inducement Amount: \$55,200,000

RESOLUTION NO. 22-033

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. That 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 Financial Administration of the Department, the Interim Director of Bond Finance 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 28th day of July, 2022.

EXHIBIT "A"

Descriptions of the Owners and the Developments

Project Name	Owner	Principals	Amount Not to Exceed
The Life at Forest View	The Life at Forest View LP, a Texas limited partnership	General Partner: The Life at Forest View GP LLC, a Delaware limited liability company	\$55,200,000
Costs: Acquisition/rehabilitation of a 520-unit affordable, multifamily housing development to be known as The Life at Forest View, located at or near 201 Hackberry Street, Clute, Brazoria County, Texas 77531			

1d

BOARD ACTION REQUEST

FINANCIAL ADMINISTRATION DIVISION

JULY 28, 2022

Presentation, discussion, and possible action to adopt a resolution regarding designating signature authority and superseding previous resolutions

RECOMMENDED ACTION

WHEREAS, the Texas Department of Housing and Community Affairs (the Department), a public and official governmental agency of the State of Texas, was created and organized pursuant to and in accordance with the provisions of Tex. Gov't Code, Chapter 2306 (the Code), as amended;

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

WHEREAS, on April 14, 2022, the Governing Board adopted a resolution designating signature authority to reflect the structure of the Department; and

WHEREAS, organizational changes have occurred to include Scott Fletcher as Director of Bond Finance and include Heather Hodnett as Manager of Single Family Finance, such that the Governing Board has now determined that its resolution adopted April 14, 2022, designating signature authority, should be superseded by a new resolution designating signature authority in order to conform to the Department's current organizational structure, working titles, and operations;

NOW, THEREFORE, it is hereby

RESOLVED that the Governing Board makes changes to its resolution adopted April 14, 2022, as shown below.

SECTION 1 – Supersession of the Prior Signature Authority. The Governing Board hereby supersedes its prior resolution, adopted April 14, 2022, designating signature authority by adopting this new resolution.

SECTION 2 – Designation of Signature Authority for Bond and Indenture-Related Transactions. The Governing Board hereby authorizes and designates the Board Secretary, the Assistant Board Secretary, the Executive Director, the Director of Administration, the Director of Financial Administration, the Director of Bond Finance, the Director of Multifamily Bonds, the Manager of Single Family Finance, and each of them as signatories for single family and multifamily bond and indenture-related transactions as well as transactions under the Department’s “to be announced” or TBA program including, but not limited to letters of instruction, officer’s certificates, bond transactional documents and all other documents and certificates executed in connection with such transactions. In addition, the Governing Board authorizes and designates the Manager of Single Family Finance and Senior Bond Financial Analysts within the Bond Finance division as signatories for day-to-day operations activities related to advances taken through the Federal Home Loan Bank of Dallas (FHLB) for the purchase of loan participations from the Idaho Housing and Finance Association (IHFA), the Department’s Master Servicer, including directing the wiring of such advances from FHLB to IHFA.

SECTION 3 – Designation of Signatory Authority for Real Estate Transactions. The Governing Board hereby authorizes and designates the following persons holding the positions described and each of them to execute and deliver, as specified, earnest money contracts, deeds or conveyances of title, leases of real property, settlement statements on purchase or sale of real property, deposits and disbursements on agency bank accounts, real estate transactional documents and all other documents executed in connection with real estate or real estate-related transactions. Every reference to a signatory office or title herein includes any person serving in an acting or interim capacity:

- (a) Executive Director, Deputy Executive Director of Programs, Deputy Executive Director of Program Controls and Oversight, Director of Administration, Board Secretary, and Assistant Board Secretary: All real estate or real estate related transactions;
- (b) Director of Financial Administration: All real estate or real estate-related transactions administered by the Financial Administration Division;
- (c) Director of Multifamily Programs: All real estate or real estate-related transactions administered by the Multifamily Programs Division;
- (d) Director of Multifamily Asset Management: All real estate or real estate-related transactions administered by the Multifamily Asset Management Division;
- (e) Director of Bond Finance and Manager of Single Family Finance: All real estate or real estate-related transactions administered by the Bond Finance Division;
- (f) Director of Multifamily Bonds: All real estate or real estate-related transactions administered by the Multifamily Bonds, and Texas Homeownership Divisions, and 4% Housing Tax Credit transactions;
- (g) Director of Texas Homeownership Program: All real estate or real estate-related transactions administered by the Texas Home Ownership Division;
- (h) Director of Single Family and Homeless Programs: All real estate or real estate-related transactions administered by the Single Family and Homeless Programs, which includes

HOME, Housing Trust Fund (HTF); Office of Colonia Initiatives (OCI); and Neighborhood Specialization Program (NSP);

- (i) Director of Section 811 Program: All transactions administered by the Section 811 Program;
- (j) CDBG CARES Director: All transactions administered by the Community Development Block Grant CARES Program;
- (k) Director of Texas Rent Relief Program: All transactions administered by the Texas Rent Relief Program;
- (l) Director of Housing Stability Services: All transactions administered by the Housing Stability Services Program;
- (m) Director of the HOME-ARP Program: All transactions administered by the HOME-ARP Program;
- (n) Director of Texas Homeowner Assistance Fund: All transactions administered by the Texas Homeowner Assistance Fund Program;
- (o) Signatory authority on deposits and disbursements on agency bank accounts is limited to those persons designated on the applicable signature cards, as specified by the Executive Director; provided however, that no person may be so designated other than the Executive Director, Director of Administration, or a Director.

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

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

- (a) Director of Administration, or Director of Financial Administration; and
- (b) Executive Director, Deputy Executive Director of Program Controls and Oversight, or Deputy Executive Director of Programs.

SECTION 5 – Execution of Documents. The Governing Board hereby authorized the Executive Director, or in his absence the Director of Administration, the Deputy Executive Director of Programs, or the Deputy Executive Director of Program Controls and Oversight, to execute, on behalf of the Department, any and all documents, instruments reasonably deemed necessary to effectuate this resolution.

SECTION 6 – Effective Date. This Resolution shall be in full force and effect from and upon its adoption until and unless it is revoked or superseded.

BACKGROUND

This Resolution updates and designates signature authority to reflect the current organizational structure of the Department and the current working titles for the positions designated. The update allows for the Director of Bond Finance and Manager of Single Family Finance to sign documents related to the Bond Finance Division, and keeping previous authorizations the same.

Incumbency Certificate

I, James "Beau" Eccles, the duly appointed and serving Secretary of the Governing Board of the Texas Department of Housing and Community Affairs (the Department), do hereby certify that Robert "Bobby" Wilkinson is the duly appointed Executive Director of the Department, appointed by its governing board and approved by the Governor effective August 15, 2019, and set forth below opposite his name is his true and correct signature:

Bobby Wilkinson _____

Executed and seal of the Department affixed this ____ day of _____, 2022 at Austin, Texas.

James "Beau" Eccles

(SEAL)

Certificate

I, Robert "Bobby" Wilkinson, the duly appointed Executive Director of the Texas Department of Housing and Community Affairs (the Department), do hereby certify that set forth below is a true and correct listing setting forth specific positions within the Department, the name of the person currently designated by me to hold each such position, and, opposite their name, their true and correct signature. Each person listed currently holds the position indicated:

Board Secretary	_____ James "Beau" Eccles
Assistant Board Secretary	_____ Michael Lyttle
Director of Administration	_____ David Cervantes
Director of Financial Administration	_____ Jose Guevara
Director of Bond Finance	_____ Scott Fletcher
Manager of Single Family Finance	_____ Heather Hodnett
Director of Multifamily Bonds	_____ Teresa W. Morales
Director of Multifamily Programs	_____ Cody Campbell
Director of Texas Homeownership Program	_____ Cathy Gutierrez
Deputy Executive Director of Programs	_____ Brooke Boston
Director of Multifamily Asset Management	_____ Rosalio Banuelos
Director of Single Family and Homeless Programs	_____ Abigail Versyp
Director of Section 811 Program	_____ Spencer Duran
CDBG CARES Director	_____ Rudy Bentancourt
Director of Texas Rent Relief Program	_____ Mariana Salazar
Director of Housing Stability Services	_____ Cate Tracz
Director of the HOME-ARP Program	_____ Naomi Cantu
Director of Texas Homeowner Assistance Fund	_____ Tanya Birks
Deputy Executive Director of Program Controls and Oversight	_____ Homero V. Cabello, Jr.

Executed this ____ day of _____, 2022 at Austin, Texas.

Bobby Wilkinson, Executive Director
Texas Department of Housing and Community Affairs

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THE THIRD DAY
BEFORE THE
DATE OF THE
MEETING**

2a



TDHCA Outreach and Media Analysis, June 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 June 1 through June 30, 2022 (news articles that specifically mentioned the Department, Texas Rent Relief Program, and/or Texas Homeowner Assistance).

Total number of articles referencing TDHCA, TRR, TXHAF: 48
Breakdown by Medium:¹

- Print: 10 (Editorials/Columnists = 0)
- Broadcast: 14
- Trade, Government or Internet-Based Publications: 24

Figure 1 News Tone

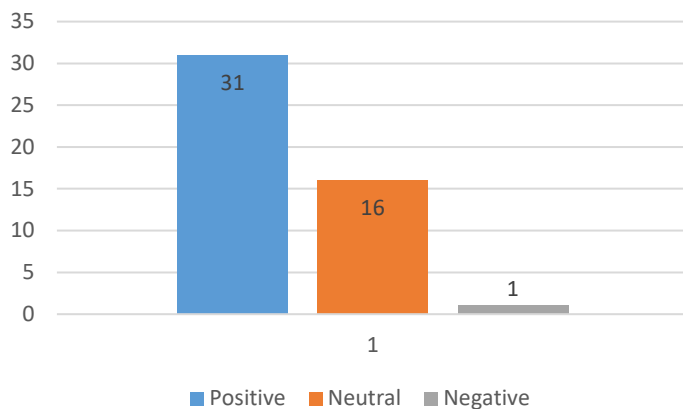
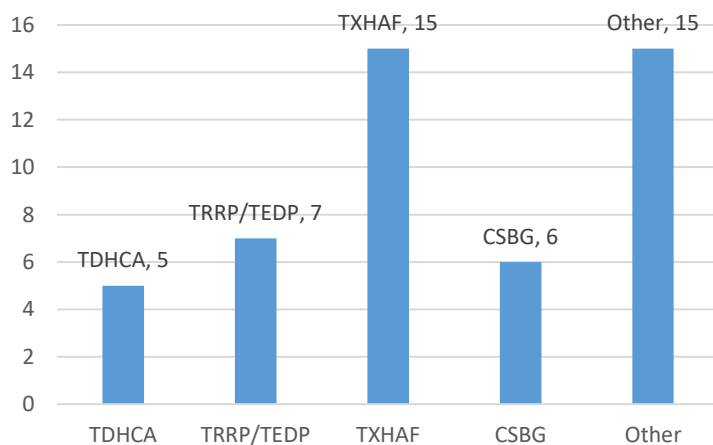
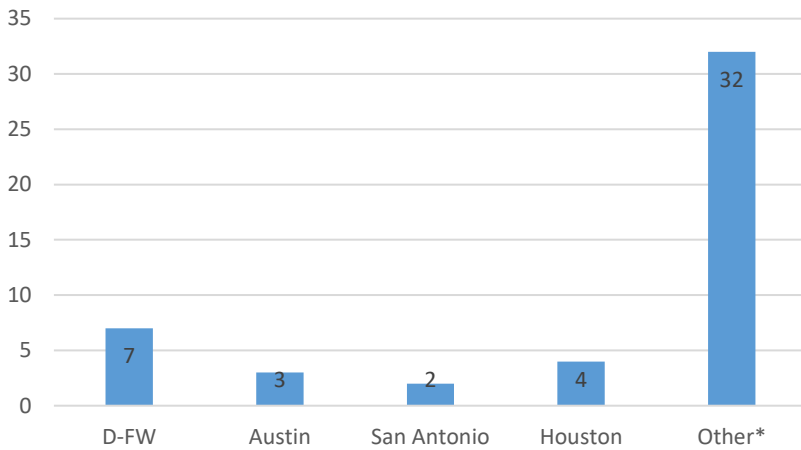


Figure 2 News Topic



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

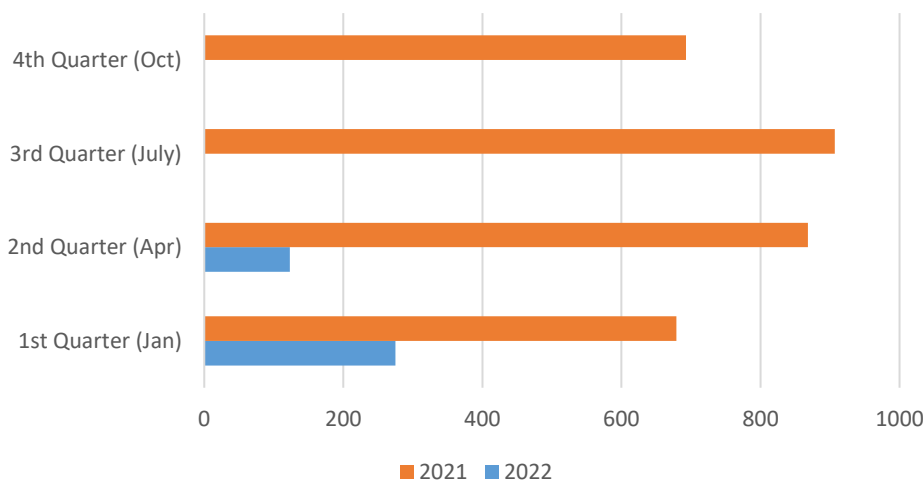


Summary:

Reporting on activities by the news media totaled 48 references in June 2022. TDHCA’s Texas Homeowner Assistance Fund (TXHAF) continued to receive press attention, accounting for 14 positive media mentions related to the program’s disbursement of \$50 million, assisting more than 7,000 households. In addition to TXHAF, TDHCA received positive news mentions related to Community Services Block Grant funds used to assist Uvalde families (Office of Governor Abbott press releases). The Texas Rent Relief Program received the fewest press mentions since the program launched in 2021.


The following table illustrates the number of news mentions during each month or quarter of 2022 compared to 2021. June 2022 total news mentions were less than June 2021 (431 total); however, the news articles remained more positive in tone in 2022. For further comparison purposes, the combined number of articles for the second quarter of 2022, totaling 171, outpaced the total number of articles in the second quarter of 2020 (56 total).

TDHCA News Trends




Social media:

Through June 2022, TDHCA has over 3,300 followers to its Twitter account and 6,600 followers to its Facebook account. TDHCA’s YouTube channel had more than 3,200 views in June. 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
February 2022	47	70	42	2	16
March 2022	66	43	131	47	48
April 2022	62	0	51	8	27
May 2022	66	905	198	71	50
June 2022	52	8	110	31	31

* 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
February 2022	47	186	14	7	4
March 2022	67	318	39	12	21
April 2022	61	171	29	6	17
May 2022	75	288	31	7	15
June 2022	55	44	30	6	20

* 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%
February 2022	1,839	125.2	4:05	15,141	3.4%
March 2022	1,890	143.2	4:32	16,764	3.5%
April 2022	3,154	205.1	3:54	18,194	4.0%
May 2022	3,043	180.1	3:33	14,734	3.9%
June 2022	3,273	193.7	3:33	14,114	3.9%

Top 50 videos for June 2022

Content	Views ↓		Watch time (hours)		Subscribers		Impressions	Impressions click-through rate
<input type="checkbox"/> Total	3,273		193.7		36		14,114	3.9%
<input type="checkbox"/> Help For Texans tutorial	1,420	43.4%	43.1	22.3%	4	11.1%	178	8.4%
<input type="checkbox"/> Texas Homebuyer Program introduction	258	7.9%	3.4	1.7%	3	8.3%	147	6.1%
<input type="checkbox"/> Texas Rent Relief Program Tutorial – Setting Up Bill.com Account f...	233	7.1%	3.8	2.0%	6	16.7%	697	4.2%
<input type="checkbox"/> Texas Rent Relief Program Completing Application Tutorial	228	7.0%	2.4	1.2%	2	5.6%	1,533	6.1%
<input type="checkbox"/> Texas Rent Relief Program Registration Tutorial	164	5.0%	1.1	0.6%	1	2.8%	304	3.3%
<input type="checkbox"/> How to apply: Texas Homeowners Assistance Fund	88	2.7%	1.3	0.7%	2	5.6%	415	10.8%
<input type="checkbox"/> Fair Housing 101: The Basics of Fair Housing in Texas	57	1.7%	19.7	10.2%	0	0.0%	353	7.1%
<input type="checkbox"/> Texas Eviction Diversion Program Overview – September 9, 2021	50	1.5%	4.7	2.4%	2	5.6%	488	2.1%
<input type="checkbox"/> Housing Tax Credit after the Federal Compliance Period (Post-15)	49	1.5%	18.3	9.5%	1	2.8%	253	4.7%
<input type="checkbox"/> Texas Rent Relief Program Landlord Tips	48	1.5%	0.8	0.4%	0	0.0%	991	2.8%
<input type="checkbox"/> Texas Rent Relief Program Landlord Application Tutorial	45	1.4%	0.8	0.4%	2	5.6%	562	1.8%
<input type="checkbox"/> CEAP-LIHWAP Quarterly Webinar – June 2022	43	1.3%	5.6	2.9%	1	2.8%	595	1.3%
<input type="checkbox"/> 20 IncomeDeterminationTraining	42	1.3%	9.3	4.8%	1	2.8%	161	9.9%
<input type="checkbox"/> Fair Housing Special Topics: Assistance Animals, Service Animals, ...	36	1.1%	5.1	2.7%	1	2.8%	510	2.9%
<input type="checkbox"/> ERA2 Housing Stability Services Contract Implementation Webinar ...	33	1.0%	4.9	2.6%	0	0.0%	199	2.5%
<input type="checkbox"/> Low Income Water/Wastewater Assistance Program (LIHWAP) Ove...	33	1.0%	5.7	2.9%	0	0.0%	193	10.9%
<input type="checkbox"/> Frequently Asked Questions about Utility Allowances	32	1.0%	7.3	3.8%	0	0.0%	410	3.4%
<input type="checkbox"/> ERA2 Housing Stability Services Contract Implementation Webinar ...	24	0.7%	3.8	2.0%	0	0.0%	252	1.6%
<input type="checkbox"/> Accessing Texas Department of Aging and Disability Services	24	0.7%	1.3	0.7%	0	0.0%	353	4.8%
<input type="checkbox"/> CEAP/LIHWAP Quarterly Webinar - March 2022	21	0.6%	6.0	3.1%	0	0.0%	164	1.2%
<input type="checkbox"/> How to Apply: Texas Homeowners Assistance Fund	20	0.6%	0.3	0.1%	2	5.6%	223	5.8%
<input type="checkbox"/> Texas Emergency Mortgage Assistance Program TEMAP Webinar -...	19	0.6%	1.6	0.8%	2	5.6%	212	4.7%
<input type="checkbox"/> ERA2 Housing Stability Services NOFA Application Webinar	19	0.6%	2.6	1.4%	0	0.0%	257	3.5%
<input type="checkbox"/> Como Completar Su Aplicación para el Programa de Asistencia de ...	18	0.6%	0.2	0.1%	1	2.8%	86	3.5%
<input type="checkbox"/> TDHCA's Multifamily Direct Loan Training - Sept. 24, 2020	18	0.6%	2.2	1.1%	2	5.6%	170	5.3%
<input type="checkbox"/> ERA2 Housing Stability Services Contract Implementation Webinar ...	16	0.5%	1.9	1.0%	0	0.0%	181	2.2%
<input type="checkbox"/> Fair Housing Special Topics: Reasonable Accommodations, Modifi...	15	0.5%	5.5	2.8%	0	0.0%	226	3.5%
<input type="checkbox"/> Housing Stability Services Contract Implementation Webinar	14	0.4%	3.9	2.0%	0	0.0%	167	4.8%
<input type="checkbox"/> Fair Housing Special Topics: The Violence Against Women Act in F...	13	0.4%	3.5	1.8%	1	2.8%	204	2.9%
<input type="checkbox"/> Low Income Household Water/Wastewater Assistance Program (LI...	13	0.4%	0.5	0.2%	0	0.0%	177	5.7%

<input type="checkbox"/>	Overview of Updates to Compliance, Affirmative Marketing and Writ...	13	0.4%	1.2	0.6%	1	2.8%	78	0%
<input type="checkbox"/>	Introduction to the Low Income Water/Wastewater Assistance Pro...	13	0.4%	0.4	0.2%	0	0.0%	242	5.0%
<input type="checkbox"/>	Compliance Monitoring & Tracking System (CMTS) Training	12	0.4%	2.0	1.1%	0	0.0%	158	2.5%
<input type="checkbox"/>	Utility Allowance Training - May 5, 2021	10	0.3%	1.5	0.8%	0	0.0%	180	2.2%
<input type="checkbox"/>	TDHCA Utility Allowance Roundtable - Oct. 13, 2020	9	0.3%	1.3	0.7%	0	0.0%	111	4.5%
<input type="checkbox"/>	TERAP Application Workshop	9	0.3%	0.9	0.5%	1	2.8%	113	3.5%
<input type="checkbox"/>	Average Income Webinar - Sept. 2, 2020	8	0.2%	3.5	1.8%	0	0.0%	119	0.8%
<input type="checkbox"/>	Como Registrarse Para el Programa de Asistencia de Pago de Rent...	6	0.2%	0.1	0.0%	0	0.0%	62	6.5%
<input type="checkbox"/>	Consejos para la solicitud del propietario	5	0.2%	0.1	0.1%	0	0.0%	110	3.6%
<input type="checkbox"/>	Rental Assistance	4	0.1%	0.1	0.0%	0	0.0%	41	2.4%
<input type="checkbox"/>	Texas Community Resiliency Program – Public Facilities Implemen...	4	0.1%	0.3	0.1%	0	0.0%	238	0.8%
<input type="checkbox"/>	Section 811 PRA Updates for Referral Agents	4	0.1%	0.1	0.0%	0	0.0%	44	2.3%
<input type="checkbox"/>	Fair Housing Special Topics: Limited English Proficiency and Langu...	4	0.1%	0.9	0.4%	0	0.0%	41	9.8%
<input type="checkbox"/>	For Sec. 811 Referral Agents - PRA Barrier Busting Funds	4	0.1%	0.2	0.1%	0	0.0%	41	4.9%
<input type="checkbox"/>	TDHCA Governing Board meeting - June 17, 2021	3	0.1%	0.9	0.5%	0	0.0%	59	3.4%
<input type="checkbox"/>	Housing Contract System and TEMAP Monthly Reporting Webinar ...	3	0.1%	0.7	0.4%	0	0.0%	67	4.5%
<input type="checkbox"/>	TEMAP NOFA 2 Implementation Workshop	3	0.1%	0.6	0.3%	0	0.0%	46	4.4%
<input type="checkbox"/>	Introducción al Programa de Compradores de Vivienda de Texas	3	0.1%	0.0	0.0%	0	0.0%	68	0%
<input type="checkbox"/>	TDHCA Training: Section 811 Project Rental Assistance Program	3	0.1%	0.1	0.1%	0	0.0%	59	1.7%

TDHCA Outreach June 2022

A compilation of outreach activities such as meetings, trainings and webinars.

Host Division	Meeting Date	Meeting Title	Attendees
Single Family and Homeless/Colonia Self Help Centers	June 02, 2022	Colonia Resident Advisory Committee (C-RAC) meeting, All 8 Colona Self Help Centers & Counties	36
Compliance	June 02, 2022	In person Income Determination Training at TDHCA (Rusk Building)	11
Compliance	June 08, 2022	Multi-Family Direct Loan (MFDL) Training in conjunction with TAA	59
Community Affairs/ CEAP/LIHWAP	June 08, 2022	CEAP/LIHWAP Quarterly Meeting, All CEAP/LIHWAP Subrecipients	89
Housing Stability Services (HSS)	June 08, 2022	HSS monthly office hours	14
Community Affairs/ WAP	June 14, 2022	WAP Network Quarterly Meeting, All WAP Subrecipients	85
Compliance	June 15, 2022	Income Determination Training in conjunction with TAA	79

Compliance	June 22, 2022	Housing Tax Credit Training in conjunction with TAA	134
Community Affairs/CEAP	June 23, 2022	CEAP Listening Session 1	10
Community Affairs/CEAP	June 23, 2022	CEAP Listening Session 2	12
Community Affairs/CEAP	June 27, 2022	CEAP Listening Session 3	13
Community Affairs/CEAP	June 27, 2022	CEAP Listening Session 4	11
Community Affairs/CEAP	June 28, 2022	CEAP Listening Session 5	13
Community Affairs/CEAP	June 28, 2022	CEAP Listening Session 6	10
Single Family and Homeless Programs/ESG	June 28, 2022	2022 ESG Annual NOFA and Application Process	114
Compliance	June 28, 2022	Section 811 Program Training	130
Community Affairs/CSBG	June 29, 2022	Case Management and Reporting	23

2b

**TO BE POSTED
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BOARD REPORT ITEM
 BOND FINANCE DIVISION
 JULY 28, 2022

Report on the Department’s 3rd Quarter Investment Report relating to funds held under Bond Trust Indentures

BACKGROUND

- The Department’s Investment Policy excludes funds invested under a bond trust indenture for the benefit of bond holders because the trustee for each trust indenture controls the authorized investments in accordance with the requirements of that indenture. Management of assets within an indenture is the responsibility of the Trustee. This internal management report is for informational purposes only and, while not required under the Public Funds Investment Act, it is consistent with the prescribed format and detail as required by the Public Funds Investment Act. It details the types of investments, maturity dates, carrying (face amount) values, and fair market values at the beginning and end of the quarter.
- Overall, the portfolio carrying value decreased by approximately \$89.5 million (see page 3), resulting in an end of quarter balance of \$1,870,750,871.

The portfolio consists of those investments described in the attached Bond Trust Indentures Supplemental Management Report.

	<u>Beginning Quarter</u>	<u>Ending Quarter</u>
Mortgage Backed Securities (MBS)	70%	80%
Guaranteed Investment Contracts/Investment Agreements	2%	4%
Repurchase Agreements (Cash Equivalents)	16%	5%
Account Control Agreements (Cash Equivalents)	1%	0%
Municipal Bonds	1%	1%
Treasury Backed Mutual Funds	6%	6%
Treasury Notes / Bonds / SLGs	4%	4%

The increase in percentage of MBS and decrease in Repurchase Agreements is due to the issuance of single family bond proceeds and withdrawal of proceeds from Repurchase Agreements and Cash Equivalents to purchase MBS. The increase in Investment Agreements is due to the deposit of bond proceeds.

Portfolio activity for the quarter:

- The MBS purchases this quarter were approximately \$159.3 million, due to the issuance of single family and multifamily bonds and the investment of proceeds in MBS.
- The maturities in MBS were approximately \$37.8 million, which represent loan repayments or payoffs.

The table below shows the trend in MBS activity.

	3rd Qtr FY 21	4th Qtr FY 21	1st Qtr FY 22	2nd Qtr FY 22	3rd Qtr FY 22	Total
Purchases	\$ 127,225,566	\$ 77,639,238	\$ 67,227,078	\$ 123,480,568	\$ 159,385,638	\$ 554,958,088
Sales						\$ -
Maturities	\$ 30,205,496	\$ 40,977,810	\$ 39,701,230	\$ 44,208,870	\$ 37,808,668	\$ 192,902,074
Transfers						\$ -


- The process of valuing investments at fair market value identifies unrealized gains and losses. These gains or losses do not impact the overall portfolio because the Department typically holds MBS investments until maturity.
- The fair market value (the amount at which a financial instrument could be exchanged in a current transaction between willing parties) decreased \$85 million (see pages 3 and 4), with fair market value less than the carrying value. The national average for a 30-year fixed rate mortgage, as reported by the Freddie Mac Primary Mortgage Market Survey as of May 31, 2022 was 5.10%, up from 3.89% at the end of February 2022. Various factors affect the fair market value of these investments, but there is a correlation between the prevailing mortgage interest rates and the change in market value.
- Given the current financial environment, this change in market value is to be expected. However, the change is cyclical and is reflective of a general movement toward higher yields in the bond market as a whole.
- The ability of the Department's investments to provide the appropriate cash flow to pay debt service and eventually retire the related bond debt is of more importance than the assessed relative value in the bond market as a whole.
- The more relevant measures of indenture parity are reported on page 5 in the Bond Trust Indenture Parity Comparison. This report shows parity (ratio of assets to liabilities) by indenture with assets greater than liabilities in a range from 105.02% to 106.70%, which would indicate the Department has sufficient assets to meet its obligations.

TEXAS DEPARTMENT OF HOUSING AND COMMUNITY AFFAIRS
 BOND FINANCE DIVISION
 BOND TRUST INDENTURES
 Supplemental Management Report
 Quarter Ending May 31, 2022

	FAIR VALUE (MARKET) @ 2/28/22	CARRYING VALUE @ 2/28/22	ACCRETION / PURCHASES	AMORTIZATION/ SALES	MATURITIES	TRANSFERS	CARRYING VALUE @ 05/31/22	FAIR VALUE (MARKET) @ 05/31/22	CHANGE IN FAIR VALUE (MARKET)	ACCRUED INT RECVBL @ 05/31/22	RECOGNIZED GAIN
INDENTURE RELATED:											
Single Family	858,364,967	824,843,079	14,037,692	(26,759,305)	(26,261,764)	-	785,859,702	787,836,165	(31,545,425)	2,799,396	
RMRB	540,320,675	524,452,829	202,150,201	(204,145,836)	(10,098,627)	-	512,358,567	513,484,642	(14,741,771)	1,531,612	
Taxable Mortgage Program	2,500,751	2,500,751	3,657	-	-	-	2,504,407	2,504,407	-	891,356	
Multi Family	609,589,817	608,455,021	11,730,941	(48,709,490)	(1,448,278)	-	570,028,194	531,970,919	(39,192,071)	885,067	
	2,010,776,209	1,960,251,680	227,922,491	(279,614,632)	(37,808,668)	-	1,870,750,871	1,835,796,132	(85,479,268)	6,107,431	-

(b) (8) The Department is in compliance with regards to investing its funds in a manner which will provide by priority the following objectives: (1) safety of principal, (2) sufficient liquidity to meet Department cash flow needs, (3) a market rate of return for the risk assumed, and (4) conformation to all applicable state statutes governing the investment of public funds including Section 2306 of the Department's enabling legislation and specifically, Section 2256 of the Texas Government Code, the Public Funds Investment Act.

Per Section 2256.007(d) of the Texas Government Code, the Public Funds Investment Act:
 David Cervantes completed 8.0 hrs. of training on the Texas Public Funds Investment Act on October 18 and 19, 2021

DocuSigned by:  David Cervantes Director of Administration	Date: <u>7/20/2022</u>
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BOND FINANCE DIVISION
BOND TRUST INDENTURES
Supplemental Management Report
Quarter Ending May 31, 2022

INVESTMENT TYPE	FAIR VALUE (MARKET) @ 02/28/22	CARRYING VALUE @ 02/28/22	ACCRETION / PURCHASES	AMORTIZATION/ SALES	MATURITIES	TRANSFERS	CARRYING VALUE @ 05/31/22	FAIR VALUE (MARKET) @ 05/31/22	CHANGE IN FAIR VALUE (MARKET)	RECOGNIZED GAIN
INDENTURE RELATED:										
Mortgage-Backed Securities	1,432,738,602	1,381,549,604	159,385,638	0	(37,808,668)	0	1,503,126,573	1,468,171,835	(86,143,736)	
Guaranteed Inv Contracts	36,675,097	36,675,097	45,979,369	(505,600)	0	0	82,148,866	82,148,866	0	
Investment Agreements	1,687,896	1,687,896	0	(357,100)	0	0	1,330,796	1,330,796	0	
Treasury-Backed Mutual Funds	115,053,185	115,053,185	2,850,190	(20,128,415)	0	0	97,774,960	97,774,960	0	
Account Control Agreements	8,274,138	8,274,138	9	(5,658,188)	0	0	2,615,959	2,615,959	0	
Municipal Bonds	29,945,652	30,095,935	4,510,135	(4,540,534)	0	0	30,065,536	30,065,536	150,283	
Repurchase Agreements	308,856,421	308,856,421	10,826,543	(230,042,442)	0	0	89,640,522	89,640,522	0	
SLG Securities	14,028,356	14,028,356	0	(14,028,356)	0	0	0	0	0	
Treasury Notes / Bonds	63,516,863	64,031,048	4,370,607	(4,353,998)	0	0	64,047,657	64,047,657	514,185	
	<u>2,010,776,209</u>	<u>1,960,251,680</u>	<u>227,922,491</u>	<u>(279,614,632)</u>	<u>(37,808,668)</u>	<u>0</u>	<u>1,870,750,871</u>	<u>1,835,796,132</u>	<u>(85,479,268)</u>	<u>0</u>

(b) (8) The Department is in compliance with regards to investing its funds in a manner which will provide by priority the following objectives: (1) safety of principal, (2) sufficient liquidity to meet Department cash flow needs, (3) a market rate of return for the risk assumed, and (4) conformation to all applicable state statutes governing the investment of public funds including Section 2306 of the Department's enabling legislation and specifically, Section 2256 of the Texas Government Code, the Public Funds Investment Act.

Per Section 2256.007(d) of the Texas Government Code, the Public Funds Investment Act:
David Cervantes completed 8.0 hrs. of training on the Texas Public Funds Investment Act on October 18 and 19, 2021

DocuSigned by: <i>David Cervantes</i> David Cervantes Director of Administration	Date: 7/20/2022
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Texas Department of Housing and Community Affairs
Bond Finance Division
Executive Summary
As of May 31, 2022

	Single Family Indenture Funds	Residential Mortgage Revenue Bond Indenture Funds	Multi-Family Indenture Funds	Combined Totals
<i>PARITY COMPARISON:</i>				
PARITY ASSETS				
Cash	\$ 153,437	\$ 5,506	\$ 52,762,782	\$ 52,921,725
Investments ⁽¹⁾	\$ 77,312,121	\$ 92,377,367	\$ 620,634,148	\$ 790,323,636
Mortgage Backed Securities ⁽¹⁾	\$ 708,030,052	\$ 419,680,715		\$ 1,127,710,767
Loans Receivable ⁽²⁾	\$ -		\$ 922,446,879	\$ 922,446,879
Accrued Interest Receivable	\$ 2,799,396	\$ 1,531,612	\$ 3,742,759	\$ 8,073,767
TOTAL PARITY ASSETS	\$ 788,295,006	\$ 513,595,200	\$ 1,599,586,568	\$ 2,901,476,774
PARITY LIABILITIES				
Notes Payable	\$ -	\$ 10,000,000	\$ 329,902,129	\$ 339,902,129
Bonds Payable ⁽¹⁾	\$ 746,600,653	\$ 465,962,636	\$ 969,263,174	\$ 2,181,826,463
Accrued Interest Payable	\$ 4,048,632	\$ 5,402,791	\$ 3,784,970	\$ 13,236,393
Other Non-Current Liabilities ⁽³⁾			\$ 208,691,827	\$ 208,691,827
TOTAL PARITY LIABILITIES	\$ 750,649,285	\$ 481,365,427	\$ 1,511,642,100	\$ 2,743,656,812
PARITY DIFFERENCE	\$ 37,645,721	\$ 32,229,773	\$ 87,944,468	\$ 157,819,962
PARITY	105.02%	106.70%	105.82%	105.75%

(1) Investments, Mortgage Backed Securities and Bonds Payable reported at par value not fair value. This adjustment is consistent with indenture cashflows prepared for Also, the CHMRB Bonds were redeemed in full in January 2019.

(2) Loans Receivable include whole loans only. Special mortgage loans are excluded.

(3) Other Non-Current Liabilities include "Due to Developers" (for insurance, taxes and other operating expenses) and "Earning Due to Developers" (on investments).

Note: Based on preliminary and unaudited financial statements, subject to change in audited financial statements.

2d

BOARD REPORT ITEM

FINANCIAL ADMINISTRATION DIVISION

JULY 28, 2022

Report on the Department's 3rd Quarter Investment Report in accordance with the Public Funds Investment Act

BACKGROUND

The Department's investment portfolio consists of two distinct parts. One part is related to bond funds under trust indentures that are not subject to the Public Funds Investment Act (PFIA), and the remaining portion is related to accounts excluded from the indentures but covered by the PFIA. The Department's total investment portfolio is \$1,926,063,386 of which \$1,870,750,871 is not subject to the PFIA. This report addresses the remaining \$55,312,515 (see page 1 of the Internal Management Report) in investments covered by the PFIA. These investments are deposited in the General Fund, Housing Trust Fund, Compliance, and Housing Initiative accounts, which are all held at the Texas Treasury Safekeeping Trust Company (TTSTC), primarily in the form of overnight repurchase agreements. These investments are fully collateralized and secured by U.S. Government Securities. A repurchase agreement is the daily purchase of a security with an agreement to repurchase that security at a specific price and date, which in this case was June 1, 2022, with an effective interest rate of 0.74%. These investments safeguard principal while maintaining liquidity. The overnight repurchase agreements, subject to the PFIA, earned \$46,260 in interest during the quarter.

Below is a description of each fund group and its corresponding accounts.

- The General Fund accounts maintain funds for administrative purposes to fund expenses related to the Department's ongoing operations. These accounts contain balances related to bond residuals, fee income generated from the Mortgage Credit Certificate (MCC) Program, escrow funds, single family and multifamily bond administration fees, and balances associated with the Below Market Interest Rate (BMIR) Program.
- The State Housing Trust Fund accounts maintain funds related to programs set forth by the Housing Trust Fund funding plan. The Housing Trust Fund provides loans and grants to finance, acquire, rehabilitate, and develop decent and safe affordable housing.
- The Compliance accounts maintain funds from compliance monitoring fees and asset management fees collected from multifamily developers. The number of low income units and authority to collect these fees is outlined in the individual Land Use Restriction Agreements (LURAs) that are issued to each Developer. These fees are generated for the purpose of offsetting expenses incurred by the Department related to the monitoring and administration of these properties.

- The Housing Initiative accounts maintain funds from fees collected from Developers in connection with the Department's Tax Credit Program. The majority of fees collected are application fees and commitment fees. The authority for the collection of these fees is outlined in the Department's Multifamily Rules. These fees are generated for the purpose of offsetting expenses incurred by the Department related to the administration of the Tax Credit Program.
- The Ending Homelessness Trust Fund account maintains funds from donations collected from individuals through the Texas Department of Motor Vehicles in connection with the Department's Ending Homelessness Program. The authority for the collection of these donations is outlined in Tex. Transp. Code §502.415. These donations are collected and disbursed for the purpose of providing grants to counties and municipalities to combat homelessness.

This report is in the format required by the Public Funds Investment Act. It shows in detail the types of investments, their maturities, their carrying (face amount) values, and fair values at the beginning and end of the quarter. The detail for investment activity is on Pages 1 and 2.

During the 3rd Quarter, as it relates to the investments covered by the PFIA, the carrying value increased by \$1,373,563 (see page 1) for an ending balance of \$55,312,515. The change is described below by fund groups.

General Fund: The General Fund decreased by \$194,222. This consists primarily of \$148,631 received in multifamily bond fees, \$135,350 in MCC Fees and \$750,000 transferred from the Residential Mortgage Revenue Bond Program, offset by disbursements including \$1,221,173 to fund the operating budget.

The State Housing Trust Fund: The Housing Trust Fund increased by \$999,798. This consists primarily of \$1,535,163 received in loan repayments offset by disbursements including \$498,099 for loans, grants, and escrow payments.

Compliance: Compliance funds decreased by \$148,798. This consists primarily of \$1,648,085 received in compliance fees offset by disbursements of \$1,903,052 transferred to fund the operating budget.

Housing Initiative: Housing Initiative funds increased by \$668,877. This consists primarily of \$1,864,342 received in fees related to tax credit activities offset by disbursements of \$1,259,119 transferred to fund the operating budget.

Ending Homelessness Fund: Ending Homelessness funds increased by \$47,908. This consists of \$66,554 in donations and interest earnings on current investment balances, offset by disbursements of \$18,520 for grants.

TEXAS DEPARTMENT OF HOUSING AND COMMUNITY AFFAIRS
HOUSING FINANCE DIVISION

PUBLIC FUNDS INVESTMENT ACT
INTERNAL MANAGEMENT REPORT (SEC. 2256.023)
QUARTER ENDING May 31, 2022

Texas Department of Housing and Community Affairs
General Fund Investment Summary
For Period Ending May 31, 2022

Investment Type	Issue	Current Interest Rate	Current Purchase Date	Current Maturity Date	Beginning Carrying Value 2/28/2022	Beginning Market Value 2/28/2022	Accretions/ Purchases	Amortizations/ Sales	Maturities	Transfers	Ending Carrying Value 5/31/2022	Ending Market Value 5/31/2022	Change In Market Value	Recognized Gain
Repo Agmt	General Fund	0.74	5/31/2022	6/1/2022	805,819.60	805,819.60	18,564.75	0.00	0.00		824,384.35	824,384.35	-	0.00
Repo Agmt	General Fund	0.74	5/31/2022	6/1/2022	0.02	0.02	0.00	0.00	0.00		0.02	0.02	-	0.00
Repo Agmt	General Fund	0.74	5/31/2022	6/1/2022	46,783.17	46,783.17	61,607.66	0.00	0.00		108,390.83	108,390.83	-	0.00
Repo Agmt	General Fund	0.74	5/31/2022	6/1/2022	1,111,201.65	1,111,201.65	66,869.32	0.00	0.00		1,178,070.97	1,178,070.97	-	0.00
Repo Agmt	General Fund	0.74	5/31/2022	6/1/2022	3,260,570.93	3,260,570.93	0.00	(342,456.28)	0.00		2,918,114.65	2,918,114.65	-	0.00
Repo Agmt	General Fund	0.74	5/31/2022	6/1/2022	407,527.84	407,527.84	348.46	0.00	0.00		407,876.30	407,876.30	-	0.00
Repo Agmt	General Fund	0.74	5/31/2022	6/1/2022	239,774.05	239,774.05	193.89	0.00	0.00		239,967.94	239,967.94	-	0.00
Repo Agmt	General Fund	0.74	5/31/2022	6/1/2022	750,104.90	750,104.90	650.38	0.00	0.00		750,755.28	750,755.28	-	0.00
Repo Agmt	General Fund	0.74	5/31/2022	6/1/2022	75.45	75.45	0.00	0.00	0.00		75.45	75.45	-	0.00
General Fund Total					6,621,857.61	6,621,857.61	148,234.46	(342,456.28)	0.00	0.00	6,427,635.79	6,427,635.79	0.00	0.00
Repo Agmt	Housing Trust Fund	0.74	5/31/2022	6/1/2022	257,706.03	257,706.03	75,476.79	0.00	0.00		333,182.82	333,182.82	-	0.00
Repo Agmt	Housing Trust Fund	0.74	5/31/2022	6/1/2022	3,571.87	3,571.87	652.17	0.00	0.00		4,224.04	4,224.04	-	0.00
Repo Agmt	Housing Trust Fund	0.74	5/31/2022	6/1/2022	580,381.37	580,381.37	413,735.11	0.00	0.00		994,116.48	994,116.48	-	0.00
Repo Agmt	General Revenue Appn	0.74	5/31/2022	6/1/2022	24,304.32	24,304.32	4,837.08	0.00	0.00		29,141.40	29,141.40	-	0.00
Repo Agmt	General Revenue Appn	0.74	5/31/2022	6/1/2022	1,256,071.21	1,256,071.21	271,886.36	0.00	0.00		1,527,957.57	1,527,957.57	-	0.00
Repo Agmt	General Revenue Appn	0.74	5/31/2022	6/1/2022	1,396,216.42	1,396,216.42	0.00	(1,186,581.12)	0.00		209,635.30	209,635.30	-	0.00
Repo Agmt	General Revenue Appn	0.74	5/31/2022	6/1/2022	186,493.39	186,493.39	3,335.71	0.00	0.00		189,829.10	189,829.10	-	0.00
Repo Agmt	General Revenue Appn	0.74	5/31/2022	6/1/2022	228,497.90	228,497.90	0.00	0.00	0.00		228,497.90	228,497.90	-	0.00
Repo Agmt	Housing Trust Fund-GR	0.74	5/31/2022	6/1/2022	122,557.52	122,557.52	0.00	0.00	0.00		122,557.52	122,557.52	-	0.00
Repo Agmt	Housing Trust Fund-GR	0.74	5/31/2022	6/1/2022	305,867.47	305,867.47	0.00	(138,165.05)	0.00		167,702.42	167,702.42	-	0.00
Repo Agmt	Housing Trust Fund-GR	0.74	5/31/2022	6/1/2022	297,000.00	297,000.00	0.00	(89,332.61)	0.00		207,667.39	207,667.39	-	0.00
Repo Agmt	Bootstrap -GR	0.74	5/31/2022	6/1/2022	2,554,500.00	2,554,500.00	0.00	(198,000.00)	0.00		2,356,500.00	2,356,500.00	-	0.00
Repo Agmt	Bootstrap -GR	0.74	5/31/2022	6/1/2022	3,155,666.14	3,155,666.14	1,835,432.00	0.00	0.00		4,991,098.14	4,991,098.14	-	0.00
Repo Agmt	Bootstrap -GR	0.74	5/31/2022	6/1/2022	1,774,122.35	1,774,122.35	0.00	0.00	0.00		1,774,122.35	1,774,122.35	-	0.00
Repo Agmt	Bootstrap -GR	0.74	5/31/2022	6/1/2022	191,478.92	191,478.92	6,521.08	0.00	0.00		198,000.00	198,000.00	-	0.00
Housing Trust Fund Total					12,334,434.91	12,334,434.91	2,611,876.30	(1,612,078.78)	0.00	0.00	13,334,232.43	13,334,232.43	0.00	0.00
Repo Agmt	Multi Family	0.74	5/31/2022	6/1/2022	1,032,481.55	1,032,481.55	0.00	(38,487.27)	0.00		993,994.28	993,994.28	-	0.00
Repo Agmt	Multi Family	0.74	5/31/2022	6/1/2022	1,040,072.94	1,040,072.94	173,342.28	0.00	0.00		1,213,415.22	1,213,415.22	-	0.00
Repo Agmt	Low Income Tax Credit Prog.	0.74	5/31/2022	6/1/2022	10,373,655.25	10,373,655.25	0.00	(283,653.11)	0.00		10,090,002.14	10,090,002.14	-	0.00
Compliance Total					12,446,209.74	12,446,209.74	173,342.28	(322,140.38)	0.00	0.00	12,297,411.64	12,297,411.64	0.00	0.00
Repo Agmt	Asset Management	0.74	5/31/2022	6/1/2022			2,078,207.07	0.00	0.00		2,078,207.07	2,078,207.07	-	0.00
Repo Agmt	Asset Management	0.74	5/31/2022	6/1/2022	1,999,017.07	1,999,017.07	0.00	(1,999,017.07)	0.00				-	0.00
Repo Agmt	Low Income Tax Credit Prog.	0.74	5/31/2022	6/1/2022	47,250.00	47,250.00	0.00	(11,625.00)	0.00		35,625.00	35,625.00	-	0.00
Repo Agmt	Low Income Tax Credit Prog.	0.74	5/31/2022	6/1/2022	2,318,829.08	2,318,829.08	130,502.04	0.00	0.00		2,449,331.12	2,449,331.12	-	0.00
Repo Agmt	Low Income Tax Credit Prog.	0.74	5/31/2022	6/1/2022	17,144,584.49	17,144,584.49	470,529.84	0.00	0.00		17,615,114.33	17,615,114.33	-	0.00
Repo Agmt	Low Income Tax Credit Prog.	0.74	5/31/2022	6/1/2022	340,815.34	340,815.34	279.77	0.00	0.00		341,095.11	341,095.11	-	0.00
Housing Initiatives Total					21,850,495.98	21,850,495.98	2,679,518.72	(2,010,642.07)	0.00	0.00	22,519,372.63	22,519,372.63	0.00	0.00
Repo Agmt	Homelessness - HB4102	0.74	5/31/2022	6/1/2022	685,954.34	685,954.34	47,908.25	0.00	0.00		733,862.59	733,862.59	-	0.00
Homelessness - HB4102 Total					685,954.34	685,954.34	47,908.25	0.00	0.00	0.00	733,862.59	733,862.59	0.00	0.00
Total Non-Indenture Related Investment Summary					53,938,952.58	53,938,952.58	5,660,880.01	(4,287,317.51)	0.00	0.00	55,312,515.08	55,312,515.08	0.00	0.00

TEXAS DEPARTMENT OF HOUSING AND COMMUNITY AFFAIRS
 HOUSING FINANCE DIVISION
 PUBLIC FUNDS INVESTMENT ACT
 Internal Management Report (Sec. 2256.023)
 Quarter Ending May 31, 2022

Investment Type	FAIR VALUE (MARKET) @ 2/28/22	CARRYING VALUE @ 2/28/22	ACCRETION / PURCHASES	AMORTIZATION/ SALES	MATURITIES	TRANSFERS	CARRYING VALUE @ 05/31/22	FAIR VALUE (MARKET) @ 05/31/22	CHANGE IN FAIR VALUE (MARKET)	ACCRUED INT RECVBL @ 05/31/22	RECOGNIZED GAIN
NON-INDENTURE RELATED:											
General Fund	Repurchase Agreements	6,621,857.61	6,621,857.61	148,234.46	(342,456.28)	-	6,427,635.79	6,427,635.79	-	132.12	
Housing Trust Fund	Repurchase Agreements	12,334,434.91	12,334,434.91	2,611,876.30	(1,612,078.78)	-	13,334,232.43	13,334,232.43	-	274.36	
Compliance	Repurchase Agreements	12,446,209.74	12,446,209.74	173,342.28	(322,140.38)	-	12,297,411.64	12,297,411.64	-	252.78	
Housing Initiatives	Repurchase Agreements	21,850,495.98	21,850,495.98	2,679,518.72	(2,010,642.07)	-	22,519,372.63	22,519,372.63	-	463.10	
Ending Homelessness Trust Fund	Repurchase Agreements	685,954.34	685,954.34	47,908.25	-	-	733,862.59	733,862.59	-	15.08	
NON-INDENTURE RELATED TOTAL		53,938,952.58	53,938,952.58	5,660,880.01	(4,287,317.51)	0.00	55,312,515.08	55,312,515.08	0.00	1,137.44	0.00

(b) (8) The Department is in compliance with regards to investing its funds in a manner which will provide by priority the following objectives: (1) safety of principal, (2) sufficient liquidity to meet Department cash flow needs, (3) a market rate of return for the risk assumed, and (4) conformation to all applicable state statutes governing the investment of public funds including Section 2306 of the Department's enabling legislation and specifically, Section 2256 of the Texas Government Code, the Public Funds Investment Act.

Per Section 2256.007(d) of the Texas Government Code, the Public Funds Investment Act:

David Cervantes completed 8.0 hrs. of training on the Texas Public Funds Investment Act on October 18 and 19, 2021

DocuSigned by: <i>David Cervantes</i> 2AC1F8508210E4 David Cervantes Director of Administration	Date: <u>7/20/2022</u>
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ACTION ITEMS

3

ORAL PRESENTATION

4

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

5

BOARD ACTION REQUEST
COMMUNITY AFFAIRS DIVISION
JULY 28, 2022

Presentation, discussion, and possible action on approval of the 2023 Low Income Home Energy Assistance Program State Plan for submission to the U.S. Department of Health and Human Services and approval of the associated 2023 awards

RECOMMENDED ACTION

WHEREAS, the Texas Department of Housing and Community Affairs (the Department) develops and submits a State Plan to the U.S. Department of Health and Human Services (USHHS) each year to administer the Low Income Home Energy Assistance Program (LIHEAP);

WHEREAS, the Board approved a draft 2023 LIHEAP State Plan on April 14, 2022, which was then made available for public comment and that public comment is addressed below; and

WHEREAS, the final 2023 LIHEAP State Plan (the Plan) includes the awards to subrecipients of 2023 LIHEAP funds as recommended by the Executive Award Review and Advisory Committee (EARAC);

NOW, therefore, it is hereby

RESOLVED, that the Executive Director or his designee are hereby authorized, empowered, and directed, for and on behalf of this Board to submit the Plan to USHHS and upon USHSS approval of such Plan to contract for the awards represented in the Plan and in connection therewith to execute, deliver, and cause to be performed such amendments, documents, and other writings such as anticipated grant guidance on development of the Plan from USHHS 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 Department develops and submits a LIHEAP Plan each year on or before September 1 to USHHS. USHHS provides a model plan to guide the format and content. The draft, upon approval by the Board on April 14, 2022, was released for public comment. The public comment period was open from April 29, 2022, to May 25, 2022, and public hearings were held at several locations around the state May 9-12, 2022. Individuals representing three organizations commented on the draft. A summary of these comments with Department response is provided In Attachment A.

It should be noted that the Plan follows a template and series of required responses pre-determined by USHHS with character limitations and specific instructions. Also, the Plan has yet to be reviewed and approved by USHHS. In its review, it is common for USHHS to request corrections to the Plan. Staff recommends the Board authorize staff to make such required changes to ensure USHHS approval.

Additionally, language has been added to Section 5.11 of the Plan to address the potential LIHEAP funding of one or more projects in underserved communities to install rooftop solar energy systems on eligible households if an appropriate savings in energy expenditures and cost can be achieved. The Department is currently in discussions with the National Renewable Energy Laboratory and Texas Energy Poverty Research Institute to determine whether these projects are feasible and acceptable to the Department.

The Previous Participation Rule (10 TAC, Chapter 1, Subchapter C, §1.302) requires a review of the LIHEAP awards prior to contract execution. The review has been performed and the subrecipients listed in Attachment B have been recommended by the Executive Award Review and Advisory Committee for award.

ATTACHMENT A: SUMMARY OF PUBLIC COMMENT AND STAFF RECOMMENDATIONS

The Department accepted public comment from April 29, 2022, through May 25, 2022, and conducted public hearings on May 9, 2022, in Fort Worth; on May 10, 2022, in Odessa; on May 11, 2022, in Houston; and on May 12, 2022, in Austin. Comment was received from individuals representing three organizations, including the Texas Association of Community Action Agencies (TACAA). Comments and responses are presented in the following table. Note that public comment numbers were assigned as noted to the left and used to identify commenters.

#	Commenter	Organization
1	Brad Manning, Executive Director	Texas Neighborhood Services
2	Keri Gibbs, Community Services Associate	Texas Neighborhood Services
3	Desiree Davis, Utility Assistance Director	BakerRipley
4	Tiffany Edison-Williams, Program Manager	BakerRipley
5	David Medina, Operations Manager	BakerRipley
6	Patrice Wilson, Operations Manager	BakerRipley
7	Glynniece Herron, Operations Manager	BakerRipley
8	CEAP Committee	Texas Association of Community Action Agencies (represents 28 of 36 CEAP Subrecipients and 19 of 21 WAP Subrecipients)

Commenter	Comment Summary	Staff Response	Proposed Changes to the Plan
#1	TNS supports the use of a statewide or regional contractor in the event we have triple the amount of funding as with additional funding from CEAP CARES and the American Rescue Plan.	The Department appreciates the comment in support of a statewide provider. The Department must take measures to ensure that all available funds are fully expended.	No change.
#1	Keep in place COVID flexibilities which include lump sum payments and HVAC service and repair for both vulnerable and non-vulnerable households whenever they have an inoperable system. Maintaining these flexibilities helps with staffing needs and is positive for utility vendors. Unfortunately, the ability to make a one-time lump sum payment will result in	The Department appreciates the comment and intends to keep the COVID flexibilities in place through 2023. The Department does not believe the Crisis Assistance language in the TAC needs revision. Only if a Household meets the definition of a crisis, then can it be assisted	The LIHEAP 2023 State Plan has been revised to state that the Department intends to maintain the COVID flexibilities through the later of the end of the COVID-19 disaster or December 31, 2023. Additionally, Sections 2.4 and 3.4 of the Plan have been revised to make clear that benefits do not need to

	households fully expending their utility assistance benefits late in the year which will increase the number of households needing crisis assistance. The State may need to make revisions to the crisis language so that subrecipients can provide assistance to those households who have exhausted their utility assistance benefits.	using the Crisis Assistance Component.	be applied equally between heating and cooling, but is based on the heating and cooling needs of a household.
#1	Recommend the Department consider the increase in energy cost from one year to the next and consider increasing benefit determinations per household. Living expenses continue to outpace wages and income. The Department can conduct a survey of what the current rates are and adjust benefit levels accordingly. Compare Alternative Billing Methods (ABM) and you will find that usage has increased with more people working from home. The CEAP rules currently require subrecipients to use Average Billing Method and prior usage, but that does not account for the current increase in rates.	The Department appreciates the comment and notes that 10 TAC §6.309(h)(1)(A) states “Subrecipients may make utility payments on behalf of Households based on the previous 12 month’s home energy consumption history, including allowances for cost inflation.” The Department will consider raising benefit determinations per household at the next rulemaking opportunity. If benefit determinations are revised, the Plan will be amended to reflect the change. The Department is also researching the feasibility of installation of solar panels if certain savings conditions are met.	The Department added language into Section 5.11 of the Plan indicating that LIHEAP weatherization funds may potentially be used for the installation of solar panels if certain savings conditions are met; however, this matter is still being explored and is preliminary.
#2	Allow CEAP subrecipients the option to use either the Alternative Billing Method (ABM) or the 12-month billing history to determine amount of	The Department appreciates the suggestion; however, Federal Reporting Requirements requires States to report 12-month billing histories and, per 10	No change.

	payment when payments are to be made.	TAC §6.309(h)(1)(A), only when a household does not have a 12-month billing history, can the ABM be used.	
#3	Recommend maintaining the maximum benefit amount of up to \$7,500 for service or repair of heating and cooling units.	The Department appreciates the comment and will keep the maximum benefit amount for service or repair of existing heating and cooling units at \$7,500.	The Department revised the Plan to reflect that \$7,500 can be used for the service and repair of existing heating or cooling units when a household has an inoperable heating or cooling system.
#3	Recommend the provision of heating and cooling system repair assistance to non-vulnerable households for the entire year without any crisis criteria conditions required.	The Department appreciates the comment and intends to continue to allow non-vulnerable households to receive heating and cooling system service and repair as part of the COVID flexibilities until the later of either the end of the COVID-19 disaster or December 31, 2023.	The LIHEAP 2023 State Plan has been revised to state that the Department intends to maintain the COVID flexibilities through either the later of the end of the COVID-19 disaster or December 31, 2023.
#3	Recommend increasing CEAP income eligibility to 200% of the Federal Poverty Income Guidelines (FPIG). Allows subrecipients to serve more households and aligns with CSBG.	Section 2605 of the Low Income Home Energy Assistance Act of 1981 (42 U.S.C. § 8624(b)(2)) limits states to making payments to households with incomes which do not exceed the greater of (i) an amount equal to 150% of the poverty level for such State; or (ii) an amount equal to 60% of the State Median Income. The Department does not have the authority to raise the threshold to 200%, and has determined that in order to reach as many low-income persons	No change.

		as possible to use 150% of FPIG to qualify Households as eligible for LIHEAP assistance.	
#3	Recommend qualifying households by net income instead of gross income. Many households have deductions that significantly decrease net income.	Although the Plan allows the use of net income to determine eligibility for assistance, the Department chooses to use gross income for several reasons. First, most individuals readily know their gross income versus their net income. Second, gross income is often more stable than net income as net income can change month to month depending on taxes and deductions. Third, when employers report income to the IRS, the amount reported is gross income (not net); therefore, gross income is more easily discernable on paycheck stubs. Finally, it would be difficult to list all possible paycheck deductions to be included income (e.g., retirement plan deductions, health insurance deductions, charitable contribution deductions, etc.). Staff appreciates the comment, but proposes no changes to income eligibility determination.	No change.
#3	Exclude income of ineligible household members due to citizenship status.	This comment relates to 10 TAC §6.309(c) and is not addressed in the Plan. However, unqualified aliens are not authorized by	No change.

		<p>statute (Section 2605 of the Low Income Home Energy Assistance Act of 1981) (42 U.S.C. § 8624(b)(2)) to receive LIHEAP services, and therefore are considered ineligible and may not be counted as part of the household. However, if an unqualified alien lives within a house and earns income, the income earned by the alien can and will be used for living expenses (e.g., rent, utilities, food) and can cause a household to be over the qualified income. If the income of the ineligible household member is excluded, a household could be considered eligible that is in fact over income. The Information Memorandum from HHS dated December 12, 2014, on this issue specifically indicates that there is no authority to exclude income. This rationale serves as the basis for 10 TAC §6.309(c) which is carefully written to indicate that a household can, and should, still be considered eligible for services even though an Unqualified Alien resides within. It is possible that households may not qualify due to income earned by an Unqualified Alien putting the household income above the Federal Poverty</p>	
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		Guidelines; however, a household will not be considered ineligible simply because of the presence of an Unqualified Alien.	
#3	Recommend self-attestation for citizenship. This is especially critical for vulnerable populations who in some cases were born by a midwife and no birth records are available.	The Department as the pass-through recipient of federal funds must abide by and ensure adherence to the laws prescribed by its federal oversight agencies. USHHS has indicated to the Department, and the Department has relayed to its Subrecipients through the adoption of such rules in February 2019, that self-attestation is not an acceptable form of verification for citizenship/legal status. If self-attestation is used, and a Household is later identified as being ineligible, those costs would be disallowed and its repayment would be a fiscal responsibility of the Subrecipient (and the Department). The Department does not authorize self-attestation for this reason. Subrecipients should continue referring to the "US Identity and Citizenship Documentation Matrix" to verify US Citizenship. The Department appreciates the comment, but proposes no changes to the Plan.	No change.

#3	Recommend that SNAP recipients be categorically eligible.	Because USHHS confirmed in writing that SNAP/TANF are categorically eligible for LIHEAP benefits irrespective of whether SNAP/TANF income requirements exceed 150% of FPIG, the Department can now include SNAP/TANF as categorically eligible. The Department appreciates the comment and will include SNAP/TANF as categorically eligible.	The Department revised Sections 1.4 and 1.6 of the Plan to reflect that in 2023 SNAP/TANF are categorically eligible for LIHEAP benefits.
#3	Allow the use of one-time lump sum payments once benefits are determined. This will reduce the stress and burden on applicants having to verify when pledged payments are made.	The Department appreciates the comment and intends to keep the COVID flexibilities, which include one-time lump sum payments, in place through 2023.	The LIHEAP 2023 State Plan has been revised to state that the Department will maintain the COVID flexibilities through the later of the end of the COVID-19 disaster or December 31, 2023.
#4	Use the Alternative Billing Method for determination of benefits instead of 12 month billing history would be ideal. It would help with steady increase of vendor rates and increased bills and keep pace with inflation.	The Department appreciates the suggestion; however, Federal Reporting Requirements requires States to report 12-month billing histories and, per 10 TAC §6.309(h)(1)(A), only when a household does not have a 12-month billing history, can the ABM be used.	No change.
#5	Recommend the Department change the benefit levels to the same levels as were allowed for Winter Storm Uri (i.e., \$3,200 for 0-50%, \$3,000 for 51-75%, \$2,800 for 76-150%). The increase would help cover the consumption usage of households with extremely	The Department appreciates the comment and will consider the increase in energy costs and consider revising the benefit determinations per household at the next rulemaking opportunity. If benefit determinations are	No change.

	high 12-month billing histories and help households who have to pay utility bills out of pocket.	revised, the Plan will be amended to reflect the change.	
#6	Increase poverty guidelines to 190% to reach more households who have been impacted by inflation and natural disaster and world events.	Section 2605 of the Low Income Home Energy Assistance Act of 1981 (42 U.S.C. § 8624(b)(2)) limits states to making payments to households with incomes which do not exceed the greater of (i) an amount equal to 150% of the poverty level for such State; or (ii) an amount equal to 60% of the State Median Income. The Department does not have the authority to raise the threshold to 200%, and has determined that in order to reach as many low-income persons as possible to use 150% of FPIG to qualify Households as eligible for LIHEAP assistance. If in the future, the LIHEAP Act allows states to use a higher percentage of FPIG, the Department will consider such limits.	No change.
#7	As described in the LIHEAP Assurances, allow households receiving SNAP to be considered categorically eligible for LIHEAP.	Because USHHS confirmed in writing that SNAP/TANF are categorically eligible for LIHEAP benefits irrespective of whether SNAP/TANF income requirements exceed 150% of FPIG, the Department can now include SNAP/TANF as categorically eligible. The	The Department revised Sections 1.4 and 1.6 of the Plan to reflect that in 2023 SNAP/TANF are categorically eligible for LIHEAP benefits.

		Department appreciates the comment and will include SNAP/TANF as categorically eligible.	
#8	<p>Recommends allowing self-certification for citizenship or legal status documentation as an option for subrecipients to ensure that households who do not have access to citizenship and/or legal status documentation are not adversely impacted or excluded from receiving services if they are able to provide self-certification to meet the requirement.</p> <p>Neighboring states with the southwest region to include: Arizona, New Mexico, California, and Nevada allow clients to sign attestation of citizenship or legal residency and/or submit a Social Security card as proof of legal residency. The backlog in citizenship application processing is a barrier for some communities. The USCIS reports application processing times of up to 9.5-15 months in the El Paso area and San Antonio area and up to 14.5 months in the Dallas area.</p>	<p>The Department as the pass-through recipient of federal funds must abide by and ensure adherence to the laws prescribed by its federal oversight agencies. USHHS has indicated to the Department, and the Department has relayed to its Subrecipients through the adoption of such rules in February 2019, that self-attestation is not an acceptable form of verification for citizenship/legal status. If self-attestation is used, and a Household is later identified as being ineligible, those costs would be disallowed and its repayment would be a fiscal responsibility of the Subrecipient (and the Department). The Department does not authorize self-attestation for this reason. Subrecipients should continue referring to the "US Identity and Citizenship Documentation Matrix" to verify US Citizenship. The Department appreciates the comment, but proposes no changes to the Plan.</p>	No change.

ATTACHMENT B: LIST OF SUBRECIPIENTS AND ALLOCATIONS

2023 CEAP ALLOCATIONS

Contract Period: January 1, 2023 - December 31, 2023

1	Aspermont Small Business Development Center, Inc.	\$898,684
2	BakerRipley	\$18,518,272
3	Bexar County Community and Development Programs	\$8,485,009
4	Big Bend Community Action Committee, Inc.	\$1,051,410
5	Brazos Valley Community Action Programs	\$4,249,218
6	City of Fort Worth Neighborhood Services Department	\$6,319,219
7	City of Lubbock Community Development Department	\$1,486,320
8	Combined Community Action, Inc.	\$1,862,457
9	Community Action Committee of Victoria, Texas	\$1,612,786
10	Community Action Corporation of South Texas	\$5,344,023
11	Community Action Inc. of Central Texas	\$885,955
12	Community Council of South Central Texas, Inc.	\$5,342,822
13	Community Services Northeast Texas, Inc.	\$2,756,690
14	Concho Valley Community Action Agency	\$1,761,022
15	Cornerstone Community Action Agency	\$1,386,610
16	County of Hidalgo Community Services Agency	\$6,099,007
17	Dallas County Health and Human Services	\$10,389,164
18	Economic Action Committee of the Gulf Coast	\$614,517
19	Economic Opportunities Advancement Corporation of Planning Region XI	\$3,154,535
20	El Paso Community Action Program-Project BRAVO	\$5,870,735
21	Greater East Texas Community Action Program	\$8,868,223
22	Hill Country Community Action Association, Inc.	\$2,196,251
23	Kleberg County Human Services	\$707,699
24	Nueces County Community Action Agency	\$2,023,048
25	Panhandle Community Services	\$3,491,819
26	Pecos County Community Action Agency	\$690,524
27	Rolling Plains Management Corporation	\$2,884,409
28	South Plains Community Action Association, Inc.	\$1,671,706
29	South Texas Development Council	\$1,088,225
30	Texas Neighborhood Services	\$1,643,021
31	Texoma Council Of Governments	\$4,093,653
32	Travis County Health and Human Services	\$3,859,484
33	Tri-County Community Action, Inc.	\$2,096,971
34	Webb County Community Action Agency	\$1,728,049
35	West Texas Opportunities, Inc.	\$3,453,431
36	Opportunities for Williamson and Burnet Counties	\$892,646
	TOTAL	\$129,477,614

Note: All figures are estimates and based on 2022 allocations. Staff will proportionally revise the award amounts according to formula upon Congressional approval and receipt of grant notifications from the U.S. Department of Health and Human Services.

2023 LIHEAP WAP ALLOCATIONS

Contract Period: January 1, 2023 - December 31, 2023

	SUBRECIPIENT	ALLOCATION
1	Alamo Area Council of Government	\$1,304,871
2	BakerRipley	\$1,998,413
3	Brazos Valley Community Action Programs	\$515,033
4	City of Fort Worth Neighborhood Services Department	\$765,104
5	Combined Community Action, Inc.	\$333,423
6	Community Action Committee of Victoria, Texas	\$464,729
7	Community Action Corporation of South Texas	\$1,781,204
8	Community Council of South Central Texas, Inc.	\$514,161
9	Concho Valley Community Action Agency	\$275,745
10	Dallas County Health and Human Services	\$1,256,782
11	Economic Opportunities Advancement Corporation of Planning Region XI	\$437,132
12	El Paso Community Action Program-Project BRAVO	\$710,924
13	Greater East Texas Community Action Program	\$1,464,331
14	Hill Country Community Action Association, Inc.	\$415,574
15	Nueces County Community Action Agency	\$246,096
16	Panhandle Community Services	\$423,534
17	Rolling Plains Management Corporation	\$667,152
18	South Plains Community Action Association, Inc.	\$382,908
19	Texoma Council Of Governments	\$828,965
20	Travis County Health and Human Services	\$467,951
21	West Texas Opportunities, Inc.	\$418,897
	TOTAL	\$15,672,929

Note: All figures are estimates and based on 2022 allocations. Staff will proportionally revise the award amounts according to formula upon Congressional approval and receipt of grant notifications from the U.S. Department of Health and Human Services.

LOW INCOME HOME ENERGY ASSISTANCE PROGRAM (LIHEAP)

MODEL PLAN

PUBLIC LAW 97-35, AS AMENDED

FEDERAL FISCAL YEAR 2023

GRANTEE: Texas Department of Housing and Community Affairs

EIN: 17426105429

ADDRESS: P.O. Box 13941

Austin, Texas 78711-3941

LIHEAP COORDINATOR: Michael DeYoung

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

TELEPHONE: (512) 475-2125 FAX: (512) 475-3935

CHECK ONE: TRIBE / TRIBAL ORGANIZATION _____ STATE X _____ INSULAR AREA _____

Department of Health and Human Services

Administration for Children and Families

Office of Community Services

Washington, DC 20447

August 1987, revised 05/92, 02/95, 03/96, 12/98, 11/01

OMB Approval No. 0970-0075

THE PAPERWORK REDUCTION ACT OF 1995 (Pub. L. 104-13)

Use of this model plan is optional. However, the information requested is required in order to receive a Low Income Home Energy Assistance Program (LIHEAP) grant in years in which the grantee is not permitted to file an abbreviated plan. Public reporting burden for this collection of information is estimated to average 1 hour per response, including the time for reviewing instructions, gathering and maintaining the data needed, and reviewing the collection of information. An agency may not conduct or sponsor, and a person is not required to respond to, a collection of information unless it displays a currently valid OMB control number.

Assurances

The Texas Department of Housing and Community Affairs agrees to:

(1) use the funds available under this title to--

(A) conduct outreach activities and provide assistance to low income households in meeting their home energy costs, particularly those with the lowest incomes that pay a high proportion of household income for home energy, consistent with paragraph (5);

(B) intervene in energy crisis situations;

(C) provide low-cost residential weatherization and other cost-effective energy-related home repair; and

(D) plan, develop, and administer the State's program under this title including leveraging programs, and the State agrees not to use such funds for any purposes other than those specified in this title;

(2) make payments under this title only with respect to--

(A) households in which one or more individuals are receiving--

(i) assistance under the State program funded under part A of title IV of the Social Security Act;

(ii) supplemental security income payments under title XVI of the Social Security Act;

(iii) food stamps under the Food Stamp Act of 1977; or

(iv) payments under section 415, 521, 541, or 542 of title 38, United States Code, or under section 306 of the Veterans' and Survivors' Pension Improvement Act of 1978; or

(B) households with incomes which do not exceed an amount equal to 150 percent of the poverty level for such State; or

(i) an amount equal to 60 percent of the State median income;

except that a State may not exclude a household from eligibility in a Federal fiscal year solely on the basis of household income if such income is less than 110 percent of the poverty level for such State, but the State may give priority to those households with the highest home energy costs or needs in relation to household income.

(3) conduct outreach activities designed to assure that eligible households, especially households with elderly individuals or disabled individuals, or both, and households with high home energy burdens, are made aware of the assistance available under this title, and any similar energy-related assistance available under subtitle B of title VI (relating to community services block grant program) or under any other provision of law which carries out programs which were administered under the Economic Opportunity Act of 1964 before the date of the enactment of this Act;

(4) coordinate its activities under this title with similar and related programs administered by the Federal Government and such State, particularly low-income energy-related programs under subtitle B of title VI (relating to community services block grant program), under the supplemental security income program, under part A of title IV of the Social Security Act, under title XX of the Social Security Act, under the low-

income weatherization assistance program under title IV of the Energy Conservation and Production Act, or under any other provision of law which carries out programs which were administered under the Economic Opportunity Act of 1964 before the date of the enactment of this Act;

(5) provide, in a timely manner, that the highest level of assistance will be furnished to those households which have the lowest incomes and the highest energy costs or needs in relation to income, taking into account family size, except that the State may not differentiate in implementing this section between the households described in clauses 2(A) and 2(B) of this subsection;

(6) to the extent it is necessary to designate local administrative agencies in order to carry out the purposes of this title, to give special consideration, in the designation of such agencies, to any local public or private nonprofit agency which was receiving Federal funds under any low-income energy assistance program or weatherization program under the Economic Opportunity Act of 1964 or any other provision of law on the day before the date of the enactment of this Act, except that--

(A) the State shall, before giving such special consideration, determine that the agency involved meets program and fiscal requirements established by the State; and

(B) if there is no such agency because of any change in the assistance furnished to programs for economically disadvantaged persons, then the State shall give special consideration in the designation of local administrative agencies to any successor agency which is operated in substantially the same manner as the predecessor agency which did receive funds for the Federal fiscal year preceding the Federal fiscal year for which the determination is made;

(7) if the State chooses to pay home energy suppliers directly, establish procedures to--

(A) notify each participating household of the amount of assistance paid on its behalf;

(B) assure that the home energy supplier will charge the eligible household, in the normal billing process, the difference between the actual cost of the home energy and the amount of the payment made by the State under this title;

(C) assure that the home energy supplier will provide assurances that any agreement entered into with a home energy supplier under this paragraph will contain provisions to assure that no household receiving assistance under this title will be treated adversely because of such assistance under applicable provisions of State law or public regulatory requirements; and

(D) ensure that the provision of vendor payments remains at the option of the State in consultation with local grantees and may be contingent on unregulated vendors taking appropriate measures to alleviate the energy burdens of eligible households, including providing for agreements between suppliers and individuals eligible for benefits under this Act that seek to reduce home energy costs, minimize the risks of home energy crisis, and encourage regular payments by individuals receiving financial assistance for home energy costs;

(8) provide assurances that--

(A) the State will not exclude households described in clause (2)(B) of this subsection from receiving home energy assistance benefits under clause (2), and

(B) the State will treat owners and renters equitably under the program assisted under this title;

(9) provide that--

(A) the State may use for planning and administering the use of funds under this title an amount not to exceed 10 percent of the funds payable to such State under this title for a Federal fiscal year; and

(B) the State will pay from non-Federal sources the remaining costs of planning and administering the program assisted under this title and will not use Federal funds for such remaining cost (except for the costs of the activities described in paragraph (16));

(10) provide that such fiscal control and fund accounting procedures will be established as may be necessary to assure the proper disbursement of and accounting for Federal funds paid to the State under this title, including procedures for monitoring the assistance provided under this title, and provide that the State will comply with the provisions of chapter 75 of title 31, United States Code (commonly known as the "Single Audit Act");

(11) permit and cooperate with Federal investigations undertaken in accordance with section 2608;

(12) provide for timely and meaningful public participation in the development of the plan described in subsection (c);

(13) provide an opportunity for a fair administrative hearing to individuals whose claims for assistance under the plan described in subsection (c) are denied or are not acted upon with reasonable promptness; and

(14) cooperate with the Secretary with respect to data collecting and reporting under section 2610.

(15) beginning in Federal fiscal year 1992, provide, in addition to such services as may be offered by State Departments of Public Welfare at the local level, outreach and intake functions for crisis situations and heating and cooling assistance that is administered by additional State and local governmental entities or community-based organizations (such as community action agencies, area agencies on aging and not-for-profit neighborhood-based organizations), and in States where such organizations do not administer functions as of September 30, 1991, preference in awarding grants or contracts for intake services shall be provided to those agencies that administer the low-income weatherization or energy crisis intervention programs.

* This assurance is applicable only to States, and to territories whose annual regular LIHEAP allotments exceed \$200,000. Neither territories with annual allotments of \$200,000 or less nor Indian tribes/tribal organizations are subject to Assurance 15.

(16) use up to 5 percent of such funds, at its option, to provide services that encourage and enable households to reduce their home energy needs and thereby the need for energy assistance, including needs assessments, counseling, and assistance with energy vendors, and report to the Secretary concerning the impact of such activities on the number of households served, the level of direct benefits provided to those households, and the number of households that remain unserved.

Certification to the Assurances: As Chief Executive Officer, I agree to comply with the sixteen assurances contained in Title XXVI of the Omnibus Budget Reconciliation Act of 1981, as amended. By signing these assurances, I also agree to abide by the standard assurances on lobbying, debarment and suspension, and a drug-free workplace.

Signature of the Tribal or Board Chairperson or Chief Executive Officer of the State or Territory.

Signature: _____

Title: Executive Director, Texas Department of Housing and Community Affairs

Date: August 2022 (*The exact date to be notated in USHHS OLDC system at time of submission.*)

The Governor of Texas has delegated the responsibility of signing this document to the Executive Director of the Texas Department of Housing and Community Affairs. A copy of the letter is attached.

The EIN (Entity Identification Number) of the Texas Department of Housing & Community Affairs, which receives the grant funds, appears on the cover of this application.

In the above assurances which are quoted from the law, "State" means the 50 States, the District of Columbia, an Indian Tribe or Tribal Organization, or a Territory; "title" of the Act refers to Title XXVI of the Omnibus Budget Reconciliation Act of 1981 (OBRA), as amended, the "Low Income Home Energy Assistance Act"; "section" means Section 2605 of OBRA; and, "subsection" refers to Section 2605(b) of OBRA.

Section 1¹

Program Components, 2605(a), 2605(b)(1) – Assurance 1, 2605(c)(1)(C)

1.1 Check which components you will operate under the LIHEAP program. (Note: You must provide information for each component designated here as requested elsewhere in this plan.)

Dates of Operation²

- Heating assistance Start date: 10/01/2022 End date: 09/30/2024
- Cooling assistance Start date: 10/01/2022 End date: 09/30/2024
- Crisis assistance Start date: 10/01/2022 End date: 09/30/2024
- Weatherization assistance Start date: 10/01/2022 End date: 09/30/2024

Estimated Funding Allocation, 2604(c), 2605(k)(1), 2605(b)(9), 2605(b)(16) – Assurances 9 and 16

1.2 Estimate what amount of available LIHEAP funds will be used for each component that you will operate: **The total of all percentages must add up to 100%**

15% heating assistance

50% cooling assistance

10% crisis assistance

Up to 15% weatherization assistance³

0% carryover to the following Federal fiscal year

10% administrative and planning costs

0% services to reduce home energy needs including needs assessment (Assurance 16)

0% used to develop and implement leveraging activities

100% **TOTAL**

¹ Capitalized terms are defined in Title 10, Chapters 1, 2, or 6 (as applicable) of the Texas Administrative Code or by federal law.

² Identification of these periods does not limit the payment of assistance on any “seasonal” basis.

³ If 15% is not used for weatherization assistance, the balance will be added to heating, cooling, or crisis assistance as needed.

Alternate Use of Crisis Assistance Funds, 2605(c)(1)(C)

1.3 The funds reserved for winter crisis assistance that have not been expended by March 15 will be reprogrammed to:

- Heating assistance
- Weatherization assistance
- Cooling assistance
- Other (specify): funds are utilized for all eligible components

Categorical Eligibility, 2605(b)(2)(A) – Assurance 2, 2605(c)(1)(A), 2605(b)(8A) – Assurance 8

1.4 Do you consider households categorically eligible if one household member receives one of the following categories of benefits in the left column below? Yes No

Program	Cooling	Heating	Crisis	Weatherization
Temporary Assistance for Needy Families	NoYes	NoYes	NoYes	NoYes
Supplemental Security Income	Yes	Yes	Yes	Yes
Supplemental Nutrition Assistance Program	NoYes	NoYes	NoYes	NoYes
Means-tested Veterans Programs	Yes	Yes	Yes	Yes

1.5 Do you automatically enroll households without a direct annual application?
 Yes No

1.6 How do you ensure there is no difference in the treatment of categorically eligible households from those not receiving other public assistance when determining eligibility and benefit amounts?
 Texas provides Categorical Eligibility for SNAP, TANF, SSI and Means-Tested Veterans Programs ~~into its program~~. State rules have a provision that there is to be no difference in the treatment of Categorical Eligible Households. The Department has a system for persons to submit complaints, and the monitoring reviews would also note any differences in treatment of persons that are or are not Categorical Eligible.

SNAP Nominal Payments

1.7 Do you allocate LIHEAP funds toward a nominal payment for SNAP households? If you answered “yes” to question 1.71 you must provide a response to 1.7b, 1.7c, 1.7d.

- a. Yes No
- b. Amount of Nominal Assistance: \$ ___ NA _____
- c. Frequency of Assistance:
 - Once per year
 - Once every five years
 - Other (describe): _____ NA _____

d. How do you confirm that the household receiving a nominal payment has an energy cost or need?

Determination of Eligibility – Countable Income

1.8 In determining a household's income eligibility for LIHEAP, do you use gross income or net income?

- Gross Income (except for self-employment or farm income or gambling/lottery winnings) ⁴
 Net Income

1.9. Select all of the applicable forms of countable income used to determine a household's income eligibility for LIHEAP. ⁵

- Wages (except as prohibited by the Workforce Investment Act of 1998)
 Self-employment income
 Contract income
 Payments from mortgage or sales contracts
 Unemployment Insurance
 Strike pay
 Social Security Administration (SSA) benefits
 Including Medicare deduction Excluding Medicare deduction
 Supplemental Security Income (SSI)
 Retirement / pension benefits
 General Assistance benefits (except as excluded by federal law or 10 TAC §6.4-)
 Temporary Assistance for Needy Families (TANF) benefits (except for one-time payments)
 Supplemental Nutrition Assistance Program (SNAP) benefits
 Women, Infants, and Children Supplemental Nutrition Program (WIC) benefits
 Loans that need to be repaid
 Cash gifts
 Savings account balance
 One-time lump-sum payments, such as rebates/credits, refund deposits, etc.
 Jury duty compensation
 Rental income
 Income from employment through Workforce Investment Act (WIA)
 Income from work study programs
 Alimony
 Child support
 Interest, dividends, or royalties
 Commissions
 Legal settlements
 Insurance payments made directly to the insured
 Insurance payments made specifically for the repayment of a bill, debt, or estimate
 Veterans Administration (VA) benefits (except for 38 USC 1315, 1521, 1541, 1542)
 Earned income of a child under the age of 18
 Balance of retirement, pension, or annuity accounts where funds cannot be withdrawn without a penalty.
 Income tax refunds
 Stipends from senior companion programs, such as VISTA
 Funds received by household for the care of a foster child
 AmeriCorps Program payments for living allowances, earnings, and in-kind aid.
 Reimbursements (for mileage, gas, lodging, meals, etc.)

⁴ Exceptions on use of net income are provided for in 10 TAC §6.4.

⁵ Any income received by a household that is received from a federal, State, local government, or disaster relief agency that is in excess of the amounts of what would be received if not for pandemic related or other disaster related legislation, will be excluded per 10 TAC §6.4(c)(28).

Other Any item not excluded in 10 TAC §6.4 or by other federal law

NOTE: Temporary flexibilities effective January 1, 2022, until the later of the end of the COVID-19 disaster or December 31, 2023, allow Subrecipients to utilize Texas Rent Relief income certification. For such Households, no additional income documentation is needed as they are deemed income eligible through the Texas Rent Relief Program which also uses 150% of Federal Poverty Income Guidelines.

Section 2 - HEATING ASSISTANCE

Eligibility, 2605(b)(2) – Assurance 2

2.1 Designate the income eligibility threshold used for the heating component:

<i>Household Size</i>	<i>Eligibility Guidelines</i>	<i>Eligibility Threshold</i>
All Household Sizes	USHHS Poverty Guidelines	150%
All Household Sizes	State Median Income	60% ⁶

2.2 Do you have additional eligibility requirements for **HEATING ASSISTANCE**?

Yes No ⁷

2.3 Check the appropriate boxes below and describe the policies for each.

- | | <u>Yes</u> | <u>No</u> |
|--|--------------------------|-------------------------------------|
| ● Do you require an assets test? | <input type="checkbox"/> | <input checked="" type="checkbox"/> |
| ● Do you have additional/differing eligibility policies for: | | |
| ● Renters? | <input type="checkbox"/> | <input checked="" type="checkbox"/> |
| ● Renters living in subsidized housing? | <input type="checkbox"/> | <input checked="" type="checkbox"/> |
| ● Renters with utilities included in the rent? ⁸ | <input type="checkbox"/> | <input checked="" type="checkbox"/> |
| ● Do you give priority in eligibility to: | | |

⁶ In the county of a major disaster or emergency designated by the Secretary of the Department of Health and Human Services or by the President under the Disaster Relief Act of 1974, Texas will use the highest of 150% of the poverty guidelines or 60% of the State's median income (SMI). The State may also use this flexibility to set poverty guidelines in a local crisis as defined by the Department's Executive Director. Texas will communicate this designation to affected Subrecipients through email and by website posting. Subrecipients must receive prior written approval before using 60% SMI. Place based assistance must be performed in the county, but person based assistance for those displaced by a disaster or emergency may be in other counties.

⁷ 10 TAC §6.307(f) states: "A Dwelling Unit cannot be served if the meter is utilized by another Household that is not part of the application for assistance. In instances where separate structures share a meter and the applicant is otherwise eligible for assistance, Subrecipient must provide services if: (1) the members of the separate structures that share a meter meet the definition of a Household per §6.2 of this Chapter (relating to Definitions); (2) the members of the separate structures that share a meter submit one application as one Household; and (3) all persons and applicable income from each structure are counted when determining eligibility."

⁸ Per 10 TAC §6.309(h)(7), Subrecipient may make payments to landlords on behalf of eligible renters who pay their utility and/or fuel bills indirectly. Subrecipient shall notify each participating household of the amount of assistance paid on its behalf. Subrecipient shall document this notification. Subrecipient shall maintain proof of utility or fuel bill payment. Subrecipient shall ensure that amount of assistance paid on behalf of customer is deducted from customer's rent.

- Elderly?
 - Disabled?
 - Young children?
 - Households with high energy burdens?
 - Other?
- Households with high energy consumption

Determination of Benefits, 2605(b)(5) – Assurance 5, 2605(c)(1)(B)

2.4 Describe how you prioritize the provision of heating assistance to vulnerable households, e.g., benefit amounts, application period, etc.

Subrecipients and statewide or regional contractors use a rating system which determines priority based on persons in Households who are particularly vulnerable such as the Elderly, Persons with Disabilities, Households with Young Children, Households with High Energy Burden, and Households with High Energy Consumption. Benefit amounts are determined on a sliding scale based on the Household’s income. Households with the presence of a vulnerable member such as the Elderly, Persons with Disabilities, and Households with Young Children do not have a limit on the number of benefit payments, but adhere to the same benefit amounts. The maximum benefit amount is determined per program year based on the Household’s heating and cooling need, ~~is split between heating and cooling assistance,~~ and is not required to be applied equally to heating and cooling costs.

2.5 Check the variables you use to determine your benefit levels. (Check all that apply):

- Income
- Family (household) size
- Home energy cost or need:
 - Fuel type
 - Climate/region
 - Individual bill
 - Dwelling type
 - Energy burden (% of income spent on home energy)
 - Energy need
 - Other (Describe:)

Other: Households who have a disconnect notice or have had their service disconnected will receive assistance based on the energy bill. For future month’s utility assistance, the amount that will be paid on the account is based on the previous twelve (12) month’s home energy consumption history. If the household has incomplete billing history, then payments are determined utilizing an alternative billing method (ABM). The Department recommends an ABM where the Subrecipient determines the average consumption amount (kWh, therms, MCF, gallons, etc.) per month, for each household size and type based on a minimum sample size of 30 files that contain complete billing histories; however, if it is not possible for subrecipients to obtain the recommended 30 file per household sample size to create an average consumption amount, Subrecipients should use all the applicable files to determine the average consumption and document the lack of files for that household size. Subrecipients can propose other types of ABMs. The state will provide statewide or regional contractors other types of ABMs, if required. The ABM proposed by the Subrecipient must be approved by the Department prior to utilization. Subrecipients must establish a written procedure to serve Households that have a Vulnerable

Population Household member, Households with High Energy Burden, and Households with High Energy Consumption. High Energy Burden is the highest rated item in sliding scale priority determinations. The state will provide a written procedure to a statewide or regional contractor.

The amount of benefit/assistance that an applicant is eligible for is based on their level of household income. Per 10 TAC §6.309(e), Households with incomes 0-50% of Federal Poverty Income Guidelines (FPIG) have a maximum of \$2,400 for the Utility Assistance Component and the Crisis Assistance Component; Households with incomes at 51%-75% FPIG have a maximum of \$2,300 per Component; Households with incomes 76%-150% FPIG have a maximum of \$2,200 per Component; and there is a maximum of up to ~~\$7,55,000~~ for ~~sService and rRepair~~ of existing heating and cooling units when the Household has an inoperable heating or cooling system. In a Life Threatening Crisis, purchase of portable air conditioning/window units/evaporative coolers and heating units is allowable. The maximum total eligible assistance is ~~\$12,38,200~~.

NOTE: Temporary flexibilities effective January 1, 2022, and until the later of the end of the COVID-19 disaster or December 31, 2023, allow the payment of 100% of a customer's annual usage in one lump sum.

Benefit Levels, 2605(b)(5) – Assurance 5, 2605(c)(1)(B)

2.6 Describe estimated benefit levels for FY 2022:

\$1 Minimum benefit \$12,300 Maximum benefit

Note: The State of Texas does not have a minimum benefit amount. The amount of benefit/assistance indicates \$1.00, because the OLDC system requires that a figure be inserted in the minimum amount. The maximum benefit amount per household is \$12,300 per program year and could be reached if a household received up to \$2,400 in Crisis Assistance, \$2,400 in Utility Assistance, and a \$7,500 repair or replacement of a heating or cooling unit or crisis-related purchase of portable air conditioning/window units/evaporative coolers and heating units. The initial assistance payment that would include arrears does not count towards the annual benefit caps for a household.

Households are eligible for up to \$2,400 under Utility Assistance Component and up to \$2,400 under Crisis Assistance Component. The level of assistance is dependent on Household income and meeting CEAP program eligibility requirements. The amount of benefit/assistance that an applicant is eligible for is based on their level of household income. Households with incomes 0-50% of Federal Poverty Income Guidelines (FPIG) have a maximum of \$2,400 for the Utility Assistance Component and the Crisis Assistance Component, incomes at 51%-75% FPIG up to \$2,300 per Component; incomes 76%-150% FPIG up to \$2,200 per Component. ~~and up to \$7,500 for Service and Repair of heating and cooling units or purchase of portable air conditioning/window units/evaporative coolers and heating units. The maximum total eligible assistance is \$12,300.~~

In Crisis conditions, Non-Vulnerable Population ~~h~~Households with inoperable heating and cooling units may be eligible for an additional \$7,500 for service and repair of existing heating and cooling units. Vulnerable Population Households, regardless of crisis conditions, that include at least one member that is Elderly, Disabled, or a Child age 5 or younger, may receive service and repair of existing heating and

cooling units not to exceed \$7,500. All households experiencing a life-threatening crisis may be eligible to receive portable air conditioning/window units/evaporative coolers and heating units (portable electric heaters are allowable only as a last resort).

The maximum total eligible assistance is \$12,300.

~~All households experiencing a life threatening crisis may be eligible to receive portable air conditioning/window units/evaporative coolers and heating units (portable electric heaters are allowable only as a last resort).~~

NOTE: Temporary flexibilities effective January 1, 2022, and until the later of the end of the COVID-19 disaster or December 31, 2023, allow a Non-Vulnerable Population Household with an inoperable heating and cooling unit to receive up to \$7,500 for service and repair regardless of the existence of Crisis conditions.

2.7 Do you provide in-kind (e.g., blankets, space heaters) and/or other forms of benefits?

Yes No -- If yes, describe.

~~Non-vulnerable Households may receive service and repair of existing heating and cooling units not to exceed \$7,500 if the Household is experiencing crisis conditions. Vulnerable Households that include at least one member that is Elderly, Disabled, or a Child age 5 or younger, may receive service and repair of existing heating and cooling units not to exceed \$7,500. All Households experiencing a life-threatening crisis may be eligible to receive portable air conditioning/evaporative coolers and heating units (portable electric heaters are allowable only as a last resort).~~

Eligible Households may receive temporary shelter not to exceed the annual household expenditure limit for the duration of the contract period in the limited instances when natural disasters result in energy supply shortages or other energy-related emergencies. Eligible Households may receive emergency deliveries of fuel up to 250 gallons per crisis per Household, at the prevailing price. This benefit may include coverage for tank pressure testing. When natural disasters result in energy supply shortages or other energy-related emergencies, LIHEAP will allow home energy related expenditures as described in 10 TAC §6.310 (c), which include blankets, fans, air conditioners, and generators.

Section 3: COOLING ASSISTANCE

Eligibility, 2605(c)(1)(A), 2605(b)(2) – Assurance 2

3.1 Designate the income eligibility threshold used for the cooling component:

#	Household Size	Eligibility Guidelines	Eligibility Threshold
1	All Household Sizes	USHHS Poverty Guidelines	150%
2	All Household Sizes	State Median Income	60% ⁹

⁹ In the county of a major disaster or emergency designated by the Secretary of the Department of Health and Human Services or by the President under the Disaster Relief Act of 1974, Texas will use the highest of 150% of the poverty guidelines or 60% of the State’s median income. Texas may also use this flexibility to set poverty guidelines in a local crisis as defined by the Department’s Executive Director. The State will communicate this designation to affected Subrecipients through email and by website posting. Subrecipients must receive prior written approval before using 60% SMI. Place based assistance must be performed in the county, but person based assistance for those displaced by a disaster or emergency may be in other counties.

3.2 Do you have additional eligibility requirements for **COOLING ASSISTANCE**

Yes No¹⁰

3.3 Check the appropriate boxes below and describe the policies for each.

	<u>Yes</u>	<u>No</u>
● Do you require an assets test?	<input type="checkbox"/>	<input checked="" type="checkbox"/>
● Do you have additional/differing eligibility policies for:		
● Renters?	<input type="checkbox"/>	<input checked="" type="checkbox"/>
● Renters living in subsidized housing?	<input type="checkbox"/>	<input checked="" type="checkbox"/>
● Renters with utilities included in the rent? ¹¹	<input type="checkbox"/>	<input checked="" type="checkbox"/>
● Do you give priority in eligibility to:		
● Elderly?	<input checked="" type="checkbox"/>	<input type="checkbox"/>
● Disabled?	<input checked="" type="checkbox"/>	<input type="checkbox"/>
● Young children?	<input checked="" type="checkbox"/>	<input type="checkbox"/>
● Households with high energy burdens?	<input checked="" type="checkbox"/>	<input type="checkbox"/>
● Other?	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Households with high energy consumption		

3.3 Check the appropriate boxes below and describe the policies for each.

Explanations of policies for each “yes” checked above:

10 TAC §6.307(e) states “Subrecipients must establish a written procedure to serve Households that have a Vulnerable Population Household member, Households with High Energy Burden, and Households with High Energy Consumption. High Energy Burden shall be the highest rated item in sliding scale priority determinations. The Subrecipient must maintain documentation of the use of the criteria.” The state will provide a written procedure to a statewide or regional contractor.

Priority must be given to Elderly, Disabled, Households with Young Children, and Households with High Energy Burden and High Energy Consumption.

3.4 Describe how you prioritize the provision of cooling assistance to vulnerable households, e.g., benefit amounts, application periods, etc.

¹⁰ 10 TAC §6.307(f) states: “A Dwelling Unit cannot be served if the meter is utilized by another Household that is not part of the application for assistance. In instances where separate structures share a meter and the applicant is otherwise eligible for assistance, Subrecipient must provide services if: (1) the members of the separate structures that share a meter meet the definition of a Household per §6.2 of this Chapter (relating to Definitions); (2) the members of the separate structures that share a meter submit one application as one Household; and (3) all persons and applicable income from each structure are counted when determining eligibility.”

¹¹ Per 10 TAC §6.309(h)(7), Subrecipient may make payments to landlords on behalf of eligible renters who pay their utility and/or fuel bills indirectly. Subrecipient shall notify each participating household of the amount of assistance paid on its behalf. Subrecipient shall document this notification. Subrecipient shall maintain proof of utility or fuel bill payment. Subrecipient shall ensure that amount of assistance paid on behalf of customer is deducted from customer’s rent.

Subrecipients and statewide or regional contractors use a rating system which determines priority based on persons in Households 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. Benefit amounts are determined on a sliding scale based on the Household's income. Households with the presence of a vulnerable member such as the Elderly, Persons with Disabilities, and Households with Young Children do not have a limit on the number of benefit payments, but adhere to the same benefit amounts. The maximum benefit amount is determined per-program year based on Household's heating and cooling needs, ~~is split between heating and cooling assistance,~~ and is not required to be applied equally to heating and cooling costs.

Determination of Benefits, 2605(b)(5) – Assurance 5, 2605(c)(1)(B)

3.5 Check the variables you use to determine your benefit levels. (Check all that apply):

- Income
- Family (household) size
- Home energy cost or need
 - Fuel type
 - Climate/region
 - Individual bill
 - Dwelling type
 - Energy burden (% of income spent on home energy)
 - Energy need
 - Other (describe)

Other: Households who have a disconnect notice or have had their service disconnected will receive assistance based on the energy bill. For future month's utility assistance, the amount that will be paid on the account is based on the previous twelve (12) month's home energy consumption history. If the household has incomplete billing history, then payments are determined utilizing an alternative billing method (ABM). The Department recommends an ABM where the Subrecipient determines the average consumption amount (kWh, therms, MCF, gallons, etc.) per month, for each household size and type based on a minimum sample size of 30 files that contain complete billing histories; however, if it is not possible for Subrecipients to obtain the recommended 30 file per household sample size to create an average consumption amount, Subrecipients should use all the applicable files to determine the average consumption and document the lack of files for that household size. Subrecipients can propose other types of ABMs. The ABM proposed by the Subrecipient must be approved by the Department prior to utilization. The state will provide statewide or regional contractor other types of ABMs if required. Subrecipients must establish a written procedure to serve Households that have a Vulnerable Population Household member, Households with High Energy Burden, and Households with High Energy Consumption. High Energy Burden is the highest rated item in sliding scale priority determinations. The state will provide a written procedure to a statewide or regional contractor. The amount of benefit/assistance that an applicant is eligible for is based on their level of household income. Per 10 TAC §6.309(e), Households with incomes 0-50% of Federal Poverty Income Guidelines (FPIG) have a maximum of \$2,400 for the Utility Assistance Component and the Crisis Assistance Component; Households with incomes at 51%-75% FPIG have a maximum of \$2,300 per Component; Households with incomes 76%-150% FPIG have a maximum of \$2,200 per

Component; and there is a maximum of up to \$7,500 for ~~S~~service and ~~r~~Repair of existing heating and cooling units. In a Life Threatening Crisis, purchase of portable air conditioning/window units/evaporative coolers and heating units is allowable. The maximum total eligible assistance is \$12,300.

NOTE: Temporary flexibilities effective January 1, 2022, and until the later of the end of the COVID-19 disaster or December 31, 2023, allow the payment of 100% of a customer's annual usage in one lump sum.

Benefit Levels, 2605(b)(5) – Assurance 5, 2605(c)(1)(B)

3.6 Describe benefit levels:

\$1 Minimum benefit \$12,300 Maximum benefit

Note:

The State of Texas does not have a minimum benefit amount. The amount of benefit/assistance indicates \$1.00, because the OLDC system requires that a figure be inserted in the minimum amount. The maximum benefit amount per household is \$12,300 per program year and could be reached if a household received up to \$2,400 in Crisis Assistance, \$2,400 in Utility Assistance, and a \$7,500 service and repair ~~or replacement~~ of ~~existing~~ heating or cooling units. In a Life Threatening Crisis, purchase of portable air conditioning/window units/evaporative coolers and heating units is allowable. ~~or crisis-related purchase of portable heating and cooling units.~~ The initial assistance payment that would include arrears does not count towards the annual benefit caps for a household.

Households are eligible for up to \$2,400 under Utility Assistance Component and up to \$2,400 under Crisis Assistance Component. The level of assistance is dependent on Household income and meeting CEAP program eligibility requirements. The amount of benefit/assistance that an applicant is eligible for is based on their level of household income. Households with incomes 0-50% of Federal Poverty Income Guidelines (FPIG) have a maximum of \$2,400 for the Utility Assistance Component and the Crisis Assistance Component, incomes at 51%-75% FPIG up to \$2,300 per Component; incomes 76%-150% FPIG up to \$2,200 per Component. ~~and up to \$7,500 for Service and Repair of heating and cooling units~~ The maximum total eligible assistance is \$12,300.

In Crisis conditions, Non-~~v~~vulnerable ~~P~~population ~~h~~Households with inoperable heating and cooling units may be eligible for an additional \$7,500 for service and repair of existing heating and cooling units. Vulnerable Population Households, regardless of Crisis conditions, that include at least one member that is Elderly, Disabled, or a Child age 5 or younger, may receive service and repair of existing heating and cooling units not to exceed \$7,500. All households experiencing a Life-~~T~~hreatening Crisis may be eligible to receive portable air conditioning/window units/evaporative coolers and heating units (portable electric heaters are allowable only as a last resort).

The maximum total eligible assistance is \$12,300.

~~All households experiencing a life-threatening crisis may be eligible to receive portable air conditioning/evaporative coolers and heating units (portable electric heaters are allowable only as a last resort).~~

NOTE: Temporary flexibilities effective January 1, 2022, and until the later of the end of the COVID-19 disaster or December 31, 2023, allow a Non-Vulnerable Population Household with an inoperable heating and cooling unit to receive up to \$7,500 for service and repair regardless of the existence of Crisis conditions.

3.7 Do you provide in-kind (e.g., fans, air conditioners) and/or other forms of benefits?

Yes No -- If yes, describe.

~~Non-vulnerable Households may receive service and repair of existing heating and cooling units not to exceed \$7,500 if the Household is experiencing crisis conditions. Vulnerable Households that include at least one member that is Elderly, Disabled, or a Child age 5 or younger, may receive service and repair of existing heating and cooling units not to exceed \$7,500.~~

~~All Households experiencing a Life-Threatening Crisis may be eligible to receive portable air conditioning/evaporative coolers and heating units (portable electric heaters are allowable only as a last resort).~~

Eligible Households may receive temporary shelter not to exceed the annual household expenditure limit for the duration of the contract period in the limited instances when natural disasters result in energy supply shortages or other energy-related emergencies. Eligible Households may receive emergency deliveries of fuel up to 250 gallons per crisis per Household, at the prevailing price. This benefit may include coverage for tank pressure testing. When natural disasters result in energy supply shortages or other energy-related emergencies, LIHEAP will allow home energy related expenditures as described in 10 TAC §6.310 (c), which include blankets, fans, air conditioners, and generators.

Section 4: CRISIS ASSISTANCE

Eligibility - 2604(c), 2605(c)(1)(A)

4.1 Designate the income eligibility threshold used for the crisis component:

#	Household Size	Eligibility Guidelines	Eligibility Threshold
1	All Household Sizes	USHHS Poverty Guidelines	150%
2	All Household Sizes	State Median Income	60% ¹²

4.2 Provide your LIHEAP program’s definition for determining a crisis.

Crisis Assistance can be provided to persons who have already lost service or are in immediate danger of losing service only under one of the following conditions, as defined in 10 TAC §6.301 (relating to Background and Definitions):

- (1) Extreme Weather Conditions, with assistance provided within 48 hours;
- (2) Disaster, with assistance provided within 48 hours; or
- (3) Life Threatening Crisis, with assistance provided within 18 hours.

¹² In the county of a major disaster or emergency designated by the Secretary of the Department of Health and Human Services or by the President under the Disaster Relief Act of 1974, Texas may use the highest of 150% of the poverty guidelines or 60% of the State’s median income (“SMI”). Texas may also use this flexibility to set poverty guidelines in a local crisis as defined by the Department’s Executive Director. Texas will communicate this designation to affected Subrecipients and statewide or regional contractors through email and by website posting. Subrecipients must receive prior written approval before using 60% SMI and statewide or regional contractors will receive a contract amendment. Place based assistance must be performed in the county, but person based assistance for those displaced by a disaster or emergency may be in other counties.

4.3 What constitutes a life-threatening crisis?

A Life Threatening Crisis exists when the life of at least one person in the applicant Household who is a U.S. Citizen, U.S. National, or a Qualified Alien would likely, in the opinion of a reasonable person, be endangered if utility assistance or heating and cooling assistance is not provided due to a Household member who needs electricity for life-sustaining equipment or whose medical professional has prescribed that the person with a medical condition requires that the ambient air temperature be maintained at a certain temperature. Examples of life-sustaining equipment include, but are not limited to, kidney dialysis machines, oxygen concentrators, and cardiac monitors. Documentation must not be requested about the medical condition of the applicant, but the applicant must state that such a device is required in the Dwelling Unit to sustain life.

Crisis Requirements, 2604(c)

4.4 Within how many hours do you provide an intervention that will resolve the energy crisis for eligible households? 48 Hours

4.5 Within how many hours do you provide an intervention that will resolve the energy crisis for eligible households in life-threatening situations? 18 Hours¹³

Crisis Eligibility, 2605(c)(1)(A)?

4.6 Do you have additional eligibility requirements for **CRISIS ASSISTANCE**?

Yes No

4.7 Check the appropriate boxes below and describe the policies for each.

- | | <u>Yes</u> | <u>No</u> |
|---|-------------------------------------|-------------------------------------|
| ● Do you require an assets test? | <input type="checkbox"/> | <input checked="" type="checkbox"/> |
| ● Do you give priority in eligibility to: | | |
| ● Elderly? | <input checked="" type="checkbox"/> | <input type="checkbox"/> |
| ● Disabled? | <input checked="" type="checkbox"/> | <input type="checkbox"/> |
| ● Young children? | <input checked="" type="checkbox"/> | <input type="checkbox"/> |
| ● Households with high energy burdens? | <input checked="" type="checkbox"/> | <input type="checkbox"/> |
| ● Other?
Households with high energy consumption | <input checked="" type="checkbox"/> | <input type="checkbox"/> |
| ● In order to receive crisis assistance: ¹⁴ | | |
| ● Must the household have received a shut-off notice or have a near empty tank? | <input checked="" type="checkbox"/> | <input type="checkbox"/> |
| ● Must the household have been shut off or have an empty tank? | <input checked="" type="checkbox"/> | <input type="checkbox"/> |

¹³ Pursuant to §2604(c)(2) of the LIHEAP Statute, the Department provides “some form of assistance that will resolve the energy crisis” not later than 18 hours after a household applies for crisis benefits if such household is eligible to receive such benefits and is in a life-threatening situation.

¹⁴ The program has different requirements depending on whether the household contains a member of a priority group.

- Must the household have exhausted their regular heating benefit?
- Must renters with heating costs included in their rent have received an eviction notice?
- Must heating/cooling be medically necessary?
- Must the household have non-working heating or cooling equipment?
- Other?

Explanation for Other: Crisis Assistance can be provided to persons who have already lost service or are in immediate danger of losing service only under one of the following conditions, as defined in 10 TAC §6.301 (relating to Background and Definitions):

- (1) Extreme Weather Conditions, with assistance provided within 48 hours;
- (2) Disaster, with assistance provided within 48 hours; or
- (3) Life Threatening Crisis, with assistance provided within 18 hours.

● Do you have additional/differing eligibility policies for:

- Renters?
- Renters living in subsidized housing?
- Renters with utilities included in the rent? ¹⁵

Determination of Benefits

4.8 How do you handle crisis situations?

- Separate component
- Fast Track
- Other

4.9 If you have a separate component, how do you determine crisis assistance benefits?

- Amount to resolve crisis, up to a maximum of \$2,400
- Other
Heating and cooling equipment repair or replace up to \$7,500

¹⁵ Per 10 TAC §6.309(h)(7), Subrecipient may make payments to landlords on behalf of eligible renters who pay their utility and/or fuel bills indirectly. Subrecipient shall notify each participating household of the amount of assistance paid on its behalf. Subrecipient shall document this notification. Subrecipient shall maintain proof of utility or fuel bill payment. Subrecipient shall ensure that amount of assistance paid on behalf of customer is deducted from client's rent.

Crisis Requirements, 2604(c)

4.10 Do you accept applications for energy crisis assistance at sites that are geographically accessible to all households in the area to be served?

Yes No

Explain: In addition to what is already stated in Section 2604(c)(3) regarding the requirement that each subrecipient accept applications at sites that are geographically accessible to all Households in the area to be served, 10 TAC §6.313(c) states “Subrecipient shall handle Reasonable Accommodation requests, in accordance with §1.204 of this title (relating to Reasonable Accommodations).” 10 TAC §1.204 (b) General Considerations in Handling of Reasonable Accommodations. An applicant, participant, or occupant who has a disability may request an accommodation and, depending on the program funding the property or activity and whether the accommodation requested is a reasonable accommodation, their request must be timely addressed.”

4.11 Do you provide individuals who have physical disabilities the means to:

■ Submit applications for crisis benefits without leaving their homes?

Yes No If no, explain.

Applications can be mailed in. In some cases, applications may be completed online or the organization will go to the applicant’s home to take the application.

■ Travel to the sites at which applications for crisis assistance are accepted?

Yes No If yes, explain.

If you answered “No” to both questions 4.11, please explain alternative means of intake to those who are homebound or physically disabled.

Benefit Levels, 2605(c)(1)(B)

4.12 Indicate the maximum benefit for each type of crisis assistance offered.

Winter Crisis \$ 0 maximum benefit

Summer Crisis \$ 0 maximum benefit

Year-round Crisis \$2,400 maximum benefit

4.13 Do you provide in-kind (e.g., blankets, space heaters, fans) and/or other forms of benefits?

Yes No If yes, describe.

If a component(s) of the heating or cooling system cannot be repaired using parts, the Subrecipient and statewide or regional contractors can replace the component(s) in order to repair the heating or cooling system under the Utility Assistance Component for Vulnerable Households or Crisis Assistance Component for Non-Vulnerable Households. Where replacement is required, use of Energy Star heating and/or cooling units must be prioritized. That the units are appropriately sized will be confirmed using standard Manual J procedures.

LIHEAP will allow home energy related expenditures as described in 10 TAC §6.310(c).

All Households experiencing a Life-Threatening Crisis may be eligible to receive portable air conditioning/window units/evaporative coolers and heating units (portable electric heaters are allowable only as a last resort).

Eligible Households may receive temporary shelter not to exceed the annual household expenditure limit for the duration of the contract period in the limited instances when natural disasters result in energy supply shortages or other energy-related emergencies. Eligible Households may receive emergency deliveries of fuel up to 250 gallons per crisis per Household, at the prevailing price. This benefit may include coverage for tank pressure testing. When natural disasters result in energy supply shortages or other energy-related emergencies, LIHEAP will allow home energy related expenditures as described in 10 TAC §6.310(c), which include blankets, fans, air conditioners, and generators.

4.14 Do you provide for equipment repair or replacement using crisis funds?

Yes No

4.15 Check appropriate boxes below to indicate type(s) of assistance provided:

Type of Assistance	Winter Crisis	Summer Crisis	Year-round Crisis
Heating system repair			X
Heating system replacement (only components of a central HVAC system)			X
Cooling system repair			X
Cooling system replacement (only components of a central HVAC system)			X
Wood stove purchase			
Pellet stove purchase			
Solar panel(s)			
Utility poles / Gas line hook-ups			
Other (Specify: For Households which include a member of a Vulnerable Population <u>with an inoperable heating or cooling units may be eligible for service and repair of their existing heating or cooling unit. or purchase of portable heating and cooling units</u> Purchase of a heating and/or cooling up to &7,500 is allowable if a heating or cooling system is nonexistent. can be provided if a system is non-existent up to \$7,500. For Households who do not have a member of a Vulnerable Population, such assistance is limited to times when a <u>C</u> risis exists as defined in 10 TAC §6.310(a). <u>In a Life Threatening Crisis, all</u>			X

<p><u>Households may be eligible to receive portable air conditioning/window units/evaporative coolers and heating units (portable electric heaters are allowable only as a last resort). NOTE: Temporary flexibilities effective January 1, 2022, and until the later of the end of the COVID-19 disaster or December 31, 2023, allow a Non-Vulnerable Population Household with an inoperable heating and cooling unit to receive up to \$7,500 for service and repair regardless of the existence of Crisis conditions.</u></p>			
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4.16 Do any of the utility vendors you work with enforce a winter moratorium on shut offs? If you respond “Yes” to question 4.16, you must respond to question 4.17. Yes No

4.17 Describe the terms of the moratorium and any special dispensation received by LIHEAP clients during or after the moratorium period.

Specific to energy assistance clients, §25.483(i) of the Texas Public Utilities Commission rules provides that a Retail Electric Provider (REP) shall not authorize a disconnection for nonpayment of electric service to a delinquent residential customer for a billing period in which the REP receives a pledge, letter of intent, purchase order, or other notification that the energy assistance provider is forwarding sufficient payment to continue service provided that such pledge, letter of intent, purchase order, or other notification is received by the due date stated on the disconnection notice, and the customer, by the due date on the disconnection notice, either pays or makes payment arrangements to pay any outstanding debt not covered by the energy assistance provider. Additionally, the rule provides that if an energy assistance provider has requested monthly usage data pursuant to §25.472(b)(4) (relating to Privacy of Customer Information), the REP shall extend the final due date on the disconnection notice, day for day, from the date the usage data was requested until it is provided; and that a REP shall allow at least 45 days for an energy assistance provider to honor a pledge, letter of intent, purchase order, or other notification before submitting the disconnection request to the TDU.

There are protections for several other categories of clients and situations applicable to LIHEAP clients served:

§25.483(g) provides that a REP shall not authorize a disconnection for nonpayment of electric service at a permanent, individually metered dwelling unit of a delinquent Critical Care Residential Customer when that customer establishes that disconnection of service will cause some person at that residence to become seriously ill or more seriously ill.

§25.483(h) provides that a REP shall not authorize a disconnection for nonpayment of electric service at a permanent, individually metered dwelling unit of a delinquent customer when that customer has been designated as a Chronic Condition Residential Customer pursuant to 25.497 with noted rule exceptions.

§25.483(j) provides that a REP shall not authorize a disconnection for nonpayment of electric service for any customer in a county in which an extreme weather emergency occurs. A REP shall offer residential customers a deferred payment plan upon request by the customer that complies with the requirements of 25.480 (relating to Bill Payment and Adjustments) for bills that become due during the weather emergency. The term “extreme weather emergency” shall mean a day when:

- (A) the previous day’s highest temperature did not exceed 32 degrees Fahrenheit, and the temperature is predicted to remain at or below that level for the next 24 hours anywhere in the county, according to the nearest National Weather Service (NWS) reports; or
- (B) the NWS issues a heat advisory for a county, or when such advisory has been issued on any one of the preceding two calendar days in a county.

Section 5: WEATHERIZATION ASSISTANCE

Eligibility, 2605(c)(1)(A), 2605(b)(2) – Assurance 2

5.1 Designate the income eligibility threshold used for the weatherization component:

#	Household Size	Eligibility Guidelines	Eligibility Threshold
1	All Household Sizes	USHHS Poverty Guidelines	150%
2	All Household Sizes	State Median Income	60% ¹⁶

5.2 Do you enter into an interagency agreement to have another government agency administer a **WEATHERIZATION component?** Yes No

5.3 If yes, name the agency. N/A

5.4 Is there a separate monitoring protocol for weatherization? Yes No

¹⁶ In the county of a major disaster or emergency designated by the Secretary of the Department of Health and Human Services or by the President under the Disaster Relief Act of 1974, Texas will use the highest of 150% of the poverty guidelines or 60% of the State’s median income (“SMI”). Texas may also use this flexibility to set poverty guidelines in a local crisis as defined by the Department’s Executive Director. TDHCA will communicate this designation to affected Subrecipients and statewide or regional contractors through email and by website posting. Subrecipients and statewide or regional contractors must receive prior written approval before using 60% SMI. Place based assistance must be performed in the county, but person based assistance for those displaced by a disaster or emergency may be in other counties.

WEATHERIZATION - Types of Rules

5.5 Under what rules do you administer LIHEAP weatherization? (Check only one.)

- Entirely under LIHEAP (not DOE) rules
- Entirely under DOE WAP (not LIHEAP) rules
- Mostly under LIHEAP rules with the following DOE WAP rule(s) where LIHEAP and WAP rules differ: (Check all that apply.)

- Income Threshold
- Weatherization of entire multi-family housing structure is permitted if at least 66% of units (50% in 2- & 4-unit buildings) are eligible units or will become eligible within 180 days.
- Weatherization of shelters temporarily housing primarily low income persons (excluding nursing homes, prisons, and similar institutional care facilities).
- Other (describe): Adhere to language from the Consolidated Appropriations Act of 2021 (Page 3269) that Paragraph (2) of Section 415(c) of the Energy Conservation and Production Act (42 USC 6865(c)) is amended to allow re-weatherization for a dwelling unit not previously weatherized using federal funds until the date that is 15 years after the date such previous weatherization has passed. 10 TAC Part 1, Chapter 6, Subchapter D, Weatherization Assistance Program, is one area where the LIHEAP funded weatherization program adheres to DOE regulations. TDHCA uses a priority list for LIHEAP households at 150% or below USHHS poverty income level. Energy-related home repair: TDHCA will allow the use of LIHEAP weatherization funds for structural and ancillary repairs only if required to enable effective weatherization. If LIHEAP funds are included in a DOE unit, the SIR/audit must be used to justify all measures.

- Mostly under DOE WAP rules, with the following LIHEAP rule(s) where LIHEAP and WAP rules differ: (Check all that apply.)

- Income Threshold.
- Weatherization not subject to DOE WAP maximum statewide average cost per dwelling unit.
- Weatherization measures are not subject to DOE Savings to Investment Ratio (SIR) standards.
- Other (describe)

Eligibility, 2605(b)(5) – Assurance 5

5.6 Do you require an assets test? Yes No

5.7 Do you have additional/differing eligibility policies for:

- Renters?
- Renters living in subsidized housing?

5.8 Do you give priority in eligibility to:

- Elderly?
- Disabled?
- Young children?
- Households with high energy burdens?
- Other?

Explanation: Households with high energy consumption

Benefit Levels

5.9 Do you have a maximum LIHEAP weatherization benefit/expenditure per household?

5.10 If yes, what is the maximum amount? \$11,000

NOTE: unless additional expenditure is authorized in writing by the Department. **Types of Assistance, 2605(c)(1), (B) & (D)**

5.11 What LIHEAP weatherization measures do you provide? (Check all categories that apply.)

Weatherization needs/assessments/audits

Caulking and insulation

Storm windows

Furnace/heating system modifications/repairs

Furnace replacement

Cooling system modifications/repairs

Water conservation measures

Compact fluorescent light bulbs

Energy related roof repair

Major appliance repairs

Major appliance replacement

Windows/sliding glass doors

Doors

Water Heater

Cooling system replacement

Other (describe)

Solar screens or window film. Smart thermostats, miscellaneous repairs up to \$500 for structural and ancillary only if required to enable effective weatherization; Window screens to help prevent exposure to the Zika virus for Households with pregnant women.

If an appropriate measurable savings in energy expenditures by Low-income Households can be achieved, LIHEAP weatherization funds may be used for the installation of solar panels for eligible Households.

If any of the questions require further explanation or clarification that could not be made in the fields provided, attach a document with said explanation here.

Section 6: Outreach, 2605(b)(3) – Assurance 3, 2605(c)(3)(A)

6.1 Select all outreach activities that you conduct that are designed to assure that eligible households are made aware of all LIHEAP assistance available:

- Place posters/flyers in local and county social service offices, offices of aging, Social Security offices, VA, etc.
- Publish articles in local newspapers or broadcast media announcements.
- Include inserts in energy vendor billings to inform individuals of the availability of all types of LIHEAP assistance.
- Mass mailing(s) to prior-year LIHEAP recipients.
- Inform low income applicants of the availability of all types of LIHEAP assistance at application intake for other low-income programs.
- Execute interagency agreements with other low-income program offices to perform outreach to target groups.

Other (specify): LIHEAP Ssubrecipients are to conduct outreach related to the utility assistance program and other assistance provided with the LIHEAP grant. The Department encourages Ssubrecipients to conduct outreach through various methods to inform people without internet services about the LIHEAP utility assistance program. Entities to be informed include, but is not limited to, units of government, local non-profits, charitable organizations, and churches. Other ways that persons are informed are by utility vendors who include information in client bills about the LIHEAP utility assistance program and the State's phone number to contact if they need utility assistance. Some utility vendors inform customers and persons who are pending disconnection or who have had their services disconnected about the LIHEAP provider serving their area or provide them with the State phone number to contact. LIHEAP Ssubrecipients also use social media and periodically do radio announcements and newspaper ads.

Section 7: Coordination, 2605(b)(4) – Assurance 4

7.1 Describe how you will ensure that the LIHEAP program is coordinated with other programs available to low-income households (TANF, SSI, WAP, etc.)

- Joint application for multiple programs
- Intake referrals to/from other programs
- One-stop intake centers
- Other – describe:

Section 8: Agency Designation, 2605(b)(6) – Assurance 6

8.1 How would you categorize the primary responsibility of your State agency?

- Administration Agency
- Commerce Agency
- Community Services Agency
- Energy/Environment Agency
- Housing Agency
- Welfare Agency
- Other – describe:

Alternate Outreach and Intake, 2605(b)(15) – Assurance 15

8.2 How do you provide alternate outreach and intake for **HEATING ASSISTANCE**?

Report of available services at various workgroup meetings with community stakeholders (disability, health services, homeless, etc), and presentation at area events.

8.3 How do you provide alternate outreach and intake for **COOLING ASSISTANCE**?

Report of available services at various workgroup meetings with community stakeholders (disability, health services, homeless, etc), and presentation at area events.

8.4 How do you provide alternate outreach and intake for **CRISIS ASSISTANCE**?

In instances of natural disaster, subrecipients and statewide or regional contractors coordinate with other assistance organizations (shelters, Red Cross, etc.). Report of available services at various workgroup meetings with community stakeholders (disability, health services, homeless, etc), and presentation at area events.

Question 8.5	<u>Heating</u>	<u>Cooling</u>	<u>Crisis</u>	<u>Weatherization</u>
8.5a. Who determines client eligibility?	Local governments, CAAs and Other Nonprofits, Statewide or Regional Contractors	Local governments, CAAs and Other Nonprofits, Statewide or Regional Contractors	Local governments, CAAs and Other Nonprofits, Statewide or Regional Contractors	Local governments, CAAs and Other Non-profits, Statewide or Regional Contractors
8.5b. Who processes benefit payments to gas and electric vendors?	Local governments, CAAs and Other Nonprofits, Statewide or Regional Contractors	Local governments, CAAs and Other Nonprofits, Statewide or Regional Contractors	Local governments, CAAs and Other Nonprofits, Statewide or Regional Contractors	N/A

Question 8.5	<u>Heating</u>	<u>Cooling</u>	<u>Crisis</u>	<u>Weatherization</u>
8.5c. Who processes benefit payments to bulk fuel vendors?	Local governments, CAAs and Other Nonprofits, Statewide or Regional Contractors	Local governments, CAAs and Other Nonprofits, Statewide or Regional Contractors	Local governments, CAAs and Other Nonprofits, Statewide or Regional Contractors	N/A
8.5d. Who performs installation of weatherization measures?	N/A	N/A	N/A	Local governments, CAAs and Other Nonprofits-most subcontract with local contractors, Statewide or Regional Contractors

Note for 8.5: In the USHHS-OLDC system where the State Plan is entered, it only allows states to select one type of entity. The Department will select Nonprofits; although we will also contract with Units of government and CAAs.

8.6 What is your process for selecting local administering agencies?

The Department ensures that to the extent it is necessary to designate local administrative agencies in order to carry out the purposes of Title 42 U.S.C. §§8621, et seq. special consideration is given to any local public or private nonprofit agency which was receiving CSBG or LIHEAP funds.

(1) The Department before giving such special consideration, determines that the agency involved meets program and fiscal requirements established by law and by the Department; and

(2) if there is no such agency because of any change in the assistance furnished to programs for economically disadvantaged persons, then the Department gives special consideration in the designation of local administrative agencies to any successor agency which is operated in substantially the same manner as the predecessor agency which did receive funds for the fiscal year preceding the fiscal year for which the determination is made.

Currently, the Department administers all aspects of program delivery through subrecipients that have demonstrated that they are operating the program in accordance with the Economic Opportunity Act of 1964, the Low-Income Home Energy Assistance Act of 1981, as amended (42 U.S.C. §§8621, et seq.), and Department rules. If subrecipients are successfully administering the program, the Department may offer to renew the contract. However, the Department will utilize funds that have been deobligated in compliance with TAC rule §6.304, voluntarily relinquished annual allocation LIHEAP funds, and supplemental LIHEAP funding from the American Rescue Plan Act and the Infrastructure and Investment Jobs Act to contract with either a statewide or regional LIHEAP contractors. Additionally, if the State receives a large supplemental appropriation for LIHEAP, the Department may allocate some or all of the funds to a statewide or regional contractors. Funds allocated to statewide or regional contractors will be allocated and utilized to benefit the county(ies) of the State for which those funds were intended to

benefit and the statewide or regional contractors will utilize the funds to benefit the county(ies) for which the funds were allocated.

If the Department determines that an organization is not administering the program satisfactorily, corrective actions are taken to remedy the problem. Thereafter, if a subrecipient fails to administer the program correctly, the Department may proceed with the process provided for in Department rules of removing funds and reassign the service area or a portion to another existing subrecipient or conduct solicitation or selection of a new subrecipient in accordance with the Low-Income Home Energy Assistance Act of 1981. The affected subrecipient may request a hearing in accordance with §2105.204 of the Texas Government Code.

However, the Department retains the right to go through a procurement process for some or all aspects of the LIHEAP program.

8.7 How many local administering agencies do you use? 36

8.8 Have you changed any local administering agencies from last year? Yes No

8.9 If so, why?

- Agency was in noncompliance with grantee requirements for LIHEAP
- Agency is under criminal investigation
- Added agency
- Agency closed
- Other – describe – voluntary relinquishment

Section 9: Energy Suppliers, 2605(b)(7) – Assurance 7

9.1 Do you make payments directly to home energy suppliers?

Heating Yes No

Cooling Yes No

Crisis Yes No

Are there exceptions? Yes No

If yes, describe:

9.2 How do you notify the client of the amount of assistance paid?

The administering agency informs them once the determination is made.

9.3 How do you assure that the home energy supplier will charge the eligible household, in the normal billing process, the difference between the actual cost of the home energy and the amount of the payment?

Vendor agreements are used in all components. The Department provides Subrecipients and statewide or regional contractors with a Department approved Vendor Agreement to utilize. The document can be found at the Department's website at <https://www.tdhca.state.tx.us/community-affairs/ceap/guidance.htm>

9.4 How do you assure that no household receiving assistance under this title will be treated adversely because of their receipt of LIHEAP assistance?

Vendor Agreements are used in all components. The Department provides Subrecipients and statewide or regional contractors with a Department approved Vendor Agreement to utilize. The document can be found at the Department's website at <https://www.tdhca.state.tx.us/community-affairs/ceap/guidance.htm>

9.5 Do you make payments contingent on unregulated vendors taking appropriate measures to alleviate the energy burdens of eligible households? Yes No. If so, describe the measures unregulated vendors may take.

Section 10: Program, Fiscal Monitoring, and Audit, 2605(b)(10) – Assurance 10

10.1. How do you ensure good fiscal accounting and tracking of LIHEAP funds?

1. Review annual audits
2. Monitor fiscal records
3. Review current and prior year monthly expenditure and performance reports

Audit Process

10.2. Is your LIHEAP program audited annually under the Single Audit Act and OMB Circular A-133? Yes No

10.3. Describe any audit findings rising to the level of material weakness or reportable condition cited in the A-133 audits, Grantee monitoring assessments, inspector general reviews, or other government agency reviews of the LIHEAP agency from the most recently audited federal fiscal year.

Finding ¹⁷	Type	Brief Summary	Resolved?	Action Taken
NA				

10.4. Audits of Local Administering Agencies

What types of annual audit requirements do you have in place for local administering agencies/district offices?

Local agencies/district offices are required to have an annual audit in compliance with 2 CFR 200 – Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance).¹⁸

Local agencies/district offices are required to have an annual audit (other than 2 CFR 200 – Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance)).

10.4 (continued)

Local agencies/district offices 2 CFR 200 – Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance) or other independent audits are reviewed by Grantee as part of compliance process.

Grantee conducts fiscal and program monitoring of local agencies/district offices.

Compliance Monitoring

10.5. Describe the Grantee’s strategies for monitoring compliance with the Grantee’s and Federal LIHEAP policies and procedures by:

Grantee employees:

Internal program review

Departmental oversight

Secondary review of invoices and payments

Other program review mechanisms are in place. Describe: Cross Division peer review of documents

Local Administering Agencies/District Offices:

On-site evaluation

Annual program review

Monitoring through Central Database

Desk reviews

Client File Testing/Sampling

¹⁸ For 2022, Subrecipients will follow the audit requirements in 45 CFR 75 Subpart F, as applicable, and the requirements in the Texas Single Audit Act.

Other program review mechanisms are in place. Describe: Desk review of 2 CFR 200 – Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance); A review of the Subrecipient’s resolution of prior monitoring or Single Audit reports is performed prior to awarding new contracts.

- 10.6. Explain, or attach a copy of, your local agency monitoring schedule and protocol.
See attached monitoring schedule and monitoring instruments.

Describe how you select local agencies for monitoring reviews?

On-site monitoring visits and desk reviews are mechanisms used for in-depth investigation and overall assessment, respectively. The Department will conduct on-site monitoring reviews and desk reviews of contracts based on an assessment of risk of non-compliance with program requirements. Subrecipient and statewide or regional contractors monitors review necessary program documents and financial records through desk reviews and on-site reviews. LIHEAP Subrecipients and statewide or regional contractors are monitored at least once every three years. This is a component of the risk assessment score. If a Subrecipient also has Community Service Block Grant funds, the LIHEAP monitoring may be done at the same time. Subrecipients and statewide or regional contractors that leverage LIHEAP funds with DOE funds for weatherization are subject to a programmatic, fiscal, and unit inspection review according to the DOE monitoring schedule (once a year). Contracts may also be selected for monitoring based on other factors, such as prior monitoring findings, issues noted in the Single Audit, complaints, and/or special requests.

- 10.7. Site Visits: Onsite monitoring visits are conducted at least once every three years. The Department will inspect a minimum of 5% of all LIHEAP weatherized units reported as complete.
Desk Reviews: Some materials are requested and reviewed at the Department’s office prior to the onsite visit.
- 10.8. How often is each local agency monitored? At least once every three years.
- 10.9. What is the combined error rate for eligibility determinations? (Optional question) Optional
- 10.10. What is the combined error rate for benefit determinations? (Optional question)
Optional
- 10.11. How many local agencies are currently on corrective action plans for eligibility and/or benefit determination issues? (Number only) -0
- 10.12. How many local agencies are currently on corrective action plans for financial accounting or administrative issues? (Number only) -0

Section 11: Timely and Meaningful Public Participation, 2605(b)(12) – Assurance 12, 2605(c)(2)

11.1 How did you obtain input from the public in the development of your LIHEAP plan?

Check all that apply:

- Tribal Council meeting(s)
- Public Hearing(s)
- Draft Plan posted to website and available for comment
- Hard copy of plan is available for public view and comment
- Comments from applicants are recorded
- Request for comments on draft Plan is advertised
- Stakeholder consultation meeting(s)
- Comments are solicited during outreach activities
- Other, describe:

11.2 What changes did you make to your LIHEAP plan as a result of this participation?

Increased annual caps on benefit levels and on repairs or replacement of inoperable cooling and heating systems.

Description: Increased annual caps on benefit levels and on repairs or replacement of inoperable cooling and heating systems.

Public Hearings, 2605(a)(2)

11.3 List the date(s) and location(s) that you held public hearing(s) on the proposed use and distribution of your LIHEAP funds?

Date	Event Description
Monday, May 9, 2022, 2:30 p.m. - 3:00 p.m.	Commo Community Center, 4660 Horne St., Fort Worth, TX 76107
Tuesday, May 10, 2022, at 5:30 p.m. - 6:00 p.m.	1415 East 2nd, Odessa, TX 79761
Wednesday, May 11, 2022, at 1:30 p.m. - 2:00 p.m.	Baker Ripley, 3838 Aberdeen Way, 1 st Floor Education Center Room, Houston, TX 77025
Thursday, May 12 at 5:30 p.m. - 6:00 p.m.	Rusk building, room #320, 208 E. 10 th Street, Austin, TX 78701

11.4 How many parties commented on your plan at the hearing(s)? 8 individuals representing two Subrecipients, and the Texas Association of Community Action Agencies (TACAA) CEAP Committee

11.5 Summarize the comments you received at the hearing(s).

1. Texas Neighborhood Services supports the use of a statewide or regional contractor in the event we have triple the amount of funding as with additional funding from CEAP CARES and American Rescue Plan.
2. Keep in place COVID flexibilities, helps with staffing needs and is also a plus for utility vendors and recommend these be included in the State Plan even if there are thresholds as to when they apply. The State may need to make revisions to the crisis language so that subrecipients can provide assistance to those households who have exhausted their utility assistance benefits and not require that the household meet the requirements of experiencing a crisis.
3. As with COVID flexibilities, continue to allow heating and cooling system repairs and replacement to vulnerable and non-vulnerable without conditions and without requirement to meet crisis conditions.
4. Recommend the Department take into consideration the increase in rates from one year to the next and at least factor those in as a cost-of-energy adjustment in making those annual benefit levels.
5. Recommendation to maintain maximum benefit amount of up to \$7,500 for service or repair of heating and cooling units.
6. Allow subrecipients the ability to provide heating and cooling system repair assistance to non-vulnerable for the entire year without any crisis criteria condition required.
7. Increase the income guidelines to 200% of the Federal Poverty Guidelines. Allows subrecipients to serve more households and also aligns with CSBG.
8. Increase poverty guidelines to 190% to reach more households who have been impacted by inflation and natural disaster and world events.
9. Qualify households by net income instead of gross income.
10. Exclude income of ineligible household members due to citizenship status.
11. Allow SNAP recipients to be categorically eligible.
12. Use ABM for determination of benefits instead of 12 month billing history would be ideal. It would help with steady increase of vendor rates and increased bills and keep pace with inflation.
13. It would be helpful that the Department change the benefit levels as they were for Uri Winter Storm when they were \$3,200 for 0-50%, \$3,000 for 51-75%, \$2,800 for 76-150%. The increase

would help cover the consumption usage of households with extremely high 12 month billing histories and help households who have to pay utility bills out of pocket.

14. Allow self-attestation for citizenship. This is especially critical for most vulnerable populations who in some cases were born by a mid-wife and no records are available. Other comment regarding self-attestation was from the TACAA CEAP Committee requesting that the Department allow the option of self-certification for citizenship or legal status documentation to ensure that households who do not have access to citizenship and/or legal status documentation are not adversely impacted or excluded from receiving services.

11.6 What changes did you make to your LIHEAP plan as a result of the comments received at the public hearing(s)?

1. The LIHEAP 2023 State Plan has been revised to explain that the Department intends to keep the COVID flexibilities until the later of either the end of the COVID-19 disaster or December 31, 2023.
2. The LIHEAP 2023 State Plan Sections 1.9, 2.5, 2.6, 2.7, 3.5, 3.6, 3.7, and 4.15 to describe the Department's COVID temporary flexibilities.
3. Sections 2.4 and 3.4 were revised to make clear that benefits do not need to be applied equally between heating and cooling, but is based on the heating and cooling needs of a household.
4. Section 6.1 was revised to add language related to "Other" types of outreach. USHHS recommended the language be added when they reviewed a revision to the 2022 LIHEAP State Plan in the Spring of 2022.
5. The Department has revised Sections 1.4 and 1.6 of the Plan to include SNAP and TANF as categorically eligible for LIHEAP.
6. In response to general expenditure concerns, the Department added language in Section 5.11 of the Plan that LIHEAP weatherization funds may be used for the installation of solar panels if certain conditions are met in eligible Households.

Section 12: Fair Hearings, 2605(b)(13) – Assurance 13

12.1 How many fair hearings did the grantee have in the prior Federal fiscal year?
None

12.2 How many of those fair hearings resulted in the initial decision being reversed? N/A

12.3 Describe any policy and/or procedural changes made in the last Federal fiscal year as a result of fair hearings? None

12.4 Describe your fair hearing procedures for **households whose applications are denied**.
Subrecipient contracts include the following section:

APPEALS PROCESS

In compliance with the LIHEAP Act, Subrecipient must provide an opportunity for a fair administrative hearing to individuals whose application for assistance is denied, terminated or not acted upon in a timely

manner. Subrecipient must establish a denial of service complaint procedure in accordance with 10 TAC §6.8 of the State Rules. The rule states:

(b) Subrecipient shall establish a denial of service complaint procedure to address written complaints from program applicants/customers. At a minimum, the procedures described in paragraphs (b)(1) - (8) of this subsection shall be included:

(1) Subrecipients shall provide a written denial of assistance notice to applicant within ten (10) calendar days of the determination. Such a determination is defined as a denial of assistance, but does not include a level of assistance lower than the possible program limits or a reduction in assistance, as long as such process is in accordance with the Subrecipient's written policy. This notification shall include written notice of the right of a hearing and specific reasons for the denial by program. The applicant wishing to appeal a decision must provide written notice to Subrecipient within twenty (20) days of receipt of the denial notice.

(2) A Subrecipient must establish an appeals committee composed of at least three persons. Subrecipient shall maintain documentation of appeals in their customer files.

(3) Subrecipients shall hold a private appeal hearing (unless otherwise required by law) by phone or in person in an accessible location within ten (10) business days after the Subrecipient received the appeal request from the applicant and must provide the applicant notice in writing of the time/location of the hearing at least seven (7) calendar days before the appeal hearing.

(4) Subrecipient shall record the hearing.

(5) The hearing shall allow time for a statement by Subrecipient staff with knowledge of the case.

(6) The hearing shall allow the applicant at least equal time, if requested, to present relevant information contesting the decision.

(7) Subrecipient shall notify applicant of the decision in writing. The Subrecipient shall mail the notification by close of business on the third calendar day following the decision (three day turn-around).

(8) If the denial is solely based on income eligibility, the provisions described in paragraphs (2) - (7) of this subsection do not apply and the applicant may request a recertification of income eligibility based on initial documentation provided at the time of the original application. The recertification will be an analysis of the initial calculation based on the documentation received with the initial application for services and will be performed by an individual other than the person who performed the initial determination. If the recertification upholds the denial based on income eligibility documents provided at the initial application, the applicant is notified in writing.

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

(d) Applicants/customers who allege that the Subrecipient has denied all or part of a service or benefit in a manner that is unjust, violates discrimination laws, or without reasonable basis in law or fact, may request a contested hearing under Tex. Gov't Code, Chapter 2001.

(e) The hearing under subsection (d) shall be conducted by the State Office of Administrative Hearings on behalf of the Department in the locality served by the Subrecipient, for which the procedures are further described in §1.13, relating to Contested Case Hearing Procedures, of this title.

(f) If the applicant/customer appeals to the Department, the funds should remain encumbered until the Department completes its decision.

These requirements will also be incorporated into statewide or regional contractor Contracts.

12.5 When and how are applicants informed of these rights?

Within ten days of the determination, the subrecipient must provide written notification to the applicant.

12.6 Describe your fair hearing procedures for **households whose applications are not acted on in a timely manner**.

An Applicant requests a hearing with the Subrecipient and statewide or regional contractors initially. If not satisfied with the results of the Subrecipient's and statewide or regional contractor's hearing, the Applicant then appeals to the Texas Department of Housing and Community Affairs. The Department then schedules a fair administrative hearing.

12.7 When and how are applicants informed of these rights?

Applicants are informed of their rights either by 1) informing them on the application itself, 2) handing them a document with such information at the time of application, 3) displaying posters at intake offices, or 4) providing them the information in the denial of LIHEAP assistance letter that is mailed to the applicant.

Section 13: Reduction of home energy needs, 2605(b)(16) – Assurance 16

13.1 Describe how you use LIHEAP funds to provide services that encourage and enable households to reduce their home energy needs and thereby the need for energy assistance?

N/A-The State does not use funds under Assurance 16.

13.2 How do you ensure that you don't use more than 5% of your LIHEAP funds for these activities?

NA-The State does not use funds under Assurance 16.

13.3 Describe the impact of such activities on the number of households served in the previous Federal fiscal year.

NA-The State does not use funds under Assurance 16.

13.4 Describe the level of direct benefits provided to those households in the previous Federal fiscal year.

NA-The State does not use funds under Assurance 16.

13.5 How many households applied for these services?

NA-The State does not use funds under Assurance 16.

13.6 How many households received these services?

NA-The State does not use funds under Assurance 16.

Section 14: Leveraging Incentive Program, 2607A

14.1 Do you plan to submit an application for the leveraging incentive program?

- Yes No

14.2 Describe instructions to any third parties and/or local agencies for submitting LIHEAP leveraging resource information and retaining records. NA

14.3 For each type of resource and/or benefit to be leveraged in the upcoming year that will meet the requirements of 45 C.F.R. § 96.87(d)(2)(iii), describe the following:

Resource	What is the type of resource or benefit?	What is the source(s) of the resource?	How will the resource be integrated and coordinated with LIHEAP?
NA	NA	NA	NA

Section 15: Training

15.1 Describe the training you provide for each of the following groups:

a. Grantee Staff:

- Formal training on grantee policies and procedures

How often?

- Annually
 Biannually
 As needed
 Other – Describe:

- Employees are provided with policy manual

- Other – Describe:

Employees are provided with all the information necessary to administer the LIHEAP. The Department training team provides its new staff with programmatic orientation training and are invited to observe and participate in Subrecipient trainings as well.

b. Local Agencies:

- Formal training conference

How often?

- Annually
 Biannually
 As needed

Other – Describe: The Department offers a manager training for newly hired managers or Executive Directors, as needed, which is then followed up with individualized technical assistance. The Department hosts meetings and training events on an as needed basis with Subrecipients and statewide or regional

contractors to conduct necessary training and/or make announcements. The Department collaborates with the Texas Association of Community Action Agencies to coordinate training for Subrecipients. Training for Subrecipients occurs at an annual conference sponsored by the Texas Association of Community Action Agencies each year. The Department provides Energy Audit training to agencies as needed, along with Department posted Energy Audit Student Guide and Best Practices on its website. The Department provides a template for developing the Annual Service Delivery Plan and a guide for developing it. The Department develops data tools and trains agencies as needed on how to analyze their data to improve efficiency and productivity. Emails, Go-To-Webinars, MS Teams for virtual TTA, and phone calls are common communication means with which the Department trains, assists, and communicates with LIHEAP Subrecipients and statewide or regional contractors.

On-site training

How often?

Annually

Biannually

As needed

Other –

The Department identifies key areas for training needs based upon monitoring reports, new regulations, and Subrecipient and statewide or regional contractors requests. Since COVID, the Department has developed robust and effective virtual training courses to address Subrecipient TTA needs. The Department provides training as needed to individual agencies and network wide trainings on a variety of topics such as: process mapping, production, data analysis, intake, client file documentation, weatherization assessments, audits, final inspections, working with contractors, reporting, and technical assistance for service delivery. Onsite training is provided as warranted. The Department also supplies Subrecipients with online resources, training centers, and conference information to obtain skills and certifications.

Employees are provided with policy manual

Other – Describe: The Department uses an online portal (i.e., Wufoo) that agencies use daily for quick responses to questions or for requesting training. As needed, the Department schedules meetings to provide information, training, and technical assistance to the local agencies. Emails, the online portal, Go-To-Webinar, MS Teams for virtual TTA, and phone calls are the common methods used by the Department to train, assist, and communicate with LIHEAP Subrecipients and statewide or regional contractors. The Department creates tools, guides, best practices, and FAQs that are posted on program webpages.

c. Vendors

Formal training conference

How often?

Annually

Biannually

As needed

Other – Describe:

Policies communicated through vendor agreements

Policies are outlined in a vendor manual

Other – Describe:

15.2 Does your training program address fraud reporting and prevention?

Yes No

Section 16: Performance Goals and Measures, 2605(b)

16.1 Describe your progress toward meeting the data collection and reporting requirements of the four required LIHEAP performance measures. Include timeframes and plans for meeting these requirements and what you believe will be accomplished in the coming federal fiscal year.

The Department was able to meet the four LIHEAP performance measures.

The Department currently requires Subrecipients and statewide or regional contractors to upload data related to the four performance measures into our State reporting system. The Department has made this reporting a contractual requirement for all LIHEAP Subrecipients and statewide or regional contractors. The Department periodically reviews uploaded summary reports and offers technical assistance to subrecipients and statewide or regional contractors who may not understand what to report or may not upload the data in a timely fashion.

Section 17: Program Integrity, 2605(b)(10)

17.1 Fraud Reporting Mechanisms

a. Describe all mechanisms available to the public for reporting cases of suspected waste, fraud, and abuse. Select all that apply.

Online Fraud Reporting

Dedicated Fraud Reporting Hotline

Report directly to local agency/district office or Grantee office

Report to State Inspector General or Attorney General

Forms and procedures in place for local agencies/district offices and vendors to report fraud, waste, and abuse.

Other – describe:

Note: TDHCA’s website has a webpage named “Report Fraud, Waste, and Abuse by TDHCA Management and Staff” directing persons who suspect fraud, waste, and abuse by TDHCA management and staff to report to the State Auditor’s Office at <https://sao.fraud.texas.gov/ReportFraud/>. Subrecipients are required to establish fraud, waste, and abuse procedures. The state will provide a fraud, waste, and abuse procedures to statewide or regional contractors.

b. Describe strategies in place for advertising the above-referenced resources. Select all that apply.

- Printed outreach materials
- Addressed on LIHEAP application
- Website

17.2 Identification Documentation Requirements

a. Indicate which of the following forms of identification are required or requested to be collected from LIHEAP applicants or their household members.

Type of Identification Collected	Collected from Whom?		
	Applicant Only	All Adults in HH	HH Members Seeking Assistance*
Social Security Card is photocopied and retained	Required <input type="checkbox"/>	Required <input type="checkbox"/>	Required <input type="checkbox"/>
	Requested <input type="checkbox"/>	Requested <input type="checkbox"/>	Requested <input type="checkbox"/>
Social Security Number (without actual card)	Required <input type="checkbox"/>	Required <input type="checkbox"/>	Required <input type="checkbox"/>
	Requested <input type="checkbox"/>	Requested <input type="checkbox"/>	Requested <input type="checkbox"/>
Government-issued identification card (e.g.,: driver’s license, state ID, Tribal ID, passport, etc.)	Required <input checked="" type="checkbox"/>	Required <input checked="" type="checkbox"/>	Required <input checked="" type="checkbox"/>
	Requested <input type="checkbox"/>	Requested <input type="checkbox"/>	Requested <input type="checkbox"/>

#	Other	Applicant Only Required	Applicant Only Requested	All Adults in Household Required	All Adults in Household Requested	All Household Members Required	All Household Members Requested
1	Other: clients provide identification to the subrecipients and statewide or regional contractors at the time of application. See attachment.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>

*Households may include members who are not seeking assistance and may not be included in the household count. A live in aide or attendant is not considered part of the Household for purposes of determining Household income, but is considered for a benefit based on the size of the Household.

b. Describe any exceptions to the above policies: NA

17.3 Identification Verification

Describe what methods are used to verify the authenticity of identification documents provided by clients or household members. Select all that apply.

- Verify SSNs with Social Security Administration
- Match SSNs with death records from Social Security Administration or state agency
- Match SSNs with state eligibility/management system (e.g., SNAP, TANF)
- Match with state Department of Labor system
- Match with state and/or federal corrections system
- Match with state child support system
- Verification using private software (e.g., The Work Number)
- In-person certification by staff (for tribal grantees only)
- Match SSN/Tribal ID number with tribal database or enrollment records (for tribal grantees only)
- Other – describe:

Subrecipients or the State verifies the authenticity of identification documents provided by clients who are not U.S. citizens or nationals. That verification is made through the Systematic Alien Verification for Entitlements (SAVE) system.

17.4 Citizenship/Legal Residency Verification

What are your procedures for ensuring that household members are U.S. citizens or aliens who are qualified to receive LIHEAP benefits?

- Clients sign an attestation of citizenship or legal residency
- Clients' submission of Social Security cards is accepted as proof of legal residency
- Noncitizens must provide documentation of immigration status
- Citizens must provide a copy of their birth certificate, naturalization papers, or passport
- Noncitizens are verified through the SAVE system
- Tribal members are verified through Tribal database/Tribal ID card
- Other – describe: U.S. Nationals will have to provide documentation of that status.

17.5 Income Verification

What methods does your agency utilize to verify household income?

- Require documentation of income for all adult household members
 - Pay stubs
 - Social Security award letters
 - Bank statements
 - Tax statements
 - Zero-income statements
 - Unemployment Insurance letters
 - Other – describe: Court Documents or government benefit statements as applicable.

- Computer data matches:
 - Income information matched against state computer system (e.g., SNAP, TANF)
 - Proof of unemployment benefits verified with state Department of Labor
 - Social Security income verified with SSA
 - Utilize state directory of new hires

- Other – describe:

17.6 Protection of Privacy and Confidentiality

Describe the financial and operating controls in place to protect client information against improper use or disclosure.

- Policy in place prohibiting release of information without written consent
- Grantee LIHEAP database includes privacy/confidentiality safeguards
- Employee training on confidentiality for:
 - Grantee employees
 - local agencies/district offices
- Employees must sign confidentiality agreement
 - Grantee employees
 - local agencies/district offices
- Physical files are stored in a secure location
- Other – describe: Grantee contracts include the following section:

RECORD KEEPING REQUIREMENTS

Subrecipient and statewide or regional contractors acknowledge that any information created or exchanged with the State of Texas pursuant to this Contract, must be available in a format that is accessible by the public at no additional charge to the State of Texas. A request for public information shall be communicated to the Department’s contact identified in this Contract, by the close of business on the following business day after the request is received. Subrecipient/Vendor shall not provide to the requestor any information that was written, produced, collected, assembled, or maintained under this Contract, but shall respond to the requestor that the request has been forwarded to the Department for processing. After gathering all information that is responsive to the request, but in no event later than five (5) business days after receiving the information request, Subrecipient/Vendor shall send the information to the Department and shall timely contact the Department if there will be any delay in sending the information request or responsive documents to the Department.

Texas Administrative Code, Title 10 Chapter 1, Subchapter D §1.409 requires that:

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

(b) Records of client eligibility must be retained for five (5) years starting from the date the Household activity is completed, unless otherwise provided in federal regulations governing the program.

(c) Other records must be maintained as described in the Contract or the LURA, and in accordance with federal or state law for the programs described in the Chapters of this Part.

These requirements will also be incorporated into statewide and regional contractor Contracts.

17.7 Verifying the Authenticity of Energy Vendors

What policies are in place for verifying vendor authenticity?

- All vendors must register with the State/Tribe
- All vendors must supply a valid SSN or TIN/W-9 form
- Vendors are verified through energy bills provided by the household
- Grantee and/or local agencies/district offices perform physical monitoring of vendors
- Other – describe, and note any exceptions to policies above:

17.8 Benefits Policy – Gas and Electric Utilities

What policies are in place to protect against fraud when making benefit payments to gas and electric utilities on behalf of clients? Select all that apply.

- Applicants required to submit proof of physical residency
- Applicants must submit current utility bill
- Data exchange with utilities that verifies:
 - Account ownership
 - Consumption
 - Balances
 - Payment history
 - Account is properly credited with benefit
 - Other – describe:
- Centralized computer system/database tracks payments to all utilities
- Centralized computer system automatically generates benefit level
- Separation of duties between intake and payment approval
- Payments coordinated among other heating assistance programs to avoid duplication of payments
- Payments to utilities and invoices from utilities are reviewed for accuracy
- Computer databases are periodically reviewed to verify accuracy and timeliness of payments made to utilities
- Direct payment to households are made in limited cases only
- Procedures are in place to require prompt refunds from utilities in cases of account closure
- Vendor agreements specify requirements selected above, and provide enforcement mechanism
- Other – describe:

17.9 Benefits Policy — Bulk Fuel Vendors

What procedures are in place for averting fraud and improper payments when dealing with bulk fuel suppliers of heating oil, propane, wood, and other bulk fuel vendors? Select all that apply.

- Vendors are checked against an approved vendors list
- Centralized computer system/database is used to track payments to all vendors
- Clients are relied on for reports of non-delivery or partial delivery
- Two-party checks are issued naming client and vendor
- Direct payment to households are made in limited cases only
- Vendors are only paid once they provide a delivery receipt signed by the client
- Conduct monitoring of bulk fuel vendors
- Bulk fuel vendors are required to submit reports to the Grantee
- Vendor agreements specify requirements selected above, and provide enforcement mechanism
- Other – describe:

17.10 Investigations and Prosecutions

Describe the Grantee's procedures for investigating and prosecuting reports of fraud, and any sanctions placed on clients/staff/vendors found to have committed fraud. Select all that apply.

- Refer to state Inspector General
- Refer to local prosecutor or state Attorney General
- Refer to US DHHS Inspector General (including referral to OIG hotline)
- Local agencies/district offices or Grantee conduct investigation of fraud complaints from public
- Grantee attempts collection of improper payments. If so, describe the recoupment process.
- Clients found to have committed fraud are banned from LIHEAP assistance. For how long is a household banned?
- Contracts with local agencies require that employees found to have committed fraud are reprimanded and/or terminated
- Vendors found to have committed fraud may no longer participate in LIHEAP
- Other — describe: A Subrecipient and statewide or regional contractors may be referred to the Department's Enforcement Committee or proposed for debarment.

Section 18: Certification Regarding Debarment, Suspension, and Other Responsibility Matters

Certification Regarding Debarment, Suspension, and Other Responsibility Matters--Primary Covered Transactions

Instructions for Certification

1. By signing and submitting this proposal, the prospective primary participant is providing the certification set out below.

2. The inability of a person to provide the certification required below will not necessarily result in denial of participation in this covered transaction. The prospective participant shall submit an explanation of why it cannot provide the certification set out below. The certification or explanation will be considered in connection with the department or agency's determination whether to enter into this transaction. However, failure of the prospective primary participant to furnish a certification or an explanation shall disqualify such person from participation in this transaction.

3. The certification in this clause is a material representation of fact upon which reliance was placed when the department or agency determined to enter into this transaction. If it is later determined that the prospective primary participant knowingly rendered an erroneous certification, in addition to other remedies available to the Federal Government, the department or agency may terminate this transaction for cause or default.

4. The prospective primary participant shall provide immediate written notice to the department or agency to which this proposal is submitted if at any time the prospective primary participant learns that its certification was erroneous when submitted or has become erroneous by reason of changed circumstances.

5. The terms covered transaction, debarred, suspended, ineligible, lower tier covered transaction, participant, person, primary covered transaction, principal, proposal, and voluntarily excluded, as used in this clause, have the meanings set out in the Definitions and Coverage sections of the rules implementing Executive Order 12549. You may contact the department or agency to which this proposal is being submitted for assistance in obtaining a copy of those regulations.

6. The prospective primary participant agrees by submitting this proposal that, should the proposed covered transaction be entered into, it shall not knowingly enter into any lower tier covered transaction with a person who is proposed for debarment under 48 CFR part 9, subpart 9.4, debarred, suspended, declared ineligible, or voluntarily excluded from participation in this covered transaction, unless authorized by the department or agency entering into this transaction.

7. The prospective primary participant further agrees by submitting this proposal that it will include the clause titled "Certification Regarding Debarment, Suspension, Ineligibility and Voluntary Exclusion-Lower Tier Covered Transaction," provided by the department or agency entering into this covered transaction, without modification, in all lower tier covered transactions and in all solicitations for lower tier covered transactions.

8. A participant in a covered transaction may rely upon a certification of a prospective participant in a lower tier covered transaction that it is not proposed for debarment under 48 CFR part 9, subpart 9.4, debarred, suspended, ineligible, or voluntarily excluded from the covered transaction, unless it knows that the certification is erroneous. A participant may decide the method and frequency by which it determines the eligibility of its principals. Each participant may, but is not required to, check the List of Parties Excluded from Federal Procurement and Non-procurement Programs.

9. Nothing contained in the foregoing shall be construed to require establishment of a system of records in order to render in good faith the certification required by this clause. The knowledge and

information of a participant is not required to exceed that which is normally possessed by a prudent person in the ordinary course of business dealings.

10. Except for transactions authorized under paragraph 6 of these instructions, if a participant in a covered transaction knowingly enters into a lower tier covered transaction with a person who is proposed for debarment under 48 CFR part 9, subpart 9.4, suspended, debarred, ineligible, or voluntarily excluded from participation in this transaction, in addition to other remedies available to the Federal Government, the department or agency may terminate this transaction for cause or default.

Certification Regarding Debarment, Suspension, and Other Responsibility Matters--Primary Covered Transactions

(1) The prospective primary participant certifies to the best of its knowledge and belief, that it and its principals:

(a) Are not presently debarred, suspended, proposed for debarment, declared ineligible, or voluntarily excluded by any Federal department or agency;

(b) Have not within a three-year period preceding this proposal been convicted of or had a civil judgment rendered against them for commission of fraud or a criminal offense in connection with obtaining, attempting to obtain, or performing a public (Federal, State or local) transaction or contract under a public transaction; violation of Federal or State antitrust statutes or commission of embezzlement, theft, forgery, bribery, falsification or destruction of records, making false statements, or receiving stolen property;

(c) Are not presently indicted for or otherwise criminally or civilly charged by a governmental entity (Federal, State or local) with commission of any of the offenses enumerated in paragraph (1)(b) of this certification; and

(d) Have not within a three-year period preceding this application/proposal had one or more public transactions (Federal, State or local) terminated for cause or default.

(2) Where the prospective primary participant is unable to certify to any of the statements in this certification, such prospective participant shall attach an explanation to this proposal.

Certification Regarding Debarment, Suspension, Ineligibility and Voluntary Exclusion--Lower Tier Covered Transactions

Instructions for Certification

1. By signing and submitting this proposal, the prospective lower tier participant is providing the certification set out below.

2. The certification in this clause is a material representation of fact upon which reliance was placed when this transaction was entered into. If it is later determined that the prospective lower tier participant knowingly rendered an erroneous certification, in addition to other remedies available to the Federal Government the department or agency with which this transaction originated may pursue available remedies, including suspension and/or debarment.

3. The prospective lower tier participant shall provide immediate written notice to the person to which this proposal is submitted if at any time the prospective lower tier participant learns that its certification was erroneous when submitted or had become erroneous by reason of changed circumstances.

4. The terms covered transaction, debarred, suspended, ineligible, lower tier covered transaction, participant, person, primary covered transaction, principal, proposal, and voluntarily excluded, as used

in this clause, have the meaning set out in the Definitions and Coverage sections of rules implementing Executive Order 12549. You may contact the person to which this proposal is submitted for assistance in obtaining a copy of those regulations.

5. The prospective lower tier participant agrees by submitting this proposal that, [[Page 33043]] should the proposed covered transaction be entered into, it shall not knowingly enter into any lower tier covered transaction with a person who is proposed for debarment under 48 CFR part 9, subpart 9.4, debarred, suspended, declared ineligible, or voluntarily excluded from participation in this covered transaction, unless authorized by the department or agency with which this transaction originated.

6. The prospective lower tier participant further agrees by submitting this proposal that it will include this clause titled "Certification Regarding Debarment, Suspension, Ineligibility and Voluntary Exclusion--Lower Tier Covered Transaction," without modification, in all lower tier covered transactions and in all solicitations for lower tier covered transactions.

7. A participant in a covered transaction may rely upon a certification of a prospective participant in a lower tier covered transaction that it is not proposed for debarment under 48 CFR part 9, subpart 9.4, debarred, suspended, ineligible, or voluntarily excluded from covered transactions, unless it knows that the certification is erroneous. A participant may decide the method and frequency by which it determines the eligibility of its principals. Each participant may, but is not required to, check the List of Parties Excluded from Federal Procurement and Nonprocurement Programs.

8. Nothing contained in the foregoing shall be construed to require establishment of a system of records in order to render in good faith the certification required by this clause. The knowledge and information of a participant is not required to exceed that which is normally possessed by a prudent person in the ordinary course of business dealings.

9. Except for transactions authorized under paragraph 5 of these instructions, if a participant in a covered transaction knowingly enters into a lower tier covered transaction with a person who is proposed for debarment under 48 CFR part 9, subpart 9.4, suspended, debarred, ineligible, or voluntarily excluded from participation in this transaction, in addition to other remedies available to the Federal Government, the department or agency with which this transaction originated may pursue available remedies, including suspension and/or debarment.

Certification Regarding Debarment, Suspension, Ineligibility an Voluntary Exclusion--Lower Tier Covered Transactions

(1) The prospective lower tier participant certifies, by submission of this proposal, that neither it nor its principals is presently debarred, suspended, proposed for debarment, declared ineligible, or voluntarily excluded from participation in this transaction by any Federal department or agency.

(2) Where the prospective lower tier participant is unable to certify to any of the statements in this certification, such prospective participant shall attach an explanation to this proposal.

By checking this box, the prospective primary participant is providing the certification set out above.

Section 19: Certification Regarding Drug-Free Workforce Requirements

This certification is required by the regulations implementing the Drug-Free Workplace Act of 1988: 45 CFR Part 76, Subpart, F. Sections 76.630(c) and (d)(2) and 76.645(a)(1) and (b) provide that a Federal agency may designate a central receipt point for STATE-WIDE AND STATE AGENCY-WIDE certifications, and for notification of criminal drug convictions. For the Department of Health and Human Services, the central point is: Division of Grants Management and Oversight, Office of Management and Acquisition, Department of Health and Human Services, Room 517-D, 200 Independence Avenue, SW Washington, DC 20201.

Certification Regarding Drug-Free Workplace Requirements (Instructions for Certification)

1. By signing and/or submitting this application or grant agreement, the grantee is providing the certification set out below.
2. The certification set out below is a material representation of fact upon which reliance is placed when the agency awards the grant. If it is later determined that the grantee knowingly rendered a false certification, or otherwise violates the requirements of the Drug-Free Workplace Act, the agency, in addition to any other remedies available to the Federal Government, may take action authorized under the Drug-Free Workplace Act.
3. For grantees other than individuals, Alternate I applies.
4. For grantees who are individuals, Alternate II applies.
5. Workplaces under grants, for grantees other than individuals, need not be identified on the certification. If known, they may be identified in the grant application. If the grantee does not identify the workplaces at the time of application, or upon award, if there is no application, the grantee must keep the identity of the workplace(s) on file in its office and make the information available for Federal inspection. Failure to identify all known workplaces constitutes a violation of the grantee's drug-free workplace requirements.
6. Workplace identifications must include the actual address of buildings (or parts of buildings) or other sites where work under the grant takes place. Categorical descriptions may be used (e.g., all vehicles of a mass transit authority or State highway department while in operation, State employees in each local unemployment office, performers in concert halls or radio studios).
7. If the workplace identified to the agency changes during the performance of the grant, the grantee shall inform the agency of the change(s), if it previously identified the workplaces in question (see paragraph five).
8. Definitions of terms in the Nonprocurement Suspension and Debarment common rule and Drug-Free Workplace common rule apply to this certification. Grantees' attention is called, in particular, to the following definitions from these rules:

Controlled substance means a controlled substance in Schedules I through V of the Controlled

Substances Act (21 U.S.C. 812) and as further defined by regulation (21 CFR 1308.11 through 1308.15);

Conviction means a finding of guilt (including a plea of nolo contendere) or imposition of sentence, or both, by any judicial body charged with the responsibility to determine violations of the Federal or State criminal drug statutes;

Criminal drug statute means a Federal or non-Federal criminal statute involving the manufacture, distribution, dispensing, use, or possession of any controlled substance;

Employee means the employee of a grantee directly engaged in the performance of work under a grant, including: (i) All direct charge employees; (ii) All indirect charge employees unless their impact or involvement is insignificant to the performance of the grant; and, (iii) Temporary personnel and consultants who are directly engaged in the performance of work under the grant and who are on the grantee's payroll. This definition does not include workers not on the payroll of the grantee (e.g., volunteers, even if used to meet a matching requirement; consultants or independent contractors not on the grantee's payroll; or employees of Subrecipients or subcontractors in covered workplaces).

Certification Regarding Drug-Free Workplace Requirements

Alternate I. (Grantees Other Than Individuals)

The grantee certifies that it will or will continue to provide a drug-free workplace by:

- (a) Publishing a statement notifying employees that the unlawful manufacture, distribution, dispensing, possession, or use of a controlled substance is prohibited in the grantee's workplace and specifying the actions that will be taken against employees for violation of such prohibition;
- (b) Establishing an ongoing drug-free awareness program to inform employees about --(1)The dangers of drug abuse in the workplace;
(2) The grantee's policy of maintaining a drug-free workplace;
(3) Any available drug counseling, rehabilitation, and employee assistance programs; and
(4) The penalties that may be imposed upon employees for drug abuse violations occurring in the workplace;
- c) Making it a requirement that each employee to be engaged in the performance of the grant be given a copy of the statement required by paragraph (a);
- (d) Notifying the employee in the statement required by paragraph (a) that, as a condition of employment under the grant, the employee will --
(1) Abide by the terms of the statement; and
(2) Notify the employer in writing of his or her conviction for a violation of a criminal drug statute occurring in the workplace no later than five calendar days after such conviction;
- (e) Notifying the agency in writing, within ten calendar days after receiving notice under paragraph (d)(2) from an employee or otherwise receiving actual notice of such conviction. Employers of convicted employees must provide notice, including position title, to every grant officer or other designee on whose grant activity the convicted employee was working, unless the Federal agency has designated a central point for the receipt of such notices. Notice shall include the identification number(s) of each affected grant;
- (f) Taking one of the following actions, within 30 calendar days of receiving notice under paragraph (d)(2), with respect to any employee who is so convicted -

- (1) Taking appropriate personnel action against such an employee, up to and including termination, consistent with the requirements of the Rehabilitation Act of 1973, as amended; or
 - (2) Requiring such employee to participate satisfactorily in a drug abuse assistance or rehabilitation program approved for such purposes by a Federal, State, or local health, law enforcement, or other appropriate agency;
 - (g) Making a good faith effort to continue to maintain a drug-free workplace through implementation of paragraphs (a), (b), (c), (d), (e) and (f).
- (B) The grantee may insert in the space provided below the site(s) for the performance of work done in connection with the specific grant:

Place of Performance (Street address, city, county, state, zip code)

221 East 11th Street

Austin, Travis County, Texas, 78701

Check if there are workplaces on file that are not identified here.

Alternate II. (Grantees Who Are Individuals)

- (a) The grantee certifies that, as a condition of the grant, he or she will not engage in the unlawful manufacture, distribution, dispensing, possession, or use of a controlled substance in conducting any activity with the grant;
- (b) If convicted of a criminal drug offense resulting from a violation occurring during the conduct of any grant activity, he or she will report the conviction, in writing, within 10 calendar days of the conviction, to every grant officer or other designee, unless the Federal agency designates a central point for the receipt of such notices. When notice is made to such a central point, it shall include the identification number(s) of each affected grant.

[55 FR 21690, 21702, May 25, 1990]

By checking this box, the prospective primary participant is providing the certification set out above.

Section 20: Certification Regarding Lobbying

The submitter of this application certifies, to the best of his or her knowledge and belief, that:

(1) No Federal appropriated funds have been paid or will be paid, by or on behalf of the undersigned, to any person for influencing or attempting to influence an officer or employee of an agency, a Member of Congress, an officer or employee of Congress, or an employee of a Member of Congress in connection with the awarding of any Federal contract, the making of any Federal grant, the making of any Federal loan, the entering into of any cooperative agreement, and the extension, continuation, renewal, amendment, or modification of any Federal contract, grant, loan, or cooperative agreement.

(2) If any funds other than Federal appropriated funds have been paid or will be paid to any person for influencing or attempting to influence an officer or employee of any agency, a Member of Congress, an officer or employee of Congress, or an employee of a Member of Congress in connection with this Federal contract, grant, loan, or cooperative agreement, the undersigned shall complete and submit Standard Form-LLL, "Disclosure Form to Report Lobbying," in accordance with its instructions.

(3) The undersigned shall require that the language of this certification be included in the award documents for all subawards at all tiers (including subcontracts, subgrants, and contracts under grants, loans, and cooperative agreements) and that all Subrecipients and statewide or regional contractors shall certify and disclose accordingly. This certification is a material representation of fact upon which reliance was placed when this transaction was made or entered into. Submission of this certification is a prerequisite for making or entering into this transaction imposed by section 1352, title 31, U.S. Code. Any person who fails to file the required certification shall be subject to a civil penalty of not less than \$10,000 and not more than \$100,000 for each such failure.

Statement for Loan Guarantees and Loan Insurance

The undersigned states, to the best of his or her knowledge and belief, that:

If any funds have been paid or will be paid to any person for influencing or attempting to influence an officer or employee of any agency, a Member of Congress, an officer or employee of Congress, or an employee of a Member of Congress in connection with this commitment providing for the United States to insure or guarantee a loan, the undersigned shall complete and submit Standard Form-LLL, "Disclosure Form to Report Lobbying," in accordance with its instructions. Submission of this statement is a prerequisite for making or entering into this transaction imposed by section 1352, title 31, U.S. Code. Any person who fails to file the required statement shall be subject to a civil penalty of not less than \$10,000 and not more than \$100,000 for each such failure.

By checking this box, the prospective primary participant is providing the certification set out above.

REQUIRED ATTACHMENTS

The following documents must be attached to this application:

- Assurances signature page (submitted as separate document)
- Designation letter for signature to Assurances is required if someone other than the Governor or Tribal Chairperson signs the Assurances. (submitted as separate document)
- Heating component benefit matrix. (Attachment 3)
- Cooling component benefit matrix. (Attachment 3)
- Local Agency Monitoring Schedule (Attachment 4)

Attachment 3

Benefit Matrix

Program rules found at 10 Texas Administrative Code, §6.309(e):

[https://texreg.sos.state.tx.us/public/readtac\\$ext.TacPage?sl=R&app=9&p_dir=&p_rloc=&p_tloc=&p_ploc=&pg=1&p_tac=&ti=10&pt=1&ch=6&rl=309](https://texreg.sos.state.tx.us/public/readtac$ext.TacPage?sl=R&app=9&p_dir=&p_rloc=&p_tloc=&p_ploc=&pg=1&p_tac=&ti=10&pt=1&ch=6&rl=309) . .

All benefits are determined based on a sliding scale.

(e) Benefit determinations for the Utility Assistance Component and the Crisis Assistance Component cannot exceed the sliding scale described in paragraphs (1) - (3) of this subsection:

(1) Households with Incomes of 0 to 50% of Federal Poverty Guidelines may receive an amount not to exceed \$2,400 per Component;

(2) Households with Incomes of 51% to 75% of Federal Poverty Guidelines may receive an amount not to exceed \$2,300 per Component; and

(3) Households with Incomes of 76% to at or below 150% of Federal Poverty Guidelines may receive an amount not to exceed \$2,200 per Component; and

(f) Service and Repair of existing heating and cooling units: Households may receive up to \$7,500 for service and repair of existing heating and cooling units when the Household has an inoperable heating or cooling system based on requirements in §6.310 and §6.311.

Attachment 4

Monitoring Schedule for FY 2023

	SUBRECIPIENT	REVIEW TYPE	Date of Next Monitoring Review	DATE OF LAST FULL ONSITE REVIEW (IF APPLICABLE)
1	Alamo Area Council of Governments	On-Site	2022	November 2021
2	Aspermont Small Business Development Center, Inc.	On-Site	2022	November 2019
3	BakerRipley	On-Site	2023	February 2022
4	Bexar County Community and Development Programs	On-Site	2022	January 2020
5	Big Bend Community Action Committee, Inc.	On-Site	2024	March 2022
6	Brazos Valley Community Action Programs	On-Site	2022	March 2020
7	Central Texas Opportunities/DBA Cornerstone Community Action Agency	On-Site	2023	September 2020
8	City of Fort Worth Neighborhood Services Department	On-Site	2022	February 2020
9	City of Lubbock Community Development Department	On-Site	2024	August 2021
10	Combined Community Action, Inc.	On-Site	2022	November 2019
11	Community Action Committee of Victoria, Texas	On-Site	2022	September 2019
12	Community Action Corporation of South Texas	On-Site	2022	July 2019
13	Community Action Inc. of Central Texas	On-Site	2023	October 2020
14	Community Council of South Central Texas, Inc.	On-Site	2023	September 2020
15	Community Services Northeast Texas, Inc.	On-Site	2024	April 2021
16	Concho Valley Community Action Agency	On-Site	2023	April 2020
17	County of Hidalgo Community Services Agency	On-Site	2024	June 2021
18	Dallas County Health and Human Services	On-Site	2023	October 2020
19	Economic Action Committee of the Gulf Coast	On-Site	2022	July 2019
20	Economic Opportunities Advancement Corporation of Planning Region XI	On-Site	2022	January 2020
21	El Paso Community Action Program-Project BRAVO	On-Site	2023	September 2020
22	Greater East Texas Community Action Program	On-Site	2023	April 2020
23	Hill Country Community Action Association, Inc.	On-Site	2024	October 2021
24	Kleberg County Human Services	On-Site	2024	October 2021
25	Nueces County Community Action Agency	On-Site	2024	July 2021
26	Panhandle Community Services	On-Site	2024	August 2021
27	Pecos County Community Action Agency	On-Site	2024	February 2021
28	Rolling Plains Management Corporation	On-Site	2023	January 2021
29	South Plains Community Action Association, Inc.	On-Site	2024	August 2021
30	South Texas Development Council	On-Site	2024	April 2021
31	Texas Neighborhood Services	On-Site	2022	May 2019
32	Texoma Council Of Governments	On-Site	2022	August 2019
33	Travis County Health and Human Services	On-Site	2023	August 2020
34	Tri-County Community Action, Inc.	On-Site	2024	March 2021
35	Webb County Community Action Agency	On-Site	2022	December 2019
36	West Texas Opportunities, Inc.	On-Site	2023	June 2020

6

BOARD ACTION REQUEST

SINGLE FAMILY AND HOMELESS PROGRAMS DIVISION

JULY 28, 2022

Presentation, discussion, and possible action on State Fiscal Year 2023 Homeless Housing and Services Program Awards

RECOMMENDED ACTION

WHEREAS, the Homeless Housing and Services Program (HHSP) was created by the 81st Texas Legislature to be administered by the Texas Department of Housing and Community Affairs (the Department) to fund homelessness prevention and homeless services in Texas municipalities with populations over 285,500;

WHEREAS, the Texas Legislature has, through the enactment of House Bill (HB) 1 (87th Legislature), provided General Revenue funds of \$6,299,984 each year of the biennium for HHSP;

WHEREAS, HB 1 included Rider 16, designating \$1,500,000 of HHSP funds each year of the biennium to provide services to unaccompanied homeless youth and homeless young adults 24 years of age and younger to be distributed through a youth set-aside within HHSP;

WHEREAS, after a reduction of \$48,000 for annual Department administrative expenses, funds in the amount of \$4,751,984 are available for award for the HHSP general set-aside;

WHEREAS, the allocation formula for HHSP is set forth in 10 TAC §7.23, Allocation of Funds and Formula;

WHEREAS, the cities in Texas with a population that meet the threshold criteria for HHSP are Arlington, Austin, Corpus Christi, Dallas, El Paso, Fort Worth, Houston, Plano and San Antonio;

WHEREAS, the Executive Award Review Advisory Committee (EARAC) reviewed the awards and compliance history, and recommends the 2023 HHSP awards to Arlington, Austin, Dallas, El Paso, Fort Worth, and San Antonio, conditioned upon submission of a full application, in accordance with 10 TAC §7.22, no later than September 12, 2022; and

WHEREAS, program staff is also recommending an award for the City of Corpus Christi, Haven for Hope, and the City of Plano, conditioned upon submission of a full application, in accordance with 10 TAC §7.22, no later than September 12, 2022, and conditioned on

a final recommendation, or recommendation with conditions, from the Executive Review and Advisory Committee;

NOW, therefore, it is hereby

RESOLVED, that the Director and his designees, be and each of them hereby are authorized, empowered, and directed, for and on behalf of the Department, to take any and all such actions as they or any of them may deem necessary or advisable to effectuate the award of not less than \$4,751,984 in SFY 2023 HHSP Contracts for general funds, and \$1,500,000 in SFY 2023 HHSP youth set-aside funds in the amounts reflected in Attachment A, to the municipalities in Texas with a population of 285,500 or more (or their designee).

BACKGROUND

HHSP funding is allocated to municipalities with a population greater than 285,500 for the provision of homeless assistance and homeless prevention activities. HB 1 passed in Regular Session by the 87th Texas Legislature authorized state general revenue funding totaling \$12,599,968 over the biennium for HHSP. Rider 16 requires that of the total authorized funds, \$3,000,000 is set-aside for provision of HHSP homeless assistance to youth under the age of 24. The Department programmed \$9,503,968 of the remaining funds to be awarded to HHSP eligible subrecipients, and retained the remaining \$96,000 (\$48,000 per year) for its administration.

The Department administers HHSP in accordance with Tex. Gov't Code §2306.2585 and 10 TAC Chapters 1 and 2, and Chapter 7, Subchapters A and B. Allowable activities include case management for households experiencing or at-risk of homelessness; construction, conversion, or rehabilitation of structures targeted to serving Homeless persons or persons at-risk of homelessness; essential services for Homeless persons or persons at risk of homelessness; provision of direct services; operation of emergency shelters or administrative facilities; and other Homeless-related activity, as approved by the Department in writing. For the HHSP youth set aside funds, Rider 16 specifically lists eligible services as case management, emergency shelter, street outreach, and transitional living.

In accordance with 10 TAC §7.21, Purpose and Use, HHSP provides funding to areas in municipalities with populations of 285,500 or greater, as determined by the most recent available One Year American Community Survey (ACS). HHSP is allocated to Arlington, Austin, Corpus Christi, Dallas, El Paso, Fort Worth, Houston, Plano, and San Antonio. The allocation formula, as outlined in 10 TAC §7.23, resulted in the allocations listed in Attachment A to each municipality. The most recent full Point-In-Time Count as referenced in 10 TAC §7.23, which includes a full demographic count for sheltered and unsheltered persons, was conducted in 2020; therefore, the Department utilized the 2020 Point-In-Time Count in allocating the HHSP funds.

The Previous Participation Rule at 10 TAC §1.302 includes a review of HHSP entities prior to Board recommendation. This review is pending for the City of Corpus Christi, Haven for Hope, and the City of

Plano. All other Subrecipients completed the review, conditioned on submission of a complete application due in early September. The effective Contract Term for both the HHSP general funds, and the HHSP youth set-aside funds will be September 1, 2022, through August 31, 2023, unless a different term is requested by the Subrecipient and agreed to by the Department, but in no case will the Contract start later than December 31, 2022.

In accordance with 10 TAC §7.22, municipalities eligible for an award based their population may designate a nonprofit organization to administer the HHSP in their stead, and the City of San Antonio has designated Haven for Hope to administer its award of general set-aside funds; however, the city will self-administer the youth set-aside.

Attachment A

2023 Homeless Housing and Services Program Award Log

#	HHSP Subrecipient	Award for HHSP General Funds	Award for HHSP Youth Set-Aside Funds	Total 2023 HHSP Funds
1	City of Arlington	\$183,891	\$58,361	\$242,252
2	City of Austin	\$540,935	\$165,044	\$705,979
3	City of Corpus Christi	\$197,798	\$62,268	\$260,066
4	City of Dallas	\$831,284	\$265,487	\$1,096,771
5	City of El Paso	\$333,187	\$99,210	\$432,397
6	City of Fort Worth	\$409,176	\$129,878	\$539,054
7	City of Houston	\$1,277,839	\$401,908	\$1,679,747
8	City of Plano	\$138,815	\$44,473	\$183,288
10	City of San Antonio/Haven for Hope	\$839,059 (Haven for Hope)	\$273,371 (City of San Antonio)	\$1,112,430
	Totals	\$4,751,984.00	\$1,500,000.00	\$6,251,984.00

7a

BOARD ACTION REQUEST
MULTIFAMILY FINANCE DIVISION
JULY 28, 2022

Presentation, discussion, and possible action on a timely filed scoring appeal under the Department's Multifamily Program Rules for Calle del Norte Apartments (#22112).

RECOMMENDED ACTION

WHEREAS, the appeal relates to Competitive Housing Tax Credit (HTC) Application Calle del Norte Apartments, which was submitted to the Department by the Full Application Delivery Date;

WHEREAS, a scoring notice was issued for this Application on June 20, 2022, which included a reduction of one point related to the Cost of Development per Square Foot scoring item established in 10 TAC §11.9(e)(2); and

WHEREAS, the Applicant timely filed an appeal;

NOW, therefore, it is hereby

RESOLVED, that the appeal for Calle del Norte Apartments (22112) is hereby granted.

BACKGROUND

Calle del Norte Apartments (#22112) is a 2022 Competitive 9% Housing Tax Credit Application that proposes the new construction of 55 units in Laredo, Webb County, and is competing in the Urban 11 subregion.

On June 20, 2022, Department staff sent a scoring notice for the Application, which noted a one point reduction from the score initially requested, because the voluntary Eligible Building Cost per square foot included in the Application is not less than \$88.58 per square foot in as required by 10 TAC §11.9(e)(2).

The Department received a timely filed appeal of the scoring reduction on June 24, 2022. The appeal contends that the issue results from a rounding error in the architectural drawings, and suggests that, when the two-bedroom units are accurately entered into the Application as 1,100.35 square feet, the Application qualifies for this point. The Application initially improperly rounded these units to 1,100 square feet.

In accordance with 10 TAC §11.9(a), “There is no rounding of numbers in this section for any of the calculations in order to achieve the desired requirement or limitation, unless rounding is explicitly stated as allowed for that particular calculation or criteria.” The Cost per Square Foot scoring item is calculated using the Application’s Net Rentable Area. Neither this scoring item nor the definition of “Net Rentable Area” located at 10 TAC §11.1(d)(83) allow for rounding of these figures.

In the appeal of the scoring reduction, the Applicant clarified that 1,100.35 is the exact square footage for the two-bedroom units, which was rounded to a whole number on the Application. When this precise square footage is used in the Application, the voluntary Eligible Building Cost per square foot is \$88.57, which is sufficient to qualify for the requested points. The information necessary to arrive at this conclusion is present in the initial Application and the appeal.

If the Board grants the appeal, then the point will be reinstated to the Application. If the Board denies this appeal, then the Application will continue to be ineligible for the point in question.

Because the Application qualifies for the points in question when using the accurate square footage for the two-bedroom units, staff recommends the Board grant the appeal.



MULTIFAMILY FINANCE DIVISION
Housing Tax Credit Program - 2022 Application Round
Scoring Notice - Competitive Housing Tax Credit Application

Appeal Election Form: 22112, Calle del Norte Apartments, LLC

Note: If you do not wish to appeal this notice, do not submit this form.

I am in receipt of my 2022 scoring notice and am filing a formal appeal to the Executive Director on or before Monday, June 27, 2022.

If my appeal is denied by the Executive Director:

I do wish to appeal to the Board of Directors and request that my application be added to the Department Board of Directors meeting agenda. My appeal documentation, which identifies my specific grounds for appeal, is attached. If no additional documentation is submitted, the appeal documentation to the Executive Director will be utilized.

I do not wish to appeal to the Board of Directors.

Signed

Title

Date


Managing Member
6/23/2022

Please email to Colin Nickells:
<mailto:colin.nickells@tdhca.state.tx.us>

Calle del Norte Apartments, LP

1329 East Lark Street
Springfield, MO 65804

June 24, 2022

Bobby Wilkinson
Executive Director
Texas Department of Housing and Community Affairs
221 E. 11th Street
Austin, TX 78701

RE: #22112 – Calle del Norte Apartments: Appeal of Scoring Notice

Dear Mr. Wilkinson:

We appreciate the opportunity to appeal staff's scoring notice sent last week in which a point was deducted for application #22112 (Calle del Norte Apartments). In accordance with 10 TAC §11.902, please let this letter serve as the Applicant's appeal. At application, our architect indicated to us square footages for the units that satisfied scoring criteria in 10 TAC §11.9(e)(2) (cost of development per square foot) of the Qualified Allocation Plan as we completed the Development Cost Schedule tab, which is where the point at issue exists. However, the architect mistakenly rounded the square footage for all our 2-bedroom units. The 2-bedroom units, at 1,100 square feet each, should not have been rounded and should have been listed as 1,100.35.

At the correct square footage of 1,100.35, our voluntary eligible building costs are \$88.57, which is below the criteria for scoring purposes. Our units have not changed sizes; this is an administrative error in the representation of the unit size. I have attached Tab 23 (Building Unit Configuration), Tab 24 (Rent Schedule) and Tab 30 (Development Cost Schedule) of the application to show this change. Please note, the square footage per unit will still show as 1,100 (as the application does round) however the correct number is typed to the decimal.

A similar situation was presented to the board on June 16, 2022, for Butler Park Apartments (#22288) and the Board approved staff's recommendation to not reduce the applicant's points.

We respect the conclusion that staff came to earlier this week in providing the Scoring Notice, but we believe that the attached clarifying documentation, reflects that this application has met the requirement for the cost of development per square foot scoring criteria.

If you have any questions or would like further information, please do not hesitate to contact me at mforster@wilhoitproperties.com or by phone at 417-883-1632

Sincerely,



Jeff Beckler
Representative of Calle del Apartments, LP

SPECIFICATIONS AND BUILDING/UNIT TYPE CONFIGURATION

Unit types should be entered from smallest to largest based on "# of Bedrooms" and "Sq. Ft. Per Unit." "Unit Label" should correspond to the unit label or name used on the unit floor plan. "Building Label" should conform to the building label or name on the building floor plan. The total number of units per unit type and totals for "Total # of Units" and "Total Sq. Ft. for Unit Type" should match the rent schedule and site plan. If additional building types are needed, they are available by un-hiding columns T through AD.

Specifications and Amenities (check all that apply)

Building Configuration (Check all that):

<input type="checkbox"/> Single Family Construction	<input type="checkbox"/> SRO	<input type="checkbox"/> Transitional (per §42(i)(3)(B))	<input type="checkbox"/> Duplex
<input type="checkbox"/> Scattered Site	<input type="checkbox"/> Fourplex	<input checked="" type="checkbox"/> > 4 Units Per Building	<input type="checkbox"/> Townhome

Development will have:

<input type="checkbox"/> Fire Sprinklers	<input checked="" type="checkbox"/> Elevators	<input type="checkbox"/> # of Elevators: <input type="text" value="1"/>	<input type="checkbox"/> Wt. Capacity: <input type="text" value="3500"/>
--	---	---	--

Number of Parking Spaces (consistent with Architectural Drawings):	Free	Paid	Shed or Flat Roof Carport Spaces	Free	Paid	Detached Garage Spaces	Free	Paid	Detached Garage Spaces		
	<input type="text"/>	<input type="text"/>		<input type="text"/>	<input type="text"/>		<input type="text"/>	<input type="text"/>		<input type="text"/>	<input type="text"/>
	<input type="text"/>	<input type="text"/>		<input type="text"/>	<input checked="" type="text" value="138"/>		<input type="text"/>	<input type="text"/>		<input type="text"/>	<input type="text"/>
	<input type="text"/>	<input type="text"/>		<input type="text"/>	<input type="text"/>		<input type="text"/>	<input type="text"/>		<input type="text"/>	<input type="text"/>

Floor Composition/Wall Height:

<input type="text" value="100"/> % Carpet/Vinyl/Resilient Flooring	<input type="text" value="8"/> Ceiling Height
<input type="text"/> % Ceramic Tile	<input type="text"/> Upper Floor(s) Ceiling Height (Townhome Only)
<input type="text"/> % Other	Describe: <input type="text"/>

DO NOT distinguish the HC or AV Units from other Units that are the same size/floor plan.

Unit Type				Number of Units Per Building										Total # of Residential Buildings	Total # of Units	Total Sq. Ft for Unit Type																																																																																							
Unit Label	# of Bedrooms	# of Baths	Sq. Ft. Per Unit	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20	21	22	23	24	25	26	27	28	29	30	31	32	33	34	35	36	37	38	39	40	41	42	43	44	45	46	47	48	49	50	51	52	53	54	55	56	57	58	59	60	61	62	63	64	65	66	67	68	69	70	71	72	73	74	75	76	77	78	79	80	81	82	83	84	85	86	87	88	89	90	91	92	93	94	95	96	97	98	99	100
Building Label				1																																								1																																																											
Number of Stories				4																																								1																																																											
Number of Buildings				1																																								1																																																											
B2	2	2	1,100	10																																								10	11,004																																																										
B2Hc	2	2	1,100	2																																								2	2,201																																																										
B3	2	2	1,100	16																																								16	17,606																																																										
C2	3	2	1,300	23																																								23	29,900																																																										
C2H2	3	2	1,300	1																																								1	1,300																																																										
C3	3	2	1,416	3																																								3	4,248																																																										
Totals				55																																								55	66,258																																																										

Net Rentable Square Footage from Rent Schedule:

Common Area Square Footage (as specified on Architect Certification):

Note: 10 TAC §11.9(e)(2) allows 75 square feet of Common Area per unit to be added to NRA for scoring only if the Development is Supportive Housing and only if at least 50 square feet of each 75 square feet of the Common Area added is conditioned space.

The additional square footage allowed for Supportive Housing per 11.9(e)(2) is:

Use this number to calculate points for **Supportive Housing** under 11.9(e)(2) only if the conditions are met for the number above:

If a revised form is submitted, date of submission:

									0				-
									0				-
									0				-
									0				-
									0				-
									0				-
TOTAL		55						66,258					39,371
Non Rental Income		\$10.00	per unit/month for:					<i>NSF, late, and app fees, interest income</i>					550
Non Rental Income		0.00	per unit/month for:										
Non Rental Income		0.00	per unit/month for:										
+ TOTAL NONRENTAL INCOM		\$10.00	per unit/month										550
= POTENTIAL GROSS MONTHLY INCOME													39,921
- Provision for Vacancy & Collection Loss								% of Potential Gross Income:	7.50%				(2,994)
- Rental Concessions (<i>enter as a negative number</i>)									Enter as a negative value				
= EFFECTIVE GROSS MONTHLY INCOME													36,927
x 12 = EFFECTIVE GROSS ANNUAL INCOME													443,123

TC 550%

If a revised form is submitted, date of submission:

Rent Schedule (Continued)

		% of LI	% of Total	
HOUSING TAX CREDITS	TC20%			0
	TC30%	11%	11%	6
	TC40%			0
	TC50%	22%	22%	12
	TC60%	67%	67%	37
	TC70%			0
	TC80%			0
	HTC LI Total			55
	EO			0
	MR			0
	MR Total			0
	Total HTC Units			55
	DIRECT LOAN (NHTF)	HTF30%		
NHTF LI Total				0
MR				0
MR Total				0
HTF Total				0

		% of LI	% of Total	
MORTGAGE REVENUE BOND	MRB20%			0
	MRB30%			0
	MRB40%			0
	MRB50%			0
	MRB60%			0
	MRB70%			0
	MRB80%			0
	MRB LI Total			0
	MRBMR			0
	MRBMR Total			0
MRB Total			0	
DIRECT LOAN (HOME, TCAP RF, and/or NSP1 PI)	30%			0
	40%			0
	LH/50%			0
	HH/60%			0
	HH/80%			0
	Direct Loan LI Total			0
				0
Direct Loan Total			0	
OTHER			0	
	Total OT Units			0

BEDROOMS	0			0
	1			0
	2			28
	3			27
	4			0
	5			0

ACQUISITION + HARD		DO NOT USE THIS CALCULATION TO
Cost Per Sq. Ft	#####	SCORE POINTS UNDER 11.9(e)(2). At
HARD		the end of the Development Cost
Cost Per Sq. Ft	#####	Schedule, you will have the ability to
BUILDING		adjust your eligible costs to qualify.
Cost Per Sq. Ft	\$ 93.49	Points will be entered there.

Development Cost Schedule

Self Score Total: 139

This Development Cost Schedule must be consistent with the Summary Sources and Uses of Funds Statement. All Applications must complete the Total Cost column. Direct Loan Applicants should review costs ineligible for reimbursement with Direct Loan funds in 10 TAC §13.3(e), while all HTC Applicants must complete the Eligible Basis columns and the Requested Credit calculation below:

TOTAL DEVELOPMENT SUMMARY		
Total Cost	Eligible Basis (If Applicable)	
	Acquisition	New/Rehab.

Scratch Paper/Notes

ACQUISITION

Site acquisition cost
 Existing building acquisition cost
 Closing costs & acq. legal fees
 Other (specify) - see footnote 1
 Other (specify) - see footnote 1
Subtotal Acquisition Cost

1,565,000		
\$1,565,000	\$0	\$0

OFF-SITES²

Off-site concrete
 Storm drains & devices
 Water & fire hydrants
 Off-site utilities
 Sewer lateral(s)
 Off-site paving
 Off-site electrical
 Other (specify) - see footnote 1
 Other (specify) - see footnote 1
Subtotal Off-Sites Cost

\$ 43,500.00		
\$ 64,260.00		
\$ 2,875.00		
\$110,635	\$0	\$0

ALL OFF-SITE COSTS REQUIRE DOCUMENTATION. THOSE ENTERED IN BASIS REQUIRE MORE DOCUMENTATION!!! SEE 10 TAC §11.204(8)(E)(ii).

SITE WORK³

Demolition
 Asbestos Abatement (Demolition Only)
 Detention
 Rough grading
 Fine grading
 On-site concrete
 On-site electrical
 On-site paving
 On-site utilities
 Decorative masonry
 Bumper stops, striping & signs
 Other (specify) - see footnote 1
Subtotal Site Work Cost

31,685		31,685
102,350		102,350
63,500		63,500
79,450		79,450
81,000		81,000
319,450		292,890
156,625		156,625
		0
17,500		17,500
\$851,560	\$0	\$825,000

SITE AMENITIES

Landscaping
 Pool and decking
 Athletic court(s), playground(s)
 Fencing
 Other (specify) - see footnote 1
Subtotal Site Amenities Cost

55,000		55,000
\$55,000	\$0	\$55,000

BUILDING COSTS*:

Concrete
 Masonry
 Metals
 Woods and Plastics
 Thermal and Moisture Protection
 Roof Covering
 Doors and Windows
 Finishes
 Specialties
 Equipment
 Furnishings
 Special Construction
 Conveying Systems (Elevators)
 Mechanical (HVAC; Plumbing)
 Electrical

400,000		400,000
300,000		300,000
125,000		125,000
1,900,000		1,900,000
725,000		725,000
186,033		186,033
220,000		220,000
758,155		758,155
140,000		140,000
825,000		825,000
615,000		615,000

Describe for MFDL

7b

BOARD ACTION REQUEST
MULTIFAMILY FINANCE DIVISION
JULY 28, 2022

Presentation, discussion, and possible action on timely filed appeal of the underwriting report published under the Department’s Multifamily Program Rules for The Warehouse Lofts at 707 (#22295)

RECOMMENDED ACTION

WHEREAS, competitive Housing Tax Credit Application #22295 for The Warehouse Lofts at 707 was timely submitted to the Department to compete in the 2022 Application round, proposing the new construction of 84 Units in Houston, Harris County;

WHEREAS, the Application does not meet financial feasibility requirements established in 10 TAC §11.302, relating to Underwriting Rules and Guidelines, and as a result, the Department published an underwriting report, which does not recommend the Application for award;

WHEREAS, granting the appeal would require a waiver of 10 TAC §11.302(d)(1)(C), relating to the vacancy rate used in underwriting, and 10 TAC §11.302(d)(2)(H)(iii), relating to necessary documentation to demonstrate property tax exemptions;

WHEREAS, a waiver was not submitted with the application and 10 TAC §11.207 states that “[w]aiver requests on Competitive HTC Applications will not be accepted between submission of the Application and any award for the Application”;

WHEREAS, the Applicant timely appealed the underwriting report on July 6, 2022, and the appeal was denied by the Executive Director; and

WHEREAS, the Applicant has requested that the appeal be heard by the Department’s Governing Board in accordance with Tex. Gov’t Code §2306.6715;

NOW, therefore, it is hereby

RESOLVED, that the appeal of the underwriting report and associated waivers for The Warehouse Lofts at 707 (#22295) be denied.

BACKGROUND

The Warehouse Lofts at 707 (#22295) is a 2022 competitive housing tax credit Application that proposes the new construction of 84 Units in Houston, Harris County.

The Application assumes a combined vacancy rate of 4%, which is lower than allowed in accordance with 10 TAC §11.302(d)(1)(C):

The Underwriter generally uses a normalized vacancy rate of 7.5% (5% vacancy plus 2.5% for collection loss). 100% project-based rental subsidy developments and other well-documented cases may be underwritten at a combined 5% vacancy rate at the discretion of the Underwriter if the immediate market area's historical performance reflected in the Market Analysis is consistently higher than a 95% occupancy rate.

When adjusted to the 7.5% vacancy required by the rule, income for the project is reduced, which requires a \$215,000 assumed reduction in debt to meet the minimum 1.15 DCR requirement. The underwriting for financial feasibility assumes 7.5% combined vacancy rate to take into account vacancy and collection loss fluctuations throughout the life of the property, which change daily. The decreased debt would require an increase in deferred developer fee to balance the sources and uses; however, the increased deferred developer fee cannot be paid back within the required 15 years in accordance with 10 TAC §11.302(i)(2). As a result, an underwriting report was published by the Department on July 1, 2022, which did not recommend the Application for an award of housing tax credits, on the basis that it does not meet financial feasibility requirements.

The Applicant timely appealed this report, suggesting that the market study, which includes twelve tax credit properties in the Primary Market Area and claims an occupancy rate of 99.4%, should be used to establish the 4% vacancy assumption in the Application. Per the above rule, well-documented cases can be underwritten at 5% vacancy if the immediate market area's historical performance is consistently higher than 95%.

The basic Market Analysis conducted for the tax credit Application is a point-in-time reflection of occupancy rates when the market analyst calls the properties in question to survey them. For example, New Hope Housing at Harrisburg is a tax credit property that is included in the 99.4% average occupancy, with the market study reporting 100% occupancy for this property. Department staff has reviewed rent rolls submitted to TDHCA's Compliance Monitoring and Tracking System (CMTS), and determined that the property had 94% occupancy in October 2021, 96% occupancy in January 2022, and 92% occupancy in April 2022. As another example, the market study reports the occupancy for Canal Street Apartments at 100%, yet rent rolls submitted to CMTS report 88% occupancy in January 2022, and 89% occupancy in June of 2022.

Regardless of market conditions, a 4% vacancy rate is not an assumption that is allowable under the rules, and the use of a 5% rate rather than the 7.5% is solely up to the discretion of the underwriter. If the Department assumes a 5% vacancy, the Net Operating Income decreases to \$284,599 which provides enough cash flow to meet the 1.15 DCR requirement, but does not pay

back the deferred developer fee of \$779,476 within 15 years as required by 10 TAC §11.302(i)(2). When assuming a 5% vacancy, \$13,156 of deferred developer is unpaid at the end of the 15 year period.

The appeal requests that, if the Department does underwrite the 7.5% combined vacancy in accordance with the 2022 QAP, then the annual property tax assumption should be reduced from \$62,000 to \$21,000 to allow more cash flow to pay back the increased deferred fee within the required 15 years. The basis for this request is that Tab 26 of the Application explicitly notes that, for Texas Historic Preservation projects, the ability to secure property tax exemption is available and encouraged. While it is possible that such an exemption may ultimately be available to the Development, this is only available after the Historic designation is achieved. The Application includes a placeholder taxation figure in the operating budget. The appeal also provides a section from the Texas Historical Commission:

Sec. 11.24. HISTORIC SITES. (a) The governing body of a taxing unit by official action of the body adopted in the manner required by law for official actions may exempt from taxation part or all of the assessed value of a structure or archeological site and the land necessary for access to and use of the structure or archeological site, if the structure or archeological site is...

The above reference states “may exempt from taxation part or all of the assessed value.” This does not guaranty full or partial property tax exemption at the time of Application. The project will not receive confirmation of the property tax exemption prior to Commitment, as required by 10 TAC §11.302(d) (2)(H)(iii):

If the Applicant proposes a property tax exemption or Payment in Lieu of Taxes (PILOT) Agreement, the Applicant must provide documentation in accordance with §10.402(d) of this title (relating to Documentation Submission Requirements at Commitment of Funds). At the underwriter's discretion, such documentation may be required prior to Commitment or Determination Notice if deemed necessary.

Application #22295 The Warehouse Lofts at 707 is not financially feasible when underwritten in accordance with the 2022 QAP. Accordingly, the appeal was denied by the Executive Director on July 19, 2022.

If the Board denies the appeal, then the Department’s initial underwriting report will remain unchanged, and the Application will not be recommended for an award. Staff recommends that the Board deny the appeal.



TEXAS DEPARTMENT OF HOUSING AND COMMUNITY AFFAIRS

www.tdhca.state.tx.us

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July 19, 2022

Writer's direct dial: (512) 475-3296
Email: bobby.wilkinson@tdhca.state.tx.us

Ms. Patricia Murchison
Munger Development
5599 San Felipe Street
Houston, TX 77056

RE: APPEAL OF HOUSING TAX CREDIT UNDERWRITING REPORT 22295 THE WAREHOUSE
LOFTS AT 707 (THE DEVELOPMENT)

Dear Ms. Murchison:

The Texas Department of Housing and Community Affairs received your letter dated July 6, 2022, appealing the underwriting report issued for the above Development on July 1, 2022, which does not recommend the Application for an award of funding on the basis that it does not meet financial feasibility requirements.

The Application includes eligible developer fee and eligible contractor fee amounts that are greater than allowed per the 2022 Qualified Action Plan (QAP), specifically:

10 TAC §11.302(e)(7)(A) for Housing Tax Credit Developments, the developer fee included in eligible basis cannot exceed 15% of the project's eligible costs, less developer fee, for Developments proposing 50 Units or more.

10 TAC §11.302(e)(6) General Contractor fees are limited to a total of 14% on Developments with Hard Costs of \$3 million or greater. For Housing Tax Credit Developments, the percentages are applied to the sum of the eligible hard costs in calculating the eligible contractor fees.

18.45% eligible developer fee and 18.77% eligible contractor fee are reflected on the Development Cost Schedule; these amounts were calculated off the total eligible basis, instead of the eligible basis self-limited to score. When the eligible amounts are adjusted to meet the QAP, eligible basis is reduced by \$703,488 and generates a \$635,476 cut to equity proceeds, requiring an increase in deferred developer fee that cannot be paid back within the required 15 years per 10 TAC §11.302(i)(2).



In your appeal narrative, you state that because the Federal Historic Tax Credits (\$2,250,000) are removed from eligible basis, restricting the eligible developer fee and eligible contractor fee to the voluntary restriction in eligible basis is a double restriction and that it penalizes the project for doing historic preservation. While the eligible developer fee and eligible contractor fee must be calculated off the basis limited to score, since the \$2,250,000, Federal Historic Credits are removed from basis and corresponding costs are not eligible for tax credits, this specific part of your appeal is granted, to the effect that \$2,250,000 of the \$2,270,500 self-limited basis will be credited back for tax credit calculation purposes. This generates an annual tax credit recommendation of \$1,114,918, as requested in the Application.

The Application assumes a combined vacancy rate of 4%, which is lower than allowed per the 2022 Qualified Action Plan (QAP), 10 TAC §11.302(d)(1)(C):

The Underwriter generally uses a normalized vacancy rate of 7.5% (5% vacancy plus 2.5% for collection loss). 100% project-based rental subsidy developments and other well-documented cases may be underwritten at a combined 5% vacancy rate at the discretion of the Underwriter if the immediate market area's historical performance reflected in the Market Analysis is consistently higher than a 95% occupancy rate.

When adjusted to the 7.5% vacancy, income is reduced and requires a \$215k assumed reduction in debt to meet the minimum 1.15 DCR requirement. The decreased debt would require an increase in deferred developer fee to balance the sources and uses; the increased deferred developer fee cannot be paid back within the required 15 years per 10 TAC §11.302(i)(2).

In your appeal narrative, you state that the market study showing twelve tax credit properties in the PMA averaging an occupancy rate of 99.4% is support for the 4% vacancy assumption in the Application. Per the above rule, well-documented cases can be underwritten at 5% if the immediate market area's historical performance is consistently higher than 95%. The basic Market Analysis conducted for the tax credit Application is a point-in-time reflection of occupancy rates when the market analyst calls the properties to survey them. The underwriting for financial feasibility assumes 7.5% combined vacancy rate to take into account vacancy and collection loss fluctuations throughout the life of the property, which change daily.

For example, New Hope Housing at Harrisburg is a tax credit property that is included in the 99.4% average occupancy; the market study reports 100% occupancy for the property. Per rent rolls submitted to TDHCA's Compliance Monitoring and Tracking System (CMTS), the property had 94% occupancy in October 2021, 96% occupancy in January of 2022, and 92% occupancy in April of 2022. The market study reports the current occupancy for Canal Street Apartments as 100% per rent rolls submitted to CMTS, the property had 88% occupancy in January 2022 and 89% occupancy in June of 2022.

Even if the Department assumes a 5% vacancy, the NOI decreases to \$284,599 which provides enough cash flow to meet the 1.15 DCR, but does not pay back the deferred developer fee of \$779,476 within 15 years as required by 10 TAC §11.302(i)(2) When assuming a 5% vacancy, \$13,156 of deferred developer unpaid at the end of the 15 year period.

The appeal requests that, if the Department does underwrite the 7.5% combined vacancy in accordance with the 2022 QAP, then the annual property tax assumption should be reduced from \$62,000 to \$21,000 to allow more cash flow to pay back the increased deferred fee within the required 15 years. Your basis for this is that Tab 26 of the Application explicitly notes that for Texas Historic Preservation projects, the ability to secure property tax exemption is available and encouraged. While it is possible that such an exemption may ultimately be available to the Development, this is only available after the Historic designation is achieved. ,

The Application includes a placeholder taxation figure in the operating budget. You also provided a section from the Texas Historical Commission:

Sec. 11.24. HISTORIC SITES. (a) The governing body of a taxing unit by official action of the body adopted in the manner required by law for official actions may exempt from taxation part or all of the assessed value of a structure or archeological site and the land necessary for access to and use of the structure or archeological site, if the structure or archeological site is...

The above reference states “may exempt from taxation part or all of the assessed value.” This does not guaranty full or partial property tax exemption at the time of Application. The project will not receive confirmation of the property tax exemption prior to Commitment as required by 10 TAC §11.302(d) (2)(H)(iii):

If the Applicant proposes a property tax exemption or Payment in Lieu of Taxes (PILOT) Agreement, the Applicant must provide documentation in accordance with §10.402(d) of this title (relating to Documentation Submission Requirements at Commitment of Funds). At the underwriter's discretion, such documentation may be required prior to Commitment or Determination Notice if deemed necessary.

Application #22295 The Warehouse Lofts at 707 is not financially feasible when underwritten in accordance with the 2022 QAP. Accordingly, the appeal is denied.

If you are not satisfied with this decision, you may file a further appeal with the Board of Directors of the Texas Department of Housing and Community Affairs. Please review §11.902 of the 2022 QAP for full instruction on the appeals process. Please note that 10 TAC §11.902(g) and Tex. Gov't Code §2306.6715(d) limit Board review of an Application on appeal to the original Application and those documents contained within the Application.

Sincerely,

A handwritten signature in blue ink that reads "Bobby Wilkinson II". The signature is written in a cursive style with a double underline at the end.

Bobby Wilkinson

Executive Director

Texas Department of Housing and Community Affairs

July 6, 2022

Bobby Wilkinson
Executive Director
Texas Department of Housing and Community Affairs
221 East 11th Street
Austin, TX 78711-3941

RE: Appeal of 22295 The Warehouse Lofts at 707 Staff No Funding Recommendation

Dear Mr. Wilkinson:

Please find below our reason for requesting an appeal of the Staff's "not recommended for funding" issued July 1, 2022.

1) We did not use a 7.5% vacancy and collection loss. The Primary Market Area with 12 tax credit projects has an occupancy rate of 99.4% (*attached page Market Study*). To be required to use a 7.5% vacancy factor is contrary to the reality of the facts on the ground and the critical need for housing in the area. Assuming we added to this .6% vacancy factor a 2.5% collection loss, the economic vacancy would only be 3.1%, still lower than the 4% utilized. We are required to submit a Market Study for our Primary Market Area, but then it seems that the conclusions of that Market Study cannot be relied upon to model the proposed project. We maintain that the 4% market vacancy factor should be used as it reflects the reality of the downtown Houston rental market.

2) The references to the Developer Fee being outside of the limits regarding the voluntary restriction of Eligible Basis for points fails to recognize the impact of using Historic Credits. The fact is, the use of Historic Credits reduces the Eligible Basis BELOW what would be the case if Historic Credits were not used. Thus, to restrict the Developer Fee and Contractor Fee to the voluntary restriction in eligible basis percentages is a double restriction. The project is penalized for doing historic preservation in this situation if the Contractor and Developer Fees are both restricted at the voluntary eligible basis calculation AND the basis is reduced by the Historic Credits. TDHCA does not recognize this in its underwriting determination.

To this point, if Historic Credits were not utilized on this project and the Developer Fee was sized as stipulated in the "no recommendation" analysis, the amount of credits that would be requested would be \$214,695 GREATER than the requested credits in this application. Also, as submitted and comparing this application to the 9 applications recommended for funding in the July 5 application log, the amount of credits requested by all of those applicants ranged from a low of \$17,543/unit to a high of \$24,691/unit. The Warehouse Lofts application as submitted requested only \$13,273 in credits per unit even with the higher Contractor and Developer fees. This again makes the point that Historic Credit projects generate a greater efficiency in the use of TDHCA resources and should not be penalized for doing so.

The purpose of Historic Credits is to allow developers to implement historic preservation. The program recognizes that the cost of doing adaptive re-use, historic preservation projects is inherently more expensive than new construction or existing apartment renovation projects. The credit is meant not to be a substitute for low income credits, but as a high cost supplement to incentivize the redevelopment of historic assets. The TDHCA underwriting as implemented does not take that into account.


3) If a 7.5% vacancy factor is utilized (with which we disagree), the project is cash flow challenged regarding repayment of the Developer Fee in 15 years as structured in the initial application. However, in Tab 26 it was explicitly noted that in Texas Historic Preservation projects, the ability to secure property tax exemption is available and encouraged. Since this is only available after the Historic designation is achieved, we used a placeholder taxation figure in the operating budget. However, this number is not defined by any parameters. It could have been sized at almost any level, including \$0.00, subject to a final exemption once the National Register historic determination has been secured and the exemption request processed. Reducing the property tax rate to the current tax level for the property results in the full repayment of any deferred fee over the 15 years.

4) This project does not fall within the general parameters of non-historic LIHTC projects. Therefore, it merits special consideration. This is especially critical in the area of the Contractor and Developer fee calculations where historic projects are subjected to a double reduction in basis, contrary to the very benefit that Historic Tax Credits are intended to bring to a project. This project should not be penalized for engaging in a process that is highly difficult and outside of the "one size fits all" underwriting parameters that govern the vast majority of TDHCA applications.

Please reverse the "not recommended" determination and approve this project for Board recommendation for funding.

Thank you for your consideration.

Sincerely,



Patricia Murchison

AFFORDABLE HOUSING INVENTORY in PMA page VI 1-3							
		# Developments	Total Units	Avg Occupancy			
Stabilized LIHTC Developments		12	1,394	99.4%			
Proposed, Under Construction, and Unstabilized Comparable Developments in PMA							
TDHCA #	Development	Status	Type	Target Population	Comp Units	Total Units	Occupancy
19296	McKee City Living	under const	new const	General	87	120	n/a
Other Affordable Developments in PMA since 2017							
TDHCA #	Development	Status	Type	Target Population	Comp Units	Total Units	Occupancy
	Hardy Yards Apts.	in service	new const	General	0	178	96%
16405	New Hope Housing at Harrisburg	in service	new const	SRV, Supp Hsg	0	175	100%
18137	Campanile on Commerce	in service	new const	Senior	0	105	100%
Discuss any competitive project located just outside the PMA that may draw demand from the Subject PMA and why it is or is not included in the capture rate calculations. This should be discussed in depth in the market study. §11.303 (d)(10)(E)(iv)							
If electing 15% GCR for Tax-Exempt Bond Development per §11.302(i)(1), enter the average occupancy below and attach a PMA map with affordable developments labeled, showing the 20 minute drive time ring. *See footnote 1							
Average occupancy of affordable housing in 20 minute drive time ring.							%

Note on Tab 26 Regarding Property Taxes

Following this note is a Section from the Texas Historical Commission regarding the ability to receive a waiver of property taxes from local governments for certified historic structures. It is not possible at this time to seek that waiver, as the property is not yet a listed structure, which will only happen after redevelopment. However, the potential and authority to seek and be awarded property tax relief is available and will be sought by the Developer/Owner post completion of the project.

Sec. 11.24. HISTORIC SITES. (a) The governing body of a taxing unit by official action of the body adopted in the manner required by law for official actions may exempt from taxation part or all of the assessed value of a structure or archeological site and the land necessary for access to and use of the structure or archeological site, if the structure or archeological site is:

(1) designated as a Recorded Texas Historic Landmark under Chapter [442](#), Government Code, or a state archeological landmark under Chapter [191](#), Natural Resources Code, by the Texas Historical Commission; or

(2) designated as a historically or archeologically significant site in need of tax relief to encourage its preservation pursuant to an ordinance or other law adopted by the governing body of the taxing unit.

(b) The governing body of a taxing unit may not repeal or reduce the amount of an exemption granted under Subsection (a) for a property that otherwise qualifies for the exemption unless:

(1) the owner of the property consents to the repeal or reduction; or

(2) the taxing unit provides written notice of the repeal or reduction to the owner not later than five years before the date the governing body repeals or reduces the exemption.

Acts 1979, 66th Leg., p. 2243, ch. 841, Sec. 1, eff. Jan. 1, 1980. Amended by Acts 1995, 74th Leg., ch. 109, Sec. 21, eff. Aug. 30, 1995.

Amended by:

Acts 2019, 86th Leg., R.S., Ch. 944 (S.B. [2](#)), Sec. 25, eff. January 1, 2020.

7c

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