

# 1996 STATE OF TEXAS CONSOLIDATED PLAN



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# 1996 State of Texas Consolidated Plan

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***Note: The regulatory requirements for the Consolidated Plan are listed in italics at the start of each section. All references are to 24 CFR, unless otherwise noted.***

# Introduction

The Texas Department of Housing and Community Affairs (the Department) maintains that the requirements for the State submission of a Consolidated Plan impose excessive, and inappropriate, regulatory requirements on the States.

The planning requirements in the Consolidated Plan were designed for the entitlement communities and not for the States. This became increasingly clear as the Department struggled to meet the Consolidated Plan's highly specific needs analysis, and planning and reporting requirements for a State with 1,269 eligible nonentitlement communities, 254 counties and 24 diverse State planning regions.

The Department of Housing and Urban Development (HUD) now recognizes that States and entitlement communities are dependable partners, accustomed to accountability, and capable of determining the most appropriate use of program funds within their jurisdiction. HUD's recent Reinvention Blueprints recognized the need to broaden the decision making authority of States and qualified localities by allowing them the flexibility to determine their own goals, objectives, and performance measures. In light of the growing trend towards local empowerment and greater flexibility in program administration, it is unclear why HUD is asking the States to impose centralized priorities, objectives and performance measures on local applicants. Rather, the States should be given maximum flexibility to adjust to varying needs in the numerous local communities across Texas' diverse regions.

The State role in administering housing and community development programs for its local governments (nonentitlements) is very similar to the role HUD plays in administering those programs to the various States and their respective entitlement cities. The Department staff believes that it is inappropriate for the State to dictate planning priorities, goals, and objectives to local communities that have a much greater understanding of their own needs. Such attempts at micromanagement from the State level will produce rigid and unresponsive policies that fail to consider the locally specific nature of need in each community.

The public comment that the Department received from regional and local government entities following the publication of the Consolidated Plan Draft *overwhelmingly* recommended the decentralization of community planning efforts at the State level. Local officials resented the "top down" policy making approach inherent in the Consolidated Planning process. Numerous letters and comments emphasized that the State should work in partnership with its communities rather than dictating needs, priorities and objectives via a strategic planning requirement in a mandated federal regulatory document.

The Department agrees with much of the ideology that set the backdrop for the Consolidated Plan, such as the reduction of paperwork, the streamlining of program requirements, and the consolidation of fragmented programs. However, the Department's first-hand experience in administering the plan's requirements, has shown that the ideological statements that accompany the plan and the administrative reality of administering the plan are contradictory. Over the past year the Department has made an earnest, good faith effort to comply with the Consolidated Plan requirements. The following criticisms are grounded in this experience.

- **Citizen Participation Requirements:**  
Although the citizen participation requirements of the Consolidated Plan can provide constructive input for entitlement communities, they are inappropriate and too broad in their scope when applied at the State level.

In order to meet the citizen participation requirements of the Consolidated Plan, the Department expended *significant* financial resources and staff time -- an external advisory committee made up of community service providers met on a monthly basis; an internal steering committee made up of program directors met on a weekly basis; a comprehensive needs survey was mailed to all of the State's local communities and service providers; and public hearings were held across the State. Although the resulting discussion provided useful information and debate, it barely skimmed the surface of the countless housing and community development needs that exist across the State.

Furthermore, the technical nature of the Consolidated Plan requirements were not conducive to public participation and resulted in discussions that were program driven rather than issue, or policy, driven. Despite efforts made by the Department to explain the programs, the advisory committee and public hearing discussions were consistently dominated by those participants with the most administrative experience and technical familiarity with the programs, rather than the intended beneficiaries.

The programs included in the Consolidated Plan already require citizen participation at the local level. A State driven public participation process that determines program specific priorities and objectives undermines the local efforts already in place. The Department staff recognizes the importance of inclusive citizen participation by program beneficiaries, but believes that the ultimate responsibility belongs at the local level.

- **Housing Needs Analysis Requirements:**

The needs analysis requirements in the Consolidated Plan overlook the State's basic infrastructure needs. Texas has many small rural communities that lack basic, sanitary infrastructure (predominantly water and sewer). These communities are often poor and have very little tax base; they compete for community development funds to bring their neighborhoods and public areas into compliance with basic water and wastewater regulations. Despite the fact that Community Development Block Grant (CDBG) funds account for more than half of the program funds included in the Consolidated Plan, the community development needs assessment is tucked away in the HUD dictated strategic plan as an after-thought. Public comment received from Texas communities pointed out that the plan's table of contents and the location of the community development information at the back of the document give the impression that the plan is a housing program directory.

The housing needs assessment makes up the first two (2) of seven (7) sections required in the Consolidated Plan and requires a detailed enumeration of the statewide need for a series of housing and community services. The required analysis, however, has several major shortcomings. First the majority of the needs data is, by necessity, collected from 1990 census data. The data available from the 1990 census was collected in 1989 and does not account for the past 6 years of demographic changes. The 1990 census provides very limited information on housing conditions, the homeless population, infrastructure conditions, community services, and the housing needs of special needs populations. The majority of State funds in the Consolidated Plan serve rural, nonentitlement communities. The needs of these areas are very different from the needs of the metropolitan areas. However, the census data available does not distinguish between the housing needs of metropolitan entitlement and rural nonentitlement communities. The needs analysis is, therefore, skewed by the needs of entitlement areas and does not effectively represent the needs of the rural nonentitlement populations served by the programs in the Consolidated Plan. And, finally, the statewide data provided through the census does not reflect the significant variations in housing and community development needs that exist across the State's regions and local communities.

- **Strategic planning and action planning requirements:**

The majority of the Consolidated Plan's community development and housing funds are distributed among 1,022 entitlement cities and 247 entitlement counties through a highly competitive application process. Regardless of the Department's efforts to determine statewide housing and community development needs through a centralized citizen participation process, the ultimate decisions on which projects and programs to apply are made at the local level, by local officials, and in accordance with local priorities. Nonentitlement cities and counties do not have the luxury of pre-planning since only one of three applications are funded each cycle. Once again, planning requirements that are appropriate for HUD's entitlement grantees do not translate effectively to the State level.

The Consolidated Plan requires explicit enumeration of the use of grant funds such as "specifying the number of extremely low-income, low-income, and moderate income families that will receive affordable housing" and a description of how the State's "proposed accomplishments will be achieved in quantitative terms over a specific time period." The Department maintains that such micromanagement is inappropriate at the State level and does not account for unforeseen circumstances, sudden changes in need, and unexpected opportunities.

The Consolidated Plan regulations for States are at cross purposes with the current trends and ideological perspectives that are being espoused at the federal level, and more specifically, with HUD's latest move towards the decentralization of decision making authority. Past experience has proven that the imposition of prescriptive program requirements is not conducive to community project-based innovations such as the formation of nontraditional partnerships, the increased leveraging of funds, and the holistic approaches to community development that are currently being touted as the future of publicly subsidized community assistance. The imposition of burdensome bureaucratic regulations and mandates such as the Consolidated Plan stifles creativity at the local level and results in rigid, locally inappropriate, and locally unresponsive projects. It also unnecessarily restricts the State in determining allocations where needs may change or other opportunities arise in any one program year. In short, very little discretion is left to the State once the Consolidated Plan is adopted.

In its criticism of the Consolidated Plan requirements the State is not divesting itself of its responsibility to be held accountable to residents, taxpayers, and the public trust. The Department staff firmly supports inclusive and collaborative planning at the State level. However, such a planning process should focus on the State's long term visions and the empowerment of local communities rather than the micromanagement of program policy that is included in the Consolidated Plan requirements. Rather than focusing on "numbers of units produced" and "proposed accomplishments in quantitative terms over a specific period", the State's planning efforts should focus on formulating policy based on solid principles such as self reliance, individual and family responsibility, grassroots design and delivery of services, importance and power of private property ownership, unfettered free enterprise, limited government intrusion, and citizen involvement.

### **Submission Overview**

The Consolidated Plan is a requirement of the U.S. Department and Urban Development (HUD). The State of Texas is required to submit this plan in order to receive funding for the 1996 Community Development Block Grant (CDBG) Program, the Home Investment Partnerships (HOME) Program, the Emergency Shelter Grants (ESG) Program and the Housing Opportunities for Persons with AIDS (HOPWA) Program.

The Texas Department of Housing and Community Affairs which administers the State of Texas' CDBG, HOME and ESG programs, is the lead agency designated by the Governor to oversee the development of the Consolidated Plan. The Texas Department of Health, which administers the State of Texas HOPWA program, has worked closely with the Department in the development of the Plan.



# Section I. Housing and Homeless Needs Assessment

## § 91.305 Housing and homeless needs assessment.

- (a) General. *The consolidated plan must describe the State's estimated housing needs projected for the ensuing five-year period. Housing data included in this portion of the plan shall be based on U.S. Census data, as provided by HUD, as updated by any properly conducted local study, or any other reliable source that the State clearly identifies and should reflect the consultation with social service agencies and other entities conducted in accordance with § 91.110 and the citizen participation process conducted in accordance with § 91.115. For a State seeking funding under the HOPWA program, the needs described for housing and supportive services must address the needs of persons with HIV/AIDS and their families in areas outside of eligible metropolitan statistical areas.*
- (b) Categories of persons affected.
- (1) *The consolidated plan shall estimate the number and type of families in need of housing assistance for extremely low-income, low-income, moderate-income, and middle-income families, for renters and owners, for elderly persons, for single persons, for large families, for persons with HIV/AIDS and their families, and for persons with disabilities. The description of housing needs shall include a discussion of the cost burden and severe cost burden, overcrowding (especially for large families), and substandard housing conditions being experienced by extremely low-income, low-income, moderate-income, and middle-income renters and owners compared to the State as a whole.*
- (2) *For any of the income categories enumerated in paragraph (b)(1) of this section, to the extent that any racial or ethnic group has disproportionately greater need in comparison to the needs of that category as a whole, assessment of that specific need shall be included. For this purpose, disproportionately greater need exists when the percentage of persons in a category of need who are members of a particular racial or ethnic group is at least 10 percentage points higher than the percentage of persons in the category as a whole.*
- (c) Homeless needs. *The plan must describe the nature and extent of homelessness (including rural homelessness) within the State, addressing separately the need for facilities and services for homeless individuals and homeless families with children, both sheltered and unsheltered, and homeless subpopulations, in accordance with a table prescribed by HUD. This description must include the characteristics and needs of low-income individuals and families with children (especially extremely low-income) who are currently housed but threatened with homelessness. The plan also must contain a narrative description of the nature and extent of homelessness by racial and ethnic group, to the extent information is available.*
- (d) Other special needs.
- (1) *The State shall estimate, to the extent practicable, the number of persons who are not homeless but require supportive housing, including the elderly, frail elderly, persons with disabilities (mental, physical, developmental), persons with alcohol or other drug addiction, persons with HIV/AIDS and their families, and any other categories the State may specify, and describe their supportive housing needs.*
- (2) *With respect to a State seeking assistance under the HOPWA program, the plan must identify the size and characteristics of the population with HIV/AIDS and their families within the area it will serve.*
- (e) Lead-based paint hazards. *The plan must estimate the number of housing units within the State that are occupied by low-income families or moderate-income families that contain lead-based paint hazards, as defined in this part.*

# **A. Categories of Persons Affected**

## **1. Households by Income Group and Household Type**

Table 1 shows the estimated households in the State of Texas in need of housing assistance. This table was derived from data in the '1990 CHAS Database', prepared for the U.S. Department of Housing and Urban Development (HUD) by the Bureau of the Census. The summary indicator of housing need for this database is the share of households with 'one or more housing problems' which includes households with any of the following three problems: 1) excessive housing cost burden (greater than 30% of income), 2) overcrowding, or 3) living in a housing unit lacking complete kitchen and/or plumbing.

Table 1 shows the number of households with one or more housing problems broken down by income group and HUD-defined household type. The 1990 figures are from the 1990 CHAS database, while the 1995 and 2000 figures are projections. The projections are based on figures from The Texas State Data Center of the total number of households in Texas in the year 2000. The Data Center projection used assumes 1990 age-specific fertility rates and survival rates, and rates of net migration equal to those of 1980-1990. Our projection additionally assumes that the rate of household growth will be equal across all income groups and household types as well as across renter and owner households. The 1995 figures are based on the rate of growth from 1990 to 2000.

As shown in Table 1, an estimated 1,910,683 households in Texas will be in need of housing assistance in the year 2000. This figure is 26.7 percent of the projected total of 7,156,181 households in Texas in the year 2000. Of the households in need of housing assistance, 58.8%, or 1,123,936, will be renter households and 41.2%, or 786,747 will be owner households.

**Table 1. Estimated Households in Need of Housing Assistance**

State of Texas	Renter Households			Owner Households		
	1990*	1995**	2000**	1990*	1995**	2000**
<b>0-30% of Median Income</b>						
Elderly HH	58,596	64,901	71,883	99,397	110,091	121,937
Small Related Family HH	143,577	159,025	176,135	61,661	68,295	75,643
Large Related Family HH	69,350	76,812	85,076	34,538	38,254	42,370
Other	111,733	123,755	137,070	27,127	30,046	33,278
<b>Total</b>	<b>383,256</b>	<b>424,492</b>	<b>470,164</b>	<b>222,723</b>	<b>246,687</b>	<b>273,228</b>
<b>31-50% of Median Income</b>						
Elderly HH	32,049	35,497	39,317	49,330	54,638	60,516
Small Related Family HH	108,825	120,534	133,503	52,047	57,647	63,849
Large Related Family HH	52,704	58,375	64,655	38,713	42,878	47,492
Other	85,386	94,573	104,748	15,529	17,200	19,050
<b>Total</b>	<b>278,964</b>	<b>308,979</b>	<b>342,223</b>	<b>155,619</b>	<b>172,363</b>	<b>190,908</b>
<b>51-80% of Median Income</b>						
Elderly HH	16,891	18,708	20,721	24,482	27,116	30,034
Small Related Family HH	86,403	95,699	105,996	82,052	90,880	100,658
Large Related Family HH	47,986	53,149	58,867	57,518	63,707	70,561
Other	61,560	68,183	75,520	21,979	24,344	26,963
<b>Total</b>	<b>212,840</b>	<b>235,740</b>	<b>261,104</b>	<b>186,031</b>	<b>206,047</b>	<b>228,216</b>
<b>81-95% of Median Income</b>						
Elderly HH	3,142	3,480	3,854	5,622	6,227	6,897
Small Related Family HH	16,922	18,743	20,759	37,046	41,032	45,447
Large Related Family HH	12,094	13,395	14,836	23,743	26,298	29,127
Other	8,962	9,926	10,994	10,535	11,668	12,924
<b>Total</b>	<b>41,120</b>	<b>45,544</b>	<b>50,445</b>	<b>76,946</b>	<b>85,225</b>	<b>94,395</b>
<b>TOTAL</b>						
<i>Elderly HH</i>	<i>110,678</i>	<i>122,586</i>	<i>135,776</i>	<i>178,831</i>	<i>198,072</i>	<i>219,383</i>
<i>Small Related Family HH</i>	<i>355,727</i>	<i>394,001</i>	<i>436,393</i>	<i>232,806</i>	<i>257,854</i>	<i>285,598</i>
<i>Large Related Family HH</i>	<i>182,134</i>	<i>201,730</i>	<i>223,435</i>	<i>154,512</i>	<i>171,136</i>	<i>189,550</i>
<i>Other</i>	<i>267,641</i>	<i>296,437</i>	<i>328,332</i>	<i>75,170</i>	<i>83,258</i>	<i>92,216</i>
<b>Total</b>	<b>916,180</b>	<b>1,014,755</b>	<b>1,123,936</b>	<b>641,319</b>	<b>710,321</b>	<b>786,747</b>

\* estimate from the 1990 Census

\*\* projection (see explanation on previous page)

**Table 2. Households with One or More Housing Problems, 1990**

	Renter Households			Owner Households		
	Total	With 1+ Housing Problems	% With 1+ Housing Problems	Total	With 1+ Housing Problems	% With 1+ Housing Problems
<b>0-30% of Median Income</b>						
Elderly HH	94,710	58,596	61.9%	163,700	99,397	60.7%
Small Related Family HH	181,055	143,577	79.3%	83,607	61,661	73.8%
Large Related Family HH	75,426	69,350	91.9%	38,960	34,538	88.6%
Other	142,814	111,733	78.2%	40,916	27,127	66.3%
<b>Total</b>	<b>494,005</b>	<b>383,256</b>	<b>77.6%</b>	<b>327,183</b>	<b>222,723</b>	<b>68.1%</b>
<b>31-50% of Median Income</b>						
Elderly HH	52,910	32,049	60.6%	157,164	49,330	31.4%
Small Related Family HH	146,210	108,825	74.4%	93,172	52,047	55.9%
Large Related Family HH	59,928	52,704	87.9%	49,913	38,713	77.6%
Other	104,459	85,386	81.7%	27,061	15,529	57.4%
<b>Total</b>	<b>363,507</b>	<b>278,964</b>	<b>76.7%</b>	<b>327,310</b>	<b>155,619</b>	<b>47.5%</b>
<b>51-80% of Median Income</b>						
Elderly HH	37,871	16,891	44.6%	175,460	24,482	14.0%
Small Related Family HH	220,917	86,403	39.1%	206,294	82,052	39.8%
Large Related Family HH	69,050	47,986	69.5%	93,635	57,518	61.4%
Other	175,027	61,560	35.2%	49,523	21,979	44.4%
<b>Total</b>	<b>502,865</b>	<b>212,840</b>	<b>42.3%</b>	<b>524,912</b>	<b>186,031</b>	<b>35.4%</b>
<b>81-95% of Median Income</b>						
Elderly HH	11,578	3,142	27.1%	69,230	5,622	8.1%
Small Related Family HH	96,418	16,922	17.6%	129,390	37,046	28.6%
Large Related Family HH	24,113	12,094	50.2%	49,615	23,743	47.9%
Other	78,312	8,962	11.4%	27,483	10,535	38.3%
<b>Total</b>	<b>210,421</b>	<b>41,120</b>	<b>19.5%</b>	<b>275,718</b>	<b>76,946</b>	<b>27.9%</b>
<b>Above 95% of Median Income</b>						
Elderly HH	41,411	4,882	11.8%	376,725	14,095	3.7%
Small Related Family HH	371,591	25,914	7.0%	1,432,608	125,503	8.8%
Large Related Family HH	60,734	21,334	35.1%	278,614	67,270	24.1%
Other	281,571	11,232	4.0%	210,166	32,853	15.6%
<b>Total</b>	<b>755,307</b>	<b>63,362</b>	<b>8.4%</b>	<b>2,298,113</b>	<b>239,721</b>	<b>10.4%</b>
<b>TOTAL</b>						
Elderly HH	238,480	115,560	48.5%	942,279	192,926	20.5%
Small Related Family HH	1,016,191	381,641	37.6%	1,945,071	358,309	18.4%
Large Related Family HH	289,251	203,468	70.3%	510,737	221,782	43.4%
Other	782,183	278,873	35.7%	355,149	108,023	30.4%
<b>Total</b>	<b>2,326,105</b>	<b>979,542</b>	<b>42.1%</b>	<b>3,753,236</b>	<b>881,040</b>	<b>23.5%</b>

Table 2 shows the number and percentages of households with one or more housing problems in 1990, by income group and household type. The figures for 1990 are the same as shown in Table 1. Renter households generally have a higher incidence of housing problems than owner households. Also, lower income groups have much higher rates of incidence of housing problems than higher income groups. Among household types, large related family households have the highest rates of housing problems.

**Table 3. Types of Housing Problems of Households, 1990**

<b>Renter Households</b>	Total Households	w/ 1+ Housing Problems	% w/ 1+ Housing Problems	w/ Cost Burden (>30%)	% w/ Cost Burden	w/ Severe Cost Burden (>50%)	% w/ Severe Cost Burden	w/ Overcrowding	% w/ Overcrowding
0-30% of Median Income	494,005	383,256	77.6%	357,356	72.3%	282,973	57.3%	88,395	17.9%
31-50% of Median Income	363,507	278,964	76.7%	240,011	66.0%	63,644	17.5%	64,760	17.8%
51-80% of Median Income	502,865	212,840	42.3%	151,385	30.1%	12,957	2.6%	64,836	12.9%
81-95% of Median Income	210,421	41,120	19.5%	20,634	9.8%	1,385	0.7%	19,487	9.3%
Above 95% of Median Income	755,307	63,362	8.4%	21,307	2.8%	1,478	0.2%	38,546	5.1%
<b>Total</b>	<b>2,326,105</b>	<b>979,542</b>	<b>42.1%</b>	<b>790,693</b>	<b>34.0%</b>	<b>362,437</b>	<b>15.6%</b>	<b>276,024</b>	<b>11.9%</b>
<b>Owner Households</b>									
0-30% of Median Income	327,183	222,723	68.1%	204,975	62.6%	134,844	41.2%	28,414	8.7%
31-50% of Median Income	327,310	155,619	47.5%	130,218	39.8%	50,802	15.5%	31,695	9.7%
51-80% of Median Income	524,912	186,031	35.4%	140,708	26.8%	33,296	6.3%	48,985	9.3%
81-95% of Median Income	275,718	76,946	27.9%	55,753	20.2%	6,871	2.5%	21,291	7.7%
Above 95% of Median Income	2,298,113	239,721	10.4%	170,880	7.4%	14,518	0.6%	63,486	2.8%
<b>Total</b>	<b>3,753,236</b>	<b>881,040</b>	<b>23.5%</b>	<b>702,534</b>	<b>18.7%</b>	<b>240,331</b>	<b>6.4%</b>	<b>193,871</b>	<b>5.2%</b>

Table 3 shows the rates of incidence among households, by income group, of the following types of housing problems: cost burden, severe cost burden, and overcrowding. (Note: the measure of substandard housing - housing units lacking complete kitchen and/or plumbing - is a measure of housing *units* not households and therefore is not listed in the 1990 CHAS database for household income groups and types, and not included in Table 3.)

Affordability, or housing cost burden, is the most common housing problem. According to the 1990 U.S. Census data, approximately 80% of all households that experience housing problems have a housing cost burden. Housing cost burden and overcrowding affects renter households more than owner households and affects lower income households at a much higher rate than higher income households.

The Consolidated Plan is required to examine whether a disproportionately greater housing need exists for any racial or ethnic group for the following income categories: 0-30%, 31-50%, 51-80%, and 81-95% of median income. For these purposes, disproportionately greater need exists when, in an income category, the percentage of households of a particular racial or ethnic group in need of housing assistance is at least 10 percentage points higher than the percentage of households in need as a whole for that income category.

Table 4 shows the number and percentage of households with housing problems by income group and racial/ethnic group. The shaded cells indicate cases where disproportionately greater need exists for a particular racial/ethnic group in a particular income category. Note that the 1990 CHAS database does not break down the 'Other' category further. 'Other' refers to American Indians and Eskimos as well as Asian and Pacific Islanders.

According to the table, Hispanic renter households at 81-95% of median income and 'other' owner households at 31-50%, 51-80%, and 81-95% of median income all experience disproportionate need.

While Table 4 shows that disproportionate need exists in a few categories, it also demonstrates that, generally, households in a particular income group experience housing problems at a roughly equivalent rate regardless of racial/ethnic category. What this table does not illustrate is the percentage of households of a particular racial/ethnic category which are in a particular income group. Table 5 shows these numbers.

**Table 4. Housing Problems by Racial/Ethnic Group, 1990**

	<b>TOTAL</b>			<b>White</b>			<b>Black</b>		
	<b>Total</b>	<b>w/ 1+ Housing Problems</b>	<b>% w/ 1+ Housing Problems</b>	<b>Total</b>	<b>w/ 1+ Housing Problems</b>	<b>% w/ 1+ Housing Problems</b>	<b>Total</b>	<b>w/ 1+ Housing Problems</b>	<b>% w/ 1+ Housing Problems</b>
<b>Renter Households</b>									
0-30% of Median Income	494,005	383,256	<b>77.6%</b>	206,292	155,332	75.3%	122,509	93,929	76.7%
31-50% of Median Income	363,507	278,964	<b>76.7%</b>	179,723	138,667	77.2%	64,056	47,914	74.8%
51-80% of Median Income	502,865	212,840	<b>42.3%</b>	289,747	118,186	40.8%	79,766	27,956	35.0%
81-95% of Median Income	210,421	41,120	<b>19.5%</b>	136,543	21,895	16.0%	28,738	4,651	16.2%
Above 95% of Median Income	755,307	63,362	<b>8.4%</b>	567,825	33,420	5.9%	69,283	6,958	10.0%
<b>Total</b>	<b>2,326,105</b>	<b>979,542</b>	<b>42.1%</b>	<b>1,380,130</b>	<b>467,500</b>	<b>33.9%</b>	<b>364,352</b>	<b>181,408</b>	<b>49.8%</b>

<b>Owner Households</b>									
0-30% of Median Income	327,183	222,723	<b>68.1%</b>	176,580	116,362	65.9%	61,657	42,976	69.7%
31-50% of Median Income	327,310	155,619	<b>47.5%</b>	195,555	85,034	43.5%	42,291	19,546	46.2%
51-80% of Median Income	524,912	186,031	<b>35.4%</b>	336,788	104,606	31.1%	53,449	19,291	36.1%
81-95% of Median Income	275,718	76,946	<b>27.9%</b>	189,921	47,246	24.9%	24,893	7,214	29.0%
Above 95% of Median Income	2,298,113	239,721	<b>10.4%</b>	1,865,129	165,887	8.9%	130,469	16,044	12.3%
<b>Total</b>	<b>3,753,236</b>	<b>881,040</b>	<b>23.5%</b>	<b>2,763,973</b>	<b>519,135</b>	<b>18.8%</b>	<b>312,759</b>	<b>105,071</b>	<b>33.6%</b>

	<b>Hispanic</b>			<b>Other</b>		
	<b>Total</b>	<b>w/ 1+ Housing Problems</b>	<b>% w/ 1+ Housing Problems</b>	<b>Total</b>	<b>w/ 1+ Housing Problems</b>	<b>% w/ 1+ Housing Problems</b>
	150,658	122,944	81.6%	14,546	11,051	76.0%
	110,127	84,678	76.9%	9,601	7,705	80.3%
	120,918	60,977	50.4%	12,434	5,721	46.0%
	40,171	13,163	<b>32.8%</b>	4,969	1,411	28.4%
	100,485	19,700	19.6%	17,714	3,284	18.5%
	522,359	301,462	57.7%	59,264	29,172	49.2%

	85,135	60,607	71.2%	3,811	2,778	72.9%
	85,680	48,301	56.4%	3,784	2,738	<b>72.4%</b>
	127,270	57,341	45.1%	7,405	4,793	<b>64.7%</b>
	56,383	20,246	35.9%	4,521	2,240	<b>49.5%</b>
	264,638	48,480	18.3%	37,877	9,310	24.6%
	619,106	234,975	38.0%	57,398	21,859	38.1%

Table 5 shows the percentage of households in a particular income group, by racial/ethnic group. These numbers demonstrate that minority households are much more likely to have lower incomes than white households. Minority households are therefore much more likely to have housing problems than white households, since housing problems affect the lowest income households to a much greater degree than higher income households.

**Table 5. Households by Race/Ethnicity and Income Category, 1990**

<b>Renter Households</b>	Total	White	Black	Hispanic	Other
0-30% of Median Income	21.2%	14.9%	33.6%	28.8%	24.5%
31-50% of Median Income	15.6%	13.0%	17.6%	21.1%	16.2%
51-80% of Median Income	21.6%	21.0%	21.9%	23.1%	21.0%
81-95% of Median Income	9.0%	9.9%	7.9%	7.7%	8.4%
Above 95% of Median Income	32.5%	41.1%	19.0%	19.2%	29.9%
Total	100.0%	100.0%	100.0%	100.0%	100.0%

<b>Owner Households</b>	Total	White	Black	Hispanic	Other
0-30% of Median Income	8.7%	6.4%	19.7%	13.8%	6.6%
31-50% of Median Income	8.7%	7.1%	13.5%	13.8%	6.6%
51-80% of Median Income	14.0%	12.2%	17.1%	20.6%	12.9%
81-95% of Median Income	7.3%	6.9%	8.0%	9.1%	7.9%
Above 95% of Median Income	61.2%	67.5%	41.7%	42.7%	66.0%
Total	100.0%	100.0%	100.0%	100.0%	100.0%

## 2. Persons with Disabilities

HUD uses the following definition for the Consolidated Plan:

Person with a disability. A person who is determined to:

- (1) Have a physical, mental or emotional impairment that:
  - (i) Is expected to be of long-continued and indefinite duration;
  - (ii) Substantially impedes his or her ability to live independently; and
  - (iii) Is of such a nature that the ability could be improved by more suitable housing conditions; or
- (2) Have a developmental disability, as defined in section 102(7) of the Developmental Disabilities Assistance and Bill of Rights Act (42 U.S.C. 6001-6007); or
- (3) be the surviving member or members of any family that had been living in an assisted unit with the deceased member of the family who had a disability at the time of his or her death.

The following housing needs assessment for persons with disabilities is divided into four major sections: 'introduction'; 'number and characteristics of persons with disabilities'; 'federal legislation affecting housing for persons with disabilities'; and 'housing needs of persons with disabilities.'

The introductory section of the needs assessment will examine the major conceptual framework which is used to define disabilities. It will then examine the two major approaches to enumerating the population with disabilities: the health conditions approach and the work disability approach. As will be seen, there are advantages and disadvantages to each approach.

The next section examines the 'number and characteristics of persons with disabilities.' This section describes the most prevalent definitions of disabilities used in major surveys and also provides enumerations of persons with disabilities using these various definitions. As this section describes, most surveys of persons with disabilities are conducted only at the national level. Thus, it is difficult to obtain reliable and detailed information about the numbers of persons with disabilities at the state level.

Finally, the needs assessment focuses on the housing needs of persons with disabilities, examining such issues as de-institutionalization and integration, affordable housing, accessible housing, and adaptive design and universal access.

### **Introduction**

A precise and reliable overall figure of the number of Americans with disabilities, much less those residing in Texas, is not currently available. This is due to "the differing operational definitions of disability, divergent sources of data, and inconsistent survey methodologies, which together make it impossible to aggregate much of the data that are available."<sup>1</sup>

The World Health Organization (WHO) defines disability as "any restriction or lack (resulting from an impairment) of ability to perform an activity in a manner, or in the range, considered

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<sup>1</sup>*Toward Independence*, p. 3.

normal.”<sup>2</sup> Apart from its underlying origins and ultimate effects, disability is a limitation in life activities such as working and living independently, caused by impairments or other chronic conditions. Disability involves many areas of functioning such as physical, emotional, and mental.<sup>3</sup>

WHO has developed a conceptual framework for disability as part of the International Classification of Impairments, Disabilities and Handicaps (ICIDH). The ICIDH was developed as an extension of the International Classification of Diseases (ICD), and provides a classification system for three concepts: impairments, disabilities, and handicaps.<sup>4</sup>

Under the ICIDH the three concepts are defined as follows:

- 1) *impairments* are concerned with abnormalities of body structure, organ or system function, and appearance;
- 2) *disabilities* reflect the consequences of the impairment in terms of functional performance;
- 3) *handicaps* are concerned with the disadvantages experienced by an individual as a result of impairments and disabilities and the interaction of the individual with his or her surroundings.

Rather than perceiving disability as a problem of the individual, it should be perceived as a function of the relationship between an individual and his/her environment. A *disability* should be viewed as a functional limitation within the individual caused by physical, mental, or sensory impairments; and a *handicap* should be viewed as the loss or limitation of opportunities to take part in the normal life of the community on an equal level with others due to physical and social barriers<sup>5</sup>

Although there is considerable agreement on the meaning of chronic conditions, or impairments, such as defined in the International Classification of Diseases (ICD), there is wide variation on how best to describe and measure the disabling effects these conditions have on individuals.<sup>6</sup> A single meaning and measure of disability cannot fit the range of data sources which attempt to gauge the prevalence of disabilities. While definitional complexities and inconsistencies do exist and this makes enumeration difficult, it also demonstrates the multi-dimensional nature of disability and the corresponding need for separate statistics on the various types of limitations.<sup>7</sup>

Given the varying definitions of disability, the focus of many disability studies is not on the conditions themselves (medical perspective), but on the functional capacity and need of the individuals involved (non-medical perspective).<sup>8</sup> This type of data can be used to identify service requirements which focus on ways to enable persons with disabilities to fully participate in all aspects of society.

Most existing studies of the disabled population employ one of two major approaches, each of which has its own shortcomings and limitations. The first is the *health conditions approach* which looks at all conditions or limitations impairing the health or interfering with the normal functional abilities of an individual. This approach tends to find large numbers of “disabilities” because of the inclusion of individuals with health problems that would not normally result in their classification as disabled or handicapped.<sup>9</sup> For example, the National Health Interview Survey (NHIS) conducted by the National Center for Health Statistics (NCHS) has estimated that there

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<sup>2</sup> *Digest of Data on Persons with Disabilities*, p. 5.

<sup>3</sup> *Digest of Data on Persons with Disabilities*, p. 5.

<sup>4</sup> *Americans With Disabilities, 1991-92*, p. 1.

<sup>5</sup> *Americans With Disabilities, 1991-92*, p. 3.

<sup>6</sup> *Digest of Data on Persons with Disabilities*, p. 5.

<sup>7</sup> *Digest of Data on Persons with Disabilities*, p. 5.

<sup>8</sup> *Digest of Data on Persons with Disabilities*, p. 6.

<sup>9</sup> *Toward Independence*, p. 3.

are over 160 million impairments and chronic conditions in the civilian, non-institutionalized population of the U.S. These figures include large numbers of various types of circulatory conditions, respiratory conditions, digestive conditions, and skin and musculoskeletal conditions not typically categorized as disabilities.<sup>10</sup> A further drawback to the health conditions approach, is that because it focuses on the medically oriented notions of health, it typically does not provide adequate data on such conditions as learning disabilities and mental conditions.

The second major study approach is the *work disability* approach. Such studies focus on individuals' reports that they have a condition that prevents them from working or limits their ability to work. The 1990 Census, for example, estimated 12.8 million civilian, non-institutional persons 16 to 64 years of age with a work disability in the U.S. Of these, 6.6 million were prevented from working by their disability.<sup>11</sup> While such work disability figures provide a reasonably accurate overall estimate of the numbers of working age individuals with disabilities, these types of studies are also problematic.<sup>12</sup> First, they tend to undercount the number of persons at lower age ranges - the 16 to 24 age group, for example - some of whom are not ready to join the work force and for whom self-identification as work-disabled is often not meaningful. Work disability estimates also tend to distort the population counted. For example, independent persons with a strong work history and current employment will often refuse to categorize themselves as having a work disability, even if they have a significant disabling condition. Also, persons who are out of work or not seeking work have psychological motives for reporting themselves as having a work disability, whether or not they do. Thus, work disability studies tend to underestimate the total numbers of people with disabilities and to overestimate the unemployment and nonparticipation in the labor force rates of people with disabilities.<sup>13</sup>

## **Number and Characteristics of Persons with Disabilities**

Given the two major approaches to enumerating the disabled population, the different definitions of disability can also lead to confusion. Federal statistical agencies measure and report on the prevalence of disabilities using many different definitions. Activity limitation and functional limitation are the most general measures of disability used, covering a wide range of the disabilities faced by the household population. On the other hand, measures of Activities of Daily Living (ADL) and Instrumental Activities of Daily Living (IADL) limitations pertain to individuals with severe long-term personal assistance needs and describe disability in both household and institutional settings. Work disability focuses specifically on the capacity to pursue gainful employment, with sustained earnings.<sup>14</sup> In addition, many national studies focus on particular health conditions and distinguish between the household population and those living in institutions and among demographic groups such as children and the elderly.<sup>15</sup>

While assessing the numbers of persons with disabilities and the types of disabilities they have at the national scale is problematic at best, it is even more difficult at the local level. Most data on disability show prevalence at only the national level because, with few exceptions, the sample sizes from the various disability-related surveys are too small to allow state-level estimates. However, the 1990 Census reports on limited disability data by state, and several surveys also contain state-level data.

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<sup>10</sup> *Toward Independence*, p. 3.

<sup>11</sup> *Americans With Disabilities, 1991-92*, p. 3.

<sup>12</sup> *Toward Independence*, p. 4.

<sup>13</sup> *Toward Independence*, p. 4.

<sup>14</sup> *Digest of Data on Persons with Disabilities*, p. 13.

<sup>15</sup> *Digest of Data on Persons with Disabilities*, p. 13.

The following describes the most prevalent definitions of disability as well as enumerations of persons with disabilities.

### **Activity limitation in the annual NHIS**

The National Center for Health Statistics (NCHS) in its National Health Interview Survey (NHIS) defined disability as "long-term reduction in activity resulting from chronic disease or impairment."<sup>16</sup> The NHIS describes an activity limitation in terms of the major activity it considers usual for an individual's age group: 1) ordinary play for children under 5 years of age, 2) attending school for those 5-17 years of age, 3) working or keeping house for persons 18-69 years of age, and 4) capacity for independent living for persons after the age 69. The NCHS determines the severity of disability by asking respondents whether they are able to perform their major activity, or, if they can, whether they are limited in the amount or kind of major activity. Individuals not able to perform their major activity are classified as having a severe disability.<sup>17</sup> If persons are not limited in their major activity, NCHS asks whether they are limited in other ways, which it terms 'non-major' or 'outside' activity. Also, for those persons 18-69 years of age who keep house, and those persons 70 years of age and over, working is included as a category of 'outside activity'. Using these definitions, NCHS estimates that 14.1 percent of the population of the U.S. has an activity limitation. This figure includes 4.1 percent who are unable to perform their major activity, 5.4 percent who are limited in the amount or kind of major activity, and 4.5 percent who are limited in a non-major activity.<sup>18</sup>

### **Functional limitation in the 1991-2 SIPP.**

The Census Bureau provides another measure of disability in its Survey of Income and Program Participation (SIPP). In the report entitled, *Americans With Disabilities: 1991-92. Data from the Survey of Income and Program Participation. Current Population Reports, P70-33*, a person was considered to have a disability if the person was identified by any of the questions described in the 12 categories below:

- 1) For persons 15 years old and over, the use of special aids: canes, crutches, walkers, and wheelchairs for 6 months or longer.
- 2) For persons 15 years old and over, difficulty with sensory and physical functional activities: seeing, hearing, having one's speech understood, lifting and carrying, walking up a flight of stairs, and walking a quarter of a mile.
- 3) For persons 15 years old and over, difficulty with Activities of Daily Living (ADL's): getting around inside the home, getting in or out of a bed or chair, taking a bath or shower, dressing, eating, and using the toilet.
- 4) For persons 15 years old and over, difficulty with Instrumental Activities of Daily Living (IADL's): going outside the home, keeping track of money or bills, preparing meals, doing light housework, and using the telephone.
- 5) For persons 15 years old and over, the existence of special conditions including: a) dyslexia; b) mental retardation; c) developmental disabilities such as autism or cerebral palsy; d) Alzheimer's disease, senility, or dementia; and e) any other mental or emotional condition.
- 6) For persons 16 to 67 years old, the presence of a physical, mental, or other health condition that limits the kind or amount of work the person can do.
- 7) For persons 16 years old and over, the presence of a physical, mental, or other health condition that limits the kind or amount of housework the person can do.

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<sup>16</sup> *Digest of Data on Persons with Disabilities*, p. 6.

<sup>17</sup> *Digest of Data on Persons with Disabilities*, p. 6.

<sup>18</sup> *Digest of Data on Persons with Disabilities*, p. 7.

- 8) For persons under 6 years old, the presence of limitations in the usual kind of activities done by most children their age.
- 9) For persons under 6 years old, receiving therapy or diagnostic services designed to meet their developmental needs.
- 10) For persons 6 to 21 years old, limitations in the ability to do regular school work.
- 11) For persons 3 to 14 years old, the presence of a long-lasting condition which limits the ability to walk, run, or use stairs.
- 12) Persons who receive Supplementary Security Income (SSI) or Medicare benefits on the basis of their disability status.<sup>19</sup>

Persons were categorized as having a *severe* disability if they were described in the following:

- 1) Persons 15 years old and over who used a wheelchair or who had used a cane, crutches, or a walker for 6 months or longer.
- 2) Persons 15 years old and over who were unable to perform one or more functional activities or who needed the help of another person with an ADL or an IADL.
- 3) Persons 16 to 67 years old who were prevented from working at a job or business.
- 4) Persons 16 years old and over who were prevented from doing work around the house.
- 5) Persons 15 years old and over with mental retardation, a developmental disability such as autism or cerebral palsy, or Alzheimer's disease, senility, or dementia (either measured directly or cited as a condition causing a limitation or disability).
- 6) Persons 0 to 21 years old with autism, cerebral palsy, or mental retardation (cited as a condition causing a limitation or disability).<sup>20</sup>

Based on these definitions, the number of persons in the U.S. with a disability was 48.9 million, or 19.4 percent of the total population. This figure excludes persons living in nursing homes or other institutions.<sup>21</sup> The number of persons with a severe disability was 24.1 million, or 9.6 percent of the total population.<sup>22</sup>

The chances of having a disability increase with age. According to 1991-92 SIPP data, persons aged 65 or more comprise 12 percent of the population, yet they constitute 34 percent of persons with disabilities and 43 percent of persons with severe disabilities.<sup>23</sup> Whereas 19.4 percent of the population have a disability and 9.6 percent have a severe disability, for persons 65 years old and over, 56 percent have a disability and 37.4 have a severe disability.<sup>24</sup>

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<sup>19</sup> *Americans With Disabilities, 1991-92*, p. 2.

<sup>20</sup> *Americans With Disabilities, 1991-92*, pp. 2-3.

<sup>21</sup> *Americans With Disabilities, 1991-92*, p. 3.

<sup>22</sup> *Americans With Disabilities, 1991-92*, p. 4.

<sup>23</sup> "Americans With Disabilities," Statistical Brief, Bureau of the Census, January 1994.

<sup>24</sup> *Americans With Disabilities, 1991-92*, p. 5.

## **Work Disability, Mobility Limitations, and Self-Care Limitations in the 1990 Census**

The 1990 U.S. Census only measured the disability status of civilian non-institutionalized persons above the age of 15. Institutionalized persons with disabilities and children with disabilities were not accounted for by this census. In addition, the disability definitions were not sufficiently comprehensive and precise enough to effectively surmise disability categories or housing needs. The 1990 Census estimated that there were 504,237 non-institutionalized "persons (16 years or older) with a mobility limitation" in Texas. A mobility limitation is defined as a physical or mental condition which has existed for at least 6 months and which makes it difficult for an individual to independently leave his or her home. The 1990 Census also estimated 575,641 non-institutionalized persons (16 years or older) in the State with "self-care limitations". Self-care limitation is defined as a physical or mental condition which has existed for at least 6 months and which makes it difficult for an individual to take care of his or her personal needs, such as dressing, bathing, or getting around inside the home.<sup>25</sup>

The 1990 Census estimated 831,145 total non-institutionalized persons (16 years or older) in Texas in 1990 with mobility or self-care limitations, or both. This figure represents 4.9 percent of the entire population of the state.<sup>26</sup>

The 1990 Census estimated 812,848 persons in Texas from 16 to 64 years old with a 'work disability'. A work disability is defined as physical or mental condition which has existed for more than six months and which limits the kind or amount of work an individual can do at a job or business. Of these people, 407,819, or approximately 50 percent, were "prevented from working" by their work disability.<sup>27</sup>

Work disability status is an ambiguous concept. The terminology implies that the only factor which affects the ability of the individual to work is the condition of the individual; this is clearly fallacious: "under one set of environmental factors, a given condition may hinder or prevent work, but if physical and/or social barriers are removed, the same condition may have no effect on the ability to work."<sup>28</sup> Thus, ability to work measures are often as much a function of environmental barriers (or handicaps) as functional limitations (or disabilities).

### **Sub-Groups**

For the purposes of this report, two additional sub-groups of persons with disabilities are defined because specific programs and services at the state level target these groups. The two sub-groups are: 1) those with severe mental illness 2) those with developmental disabilities.

### **Persons with Severe Mental Illness**

Persons with severe mental illness have a long term mental or emotional impairment. This condition makes it difficult for them to compete effectively for limited housing and social service resources.

A 1991 estimate by TXMHMR revealed 2,553,641 persons with mental illness in the state of Texas. Those most in need, categorized as the "mental health priority population" numbered 339,411 persons in 1991. It is predicted that this number will increase to 364,063 persons by 1998. Twenty-seven point five percent of the mental health priority population in Texas received no services in 1991.

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<sup>25</sup> 1990 U.S. Census of Population and Housing.

<sup>26</sup> 1990 U.S. Census of Population and Housing.

<sup>27</sup> 1990 U.S. Census of Population and Housing.

<sup>28</sup> *Americans With Disabilities, 1991-92*, p. 12.

Persons recently released from mental health care institutions with no family support or means of providing food or shelter for themselves are very much at risk of homelessness. Affordable housing is scarce, community mental health services are underfunded and income support services are rarely targeted towards persons with mental illness.

## **Persons with Developmental Disabilities**

Developmental disability is defined as a severe, chronic disability of an individual 5 years of age or older that: --

- 1) is attributable to a mental or physical impairment or a combination of mental and physical impairments;
- 2) is manifested before the individual reaches age 22;
- 3) is likely to continue indefinitely;
- 4) results in substantial functional limitations in three or more of the following areas of major life activity:
  - self care;
  - self-direction;
  - learning;
  - mobility;
  - receptive and expressive language;
  - capacity for independent living; and economic self-sufficiency; and
- 5) reflects the individual's need for a combination and sequence of special, interdisciplinary, or generic services, supports, or other assistance that is of lifelong or extended duration and is individually planned and coordinated; except that such term when applied to infants and young children means individuals from birth to age 5, inclusive, who have substantial developmental delay or specific congenital or acquired conditions with a high probability of resulting in developmental disabilities if services are not provided.<sup>29</sup>

In 1991, there were 474,299 persons with a mild, moderate, or severe form of mental retardation, making up 2.7% of the state's population. This figure represents only one type of developmental disability, but TDHCA was unable to locate a further breakdown of the numbers of persons with developmental disabilities by type in Texas.

The mental retardation priority population, which includes those persons with mental retardation with the greatest need (approximately 15% of persons with mental retardation), consisted of 70,840 persons in 1991. TXMHMR projects an increase to 75,986 by 1998. 37.1% of the mental retardation priority population received no supportive services in 1991.

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<sup>29</sup> This definition comes from the *Developmental Disabilities Assistance and Bill of Rights Act*, and was provided through written correspondence with Diana McIver & Associates, a housing consulting firm.

## **Housing Needs of Persons with Disabilities**

The data available on the *housing needs* for persons with disabilities is even more limited than the overall data on the disabled population. A satisfactory assessment of the specific *housing needs* of the *low-income* disabled populations in Texas is not currently available. However, the following paragraphs examine general statistics regarding persons with disabilities and their housing needs.

Housing needs are different for persons with different categories of disabilities as well as within each category, and therefore require a variety of approaches. The most impersonal, and most expensive approach to housing persons with disabilities is institutionalization. Innovative initiatives for aiding persons with disabilities have moved away from the institutional approach, toward community-based, integrated approaches and 'consumer control' models. The concept of 'consumer control' refers to situations in which the place of residence and support services for persons with disabilities are not linked. This is intended to provide people more control over what support services they receive and the type of living situation they are in. One example of this is the Consumer-Controlled Housing Initiative of the Texas Planning Council for Developmental Disabilities, which is intended to expand independent, self-controlled housing opportunities for people with disabilities in Texas.<sup>30</sup>

Despite recent trends toward deinstitutionalization and community-based approaches in state and federal programs, a general lack of *affordable* and *accessible* housing for persons with disabilities remains a major barrier to the success of these types of programs. The search for affordable and adequate shelter is often more difficult for persons facing mental or physical disabilities.

### **De-institutionalization and Integration**

The de-institutionalization of people with disabilities is a growing trend. While this is a positive step, this trend needs to be complemented by the provision of affordable, accessible housing for people with disabilities. Many times, people are institutionalized *because* of the lack of affordable and accessible housing. Institutions should not be considered as an alternative housing source. Nursing homes, state schools, and the like were created to provide specific services to certain categories of people. To use them as housing source promotes the 'warehousing' and segregation of people with disabilities. Institutionalization is an expensive and dehumanizing option. According to *Toward Independence*, the costs of providing appropriate housing options for disabled people are highly cost effective because of the significant savings that result by enabling disabled people to live in the community, get jobs, and pay taxes.<sup>31</sup> The Americans with Disabilities Act of 1990 noted that "the continuing existence of unfair and unnecessary discrimination and prejudice denies people with disabilities the opportunity to compete on an equal basis ... and costs the United States billions of dollars in unnecessary expenses resulting from dependency and unproductivity."<sup>32</sup>

We believe that a large majority of people who require accessible housing would prefer to live in housing which integrates people with and without disabilities. Unfortunately, many people who need accessible housing cannot or do not want to use available accessible housing because it is segregated. For example, the Section 202 Program (Supportive Housing for the Elderly),

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<sup>30</sup> This Information was provided through written correspondence with Diana McIver & Associates, a housing consulting firm.

<sup>31</sup> *Toward Independence*, p. 37.

<sup>32</sup> 42 U.S.C.A., § 12101 (1994).

administered by HUD, and designed to create accessible multi-family housing for disabled elderly persons, has been criticized for isolating people with disabilities, and for a lack of age-appropriate integration.<sup>33</sup> In addition, HUD's 811 program (Supportive Housing for the Disabled), is only available to individuals who fit a specific profile thereby excluding persons who wish to live with friends or family.

## **Affordable Housing**

Affordable housing is especially difficult for persons with disabilities to find. Persons with disabilities are more likely to be poor than non-disabled persons. The report, *Americans with Disabilities: 1991-1992*, found that of persons 15 to 64 years old, those with non-severe disabilities have a poverty rate of approximately 15.5 percent, and those with severe disabilities have a rate of 30.2 percent. By contrast, 12.8 percent of persons 15 to 64 years old with no disabilities have incomes below the poverty level.<sup>34</sup>

*Americans with Disabilities: 1991-1992* also found that having a disability that is not severe reduces the likelihood of being employed by a small amount, while having a severe disability reduces the likelihood of employment by a large amount. Among persons 21 to 64 years old, the employment rate was 80.5 percent for persons with no disability, 76.0 percent for persons with a disability that was not severe, and 23.2 percent for persons with a severe disability.

Because persons with *severe* disabilities are often unable to maintain mainstream employment, they find themselves relying upon Supplemental Social Security Income (SSI) for money - approximately \$430 a month in Texas. Unlike 47 other states, the State of Texas does not supplement SSI income. SSI income amounts to 28% of the state median income. Based on the average, HUD-calculated fair market rates, rent would consume 65% of an individual's income, placing him/her well beyond the 50% threshold for severe housing cost burden.<sup>35</sup>

According to a 1990 HUD publication, entitled *Worst Case Needs of Housing Assistance in the United States in 1990 and 1991*, non-elderly persons with disabilities, as a group, are very likely to have extreme housing cost burdens, often have multiple housing problems, and are the single group most likely to live in severely inadequate housing, as defined in the American Housing Survey.<sup>36</sup> The data about persons with disabilities in the *Worst Case Needs ...*, report should be used with caution, since 'persons with disabilities' were defined only as non-family households receiving SSI income.<sup>37</sup>

## **Accessible Housing**

For those who require access, inaccessible housing is sub-standard and denies them the opportunity to move freely in their own home. Some of the most common access accommodations required include railings and ramps to allow people to independently get in and out of their homes, and wider doorways and passageways to enable wheelchair access to all parts of the house. These access features are codified in the Universal Federal Accessibility Standards (UFAS) and the Americans with Disabilities Act Accessibility Guidelines (ADAAG), as discussed in the previous section.

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<sup>33</sup> *Toward Independence*, p. 37.

<sup>35</sup> This information was provided through written correspondence with Diana McIver & Associates, a housing consulting firm.

<sup>36</sup> *Worst Case Needs for Housing Assistance in the United States in 1990 and 1991*, p. 13.

<sup>37</sup> *Worst Case Needs for Housing Assistance in the United States in 1990 and 1991*, p. 14.

There is a shortage of housing which is physically accessible to persons with disabilities. There is an even greater shortage of accessible housing with multiple bedrooms.<sup>38</sup> People with disabilities require larger housing units because they live with family, roommates, and/or attendants. The lack of accessible multi-bedroom housing is a further cause of the segregation of persons with disabilities.

While accessible housing is an urgent and present need for citizens who currently have disabilities, "as the U.S. population becomes increasingly older with the maturing of the baby-boom generation, accessible housing will become increasingly more important for the growing population of elderly citizens."<sup>39</sup> As mentioned earlier, the chance of having a disability increases with age. As the ability for self-care and mobility of people decreases with age, the need for accessible housing can be expected to grow in the future.

It is difficult to provide an estimate of the need for accessible housing in Texas. Of the 831,145 total non-institutionalized persons (16 years or older) in Texas in 1990 with mobility or self-care limitations, or both, many are likely to need some sort of housing access accommodation. This figure represents 4.9 percent of the entire population of the State, and provides a rough estimate of the magnitude of the need for accessible housing. However, this figure does not account for persons residing in institutions who could live independently if accessible and affordable housing was available, and it may also exclude other persons with accessibility needs. Unfortunately, there is no data available on the extent to which this need is being met in Texas.

The 1990 National Health Interview Survey on Assistive Devices (NHIS-AD) found that 2.9 percent of all Americans live in homes which are equipped with special features designed for persons with disabilities.<sup>40</sup> These features include ramps; extra-wide doors or passages; elevators or stairlifts (not counting public elevators); hand rails or grab bars (other than normal hand rails on stairs); raised toilets; levers, push bars, or special knobs on doors; lowered counters; slip-resistant floors; or other special features designed for persons with disabilities. Any of the preceding are referred to as 'home accessibility features.'<sup>41</sup>

The statistics on home accessibility features in the NHIS-AD, however, are highly flawed. They do not provide an accurate estimate of the number of people with disabilities living in homes which are adapted to their disability, or of the number of people who require home accessibility features. The survey only reported on people living in homes with accessibility features. These persons do not necessarily have an impairment; and, in fact, in the survey, "the majority are reported not to be limited in their activity by an impairment or chronic illness."<sup>42</sup> Furthermore, no questions were asked on unmet need for accessibility features.<sup>43</sup> Therefore, it is problematic to even try to provide a rough estimate of the extent of the need for accessible housing in Texas.

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<sup>38</sup> This information was provided through written correspondence with ADAPT.

<sup>39</sup> *Toward Independence*, p. 39.

<sup>40</sup> *Advance Data....*' p. 1.

<sup>41</sup> *Advance Data....*' p. 3.

<sup>42</sup> *Advance Data....*' p. 3.

<sup>43</sup> *Advance Data....*' p. 4.

## **Adaptive Design and Universal Access**

Housing for persons with disabilities is most often considered within a housing delivery system which provides accessible and non-accessible housing units.<sup>44</sup> By maintaining this distinction between accessible and non-accessible units, this system requires that efforts be made by owners and managers to assure that people with accessibility requirements are located in the correct units. This housing "set-aside" approach adds additional costs to housing, and also insures that a smaller amount of accessible units will be available.

A cost-effective and integrative approach is to promote "adaptive design" or "universal access" housing. This is the type of housing which is described in the Universal Federal Accessibility Standards (UFAS) and the Americans with Disabilities Act Accessibility Guidelines (ADAAG). Universal access design provides basic elements which allow easy modification to any unit in a project to make it accessible. These adaptive design elements include the following: 32 inch minimum doorway clearances; at least one level entrance; reinforcements in bathroom walls for grab bars; reachable light switches, electric outlets, etc.; usable kitchens and bathrooms; and accessible public-use areas.

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<sup>44</sup> This Information was provided through written correspondence with ADAPT.

### 3. Persons with HIV/AIDS

Housing is critical for persons infected with HIV/AIDS. The debilitating nature of the AIDS virus places a severe strain on employment abilities and makes it difficult to continue living independently. Further compounding the potential loss of employment, the high cost of medical treatment quickly drains financial resources.

No specific estimate of persons with AIDS in need of supportive housing is available. The Texas Department of Health (TDH) addresses the issue of supportive housing for AIDS patients through the Housing Opportunities for Persons with AIDS Program (HOPWA) - a federal program that provides eligible persons with rental, mortgage and utility payments. In addition to the TDH program, the cities of Dallas, Fort Worth, Houston, Austin, and San Antonio receive and administer HOPWA funds directly from HUD.

#### **State Of Texas AIDS Surveillance Report Statistics**

The Texas AIDS Surveillance Report is a quarterly publication generated by the Surveillance Branch of the Texas Department of Health (TDH) HIV/STD Epidemiology Division. All of the 215 counties reporting to the TDH surveillance branch reported *at least* one case of AIDS from 1980 to March 1995.

- From 1980 to March 1995, there have been 32,318 cases of AIDS in Texas reported to the central office HIV/AIDS Reporting system (HARS).
- From 1980 to March 1995, there have been 19,037 deaths from AIDS in Texas reported to HARS.
- From Jan. 1st. 1995 to March 31, 1995, there have been 1,289 cases of AIDS reported to HARS.
- From 1980 to March 1995, there have been 2,391 females (age 13 and above) diagnosed with the AIDS virus as reported to HARS. The highest risk age-group is women between the ages of 30 and 40 (they make up 40% of the reported cases).
- From 1980 to March 1995, there have been 29,666 males (age 13 and above) diagnosed with the AIDS virus as reported to HARS. The highest risk age-group is men between the ages of 30 and 40 (they make up 48% of the reported cases).
- From 1980 to March 1995, there have been 261 pediatric AIDS cases (cases in children less than or equal to 12 years of age at the time of diagnosis) reported to HARS. There have been 136 known deaths due to pediatric AIDS during the same time frame. This data excludes 23 patients diagnosed as adults but known to have been infected as children.

The majority of reported AIDS cases come from metropolitan areas. The following table shows the number of cases reported in the counties in the area of the state's largest metropolitan areas.

<b>CITY</b>	<b>COUNTIES IN THE AREA OF THE CITY</b>	<b>CUMULATIVE CASES REPORTED FROM 1980 TO MARCH 1995</b>	<b>CASES REPORTED FROM JAN. 1 1995 TO MARCH 31ST 1995</b>
<b>Dallas</b>	Collin	109	5
	Dallas	7,433	391
	Denton	231	12
<b>Fort Worth</b>	Tarrant	2,045	75
<b>Houston</b>	Fort Bend	197	9
	Harris	11,357	312
	Montgomery	154	6
<b>Austin</b>	Travis	2,273	79
	Williamson	84	6
<b>San Antonio</b>	Bexar	2,334	98
<b>El Paso</b>	El Paso	449	35
	<b>TOTAL</b>	<b>26,666</b>	<b>1028</b>
<b>Other (counties not listed above)</b>		<b>5,652</b>	<b>261</b>

# B. Homeless Needs

## 1. Homelessness Defined

In the Stewart B. McKinney Homeless Assistance Act of 1987, the legislation which created a series of targeted homeless assistance programs, the Federal government defined "homelessness". This definition is consistent with the following definitions used by HUD for the Consolidated Plan:

Homeless person:

- 1) An individual who lacks a fixed, regular, and adequate night-time residence; and;
- 2) An individual who has a primary night-time residency that is:
  - i) A supervised publicly or privately operated shelter designed to provide temporary living accommodations
  - ii) An institution that provides a temporary residence for individuals intended to be institutionalized; or
  - iii) A public or private place not desisted for, or ordinarily used as, a regular sleeping accommodation for human beings.
- 3) This term does not include any individual imprisoned or otherwise detained under an Act of Congress or state law.

Homeless family with children. A family composed of the following types of homeless persons: at least one parent or guardian and one child under the age of 18; a pregnant woman; or a person in the process of securing legal custody of a person under the age of 18.

Homeless subpopulations. Include but are not limited to the following categories of homeless persons: severely mentally ill only, alcohol/drug addicted only, severely mentally ill and alcohol/drug addicted, fleeing domestic violence, youth, and persons with HIV/AIDS.

In addition, people who are at imminent risk of losing their housing because they are being evicted from private dwelling units or are being discharged from institutions and have nowhere else to go are considered to be homeless for program eligibility purposes.

To facilitate an understanding of the homeless population, researchers have designated three categories of homelessness:

- 1. LITERALLY HOMELESS:** Those who have no place to live and stay in shelters, public places, and abandoned buildings.
- 2. MARGINALLY HOMELESS PERSONS:** Less visible than the literally homeless populations, this population is much larger and includes persons who live doubled-up in a residence that they do not own or rent and report a high level of precariousness. They believe that the arrangement is temporary, and they have no prospects for a similar or better arrangement.

**3. PERSONS AT RISK OF HOMELESSNESS:** Those at risk of homelessness live in a residence they own or rent, but their income is often below the poverty level. Many rely on rental and utility assistance to preserve their housing status. This group is poised on the brink of homelessness, unable to absorb unexpected events such as the loss of a job or serious illness. The risk is well documented by current research which indicates that 70 percent of those homeless today cite job loss or illness as a major contributing factor to their current situation.

The most dramatic and highly visible consequence of the shortage of affordable housing is homelessness. The burden of supporting homeless persons is shared by the entire community -- directly through subsidies for food, clothing, transportation and health care and indirectly through the loss of productive human lives and the collective costs of crime and substance abuse.

Homelessness is a complex issue that goes beyond the lack of affordable housing and encompasses a broad range of economic, social and health factors. The growing ranks of the homeless include women and children, rural and urban residents, the elderly, the disabled, runaway youth, and persons with mental illness. Homeless individuals confront a variety of problems ranging from domestic violence to unemployment, lack of education, poor parenting, mental illness and substance abuse. Recent profiles of the homeless population are unsettling as the fastest growing segment is made up of women with children. The "street homeless" population originates from a much larger population of "hidden homeless" who live doubled up in highly precarious residential arrangements.

Studies have shown that minorities are disproportionately represented among the homeless population, especially among homeless families. African Americans, for example, form a larger fraction of both poor people (28%) and homeless persons (40%) than their proportions of the general population.<sup>45</sup>

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<sup>45</sup> Priority: Home!, The Federal Plan to Break the Cycle of Homelessness, Interagency Council on the Homeless.

## 2. The Nature and Extent of Homelessness in Texas

Currently the Texas Department of Housing and Community Affairs and the Texas Homeless Network are leading an effort to improve estimates of the number of homeless in Texas. For the purposes of the Consolidated Plan, statewide information on the homeless population has been collected from the 1995 Emergency Shelter Grants Program (ESGP) applications. Each 1995 ESGP applicant was required to describe the nature and the extent of the unmet need for adequate services for homeless persons in the area to be served. These descriptions have been compiled to provide a broad picture of the nature and extent of homelessness throughout Texas. This homeless needs assessment is not comprehensive, but simply provides a cross-section of need throughout the State based on 1995 ESGP applications.

The following general observations, trends and issues were observed while reviewing the 100 FY 1995 ESGP applications received from across the State:

- The homeless population in each community that has applied for ESGP assistance consistently and substantially outnumbers the emergency beds available.
- There are significant waiting lists for assisted housing throughout the State.
- For the past few years the homeless population has consisted primarily of minority males (predominantly African American); consequently there is a shortage of shelter beds and facilities available to address the needs of the growing number of homeless families and the increasing diversity of the homeless population.
- There is a severe shortage of transitional housing available to facilitate a permanent exit from homelessness and future self-sufficiency for homeless individuals and families.
- Substance abuse problems and mental illness, together or independently, plague a significant percentage of the homeless population.
- Child care is a vital component of increasing employment opportunities and self-sufficiency for homeless parents.

**The State of Texas has over 17 million residents, with an estimated homeless population ranging in size from 85,000 to 225,000 (TxMHMR, 1994).**

It is estimated that one quarter of this group suffers from a serious mental illness. (MHMR 1994 PATH Annual Report). The largest portion of the homeless population is, and has been for the past several years, single minority males. These men account for 77% of the sheltered homeless and 80% of the nonsheltered homeless (Dallas Community Action Committee 1995 ESGP proposal). By self admission, alcoholism and drug addiction is prevalent among this population. Surveys have shown that the majority of the homeless are 25 to 40 years old (54%) and 40 to 50 years old (33%). Single women with children make up the fastest growing segment of the homeless population.

## **General Homeless Needs Data By Region Collected From FY 1995 ESGP Funding Applications**

### **GENERAL HOMELESS NEEDS FOR REGION 1**

- The 1995 City of Amarillo Consolidated Plan identified 11,573 sheltered homeless and 5,904 unsheltered homeless within the city. These numbers do not include the surrounding rural areas of Potter and Randall counties.
- 2,900 families are on the HUD waiting list for assisted housing in Amarillo.
- There are 2,137 families on the waiting list for HUD-assisted housing in Potter and Randall counties.
- The Tyler Resource Center reported serving 28,054 homeless persons in 1993.
- The City of Lubbock's CHAS identified 234 literally homeless persons in Lubbock. A study sponsored by the United Way of Lubbock estimated that between 11,500 and 19,500 persons in north and east Lubbock were marginally homeless, a large portion of which were single parents with young children. There are 25 emergency shelter beds for children and 55 emergency shelter beds for adults in Lubbock.
- The Lubbock Housing Authority has 758 persons on its waiting list for assisted housing.
- According to Panhandle Community Services, in Pampa alone, there are 89 families on a waiting list for assisted housing.

### **GENERAL HOMELESS NEEDS FOR REGION 2**

- A 1995 local needs assessment estimated that there are between 2,200 and 3,300 homeless persons in the City of Abilene. There are 57 shelter beds available. Fifteen percent of the population in Taylor County lives below the poverty level.
- Abilene's affordable housing task force identified over 7,600 households experiencing difficulty or dissatisfaction with housing. Slightly more than 4,300 households are lacking basic amenities such as electricity, heating, running water, bathrooms and other amenities. There are 591 persons on the waiting list for assisted housing in Abilene.
- There are 816 persons on waiting lists for assisted housing in Taylor County.
- Current estimates identified 275 homeless persons in Nolan County and more than 500 persons at risk of becoming homeless. There is only one homeless shelter in Nolan County.
- A point in time survey found 83 persons being assisted in homeless shelters in Wichita Falls. Data collected in 1993 for the CHAS identified 209 persons living in shelters. The City of Wichita Falls has approximately 700 persons on a waiting list for assisted housing.

### **GENERAL HOMELESS NEEDS FOR REGION 3**

- The City of Dallas CHAS estimated between 3,500 and 5,000 homeless persons in the city (more than 1,000 of these are children). The CHAS indicates that 63% of the homeless in Dallas are African American with a small percentage of Hispanics (5%). The total number of available shelter beds is estimated at 2,000. Over 72% of the Dallas homeless have been in the area over five years. Over 49% of this group moved to this region to seek employment or be with relatives.
- As of December 1994 there were 4,858 persons on the Section 8 waiting list and 6,461 persons on the waiting list for public housing in the City of Dallas. The Section 8 waiting list has been closed since 1990.

### **GENERAL HOMELESS NEEDS FOR REGION 3**

- Dallas County Human Services estimated 5,000 homeless unsheltered people in Dallas County. There are 1,800 available bed spaces to serve this population.
- The Fort Worth and Tarrant County CHAS' estimate between 3,000 and 4,000 literally homeless people in the area. A point in time survey done in Tarrant County estimated between 5,558-6,148 homeless persons.<sup>46</sup> There are between 733 and 1,063 emergency shelter beds in Tarrant County. The primary gap in existing services for the homeless in Tarrant County is the lack of transitional housing with appropriate supportive services.<sup>47</sup>
- In Tarrant County 940 households are threatened with eviction every month. There are 2,500 persons on the waiting list for assisted housing for the county. Women make up an estimated 28% of the homeless population.
- There are between 3,000 and 6,000 homeless persons in Fort Worth.
- There are an estimated 1,200 homeless persons in Palo Pinto County. There are 138 persons on the Section 8 waiting list in Palo Pinto County.
- Counts estimate approximately 41 homeless persons in the city of Denton. There are 400 families on waiting lists for housing assistance in Denton.
- The waiting period for section 8 housing in Johnson County is between 12 and 18 months.
- There are an estimated 3,000 homeless individuals in Grayson County.
- The Plano Consolidated Plan estimated 300 homeless people in Plano. There are a total of 110 available beds. 500 persons are on the waiting list for public housing in Plano.
- The City of Arlington's consolidated plan identified approximately 300-600 homeless persons in the city. The mayor's task force indicated that 76% of the homeless sleep in either a shelter, motel, or stay with a friend. The remaining 24% sleep in unprotected environments. The median annual income of the homeless in Arlington is \$3,000. Arlington has a three and a half year waiting list for public housing.
- 27% of Hunt County's 64,343 residents are living below the poverty level. A University of Dallas study found that 37.7% of the students in Greenville are economically disadvantaged and many are already at risk of becoming homeless. There is a two year waiting list for assisted housing in Greenville.

### **GENERAL HOMELESS NEEDS FOR REGION 4**

- There are more than 500 homeless persons in Smith County. Four existing shelters provide 74 bed spaces for this population.
- There are 1,321 persons on the waiting list for assisted housing in the Gregg, Rusk and Panola County area.
- There are 2,083 persons on the waiting list for assisted housing in Smith County.

### **GENERAL HOMELESS NEEDS FOR REGION 5**

- There is a three year wait for section 8 in the six county area of Jefferson, Hardin, Orange, Tyler, Jasper, Newton Counties.

<sup>46</sup> Metraux, Stephen, Enumerating Homeless Persons in Tarrant County, Texas: Practical Methods and Reliable Results, unpublished Master's Thesis, 1994.

<sup>47</sup> Tarrant County in the 90's: An Assessment of Health and Human Service Needs

## GENERAL HOMELESS NEEDS FOR REGION 5

- There are an estimated 1,500 homeless people in the Jefferson County area. Total shelter space in the area can accommodate 55 persons. There are 1,416 persons on a waiting list for section 8.
- In Orange County there are 495 persons on the waiting list for Section 8 and 262 families on the waiting list for public housing

## GENERAL HOMELESS NEEDS FOR REGION 6

- Houston's only comprehensive homeless study completed to date, *Addressing the Problem of Homelessness in Houston and Harris County* (McKinsey & Company, 1989), concludes that "on any given night, about 10,000 people in Houston and Harris County are literally homeless (1,500 of these are children), more than 150,000 are marginally homeless, and more than 250,000 are at risk of becoming either marginally or literally homeless." Local homeless providers estimate that the number of literally homeless persons has risen to 15,000.
- According to the Coalition for the Homeless there are 2,129 emergency beds for the homeless in Harris County.
- The March 1995 shelter survey prepared by The Coalition for the Homeless of Houston/Harris County states that the bed capacities in Houston/Harris County are as follows:
  - Emergency Shelter: 2,338
  - Transitional Housing: 1,472
  - Specialized Housing: (elderly, substance abuse, HIV/AIDS, disabled): 1,663
  - Board and Care Housing: 626
  - Licensed Personal Care Homes: 1,853
- There are 20,000 households in Harris County on the waiting list for section 8 vouchers.
- Only 20 percent of Houston's homeless population resides in shelters; 20 percent live in public places unsuitable for human habitation; and 60 percent are hidden from view, living in abandoned buildings.<sup>48</sup> The Harris County CHAS estimated that 20 percent of the homeless are families, 25 percent are mentally ill; 25 percent are serious substance abusers and 18 percent are chronically homeless.
- The Baytown Housing Authority has 150 available public housing units with a waiting list of 426; and 60 section 8 vouchers with a waiting list of 890.
- The Montgomery County Coalition for the Homeless estimates at least 1,665 individuals and families received emergency housing and utility assistance during the past year in Montgomery County.
- Tri-County (Liberty, Montgomery and Walker Counties) MHMR's transition shelter is the only short-term transitional housing available in all three counties. The waiting lists for public housing in the three counties range between three and five years.
- The Montgomery County Housing Authority reports that they receive an average of 160 requests for public housing each month and that 43 percent of such requests come from individuals already defined as homeless. Their 400 person waiting list has been closed since October 1994.
- The Montgomery County Coalition estimates that 1,665 individuals received emergency housing, rent or utility assistance in 1994.
- There has been an increased demand for homeless services following the closure of many major industries located in Galveston. There is a 3 to 4 year waiting list for assisted housing in Galveston.
- 13,500 unduplicated homeless persons were served by the Salvation Army in Galveston in 1994.

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<sup>48</sup> Addressing the Problem of Homelessness in Houston and Harris County, McKinsey and Co., 1989

## **GENERAL HOMELESS NEEDS FOR REGION 7**

- Estimates of the homeless population in the City of Austin range between 4,000 to 8,000. There are 330 shelter beds available. (Center for Battered Women, 1995 ESGP application).
- There is a 3 to 4 year wait for assisted housing through the Austin Housing Authority. Rents in Austin have increased 53% in the last 5 years and occupancy rates are at 99%.
- In the first three months of 1995, the Salvation Army in Austin served 1,400 unduplicated homeless persons.
- In 1989 the Salvation Army in Austin served 12,689 persons of whom 3800-6300 were mentally ill.
- According to the Travis County Health and Human Services Department there are an estimated 6,000 homeless individuals in Travis county. There are currently 381 beds available in emergency shelters within the county. Only 40 of these beds are available for homeless families with children. According to Travis County Human Services, emergency shelters in the area were forced to deny service to approximately 4,000 homeless individuals in 1994.
- Nearly 90,000 Travis County residents live below poverty
- In 1994, over 1,800 applications for the 145 transitional housing units in Austin were denied because of lack of supply.
- The City of San Marcos CHAS estimated 2,165 homeless persons in the City. There are 73 available shelter beds. There are 700 persons on the waiting list for assisted housing in San Marcos.
- There is a two year waiting list for assisted housing in the Bastrop, Fayette, and Lee County area.
- According to Advocacy Outreach intake statistics, 192 families were homeless in Elgin from June 1994-March 1995; 40 people were living on the streets; 140 people lived in dilapidated structures without utility service; and 200 families were displaced and staying with friends and relatives in overcrowded conditions. There is a seven year wait for assisted housing in Elgin.
- Statistics gathered from the Hays/Caldwell Women's Center, Southside Community Center and GSMYC identified 2,165 homeless persons in Hays county in 1994. There are 73 shelter beds available. There are 700 persons in Hays county on the waiting list for assisted housing.
- A point in time survey done in Brazos County by the City of Bryan identified 136 homeless persons. There are currently 1,465 Brazos County residents on a waiting list for assisted housing.
- Poverty statistics and intake records from homeless providers suggest that there are more than 5,000 homeless persons in the City of Waco.
- Cause, Inc. estimates that 29% of the population in Hill, Bosque, Freestone, and Limestone counties is homeless or at risk of being homeless. Due to lack of funds, their shelter was forced to deny 25% of their requests for assistance.

## **GENERAL HOMELESS NEEDS FOR REGION 8a AND 8b**

- A 1994 U.S. Conference of Mayors report documented 8,903 family members, 3,712 single men, 651 single women, and 88 unaccompanied youth as homeless in San Antonio. There are ten shelters to address this need with a total of 819 beds. In San Antonio over 80% of the homeless population is from the area. 1994 city data indicates 11,751 homeless persons in San Antonio with another 15,000 at risk (San Antonio Metropolitan Ministry, 1995 ESGP application). 1,480 persons seek homeless shelter services daily in San Antonio. (San Antonio Metropolitan Ministry, 1995 ESGP application).

#### **GENERAL HOMELESS NEEDS FOR REGION 8a AND 8b**

- There are 25,000 persons on the section 8 waiting list in San Antonio. 22.6% of persons (n=207,161) in San Antonio are below federal poverty levels (2nd worst nationally to Detroit). 18% of poor households in San Antonio live in overcrowded conditions. The City of San Antonio estimates that 2,500 households formed each year could potentially require housing assistance.
- The literally homeless population of the Rio Grande Valley is estimated at 2,282 with approximately 113,452 identified as marginally homeless and another 120,846 estimated to be at risk of homelessness (Valley Community Ministries, 1995 ESGP application).
- 25% of a 12 county region (Aransas, Brooks, San Patricio, Bee, Refugio, Kenedy, Jim Wells, Live Oak, Kleberg, McMullen, Duval) lives below poverty level.
- According to the 1993 CHAS there are 2,700 homeless people in Corpus Christi as well as an additional 6,000 that may be considered "functionally homeless" (i.e. at risk, living with friends or relatives). The Corpus Christi Consolidated Plan suggested that the homeless population increased from 5,641 in 1989 to an estimated count of 6,500 in 1993, an increase of 15%.

#### **GENERAL HOMELESS NEEDS FOR REGION 9**

- A 1995 community-wide survey in San Angelo identified 258 homeless persons. There are currently 3 shelters with 81 beds to serve this population. In December 1994, the San Angelo PHA had 421 families on waiting lists for assisted housing.
- Over 60 families have been on a waiting list for assisted housing for over a year in Pecos.
  - The Monohans Housing Authority has 117 families on a waiting list for assisted housing.
  - There are only three homeless shelters in the 14 county Concho Valley region, for a total of 78 available shelter beds.
  - There is a two year waiting list for assisted housing in the Permian Basin area.
  - Care providers in the Permian Basin area assisted 1,075 homeless persons in 1994 and predict an increased demand for 1996. Care providers cite a lack of affordable housing options and/or transitional housing for individuals leaving shelter facilities.

#### **GENERAL HOMELESS NEEDS FOR REGION 10**

- A 1991 Shelter Survey by the City of El Paso Department of Community and Human Development estimated 4,738 literally homeless persons.
- 7,000 persons are on the waiting list for public housing and 2,184 are on the waiting list for Section 8 vouchers in El Paso.

### 3. Homeless Subpopulations

The homeless population defies generalization; it emerges from a cross section of society with a complex set of needs and circumstances. Two rough categories were designated by the Federal Interagency Council on the Homeless (ICH): the first defined as those experiencing 'crisis poverty' who have arrived at homelessness through the persistent demands of ongoing poverty and unforeseen developments such as job loss or illness; the second defined as those experiencing 'crisis poverty' that has been complicated by a chronic disabling condition.

In order to effectively address the problem of homelessness and make the most of limited funding sources, homeless programs must be tailored to fit the needs of individual homeless subpopulations. Homelessness is often a symptom of a wide array of problems ranging from unemployment to alcohol and drug abuse, domestic violence, mental illness and lack of child care. Addressing only one aspect of the problem (lack of shelter) only produces short-term solutions and does nothing to increase self-sufficiency and facilitate a permanent exit from homelessness.

The following homeless subpopulations have been identified for the Consolidated Plan: youth, persons with alcohol and/or other drug addiction, homeless families with children, victims of domestic violence, persons with mental illness, persons with HIV/AIDS, rural households, unemployed, migrant farmworkers, elderly, ex-offenders and veterans.

#### Homeless Youth

The Texas Education Agency recently conducted a survey of every known shelter and agency in Texas providing services to homeless students. They estimated 123,738 homeless children in Texas in the spring of 1994. The survey identified 6,638 homeless infants and 8,726 homeless pre-kindergarten children.

A TDHS Special Texas Census reported that 121,421 youths ages 10 - 17 ran away from home in 1991. According to the Texas Youth Commission, 4,000 youth were placed outside of their homes in 1993. It is estimated that 25% of all runaways go unreported each year. The median age of runaway youth in Texas is between 14 and 16. The following are some additional statistics regarding homeless youth:

- *The YMCA Casa shelter in Dallas County consistently maintains a waiting list of between 15 & 20 youths in need of emergency residential services. It is the only youth shelter in Dallas County currently taking referrals for homeless youth. The City of Dallas reports an estimated 1,000 homeless children in the area.*
- *The Dallas Police Department reported 6,640 runaways in Dallas.*
- *Between 1990 and 1994 there were 798 referrals of runaways in Hays County.*
- *It has been estimated that 308 youth are homeless each night in Comal County. And 1,482 youths are homeless each night in Guadalupe County. There is only one shelter in the area to serve homeless youth.*
- *In 1993 in any given week, 133 unduplicated children stayed in shelters in El Paso. An average of 500 children live on the streets, in cars, in condemned housing, or other inappropriate day-to-day living conditions. A 1994 survey identified 163 homeless children staying in shelters in El Paso.<sup>49</sup>*

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<sup>49</sup> Point-In-Time surveys of homeless persons in nineteen El Paso shelters done by the El Paso coalition of the homeless. 1993 & 1994.

15 percent of runaway youth in Texas came from families that had been on AFDC lists at least once during the previous year. 25% of runaway youth in Texas come from families that are below the poverty level. (Special Texas Census done by the Texas Department of Human Services in 1989). Texas ranks ninth among the fifty states in the number of children living in poverty.

### **Persons with Alcohol and/or Other Drug Addiction**

Approximately half of the single homeless adult population suffers from substance abuse problems.<sup>50</sup> It is unclear whether substance abuse is one of the primary underlying causes of homelessness or whether it emerges as a result of life on the streets. In 1994, 5,520 of the persons treated by the Texas Commission on Alcohol and Drug Abuse were homeless. The following are some additional statistics regarding homeless persons with alcohol and/or other drug addiction:

- *Since the submission of the City of Dallas CHAS in 1989 there has been a 46% increase in homeless population due to alcohol and drug addictions and individuals currently on active parole and probation.*
- *Approximately 2,600 medically and economically indigent Houston/Harris County residents receive substance abuse treatment services each year.*
- *The 1993 Substance Abuse Needs Assessment and Recommendations for Harris County, a report published by the Mental Health Needs Council of Harris County, documents waiting lists, inadequate treatment capacity, and gaps in services for persons with substance abuse disorders.*
- *Approximately 40 percent of homeless persons sampled in the Houston/Harris County McKinsey report indicated that they had substance abuse problems and 31 percent met the criteria for serious substance abusers.*
- *78% of the persons treated for substance abuse by The Shoulder (in Harris County) indicate that they are homeless.*
- *Currently Houston has only 11% of the needed adult residential beds and 4% of the adolescent treatment beds that it needs (Mental Health Needs Council, 1990).*
- *51% of single homeless persons in Austin and 21% of homeless families are in need of substance abuse treatment. There are only 27 detox beds in Austin operated by MHMR and the Austin Rehabilitation center for uninsured and underinsured persons in need of substance abuse treatment. Each year in Austin approximately 16,800 uninsured and underinsured people need substance abuse treatment (Austin Center for Battered Women 1995 ESGP application).*
- *Concho Valley (Coke, Concho, Crockett, Irion, Reagan, Sterling, and Tom Green counties) care providers report a severe shortage of transitional housing for individuals leaving detoxification and 90 day residential treatment for substance abuse.*
- *El Paso County Alcohol and Drug Abuse Services is the only detoxification service for medically indigent citizens of El Paso. The next closest unit is 300 miles away. The waiting list for services fluctuates from between 60 -100 persons. The shelter is forced to reject many homeless persons with alcohol and drug abuse problems.*
- *In Austin, local homeless providers estimate that over half of homeless adults need alcohol and/or substance abuse treatment.*
- *The Austin/Travis County Department of Mental Health and Retardation estimates that 50% of their mental health clients also suffer from substance abuse.*

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<sup>50</sup> *Priority Home! The Federal Plan to Break the Cycle of Homelessness*, Federal Interagency Council for the Homeless, p.33.

- 37% of persons with an alcohol disorder also have a mental disorder. (A Snapshot of Our Community, Community Action Network of Austin/Travis County, May 1995)

## Homeless Families with Children

“For the young child, homelessness can be devastating. Early childhood is a critical time in the development of cognitive abilities, establishing trust, social development and rapid physical growth. For a homeless child, all of these development milestones are threatened. Homeless children have very special needs, such as high levels of anxiety, emotional disturbances, sleep and eating disorders, developmental delays and often suffer from depression. They have four times as many health problems as do housed children. Their health problems can range from elevated blood lead levels to acute physical problems and chronic physical problems, nutritional deficiencies, lack of immunizations and dental problems.” (Vogel Alcove, 1995 ESGP application)

Female-headed households accounted for 39 percent of the officially poor populations in 1991. Nearly half of all African-American children and over two-fifths of Hispanic-American children live in such households.<sup>51</sup> Single mothers typically spend as much as 50 to 80 percent of their income on housing. Such a severe cost burden combined with the need for child care, leaves single women with children very much at risk of becoming homeless.

Single mothers and their children constitute more than a third of homeless persons in the United States and they are the fastest growing subgroup among the homeless (Bassuk and Rosenberg, 1990; Leiderman, 1992). According to the 1993 Conference of Mayors, families with children comprise about 43% of the homeless population and child care is needed by 95% of homeless families. Many women with preschool children cannot work because they cannot afford child care, and there is a lack of such care with extended/weekend hours - the times women often must work (DePelchin Children’s Center, 1995 ESGP application). Lack of child care is often cited by homeless families as a significant barrier to becoming employed. Very few family shelters provide services designed for children. Many homeless children do not have the opportunity to attend school on a regular basis and often suffer from serious emotional and developmental problems that persist long after their family receives permanent housing.

The following are some additional statistics regarding homeless families with children:

- *In Austin/Travis county, only 16 percent of the children eligible for subsidized child care receive it.*
- *A single mother in Travis county working forty hours a week at minimum wage would have to pay 44% of her income for child care (A Snapshot of our community, A Master Study, Community Action Network of Austin/Travis County).*
- *The City of Dallas CHAS acknowledges that the fastest growing population among the homeless is single women with small children. A February 1994 survey of twelve Dallas County Justices of the Peace found that 1,636 families were evicted from their homes each month in 1993.*
- *A study by the City of Dallas found that 40% of homeless families have been without a regular sleeping arrangement for between six months and a year. 46% of homeless parents report having more than one child in their custody. Child care is available to only three in ten families and only 6% of the parents were in contact with the other parent.*
- *A report from Day Resources Center indicated that on any given night in Dallas there is a minimum of 250 families residing in night shelters, 100 families who are living*

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<sup>51</sup> *Priority Home! The Federal Plan to Break the Cycle of Homelessness*, Federal Interagency Council for the Homeless, p.33.

*with relatives or friends, and at least 25 families living in cars and abandoned buildings.*

- *Between 1992 and 1993, the percentage of homeless families with children in the East Texas counties of Smith, Wood, Rains Van Zandt, and Henderson increased from 32 percent to 43 percent of the total homeless population.*
- *By January, 1995, 20% of the homeless in Houston were women and their children. In January, 1995, less than half of the emergency shelters (15 out of 36) in Houston/Harris County accepted women with children.<sup>52</sup> Of the 2338 temporary emergency shelter beds available for the homeless in Houston/Harris County, only 300 were occupied by women with children.*
- *Montgomery County Women's Center had to deny services to 352 homeless families in 1994.*
- *In 1994, the Salvation Army in Austin turned away over 300 families including 718 children because of lack of space. Shelter for families at the Salvation Army has been operating at 106 - 139% capacity. The HOB0 shelter in Austin maintains a waiting list of approximately 100 families.*
- *At 67 percent, San Antonio has one of the highest percentages of homeless families with children. San Antonio has a critical need for affordable child care.*

### **Victims of Domestic Violence**

Women suffering from domestic violence are at risk of homelessness. In 1992, family violence centers in Texas housed 12,200 women and 14,900 children. The Department of Justice reports that about one-fourth of all incidents of serious assaults are the result of domestic violence and nearly 73% of homeless families are headed by females of whom the majority are homeless due to domestic violence (Roberta F. Burroughs & Assoc., 2/90). Of these families, women in the lowest income category (less than \$9,999 annual income) experience the highest rates of violent crime. In about half the cases where domestic conflict was the cause of homelessness, the woman was the victim of abuse from the partner. These women often end up going back to the abuser because they lack the financial resources and supportive services to live independently.

Battered women proceed through relatively high numbers of short homeless episodes with the average duration being 7 months. As these episodes of homelessness become longer, the degree of self-sufficiency declines and the chance of eventual exit is diminished (Bay Area Women's Shelter, 1995 ESGP application).

In the state of Texas, there were 155,767 *reported* domestic violence incidents in 1993. In the first half of 1994 there were 71,806 domestic violence incidents reported in Texas (Texas Department of Public Safety). A study conducted by Sam Houston State University's Department of Criminal Justice indicates that one in four Texas women are victims of family abuse during their lives, and 15% of all Texas women are victims of chronic domestic abuse. According to these statistics, an estimated 75,000 women and 150,000 children are affected by family violence and at risk of homelessness.

- *In the first half of 1994, there were 2,247 domestic violence incidents reported in Harris County (Texas Department of Public Safety).*
- *Police in El Paso receive more than 100,000 calls a year about family violence.*
- *According to a Homeless Survey conducted by the Tarrant County Commissioner's Court 34% of the Tarrant County homeless population was homeless due to domestic violence.*

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<sup>52</sup> Houston Coalition for the Homeless 1995 one-night survey of emergency shelters.

- *The 1992 City of Fort Worth CHAS reported that the number of homeless due to domestic violence is between 1,202 and 1,360 at any one point in time.*
- *According to the City of Dallas, there are 500 persons on Dallas streets that are homeless due to family violence. According to the police in Dallas, the number of murders attributed to family violence have steadily increased over the last five years (as evidenced by a 10% increase in 1994).*
- *Two of three women seeking shelter in the three county area of Dallas, Rockwall, and Collin are turned away. 223 shelter beds are available and 407 are required to serve all women seeking shelter. It is projected that by the year 2000, 70% of women requesting emergency shelter will be turned away. (New Beginning Center 1995 ESGP application)*
- *Hope Inc. provided services to 433 abused women and children in 1994. There are no other homeless shelters available in the four county region of Palo Pinto, Parker, Hood and Erath.*
- *In 1990 the Cleburn Police Department had 500 reports on file for family violence situations.*
- *During 1994, 947 persons in Hunt and Rockwall counties received help related to domestic violence from Women in Need (Women in Need, 1995 ESGP application)*
- *The Crisis center in Grayson county housed 1,837 homeless victims of domestic violence in 1994.*
- *A 1993 report showed 1,600 family violence crimes in the Gregg, Rusk and Panola County area.*
- *Women's Shelter of East Texas is the only emergency shelter for battered women and their children available in eight rural East Texas Counties. TDH estimates 8,000 women at risk of domestic violence within the service area.*
- *The 1989 McKinsey Report noted that on any given night there are 500 battered women and children homeless in Harris County due to family violence. There are only 158 emergency beds in the Houston/Harris County area available to battered women and their children.*
- *The Texas Department of Human Services estimates that over 11,000 women and children live in abusive homes each year in Montgomery and Northwest Liberty County.*
- *According to the Department of Public Safety, 38 percent of female murder victims in the Montgomery, Harris and Liberty County areas were slain by domestic partners.*
- *In the first half of 1994, there were 2,247 incidents of domestic violence reported in the incorporated areas of Harris County (Texas Department of Public Safety).*
- *The Baytown Police Department received 523 family violence calls and reported 49 sexual assault cases in 1994.*
- *Uniform Crime Reporting statistics recorded 475 reported cases of family violence in Hays County in 1993 and 173 cases in Caldwell County.*
- *Catholic Social Services of Laredo has served 25,000 domestic violence victims since 1973*
- *There are an estimated 10,000 victims of domestic violence in the rural Permian Basin area.*
- *TDH estimates that within the El Paso, Hudspeth and Culberson County service area 12,574 victims of domestic violence will require shelter services.*
- *Police in El Paso receive more than 100,000 calls a year about family violence.*

### **Homeless Persons with Mental Illnesses**

"Each year approximately 50 individuals are discharged from the Austin State Hospital, and another 144 are discharged from UTMB Galveston into Brazoria County. Other than the burden of a diagnosed mental illness, these people carry little or nothing with them

when they leave the hospital. They may be given a bus ticket and a few changes of clothing, but the majority of them have no job, no money, and no place to live. Their significant lack of resources upon returning to the community is a direct route to homelessness." (The Gulf Coast Center ESGP application).

It is very difficult for homeless persons with mental illness to compete for access to the limited social service programs available. All persons with mental illness who receive SSI are in the 0 - 30% range of median family income. The general lack of affordable housing and the poverty of this population leaves them highly susceptible to becoming homeless. The following are some additional statistics regarding homeless persons with mental illness:

- *In Tarrant County, 1,500 persons are both homeless and mentally ill and 50-60% of the literally homeless are mentally ill.<sup>53</sup> There are between 733 and 1,063 emergency shelter beds in Tarrant County. These shelters are available for persons with mental illness, but do not adequately provide the specialized care, services and attention required of this population.*
- *The Day Haven in Tarrant County services an average of 170 homeless persons with severe mental illness each month.*
- *30-40% of Houston's homeless population is mentally ill. 70% of the mentally ill are dually diagnosed with a substance abuse problem (MHMR, PATH annual report)*
- *The case management program of Tri-County MHMR (which serves Liberty, Montgomery and Walker counties) conducted a Homeless Survey in March 1995 and found that the problem of homelessness among the persons that were seriously mentally ill, persons that were mentally ill with substance abuse, and persons with mental retardation was steadily increasing.*
- *There are 89,124 mentally ill people in Travis County - 19,032 of these have a major diagnosis. MHMR reports that 10% of their mentally ill clients are homeless. MHMR operates 234 housing units for the mentally ill, but only 60 of these are dedicated to homeless mentally ill persons.. MHMR currently has a waiting list of over 400 persons for its assisted rental units.*
- *45% of Austin's single homeless population and 30% of Austin's homeless families are in need of mental health services. (Austin Center for Battered Women 1995 ESGP application)*
- *A study of the homeless done by the Nueces County Mental Health and Mental Retardation Community Center determined that fully 25% of the local homeless population was chronically mentally ill.*
- *Concho Valley (Coke, Concho, Crockett, Irion, Reagan, Sterling, and Tom Green counties) care providers cite a shortage of beds for chronically mentally ill persons - 35 persons need services and 12 beds are available.*
- *At least 10% of Austin/Travis County MHMR clients are homeless.*
- *MHMR has a waiting list of over 4,000 for its assisted rental units. Of the 234 housing units for mentally ill persons in Austin, only 60 are dedicated to homeless mentally ill persons.*
- *1500 persons in Fort Worth are both homeless and mentally ill (Report from the Housing for the Mentally Ill Task Force, Mental Health Association of Tarrant County, 1988.).*
- *4,000 homeless persons in Amarillo have a diagnosable mental illness (MHMR PATH Annual Report).*
- *400 homeless persons in Galveston have a mental health diagnosis (MHMR, PATH Annual Report).*
- *1,100-1,200 homeless persons in Corpus Christi are seriously mentally ill. (MHMR, PATH Annual Report).*
- *In 1989, the Austin Salvation Army served between 3,800 and 6,300 mentally ill homeless persons (MHMR, PATH Annual Report).*
- *In San Antonio there are between 2900 and 3700 persons dually diagnosed with a mental illness and substance abuse disorders (MHMR, PATH Annual Report).*

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<sup>53</sup> Report from the Housing for the Mentally Ill Task Force, Mental Health Association of Tarrant County, 1988.

## **Persons with HIV/AIDS and Other Diseases**

Health problems such as diabetes, HIV/AIDS and tuberculosis are prevalent among the homeless population. National data indicates that 15 percent of the homeless population is HIV positive. Homelessness is considered to be a risk factor for HIV infection because of the increased rates of substance abuse, prostitution and mental illness among the homeless population. The following are some additional statistics regarding homeless persons with HIV/AIDS:

- *Many HIV+ individuals with families are within one or two weeks of eviction due to their very low income levels. Case managers working with HIV+ individuals report that a significant number of their clients are currently living in shelters, transitional housing or hospital settings. (AIDS Foundation of Houston)*
- *In the Austin/Travis County area only 34 HIV/AIDS housing units are available to serve an estimated 300 homeless people with AIDS. (A Snapshot of Our Community, Community Action Network of Austin/Travis County, May 1995)*
- *10% of the homeless persons tested at the Austin Homeless Health Clinic are HIV positive. HIV positive rates at this clinic have been as high as 25% in the past. (A Snapshot of Our Community, Community Action Network of Austin/Travis County, May 1995)*

## **Rural Households**

"Homeless individuals in rural areas typically bounce around from family member to friend to family member, often spending time living in their cars and camping in parks."  
(East Texas Crisis Center 1995 ESGP application)

Homelessness is now spreading to rural and suburban areas. The Texas Department on Aging estimates that 22.7% of rural households are impoverished compared to only 17.2% of urban households, thereby increasing the risk of homelessness in rural areas.

## **Unemployed Persons**

Approximately two thirds of the homeless population is unemployed. Over half of those unemployed cite job loss as a contributing factor to their lack of a home. According to the Texas Employment Commission, between July of 1992 and June of 1993, a monthly average of 647,314 individuals statewide applied for unemployment benefits.

## **Migrant Farmworkers**

Due to their mobile lifestyle and average annual household income of \$5,472, migrant farmworker families are at a high risk of homelessness.

## **Ex-Offenders**

The social service system in Texas does not have the resources to provide follow-up and continued supervision of ex-offenders. The Texas Department of Criminal Justice records 44,052 parolees released in 1992. As a subgroup, ex-offenders are often prone to homelessness, social hostility, unemployment, substance abuse and poverty.

## **Elderly**

According to the Texas Department on Aging, the percentage of elderly Texans living below the poverty level is on the rise, making the elderly, proportionately, the poorest of all Texans and leaving them with a high risk of becoming homeless.

## **Veterans**

Approximately 30 to 45 percent of the male homeless population have served their country in the armed services. Approximately 40 percent of homeless veterans are African-American or Hispanic. And about 10 percent of homeless veterans suffer from post-traumatic stress disorder.<sup>54</sup>

*In addition to the categories listed above, the homeless population shows an unusually high proportion of persons who have spent time in foster care as children and/or are members of minority groups (primarily African-Americans and Hispanics).*

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<sup>54</sup> *Priority Home! The Federal Plan to Break the Cycle of Homelessness*, Federal Interagency Council for the Homeless, p. 25.

## 4. Continuum Of Care

The 'continuum of care' approach to fighting homelessness is based on the understanding that homelessness is not caused merely by a lack of shelter, but involves a variety of underlying unmet needs -- physical, economic and social. A comprehensive system of services as well as permanent housing is needed to meet these needs and help homeless individuals and families reach independence. Continuum of care strives to meet these requirements through a combination of emergency shelters, transitional housing, social services and permanent housing. The continuum of care system begins with outreach, intake and assessment, followed by safe emergency shelter, and finally, transitional housing that provides substance abuse services, mental health services, life skills training, educational services, job training, family support and continuing services for those who need it. Ultimately, the final goals are permanent housing and, if needed, permanent supportive housing. The continuum of care approach further recognizes the importance of giving each community the flexibility to design a strategy that works within its service delivery system.

The 1995 ESGP application requirements asked applicants to describe their organization's participation in any local homeless coalitions, social services coordinating councils, development of the HUD-required Consolidated Plan or similar document, and/or development of a "continuum of care" plan for the community. Based on the 100 applications that were received, local care providers have made great strides in coordinating their efforts and adopting a more comprehensive approach to treatment. A majority of the applicants include either case management and/or information and referral in their range of services and a significant number of local communities have formed local homeless coalitions and social service coordinating councils.

The Texas Department of Housing and Community Affairs and the Texas Department of Mental Health and Mental Retardation have created a partnership to implement a "Continuum of Care" project, based on the U.S. Department of Housing and Urban Development's concept published in "Priority HOME". This project was designed to encourage the coordination of existing services and planning for additional services for homeless persons in South Texas.

South Texas is historically and chronically underfunded for homeless services. Competitively awarded federal funding for this population has been minimal. The need for increased state and federal funding and services in this region has been a priority issue for both Departments. The lack of homeless services in the area has been a concern for both the Texas Interagency Council for the Homeless and the Texas Homeless Network.

In response to these concerns, the Texas Department of Mental Health and Mental Retardation has committed \$220,00 from the FFY93/94 Projects for Assistance in Transition from Homelessness (PATH) program, as well as administrative and technical assistance support for the partnership activities. The Texas Department of Housing and Community Affairs has committed up to \$100,00 of the FY 1994 Emergency Shelter Grants Program (ESGP) allocation (An additional \$100,000 from the FY 1995 ESGP allocation is reserved for the project, dependent upon performance) and \$250,000 in Tenant-Based Rental Assistance from the FFY93 HOME program. These two state agencies developed a competitive Request For Proposals to obligate these funds. The Valley Coalition, formed in response to the RFP, submitted the successful application. Both state agencies provided extensive technical assistance to the Coalition in order to implement the project in the Harlingen-Brownsville area. The Valley Coalition for the Homeless, through a group of nonprofit organizations and housing authorities, are providing enriched services to homeless persons and families that can benefit from case management to assist them toward self sufficiency and permanent housing.

## 5. Counting The Homeless

To effectively understand the magnitude of the homeless problem and serve the population effectively, a statistically relevant count is needed.

Any count of the homeless population represents an elastic number subject to the definition of the researcher and the methodological approach used. Estimates of homeless populations vary widely. The migratory nature of the homeless population, the shame and social isolation associated with homelessness, and the fact that many homeless persons lack basic documentation all contribute to the difficulty of making an accurate count. Additionally, most homeless counts are "point in time" estimates which do not capture the revolving door phenomenon of persons moving in and out of shelters over time.

The 1994 CHAS committee found that the 1990 Census severely underestimated the number of homeless persons in Texas, and therefore, unanimously decided to "abstain from using any 1990 Census S-Night data in discussion of the homeless population of Texas within the text or tables of the 1994 CHAS". This decision was supported by HUD. An acceptable count of the homeless population and their shelter needs in Texas is currently unavailable.

### 1994 TDHCA HOMELESS SURVEY RESULTS

The 1994 CHAS committee and TDHCA mailed surveys to 850 homeless shelter providers in Texas with requests to collect data on homeless persons receiving both shelter and non-shelter services on June 24, 1993. Approximately 30%, or 256, of those surveyed sent a response, resulting in a count of 8,928 homeless persons in shelters and 7,230 homeless persons receiving services. Please note that the survey results should not be generalized to the homeless population. Of those surveyed:

- 38% of the shelter population and 24% of the homeless receiving services were under the age of 18.
- 70% of the adults counted had one or two children.
- More than half (59.7%) had become homeless for the first time within the last 12 months.
- 37.1% had spent most of their lives in Texas and would be classified as native Texans.
- 53% had completed high school and 22% had a college education.
- 31% were US veterans.
- 11.5% of the homeless population was over the age of 56.
- 29% to 33% were employed full time, part time or as day laborers.
- The most commonly mentioned barrier to employment was physical health.

The Texas Department of Housing and Community Affairs and the Texas Homeless Network are leading an effort to improve estimates of the number of homeless in Texas. The Department had planned to conduct a homeless count, to be called the Texas Count, during SFY 1995. An ad-hoc committee of experts on homelessness from around the State met during SFY 1994 and, after consulting with Martha Burt, Ph.D. of the Urban Institute and the author of Practical Methods for Counting Homeless People, presented recommendations on the Texas Count which were approved by the TDHCA Board. The Texas Count would have: (1) included the urban homeless survey figures from Participating Jurisdictions; and (2) gathered information over a 30-60 day period from other urban and rural areas using a survey completed by persons seeking assistance from service providers and identifying themselves as homeless. However, the project was tabled when the \$300,000 set-aside for funding was found ineligible for the purposes of the count.

In December 1994, the ad-hoc committee met with Dennis Culhane, Ph.D. regarding his methodology for conducting urban counts of homeless persons. Members of the ad-hoc homeless committee, including representatives from TDHCA and TxMHMR, felt that his longitudinal method might yield more consistent and reliable results. These members remain in contact with Dr. Culhane and hope to participate in his upcoming HUD-funded project to count homeless persons. Regardless of a count, mounting evidence shows that the problem is severe and continues to grow.

# C. Other Special Needs

**Persons w/ disabilities and persons with HIV/AIDS are covered above.**

**Other special needs groups are covered as follows:**

- Elderly Persons
- Persons with Alcohol or Other Drug Addiction
- Victims of Domestic Violence

## 1. Elderly Persons

Many elderly households have spent the past decade stretching fixed incomes to meet the rising cost of housing. As a result, the average age of residents living in federally assisted housing is 78. As they age, many of these residents become frail and require supportive services. Without the provision of supportive services linked with affordable housing, estimates are that 20 to 30 percent of these residents will need nursing home care. The average cost of nursing home care in Texas is approximately \$56 per day (the amount of the governmental contribution to this cost varies according to each individual's available resources). Seventy percent of the nursing home population in Texas is on Medicaid. Due to the availability of Medicaid resources for nursing homes and the lack of alternative options, many low-income elderly persons in Texas have been placed in nursing homes prematurely. However, according to elderly housing administrators, elderly occupants almost unanimously agree that they would prefer to remain in their own homes.

By the year 2026 the elderly will make up 23 percent of the Texas population - a significant increase from 14 percent in 1990

Providing resources (such as supportive services and minor structural modifications) that would allow the elderly to remain in their own homes would cut down on the premature institutionalization of elderly occupants who require some supportive services but do not have the acute care requirements to justify nursing home care. This would, in turn, increase the self-sufficiency and personal satisfaction of the population being served; provide a more cost effective alternative to full-time care; make the most effective use of existing housing; and minimize the displacement and geographic isolation of the elderly population.

Texas currently ranks 49th among the states in services to the elderly. Furthermore, Texas is one of only three states that does not add to Federal Supplemental Security Income (SSI) benefits. SSI assistance by itself supplies only 77 percent of the poverty level income and provides the only source of income for many elderly Texans.

The total appropriation from the state to fund nursing home care for the next fiscal year (starting 9/1/95) is \$1.3 billion. In Texas alone, approximately 60,000 people a day are on Medicaid. Remarkably, this number has held steady for the last ten years. This stabilization in the number of people receiving Medicaid can be largely attributed to the increase in community care alternatives. Whereas nursing homes are geared towards addressing dire need, community care providers can often focus on delaying the need for institutionalization and providing more flexible housing assistance tailored to the needs of the individual. Furthermore, community care providers using an assisted living approach (rather than full-time institutionalization) serve more people at a lower cost resulting in a more effective distribution of available resources.

Fixed incomes balanced against rising housing costs leave elderly persons vulnerable to extremely high cost burden and homelessness. The 1990 census showed elderly households in Texas earning less than 30% of the average income for the state. Elderly households tend to spend a larger share of their income for housing than younger households.<sup>55</sup>

### TEXAS STATISTICS ON ELDERLY HOUSING

- There are 1,107,928 elderly households (65 years of age and older) in the State of Texas.
- There are 461,585 household in Texas headed by persons more than 75 years of age.
- There are 296,690 elderly households in Texas living below the federal poverty level.
- There are 223,252 elderly households in Texas that are renters.
- There are 383,075 elderly households in Texas with an income less than \$10,000 annually, 207,370 of these households are headed by persons more than 75 years of age.
- There are 148,682 elderly households in Texas with an income less than \$5,000 annually.
- Many rural areas in the State are experiencing an overall decline in population, leaving the elderly population behind in declining areas with a shrinking tax base.
- In 1990, 278,968 very low, low and moderate income elderly persons in the state of Texas were paying more than 30% of their income for housing.
- The population age 85 and above is the fastest growing segment of the population in Texas.

Elderly householders have a high rate of homeownership. Householders 65 or older are more likely to own their homes than are householders 15 to 64. Seventy-seven percent of elderly householders (65 or older) compared with 61 percent of younger householders (15 to 64), own their own homes.<sup>56</sup> Despite high rates of ownership elderly households are often in need of weatherization and energy assistance. Elderly owners and renters are less likely than younger owners and renters to have central air conditioning.<sup>57</sup> And homeowners 65 or older are less likely than younger owners to have central heating.<sup>58</sup> Elderly persons face greater health risks due to a lack of air conditioning and/or heating.

Elderly owners generally live in older homes than young owners. For owners 65 or older, the median year the structure was built is 1956.<sup>59</sup> One-third of all elderly owners have lived in their current residence for at least 30 years.<sup>60</sup> Many of the older housing units occupied by the elderly are severely substandard and dilapidated. According to administrators with the Texas Department of Aging's Residential Repair Services Program, they often find themselves in a futile situation providing repairs and modifications to a home that is on the verge of collapse.

<sup>55</sup> Naifeh, Mary L. *Housing of the Elderly: 1991*. U.S. Department of Housing and Urban Development and U.S. Department of Commerce, Current Housing Reports H123/93-1, p. 3.

<sup>56</sup> Id. at p.5. p. 5.

<sup>57</sup> Id. at p.3.

<sup>58</sup> Id. at p.19.

<sup>59</sup> Id. at p.17.

<sup>60</sup> Id. at p.3.

Texans over the age of 80 make up a small but rapidly growing population - 1990 census figures currently show that persons 85 years or older compose 7.1% of the elderly populations. As well as being the fastest growing group of the elderly, this group has the most significant need for added social and medical supportive services.

Frail elderly persons are categorized as persons unable to perform one or more "Activities of Daily Living" (ADL) without help. These activities include eating, dressing and bathing. In addition to basic housing need, the frail elderly need additional, and expensive, medical and social services. Varying degrees of assistance are needed to maintain maximum self-sufficiency and delay the need for nursing home care. Estimates by the Texas Department of Aging show that of 608,000 elderly persons with disabilities in the state, 329,000 or 54% were frail elderly. According to elderly housing administrators, some of the most severe housing problems in the state are experienced by frail elderly minority persons in rural areas. As the state becomes increasingly urbanized (projections estimate that by 1999, 84 percent of the state's population will live in urban areas) the elderly are left behind in declining rural communities with a shrinking tax base and very few community care options to address their health and social service needs. A frail elderly person with a minor ailment or injury in these areas will often be institutionalized prematurely due to a lack of alternative care options.

In March of 1995, the Texas Association of Homes and Services for the Aging (TAHSA) surveyed its housing members to determine the current demand for elderly housing in Texas (TAHSA's housing members consist of non-profits operating HUD section 202 supportive housing for the elderly)<sup>61</sup>. The survey responses definitively showed that the demand for elderly housing far exceeds supply. The TAHSA housing members reported an average of 58 persons on waiting lists for each apartment building (there were an average of 80 units per apartment). All the housing facilities were at 100 percent occupancy with an average wait of 26 months prior to occupancy. The average age of residents was 75. Nineteen percent of the persons on the waiting list qualified for "federal preference" which afforded them priority status and lengthened the wait for those without federal preference. "Federal preference" requires that PHA's target 50 percent of their admissions to persons who pay more than 50 percent of their income for rent, live in substandard housing or are displaced.

According to a report prepared by the American Association of Homes and Services for the Aging (AAHSA), linking supportive services with housing will save significant personal and societal resources by enabling some older frail persons to remain in their own supportive housing. This linkage, according to the AAHSA, relies heavily on coordination between HUD and HHS.

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<sup>61</sup> The Texas Association of Homes for the aging was founded in 1959. It represents non-profit housing providers and nursing home care providers that serve the elderly population.

## 2. Persons with Alcohol or Other Drug Addiction

The population of persons with alcohol or other drug addiction is diverse and often overlaps with the mentally ill or homeless categories. Supportive housing programs needed for persons with alcohol and/or other drug addiction problems range from short-term, in-patient services to long-term drug-free residential housing environments for recovering addicts.

In 1990, the Texas Commission on Alcohol and Drug Abuse (TCADA) estimated that there were approximately 988,000 chemically dependent adults and some 136,000 youths (between the ages of 13 and 17) with drug or alcohol-related problems in the State of Texas.<sup>62</sup> Preliminary figures indicate that these numbers have increased in the last five years. In FY 1994, 63,446 adult clients entered treatment programs funded by TCADA. The typical client was a 33 year old male; some 41 percent of the clients were white, 34 percent were black, and 24 percent were Hispanic. The average income of those admitted was \$5,615, and only 32 percent were employed at the time. Fifty-six percent of the clients lived with family, and 9 percent (5,520 persons) were homeless.<sup>63</sup> Through its programs, TCADA provided some 10,700 adult and adolescent residential beds in FY 1993.<sup>64</sup> Although this figure is only representative of public housing, the total public and private effort is not even beginning to meet the need. In November 1992, for instance, there were over 4,000 persons on waiting lists for these beds.<sup>65</sup>

There has been some research into the influence of socio-demographic factors on drug use patterns. Statistics show that urban and suburban residents are more likely to have substance abuse problems than rural residents. Also, adults who are unemployed or in school are more likely to experience drug or alcohol problems than working persons.<sup>66</sup> It has been suggested that differences among neighborhoods may affect drug use as much as factors such as sex, age and race, but this has yet to be proven conclusively in Texas.<sup>67</sup> It is acknowledged, however, that a rehabilitated user may need to change his living environment in order to better face the challenge of a drug-free lifestyle.

Often, better recovery results are obtained by taking clients off the street and into a more stable living environments. In a summary of Discharge/Follow-up Reports which were performed 60 days after a client's release from treatment, TCADA found that rates of program completion were highest for clients discharged from a residential treatment program. Clients leaving residential treatment also had the highest abstinence rates.<sup>68</sup> TCADA's goals included emphasizing the concept of a "continuum of care" and increasing cooperation with other government agencies as well as community-based organizations. For persons completing treatment and beginning the difficult path towards maintaining sobriety, the living environment may be critical in their ability to practice abstinence. Those who seek a fresh start may require assistance in relocating to a healthier environment away from day-to-day pressures.

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<sup>62</sup> Texas Commission on Alcohol and Drug Abuse. *Plan for the Implementation of a Comprehensive Statewide Program for the Treatment of Chemical Dependence (State Plan for the Treatment of Chemical Dependence)*, January 1993, p. 23.

<sup>63</sup> TCADA Treatment Assessment Database. *Characteristics of Adult CODAP clients at Admission by Primary Substance Problem that Caused Them to Seek Treatment: Statewide Totals for Calendar Year 1994*.

<sup>64</sup> TCADA. *State Plan for the Treatment of Chemical Dependence*, p. 26.

<sup>65</sup> *Id* at p. 26.

<sup>66</sup> Texas Commission on Alcohol and Drug Abuse, *1993 Texas Survey of Substance Use Among Adults*, p. 41

<sup>67</sup> *Id* at p. 63.

<sup>68</sup> *State Plan for the Treatment of Chemical Dependence*, p. 13-14

Most importantly, once a problem is recognized, the chemically dependent person should be able to receive adequate and timely treatment. Recent figures suggest that demand for services for chemically dependent persons far exceeds supply, especially in the critical area of long term residential treatment. One strategy to enhance service to clients involves the integration of alcohol and drug abuse programs into housing projects which have not traditionally been utilized for the provision of these services. A factor which has historically inhibited mothers in receiving treatment is the lack of child care services during the course of the program. This problem can be addressed through program integration. Finally, a program should contain structured educational and job training activities combined with a progressive increase of resident responsibility and a phased reentry into the community and independence.

### 3. Victims of Domestic Violence

**The lack of decent affordable housing is a major barrier for battered women and their children as they strive to achieve self-sufficiency and independence from both their abusers and, ironically, from battered women's shelters.**

Barbara Shaw. Developing Affordable Housing. The Exchange. 1989. Vol. 3, No.

In 1993 there were 155,767 reported incidents of domestic violence in Texas. Women making the effort to leave an abusive situation often face a serious shortage of financial resources and a complete lack of housing opportunities outside of temporary shelter. Financial dependence often forces women to return to an abusive situation in order to ensure food and shelter for their children. Transitional housing programs that provide both housing and supportive services for homeless persons provide battered women the time they need to gain access to resources, achieve emotional stability, develop healthy living skills and make the transition to self-sufficiency. However, leaving an abusive relationship does not guarantee safety for battered women and their children. As many as 75 percent of visits to medical emergency rooms by battered women occur even after they have separated from the violent partner.<sup>69</sup>

#### FAMILY VIOLENCE STATISTICS IN TEXAS

	1993	1992	1991
Domestic violence incidents reported to the State	155,767	145,184	124,373
Women killed by intimate partners	161	132	152
Texas Department of Human Safety			

	1994	1993	1992
Adults Sheltered	11,778	11,233	10,932
Children Sheltered	16,984	16,359	15,988
Hotline Calls Answered	153,325	N/A	146,717
Adults Denied Shelter	10,065	8,956	N/A
Texas Department of Human Services			

<sup>69</sup> Evan Strak and Anne Flitcraft, 1988.

## D. Lead-Based Paint Hazards

Lead poisoning occurs when there is too much lead in the body. Lead can cause major health problems, mostly in children under 6 years old whose bodies are not fully grown and are more easily harmed. The health effects of lead-based paint can be insidious. At very low concentrations, these effects can include a drop in IQ level, hyperactivity, behavioral problems, depression and memory loss - symptoms that are often attributed to other causes. Child-care workers and parents are not trained to associate these symptoms with indoor environmental factors, and alternative explanations are often close at hand. Furthermore, factors such as IQ are not tested regularly, so a significant drop in IQ often goes undetected. High concentrations of lead contamination can damage a child's brain, nervous system, kidneys, hearing or coordination; cause behavior problems, blindness and even death; affect learning; and can cause problems in pregnancy (miscarriages and premature births) and affect a baby's normal growth.

Lead-based paint is the most common high-dose source of lead exposure for children. Lead paint hazards are of particular significance for housing units which are occupied by families with children. Lead paint hazards vary for each individual unit, but units built before 1950 present a significant risk for occupants with young children. The allowable lead content of paint declined after 1950 and was reduced to less than .06 percent by weight in 1978.

Children absorb and encounter more lead than adults; therefore, the affects of lead poisoning on children are more devastating and irreversible. Children absorb approximately 50 percent of the lead they ingest, whereas adults only absorb about 10 percent. Lead accumulates in three principal areas of the human body: blood, soft tissue, and bone.

Lead in housing can come from a variety of sources, including but not limited to: lead dust from moving parts of windows and doors that are painted with lead-based paint; lead-based paint on wood trim, walls, cabinets in kitchens and bathrooms, playscapes, lamp posts, etc.; soil contaminated from lead-based paint and leaded gasoline; and drinking water where old lead pipes or lead solder was used. Lead dust and paint chips containing lead are produced when lead-based paint is scraped, rubbed, hit, exposed to weather, or when wind, aging, damage, and/or moisture causes paint to peel.

Children often become contaminated with lead through hand-to-mouth activity, a normal habit for a child exploring its environment. The dust and chips get on children's hands toys and pacifiers and when children put their toys, fingers or pacifiers in their mouths, the lead enters their bodies. Sometimes they will even chew (the lead in paint creates a sweet flavor) on an easy to reach lead-based paint surface like a window sill. There is new evidence that lead dust is a more serious hazard than ingestion of paint chips since it is often more pervasive and is poisonous when ingested or inhaled. Lead dust is so fine it will pass through a vacuum cleaner bag and spread into the air.

For the community, the long-term side effect of lead-based paint poisoning is a reduction in human potential. Individuals that have been contaminated will have a harder time keeping up in school and eventually finding a job. Those that suffer from mental retardation may require public support from state agencies such as MHMR, making them a permanent ward of the state and a drain on the tax-payer. The vicious cycle of poverty is perpetuated. The cost to society is

immeasurable. Prevention is clearly the most cost effective and beneficial approach to mitigating lead-based paint contamination. Lead-based paint abatement in Texas needs to be integrated with affordable housing programs; over half of the low-income units in the state are contaminated with lead-based paint.

**The number of housing units in Texas with lead-based paint is estimated at 3,460,146.<sup>70</sup>**

This estimate is consistent with the HUD-recommended approach, which multiplies the number of housing units by decade built times the percentage of housing with lead-based paint by decade built.<sup>71</sup>

**There are 1,949,696 children in Texas under the age of 7 (the population considered most at-risk).<sup>72</sup>**

This number provides an indicator of the potential population at risk. Despite the aging of this population since the Census was taken, it is assumed that a state's population of children in this age cohort will probably continue to rank by size in roughly the same proportions.

**25.6 percent (or 499,122) of the children in Texas in this age group live in poverty.<sup>73</sup>**

Various demographic factors have been found to be correlated with high incidence rates of elevated blood levels. This variable was found to exhibit a correlation in at least two state-wide studies (Massachusetts and Maryland).

**51.6 percent of the low-income housing units in Texas are contaminated with lead-based paint.<sup>74</sup>**

The Texas Department of Health performs a statewide Medicaid Early and Periodic Screening, Diagnosis, and Treatment (EPSDT) for blood levels for a sub-population of Medicaid recipients between the ages of 0 to 42 months to identify geographic reporting areas with a high incidence of clients with elevated lead levels. In 1994 blood lead screens were performed on approximately 178,540 EPSDT children. Of the 328 zip codes/cities which had 100 or more screens performed in CY1994, only 21 had a high incidence of elevated blood levels (14% of screens with blood levels over 10ug/dL). Although the overall incidence of elevated blood lead in this population is not high, a few areas in Texas have an unacceptably high number of lead poisoned children. The high incidence counties, cities and zip codes are listed below:

EPSDT ELEVATED BLOOD LEVELS					
City/County	Zip Code	City/County	Zip Code	City/County	Zip Code
Fort Worth	76104	Dallas	75210, 75215	Terrell	75160
Corsicana	75110	Marshall	75670	Palestine	75801
Navasota	77868	Beaumont	77701	Galveston	77550
Mathis	78368	Raymondville	78580	Gonzales	78629
San Antonio	78202	Hearne	77859	Marlin	76661
Waco	76704, 76707	Houston	77003, 77004, 77019 <sup>75</sup>		

EPSDT Blood Lead Screening Levels in Texas 1994, Texas Dept. of Health (For more information call 512-458-7700)

<sup>70</sup> 1990 Census Summary Tape File 3A

<sup>71</sup> CHAS Guidance; data derived from Comprehensive and Workable Plan

<sup>72</sup> 1990 Census Summary Tape File 1A

<sup>73</sup> 1990 Census Summary Tape File 3A, table P119--Poverty Status by Race by Age

<sup>74</sup> CHAS database - Table T35--Year Structure Built of Affordable Units by Tenure and Bedroom Size

<sup>75</sup> In this report first tests on children 0-72 months of age were examined in areas which have performed at least 100 screens, and in which the percentage of screens with high blood levels is more than two standard deviations above the statewide mean for each breakdown, county and zip code/city.

## **E. The Colonias**

A colonia is an identifiable unincorporated area located within 150 miles of the Texas-Mexico border that lacks infrastructure and decent housing. The housing needs of the Colonias are probably the most critical in the state of Texas. Residents of the Colonias along the 150 mile area of the Texas/Mexico border live-in conditions that are often compared to those of the poor in Third World countries. It is safe to assume that the passage of the North American Free Trade Agreement (NAFTA) will result in rapid population growth on both sides of the border placing an even greater demand on the already limited supply of affordable housing in the area.

### **Geographic Profile**

The population of the Colonias was estimated by the Texas Water Development Board to be 340,000 people in over 1,400 colonias early in 1995. Other estimates by colonia advocate groups place this number at 500,000 persons. Population densities in the Colonias range from 0.2 to 23 persons per acre.

Colonias tend to be located at the outer edges of built-up, urban areas in the Lower Rio Grande Valley and El Paso areas. Seventy-four point percent of the colonias identified were located in four counties in the Lower Rio Grande Valley -- Hidalgo, Starr, Cameron and Willacy. Hidalgo County alone contains 39.1 percent of the total Colonia population. El Paso County contains 17.1 percent of the total Colonia population.

### **Demographic Profile**

The following demographics are based on a 1988 survey conducted by the Department of Human Services:

- 98.8% of the residents of the colonias are Hispanic;
- The average age of a colonia resident is 18.5 compared to 30.8 for the State;
- Two-thirds of all colonia residents were born in the USA.

### **Economic Profile**

Unemployment in the colonias exceeds 40 percent. In addition to the lack of employment opportunities, colonias residents typically have low educational attainment levels, limited English speaking skills, a lack of basic job skills and the need for supportive services such as child and health care. Sixty-seven percent of colonias residents over 18 have not completed high school. Among this group unemployment is 41 percent. Sixty-five percent of Colonia residents have no health insurance. As a result of high unemployment and a lack of job skills, 15 percent of the households surveyed in the colonias report they do not usually have enough to eat.

### **Living Conditions**

Residents of Texas' border counties were three times more likely to live in substandard housing than households in either rural or urban areas nationwide.<sup>76</sup> The Texas Water Development Board has estimated that the repair, removal and replacement of the existing substandard housing in the colonias would cost more than \$500 million.

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<sup>76</sup> *Taking Stock of Rural Poverty and Housing for the 1990s*. The Housing Assistance Council, Washington DC Pre-publication advance copy. p. 69.

The Texas Water Development Board has estimated a cost of \$147.9 million to provide water services in the Colonias. Twenty-four percent of households in the colonias are not connected to treated water and some use untreated water for drinking and cooking. One-third of the residents of Texas' ten totally rural border counties (Edwards, Hudspeth, Jeff Davis, Kenedy, Kinney, McMullen, Newton, Real, Sabine and Terrell) obtain water from individual drilled wells, and almost three-quarters use septic tanks or cesspools for sewage disposal.<sup>77</sup>

The Texas Water Development Board has further estimated a cost of \$80 million to provide indoor plumbing improvements and another \$467.3 million to provide wastewater service to the colonias. Forty-four percent of the homes in the colonias have outhouses or cesspools. A study by the Texas Water Quality Network Project found that colonias residents often use hand-dug pit toilets or privies. The soil in the lower Valley is primarily clay which is impermeable to wastes. Frequent floods wash human waste out of the privies resulting in disease problems which "more closely resemble Third World Conditions than those of the rest of contemporary rural Texas."<sup>78</sup> Border residents have been found to suffer from a high rate of preventable diseases such as gastrointestinal diseases and Type A hepatitis as well as leprosy, malaria and tuberculosis.<sup>79</sup>

Approximately 44 percent of homes in the colonias experience flooding problems due to a lack of paved streets and drainage problems. Colonia area residents report that after heavy rains, roads are often impassable and school buses are unable to transport children to schools. The lack of street and drainage facilities also creates environmental problems resulting in violations of National Ambient Air Quality Standards and the contamination of the Rio Grande and the Arroyo Colorado.<sup>80</sup> Since most of the counties along the border are among the poorest in the state, local governments are often unable to finance street and drainage needs.

One of five homes in the colonias lacks adequate heating and cooling.<sup>81</sup>

Colonias also lack other municipal services such as fire protection and other emergency services, paved streets, garbage collection, drainage, street lights and access to public transportation.<sup>82</sup> Some Colonias that fall into the ETJ of incorporated cities have been unable to receive water or sewer service from those cities because they do not meet subdivision, platting and code requirements. Furthermore, the cost of extending infrastructure to colonias areas often exceeds the aggregate value of the homes it is meant to serve.

## **Contract For Deed**

The lack of available credit for home, lot purchases and home improvements in the colonias resulted in the proliferation of a highly exploitative system of private credit centered around the "contract for deed." A contract for deed is a financing arrangement whereby land ownership remains with the seller until the total purchase price is paid. Starting in the 1950's, land developers sold small lots of land to residents of the Colonias who were interested in constructing their own homes. The contract for deed was the preferred financing mechanism as many of these individuals had no credit or resources for a down payment to qualify for traditional financing through a bank or credit union. Many contracts for deed also contained a provision prohibiting the recording of the instrument with the county clerk. It was therefore, very easy for the seller to

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<sup>77</sup> Id. at p. 72.

<sup>78</sup> Id. at p. 73.

<sup>79</sup> Id. at p. 73.

<sup>80</sup> *Governor's Border Working Group*, Border Issues Division, Policy Council, January 1993, p. 14.

<sup>81</sup> *Colonias Factbook, A Survey of Living Conditions in Rural Areas of South and West Texas Border Counties*, Texas Department of Human Services, June 1988

<sup>82</sup> *Governor's Border Working Group*, Border Issues Division, Policy Council, January 1993, p. 3.

reclaim possession, and difficult to enforce any commitment on the sellers' part to provide infrastructure. If the buyer fell behind in payments the seller could repossess the property (often within 45 days) without going through the traditional foreclosure process and make claim to any improvements made on the property.

Through contract for deed financing arrangements, land owners in the Colonias have been able to break their commitments to provide infrastructure improvements, impose unusually high interest rates (12%-14% in many cases) and reclaim property from residents. TDHCA recognizes that providing public funds to convert contracts for deed to conventional mortgages will assist home buyers to achieve a more secure purchase mechanism, and is one step towards improving border housing conditions. Additional funds for renovation, repairs, and water and wastewater improvements will also be required from all available Federal and State funding sources. Furthermore, it is imperative that mechanisms for attracting private capital be developed, because there simply are not enough public funds available to solve the problems in the colonias.

## F. Migrant Farmworkers

During the peak harvest seasons, the agricultural industry depends on the orderly flow of workers from the vegetable and citrus harvests in the Rio Grande Valley, through the fruit, berry and vegetable harvests of Central and East Texas, to the grain, fruit and vegetable harvests of the Midwest and High Plains of the United States. These states rely on Texas migrant and seasonal farm workers for carrying out the agricultural business of planting, cultivating and harvesting crops. Upon their return to home base, these workers seek employment with Texas agricultural producers of fall and winter crops.

A 1990 study by the US Department of Health and Human Services estimated a population of 500,138 seasonal migrant farm workers residing in one hundred and forty nine counties across the State of Texas.<sup>83</sup> A large portion of the state's farmworker population lives in the border region.<sup>84</sup> According to the Texas Employment Commission, 60 percent of the migrant and seasonal farmworkers who register to work through TEC offices live in the Rio Grande Valley counties of Hidalgo, Cameron, and Starr-- counties already experiencing high levels of poverty and unemployment. Therefore, many of the housing problems encountered by the farmworker population overlap significantly with those experienced by residents of the Colonias.

The population of migrant farmworkers in Texas is growing steadily (it has by now far surpassed the 1990 estimate reported above) while the average family income is dropping -- showing a decline from \$5,682 in 1990 to \$5,472 in 1991.<sup>85</sup> Farmworkers have a particularly difficult time finding suitable housing because their incomes are extremely low and their income flow is sporadic. Despite the low wages earned by migrant farmworkers, employers often demand fees from the workers for transportation to the worksite, work equipment, and for substandard housing in farm labor camps. Worksites often lack water to drink and wash with and/or toilets.<sup>86</sup> The National Agricultural Workers Survey (NAWS) conducted between 1989 and 1991 found that nearly one-half of all farmworkers live below the poverty line and more than three-quarters of all undocumented workers were poor. Less than one in four agricultural workers had access to employment benefits such as medical insurance and vacation pay despite the fact that the vast majority are working legally in this country.<sup>87</sup>

The average migrant farm worker family in Texas is made up of four to five people living on an annual income of \$5,472. These families often live in substandard and seriously overcrowded conditions spending over half their income in rent and often resorting to living in their vehicles as they travel the state looking for work. Their mobile lifestyle, lack of a credit history and inability to prove steady employment excludes the Farmworker family from qualifying for much needed social services. Migrant farmworkers even find themselves excluded from emergency shelters. Most emergency shelters do not allow residents to leave the building before 6:00 a.m. while farmworkers often have to be in line for work as early as 4:00 or 5:00 a.m.

The female Farmworker is paid even less than her male counterpart earning an average yearly income of \$4,382. Approximately one-third of migrant Farmworker families consist of a mother supporting herself and an average of two children.

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<sup>83</sup> US Department of Health and Human Services, An Atlas of State Profiles Which Estimate Number of Migrant and Seasonal Farm Workers and Members of Their Families, 1990.

<sup>84</sup> Housing Subcommittee, Housing Needs, p. 8; Border Low Income Housing Coalition, Border Housing, p. 28.

<sup>85</sup> Telephone conversation with Ms. Sandy New, Board Member of Sin Fronteras.

<sup>86</sup> *Taking Stock of Rural Poverty and Housing for the 1990s*. The Housing Assistance Council, Washington DC Pre-publication advance copy. p. 20-21. Seven thousand Seasonal Agricultural workers were interviewed for the National Agricultural Workers Survey. Seasonal Agricultural workers are defined by the USDA as those workers hired for less than 150 days a year in agricultural industries.

<sup>87</sup> *Id.* at p. 20-21.

The tenuous, substandard living arrangements of the migrant farmworker can quickly turn from bad to worse given the unpredictable nature of the agricultural industry. Crop diseases, severe weather, and illness can suddenly cut the workers off from any source of income and create unexpected hardship. In 1993 severe flooding in the midwest eliminated many agricultural jobs, leaving many migrant farmworkers in Texas without a source of income. Estimates by the Texas Department of Health and Human Services showed a loss of \$1.1 billion in income to the State of Texas as a result of the floods.<sup>88</sup>

Farmwork is meaningful and valuable employment and migrant seasonal farmworkers make a valuable contribution to the agricultural industry in Texas. Where housing is inadequate, programs should be developed, within fiscal constraints, to assist migrant farmworkers to obtain suitable housing.

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<sup>88</sup> Position Paper, Effect of Floods on Migrant and Seasonal Farmworkers, TDHCA Community Services Section.



# Section II. Housing Market Analysis

## § 91.310 Housing market analysis.

- (a) General characteristics. Based on data available to the State, the plan must describe the significant characteristics of the State's housing markets (including such aspects as the supply, demand, and condition and cost of housing).
- (b) Homeless facilities. The plan must include a brief inventory of facilities and services that meet the needs for emergency shelter and transitional housing needs of homeless persons within the State.
- (c) Special need facilities and services. The plan must describe, to the extent information is available, the facilities and services that assist persons who are not homeless but who require supportive housing, and programs for ensuring that persons returning from mental and physical health institutions receive appropriate supportive housing.
- (d) Barriers to affordable housing. The plan must explain whether the cost of housing or the incentives to develop, maintain, or improve affordable housing in the State are affected by its policies, including tax policies affecting land and other property, land use controls, zoning ordinances, building codes, fees and charges, growth limits, and policies that affect the return on residential investment.

### **Commentary by the State of Texas**

#### **Some of the definitions used by HUD do not adequately reflect critical housing need:**

The summary indicator of housing need that HUD encourages Consolidated Plan applicants to use is defined as those households with one or more of the following housing problems: 1) excessive housing cost burden (greater than 30% of gross income spent on gross housing costs); 2) overcrowding (more than one person per room per dwelling unit), and 3) living in a housing unit lacking complete kitchen and/or plumbing. As a true indication of need, the Department takes these indicators:

- Excessive Housing Cost Burden is defined by HUD as any household paying more than 30% of their gross income on gross housing costs, including utility costs. As a prime indicator of housing need, the Department feels that gross housing costs exceeding 50% of a household's gross income would be a better indicator of critical housing need. It is our view that there are a substantial number of households who currently pay in excess of 30% of gross earnings for housing and that if the 30% figure is used, it diminishes a true indication of critical need. Furthermore, lenders throughout the State have indicated extreme difficulty in qualifying potential homeowners at the 30% cost level. Even the Section 8 voucher program recognizes the need to support families who contribute up to 50% of their income to housing costs.

#### Overcrowding

- The U.S. Census determined that overcrowding constitutes more than one person per room per dwelling unit. The Department feels that this is a weak indication of critical housing need if it alone could include a household considered as a critical housing need. Furthermore, it is unrealistic in and of itself to label a ratio of greater than 1:1 as a housing problem.

#### Recommended Changes

To better indicate those households with a critical housing need, the Department suggests that (1) excessive cost burden be defined as those households spending in excess of 50% of their income on gross housing costs, and (2) a better indicator of need would be to require two of the three housing problems to be present before the household could be designated as having a critical housing need.

# A. General Characteristics

This section inventories the housing available throughout the state: its age, condition, unit size, affordability and occupancy.

Housing unit affordability measures compare housing cost to local area median income. "Affordable" units are defined, for purposes of this Consolidated Plan, as units for which a family - at one of three specified points on the low income scale (30, 50 and 80 percent) - pays no more than 30% of their income for rent or no more than 2.5 times their annual income to purchase. It should be noted that in some instances housing may cost as much 45 percent of income and may still remain affordable.

Since HUD's adjusted median family incomes are estimated for a family of four, affordability levels are also adjusted to account for unit size, based on the number of people that can occupy a unit without overcrowding. This adjustment is made by multiplying the threshold as described above by 75 percent for a 0-1 bedroom unit, 90 percent for a 2 bedroom unit and 104 percent for a 3+ bedroom unit. Since one or two people can occupy a unit with 0 or 1 bedrooms, the income threshold used for calculating unit affordability is based on a 1.5 person household, which is 75 percent of the threshold for a 4 person household. The income threshold for computing affordability for a 2 bedroom unit is based on occupancy by three people and is set at 90 percent of the threshold for a 4 person household. The income threshold for determining the affordability category for a 3 or more bedroom unit is 104 percent of a 4 person household and is based on a 4.5 person household.<sup>89</sup>

*PLEASE NOTE: It should be kept in mind that because of the formula used to calculate housing affordability categories, estimates of affordable housing supply by income category are actually somewhat inflated. This is because affordability is computed for households at the top of each income range, meaning that households in the lower part of the income range would have to pay more than 30 percent of their income for some of the units which are considered affordable to them.*

## 1. Age of Housing Stock

The age of the housing stock provides an indication of its relative condition. Older units are more likely to require repairs, are more costly to repair and renovate, may not contain desired amenities, and are more likely to contain lead paint hazards than more recently constructed units. Lead paint hazards are of particular significance for units which are occupied by families with children. Lead paint hazards are of particular significance for units which are occupied by families with children. Lead paint hazards vary for each individual unit, but units built before 1950 present a significant risk for occupants with young children. The allowable lead content of paint declined after 1950 and was completely eliminated by 1978.

As shown in figure 2.1, 14 percent of all units in the state were built before 1950, with a slightly higher percentage of owner-occupied units than renter-occupied units in this category. Fifty-six percent of all housing units in Texas were built between 1950 and 1979, while 30 percent were built between 1980 and 1990.

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<sup>89</sup> Bogdon, *et. al.*, p. 49.

**Figure 2.1**  
**Distribution of Occupied Units by Year Built, 1990**

<b>Texas</b>				
<i># of units</i>	Total	Before 1950	1950-1979	1980-1990
Renter-occupied units	2,375,753	285,070	1,296,268	794,415
Owner-occupied units	3,695,184	569,552	2,122,565	1,003,067
<b>Total occupied units</b>	<b>6,070,937</b>	<b>854,622</b>	<b>3,418,833</b>	<b>1,797,482</b>
<i>% of units</i>	Total	Before 1950	1950-1979	1980-1990
Renter-occupied units	100.0%	12.0%	54.6%	33.4%
Owner-occupied units	100.0%	15.4%	57.4%	27.1%
<b>Total occupied units</b>	<b>100.0%</b>	<b>14.1%</b>	<b>56.3%</b>	<b>29.6%</b>

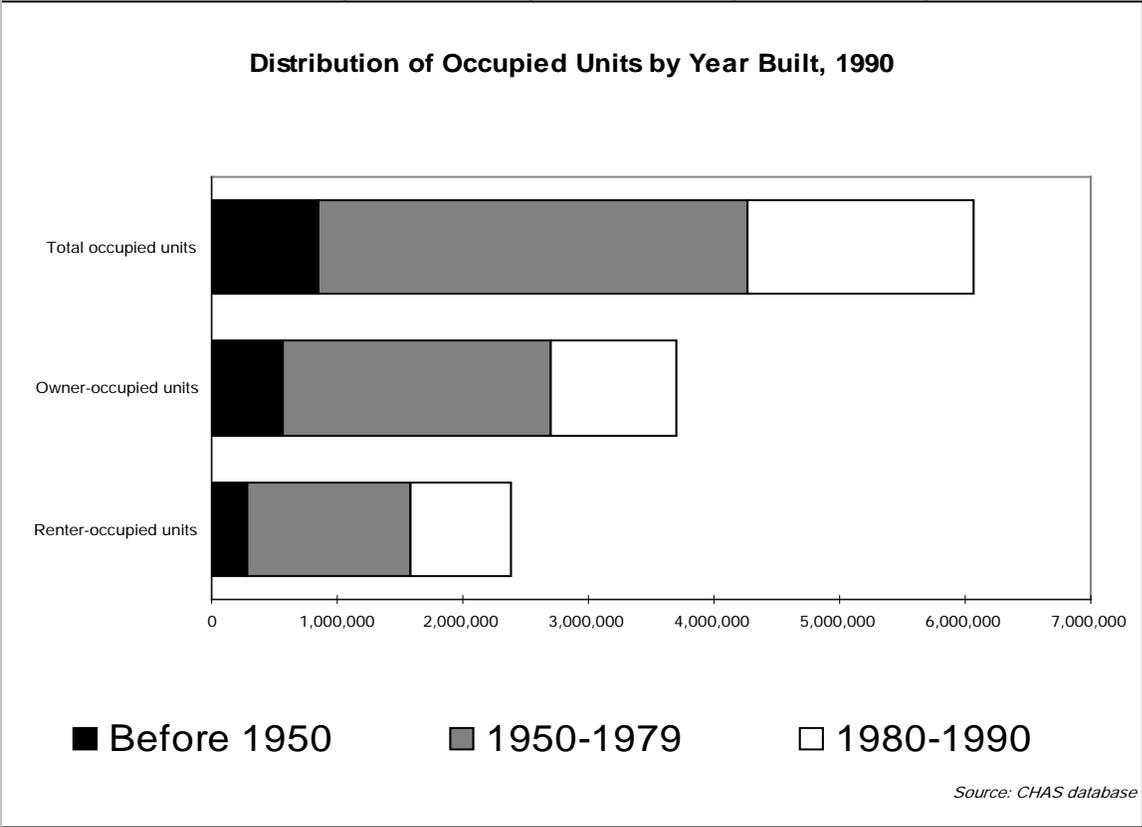


Figure 2.2 shows the distribution of units by year built and affordability category. These figures demonstrate that most affordable housing units are older units and therefore have the potential for more housing problems. While 14 percent of all housing units were built before 1950, the percentages are greater for low-income units: 24 percent of all units affordable to households at 30 percent of HAMFI, and 19 percent of all units affordable to households at 50 percent of HAMFI were built before 1950.

The numbers also show that, out of the units constructed in the last decade, only a small share are affordable to low-income households. *Only 10 percent of all housing units built between 1980 and 1990 are affordable to households at 30 percent of HAMFI, and only 8 percent of rental units built in this decade are affordable to this income group.* Such a small percentage of new rental housing construction affordable to extremely low income households was built despite the fact that these households make up 13.5% of all Texas households. Other prime contributors to the shortage of low-income affordable housing are the real estate depression in Texas between 1986 and 1990, and the Tax Reform Act of 1986. Since lower income households are more likely to be renters than homeowners, this recent lack of production of affordable rental units strikes that group particularly hard.

**Figure 2.2**

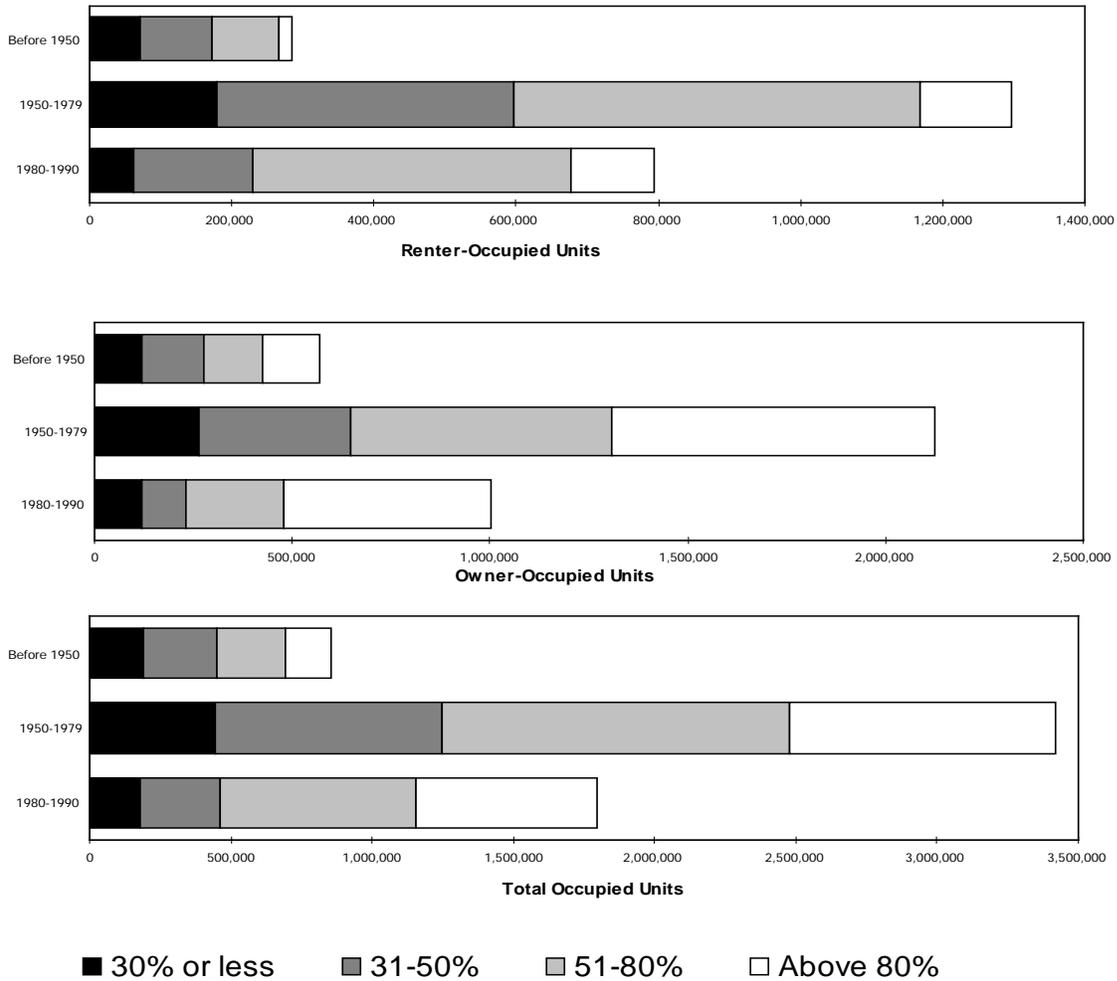
**Distribution of Occupied Units by Year Built and Affordability Category, 1990**

*by percentage of HAMFI*

Texas	Total occupied units				Before 1950				1950-1979				1980-1990			
	30% or less	31-50%	51-80%	Above 80%	30% or less	31-50%	51-80%	Above 80%	30% or less	31-50%	51-80%	Above 80%	30% or less	31-50%	51-80%	Above 80%
<b># of units</b>																
Renter-occupied units	312,118	688,443	1,112,277	262,915	71,213	101,505	93,750	18,602	178,761	418,574	571,192	127,741	62,144	168,364	447,335	116,572
Owner-occupied units	505,722	651,514	1,055,520	1,482,428	121,644	154,993	150,129	142,786	265,934	383,079	659,089	814,463	118,144	113,442	246,302	525,179
<b>Total occupied units</b>	<b>817,840</b>	<b>1,339,957</b>	<b>2,167,797</b>	<b>1,745,343</b>	<b>192,857</b>	<b>256,498</b>	<b>243,879</b>	<b>161,388</b>	<b>444,695</b>	<b>801,653</b>	<b>1,230,281</b>	<b>942,204</b>	<b>180,288</b>	<b>281,806</b>	<b>693,637</b>	<b>641,751</b>

**Distribution of Occupied Units by Year Built and Affordability Category, 1990**

*by percentage of HAMFI*



Source: CHAS database

## 2. Size Distribution of Housing Units

Despite the fact that the number of small households (consisting of one or two people) has increased and the share of large households (consisting of five or more people) has decreased nationally in the last two decades, the housing stock still has a disproportionately large share of units with three or more bedrooms.<sup>90</sup> Figure 2.4 demonstrates that there is a disproportionate amount of three or more bedroom units, especially owner units, in Texas. Comparing the numbers in Figure 2.3 to the distribution of households sizes found in Figure 1.4, we see that while large related family households account for only 13 percent of all households in the state, 23 percent of rental units and 72 percent of owner units have three or more bedrooms. Figure 2.3 shows that owner units have a much higher number of 3+ bedroom units than renter units, so despite the fact that large units outnumber large families, there is still an unmet demand for *affordable* three bedroom multi-family units. Because larger units tend to be more expensive than smaller units, the disproportionate number of large units leaves the existing housing stock even more inaccessible to low-income families.

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<sup>90</sup> Bogdon, *et. al.*, p. 37.

**Figure 2.3**  
**Distribution of Units by Size, 1990**

<b>Texas</b>				
<i># of units</i>	Total	0-1bedroom	2 bedrooms	3+ bedrooms
Renter units	2,735,226	1,034,351	1,076,614	624,261
Owner units	3,812,645	162,101	888,915	2,761,629
Total units	6,547,871	1,196,452	1,965,529	3,385,890
<i>% of units</i>	Total	0-1bedroom	2 bedrooms	3+ bedrooms
Renter units	100.0%	37.8%	39.4%	22.8%
Owner units	100.0%	4.3%	23.3%	72.4%
Total units	100.0%	18.3%	30.0%	51.7%



### 3. Housing Affordability

Figure 2.4 shows the distribution of housing units throughout Texas by affordability category. Again, It should be kept in mind that because of the formula used to calculate housing affordability categories, estimates of affordable housing supply by income category are actually somewhat inflated. This is because, as previously mentioned, affordability is computed for households at the top of each income range, meaning that households in the lower part of the income range would have to pay more than 30 percent of their income for some of the units which are considered affordable to them. On the other hand, as previously noted, if affordability is redefined to 45 percent of income, then the supply is greatly increased.

As illustrated in Figure 2.4, only a small percentage of units are affordable to the lowest income households. About 14 percent of the total housing stock is affordable to extremely low-income households. Both rental and owner units have approximately the same rate of affordability in this category. An additional 24 percent of housing units are affordable to households with incomes at 31-50 percent of HAMFI. There are more rental housing units than owner housing units affordable to this income group in both an absolute and relative sense.

An additional 35 percent of the housing stock is affordable to households with incomes at 80 percent of HAMFI. This means that 73 percent of the total housing stock in Texas, or 90 percent of the rental stock and 60 percent of the owner stock, is affordable at 80 percent of HAMFI.

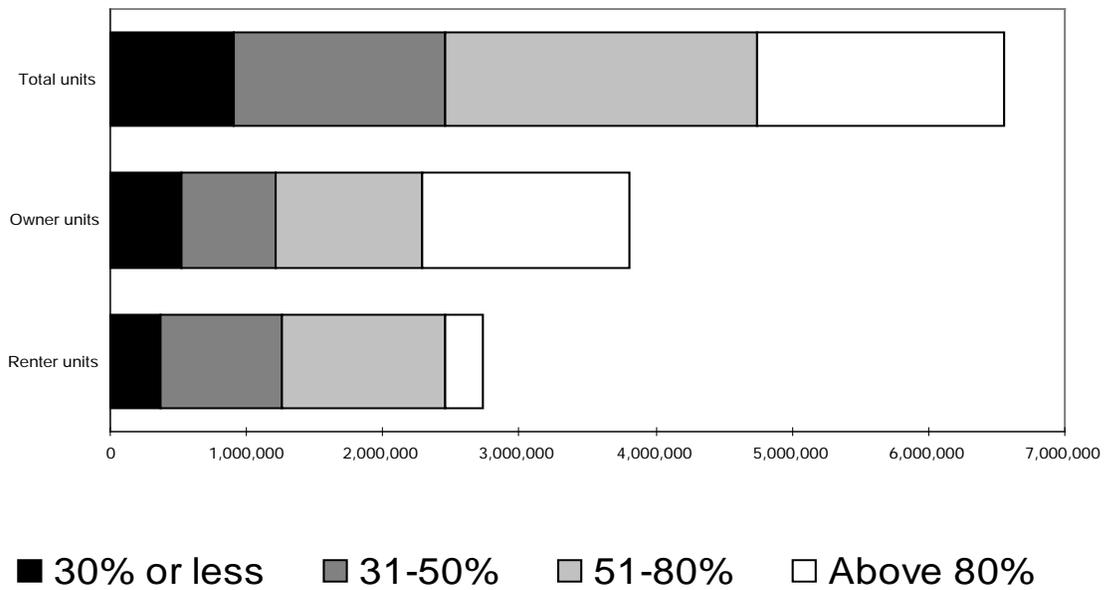
As will be shown later, this seeming availability of affordable housing does not translate into an affordable housing surplus. *For a variety of reasons, affordable housing is not available to many low-income families. Major reasons for this include housing size mismatches, the unequal geographic distribution of affordable housing units, and limitations on the supply of affordable housing because of occupation by higher income groups.*

The information presented in figure 2.4 must be considered together with information portrayed under housing mismatch in the next section. As the subsequent section on housing mismatch will illustrate, the majority of affordable housing is often occupied by persons in higher income levels.

**Figure 2.4**  
**Distribution of Housing Units by Affordability Category, 1990**  
*by percentage of HAMFI*

<b>Texas</b>					
<i># of units</i>	Total	30% or less	31-50%	51-80%	Above 80%
Renter units	2,735,226	375,281	879,805	1,201,530	278,610
Owner units	3,812,645	528,106	678,377	1,087,910	1,518,252
<b>Total units</b>	<b>6,547,871</b>	<b>903,387</b>	<b>1,558,182</b>	<b>2,289,440</b>	<b>1,796,862</b>
<i>% of units</i>	Total	30% or less	31-50%	51-80%	Above 80%
Renter units	100.0%	13.7%	32.2%	43.9%	10.2%
Owner units	100.0%	13.9%	17.8%	28.5%	39.8%
<b>Total units</b>	<b>100.0%</b>	<b>13.8%</b>	<b>23.8%</b>	<b>35.0%</b>	<b>27.4%</b>

**Distribution of Housing Units by Affordability Category, 1990**



*Source: CHAS database*

## 4. Housing Mismatch

The following figures compare demand and supply of affordable housing by looking at the number of households and housing units in different affordability categories.

For each income category, for the purpose of analysis, it has been assumed that households are matched to units in their affordability range. In actuality, however, “**higher income households often reside in units that could be affordable to the lowest income households.**”<sup>91</sup> Therefore, estimates of housing shortfalls should be treated as lower-bound estimates, and estimates of housing ‘surplus’ are undoubtedly overstated.

Extremely low-income renter households outnumbered the rental housing units affordable to them by almost 120,000 statewide. This means that there were rental units available to only three-quarters of the extremely low-income population.

Low-income housing units are not necessarily occupied by low-income households. As mentioned, the numbers used in this analysis assume that households are matched to units in their affordability category. For example, households that have incomes greater than 80 percent of the median income greatly outnumber the housing units which are in this specific affordability category. Households in this category can, of course, afford units in any of the defined affordability categories. Therefore, non-low-income households often limit the supply of affordable housing units available to low-income households.

The following figures attempt to document the housing market interaction of various income groups and housing costs. Figures 2.6a and 2.6b show the income classifications of the occupants of low-income housing units.

These figures also illustrate the housing market mismatch between housing units and income groups. For example, extremely low income households account for only about one-third of all the occupants of housing which is affordable to them. All very-low income households (income at 0 to 50 percent of HAMFI) account for just 44 percent of the households residing in units affordable to that income group. Finally, all low income households (0-80 percent of HAMFI) make up only 53 percent of all households occupying housing affordable to them.

These figures illustrate housing market mismatches as well as an implicit excessive cost burden for those households which are residing in units beyond their affordability category. Statistics for housing cost burden will be presented in Section III of this needs analysis.

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<sup>91</sup> Bogdon, *et. al.*, p. 53.

**Figure 2.6a**  
**Occupied Affordable Housing Units by Income Group of Occupant, 1990**  
*by percentage of HAMFI*

**Texas**

<b># of Renter units</b>	Total	30% or less	31-50%	51-80%	Above 80%
Affordable to 0-30% HAMFI	312,118	155,270	56,009	44,329	56,510
Affordable to 31-50% HAMFI	688,443	185,626	159,605	178,532	164,680
Affordable to 51-80% HAMFI	1,112,277	143,086	142,791	260,950	565,450
Affordable to >80% HAMFI	262,915	20,656	15,344	31,955	194,960

<b>% of Renter units</b>	Total	30% or less	31-50%	51-80%	Above 80%
Affordable to 0-30% HAMFI	100.0%	49.7%	17.9%	14.2%	18.1%
Affordable to 31-50% HAMFI	100.0%	27.0%	23.2%	25.9%	23.9%
Affordable to 51-80% HAMFI	100.0%	12.9%	12.8%	23.5%	50.8%
Affordable to >80% HAMFI	100.0%	7.9%	5.8%	12.2%	74.2%

<b># of Owner units</b>	Total	30% or less	31-50%	51-80%	Above 80%
Affordable to 0-30% HAMFI	505,722	120,210	98,325	113,036	174,151
Affordable to 31-50% HAMFI	651,514	87,695	91,800	141,666	330,353
Affordable to 51-80% HAMFI	1,055,520	71,776	86,137	161,961	735,646
Affordable to >80% HAMFI	1,482,428	52,390	53,880	106,822	1,269,336

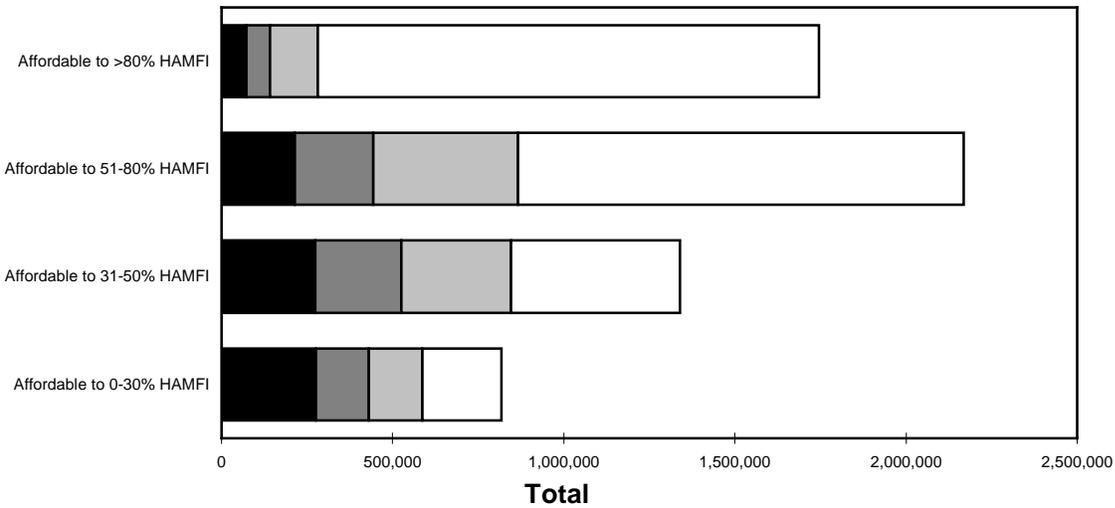
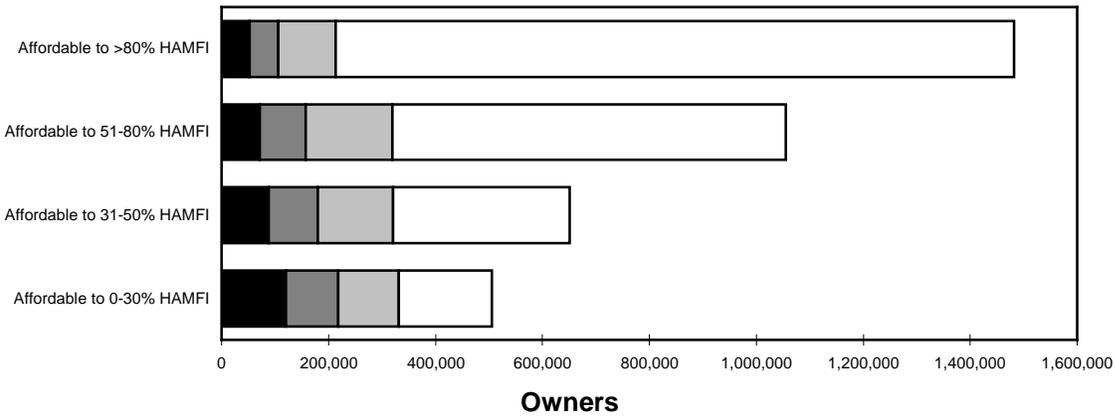
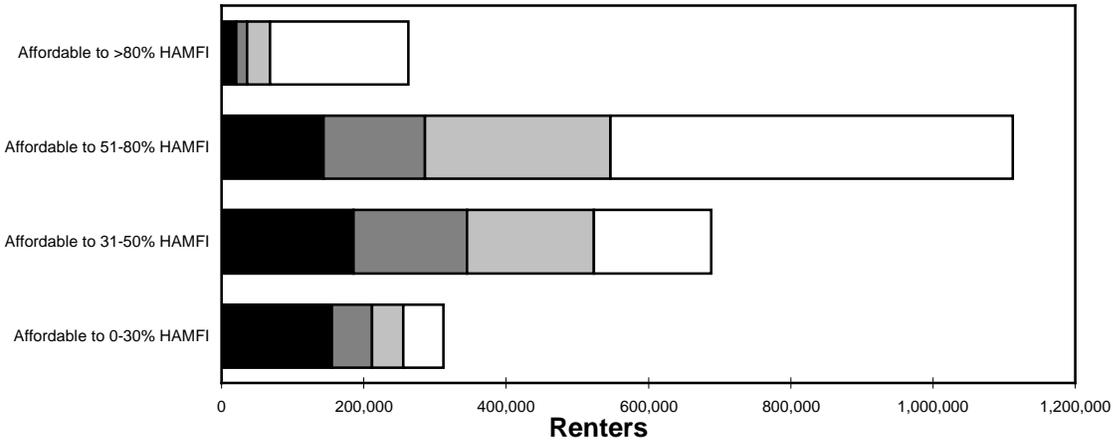
<b>% of Owner units</b>	Total	30% or less	31-50%	51-80%	Above 80%
Affordable to 0-30% HAMFI	100.0%	23.8%	19.4%	22.4%	34.4%
Affordable to 31-50% HAMFI	100.0%	13.5%	14.1%	21.7%	50.7%
Affordable to 51-80% HAMFI	100.0%	6.8%	8.2%	15.3%	69.7%
Affordable to >80% HAMFI	100.0%	3.5%	3.6%	7.2%	85.6%

<b># of Total units</b>	Total	30% or less	31-50%	51-80%	Above 80%
Affordable to 0-30% HAMFI	817,840	275,480	154,334	157,365	230,661
Affordable to 31-50% HAMFI	1,339,957	273,321	251,405	320,198	495,033
Affordable to 51-80% HAMFI	2,167,797	214,862	228,928	422,911	1,301,096
Affordable to >80% HAMFI	1,745,343	73,046	69,224	138,777	1,464,296

<b>% of Total units</b>	Total	30% or less	31-50%	51-80%	Above 80%
Affordable to 0-30% HAMFI	100.0%	33.7%	18.9%	19.2%	28.2%
Affordable to 31-50% HAMFI	100.0%	20.4%	18.8%	23.9%	36.9%
Affordable to 51-80% HAMFI	100.0%	9.9%	10.6%	19.5%	60.0%
Affordable to >80% HAMFI	100.0%	4.2%	4.0%	8.0%	83.9%

Source: CHAS database

**Figure 2.6b**  
**Occupied Affordable Housing Units by Income Group of Occupant, 1990**  
*by percentage of HAMFI*



30% or less
  31-50%
  51-80%
  Above 80%

Source: CHAS database

## B. Homeless Facilities

The Health and Human Services Commission TESS system determined that homeless persons in Texas are eligible for the following services from state agencies:

<b>PROGRAM</b>	<b>ELIGIBLE POPULATION</b>
Client Self Support Services	Anyone
Expedited Food Stamps	Anyone
County Indigent Health Care Program	Anyone
Woman and Children	Women and children 0-17
WIC	Children under 5, expectant mothers
Medicaid	Families
Medicaid (TP48)	Children under 5
Medicaid (TP44)	Children over 5
AFDC	Adults with dependents

### **TxMHMR's PATH Program**

TXMHMR administrates a Program to Assist the Transition from Homelessness (PATH). The Path program provides services to persons who are literally homeless and who have a serious mental illness. Services include outreach, screening and diagnostic treatment services, habilitation and rehabilitation services, community mental health services, alcohol or drug treatment services, staff training, case management, supportive services in residential settings, referrals, and housing services. The projects are funded in Houston, Dallas, San Antonio, El Paso, Austin, Fort Worth, Corpus Christi, Amarillo, Galveston and the South Rio Grande Valley. In 1994, the PATH sites served 8,424 persons. They plan to serve 9,210 people in 1995.

### **Community Action Agencies**

Texas' 52 Community Action Agencies (CAAs) provide assistance to homeless persons and persons at-risk of homelessness.

### **Homeless Shelter Providers From The 1995 ESGP Application Pool**

The TDHCA Community Services division intends to conduct a comprehensive survey of homeless service providers within the next year. For the purposes of the Consolidated Plan, statewide information on homeless service providers has been collected from the 100 ESGP applications that were submitted for funding in 1995. For each applicant the following table shows the agency name, the counties served, the services provided, and, when available, the number of shelter beds for every 1995 ESGP applicant. This table should provide a rough estimate of the providers and the services available throughout the state. **This is by no means a comprehensive listing of service providers.**

## REGION 1

SERVICE PROVIDER	COUNTIES IN SERVICE AREA	TARGET POPULATION	BEDS	SERVICES
Panhandle Community Services	Potter, Randall	All homeless/ At Risk individuals	N/A	Vocational assessment, ALERT packet, ID expenses, GED expenses, bus tickets, child care expenses
Panhandle Assessment Center	Potter, Randall	Homeless/At-Risk/ Abused children,	28	Program which assists the mother in parenting and moving towards self-sufficiency while keeping their babies safe and healthy (skills training, GED, support system), assessment, foster care placement, 24 hour crisis intervention
City of Amarillo	Potter, Randall	All homeless individuals		Provide funding to local nonprofit homeless shelters
Another Chance House	Potter, Randall	Unaccompanied Homeless men	35	Emergency shelter, transitional housing, self-sufficiency skills, counseling, job placement, transportation and mental health care
Downtown Women's Center	Potter, Randall	Homeless women with children	30	Shelter, counseling, job placement, education referrals, day shelter, training in cottage industries.
Family Support Services	Potter, Randall	Homeless Victims of domestic violence and/or sexual assault	21	Shelter, crisis intervention, counseling, meals, referrals, education and health care assistance, support groups, transportation
The Haven	Potter, Randall	Homeless Unaccompanied female substance abusers	12	Substance Abuse counseling, meals, shelter, transportation, group support
O'Brien House	Potter, Randall	Homeless Runaway/At Risk youths under 18s	15	Shelter, meals, counseling, transportation
Tyler Street Resource Center Day Shelter	Potter, Randall	All homeless persons	54	shelter, health care, supportive services, personal care, storage, phone bank, mail drop
Martha's Home	Potter, Randall	Homeless women with children	30	Meals, shelter, counseling, personal care items
Catholic Family Services	Potter, Randall	Homeless/At Risk families and individuals	N/A	Payment of utilities, rents, mortgages, deposits, information and referrals, counseling, homeless prevention
Morning Star Hostel/Mark Shupp Center	Potter, Randall	All homeless individuals; persons living with AIDS	50	Meals, shelter, counseling, job placement assistance, support groups, referrals, transportation
Samaritans Outreach Ministries	Potter, Randall	All homeless individuals	N/A	Clothing, food distribution, referrals, job/work training
Community Housing Resource Board of Lubbock	Lubbock	All homeless individuals	30	Provides essential services (rent and utilities) plus primary health care, budget counseling, job training, child care, food, clothing and family crisis counseling
Safe Place, Inc.	Moore, Dallam, Sherman, Hartley	Homeless Victims of domestic violence and/or sexual assault	16	Shelter, clothing, information and referral, legal advocacy, support groups, counseling, housing placement. utility assistance, parenting and life skills classes

REGION 1				
Tralee Crisis Center	Gray, Hutchinson, Roberts, Wheeler, Collingsworth, Hemphill, Donley and Carson	Homeless victims of domestic violence and/or sexual assault		Prevention of homelessness, transitional housing, Information and referral,

REGION 2				
SERVICE PROVIDER	COUNTIES IN SERVICE AREA	TARGET POPULATION	BEDS	SERVICES
Abilene Hope Haven, Inc.	Taylor	Homeless families	32	Transitional Housing, Job placement assistance, self improvement training, drug and alcohol counseling, education, support groups, day care, transportation, medical care, legal referral
People for Progress, Inc.	Fisher, Nolan, Scurry, Mitchell	Homeless/At Risk individuals	21	Emergency shelter, transitional housing, , child-care, transportation, weatherization, housing, nutrition, crisis energy assistance.
Community Action Program of Taylor County	Taylor, Mitchell, Stephens, Shackelford	Homeless/At Risk individuals		Emergency shelter, weatherization, medical transportation, Emergency food pantry
Community Action Corporation		Homeless/At Risk individuals		Case management, emergency energy assistance, food, transportation, personal care, weatherization, head start
Salvation Army		All Homeless Individuals	88	Emergency shelter, meals, clothing, counseling, work therapy, transportation
First Step		Homeless Victims of domestic violence and/or sexual assault	35	Emergency Shelter, crisis intervention, counseling, advocacy, transportation, food, clothing, referrals
Maternity Cottage		Pregnant/Post Partum Homeless Women	35	Housing, education, job training, and referral services, residence, prenatal and childbirth classes, parenting classes, living skills training, clothing, transportation, food, follow-up
Children's Aid Society		Homeless Teens	39	Emergency Shelter, food, clothing, medical intervention, counseling, living skills classes
MHMR Helen Farabee Center		Homeless Mental health clients	46	counseling, medication, case management, residential training, employment, self-sufficiency program.

REGION 3				
SERVICE PROVIDER	COUNTIES IN SERVICE AREA	TARGET POPULATION	BEDS	SERVICES
Tarrant County Mental Health and Mental Retardation Services	Tarrant	Homeless persons with mental illness & substance abuse disorders		An emergency day shelter that provides counseling and a safe environment, casework, rehabilitation, utility and rental assistance.

<b>REGION 3</b>				
Hope Inc.	Palo Pinto, Parker, Hood, Erath	Homeless Women with children	25	Shelter, rental assistance, utility payments, utility deposits, job referrals, referrals for social services, counseling, medical care
New Beginning Center	Dallas, Rockwall, Collin	Homeless Women with children		24 hour crisis intervention, utility and rental assistance, shelter, therapy for women and children, casework & supportive services, community education, child care
Family Gateway	Dallas	Homeless families with children	150	Shelter, health care, child care, job placement assistance, life skills classes, children's programs, legal clinic, referrals, transitional housing
Denton County Friends of the Family	Denton	Homeless Victims of domestic violence and/or sexual assault	26	Shelter, 24 hour crisis line, parenting classes, rape crisis services, battering intervention, legal advocacy, therapy, counseling
Johnson County Family Crisis Center	Johnson	Homeless Victims of domestic violence and/or sexual assault	12	24 crisis hotline, shelter, therapy & counseling, information and referral, alcohol and drug abuse counseling, housing placement, child care, transportation
YMCA Casa Shelter	Dallas County	Homeless youth ages 16 to 21	20	emergency residential services, outreach family counseling, crisis counseling, education
Dallas Tenant's Association	Dallas County	Homeless/At-Risk Individuals	64	legal advocacy, utility assistance, information and referral, shelter, counseling, job placement, support groups, transitional housing, education, nutrition
Grayson County Shelter, Inc.	Grayson	All homeless individuals	40	shelter, meals, personal care, employment, transitional services, referrals.
The Salvation Army	Dallas	Homeless/At-Risk Individuals	460	Shelter, rent/mortgage assistance, utility assistance, personal care
Rainbow Days, Inc.	Dallas	Homeless families in shelters	N/A	Support groups, information & referral, day care, education, tutoring, job training and education,
City of Plano	Collin	Homeless Victims of domestic violence and/or sexual assault	17	Shelter, support programs, counseling, 24 hour hotline, information and referral, children's program, legal advocacy, counseling, financial assistance
Collin County Women's Shelter	Collin	Homeless Victims of domestic violence and/or sexual assault	17	emergency shelter, personal care, counseling, legal and housing resource referral, financial assistance, aftercare services.
Collin County Care Center/Samaritan Inn	Collin	All homeless individuals	85	24 hour shelter, meals and clothing and a self-sufficiency program.
Collin Intervention to Youth, Inc.	Collin	Homeless and runaway youth		Temporary emergency shelter, outreach, therapy, education
City of Arlington	Tarrant	All homeless individuals	79	Shelter, casework, counseling, support groups, life skills training, financial and budgeting assistance, job preparation.
Arlington Night Shelter	Tarrant	All homeless individuals	49	Shelter, food, rehabilitative services
Women's Shelter	Tarrant	Homeless Victims of domestic violence and/or sexual assault	40	Shelter, meals, information and referral, job development, counseling

<b>REGION 3</b>				
Mission Metroplex	Tarrant	Homeless families with small children	50	child-care
Arlington Charities	Tarrant	All homeless individuals		Food clothing and household item, information and referral
Women in Need	Hunt, Rockwall	Homeless Victims of domestic violence and/or sexual assault	18	Shelter, 24 hour crisis line, information and referral, counseling, legal advocacy, child care, personal care, homelessness prevention
The Salvation Army	Tarrant	Homeless families affected by drugs/alcohol issues	42	Emergency transitional housing, alcohol and drug abuse prevention, health issues, money management, parenting classed, tenants rights, adult education, child care, information and referral, substance abuse counseling
Dallas County	Dallas	Homeless individuals and families	N/A	
Union Gospel	Tarrant	All homeless individuals	305	24 hour care, short term housing, food, clothing, limited medical and job readiness services, rehabilitation from substance abuse.
Vogel Alcove	Tarrant	Homeless children ages six weeks to 5 years	N/A	licensed child care for homeless children
Trinity Ministry	Tarrant	All homeless individuals	16	Day shelter, hot meals, vocational program, food and clothing, financial support
Women's Haven	Tarrant	Homeless Victims of domestic violence and/or sexual assault		Shelter, crisis counseling, play therapy for children, and parenting education
Shared Housing Center, Inc.	Dallas	Homeless with special needs	19	Shelter, housing, housing referrals, information and counseling, transitional housing
The Family Place	Dallas	Homeless Victims of domestic violence and/or sexual assault .	63	Shelter, counseling, emergency relief, housing, education, child care, follow-up counseling, supportive living, transitional housing, hotline,
Crisis Center	Grayson	Homeless Victims of domestic violence and/or sexual assault	50	24-hour hotline, safe shelter, crisis intervention, support groups, parenting classes, alcohol/drug intervention, legal advocacy, transportation & limited financial assistance
YWCA of Fort Worth and Tarrant County	Tarrant	Homeless women with children	46	Transitional housing, supportive services, counseling, life skills, child-care and education
Dallas County Community Action Committee, Inc.	Dallas	All homeless individuals		Transitional housing, job training, information and referral, outreach and case management
Grayson County Juvenile Alternatives, Inc.	Grayson, Cooke, Fannin, Wise, Denton, Hunt, Montague, Lamar	Homeless youth ages of 10 - 17	12	Shelter, food, clothing, counseling, life skills, parenting, support groups
Kids Place	Denton	Homeless children from families in crisis ages 0 - 13	13	Emergency shelter, food, medical attention, clothes.

REGION 3				
Vogel Alcove	Dallas	Homeless families	N/A	Childcare

REGION 4				
SERVICE PROVIDER	COUNTIES IN SERVICE AREA	TARGET POPULATION	BEDS	SERVICES
The Salvation Army	Tyler, Smith	Homeless/At-Risk Individuals	74	Integrated system providing a continuum of care; rent, mortgage, utilities assistance; security deposits/ first month's rents; emergency lodging; support services and counseling
Kilgore Community Crisis Center	Gregg, Rusk, Panola	Homeless/At-Risk Individuals		Operation, maintenance, enhancement of existing shelter; emergency medical funds; cleaning jobs; survivor skills training; transportation; rent/utility deposits, first month's rent
East Texas Crisis Center	Smith, Wood, Rains, Van Zandt, Henderson	All homeless individuals/ Homeless Victims of domestic violence and/or sexual assault	48	Transitional housing, deposits/first month's rent; day care; transportation; maintenance/ improvements on shelter;

REGION 5				
SERVICE PROVIDER	COUNTIES IN SERVICE AREA	TARGET POPULATION	BEDS	SERVICES
Women and Children's Shelter of Southeast Texas	Jefferson, Hardin, Orange, Tyler, Jasper, Newton	Homeless Victims of domestic violence and/or sexual assault		Counseling, casework, legal advocacy, hotline, and community education.
Women's Shelter of East Texas	Nacogdoches, Angelina, Shelby, Houston	Homeless Single Parent Families		Hotline, Counseling, Support Groups, Advocacy, Shelter, Children's program, Outreach, Victim's Assistance
Port Cities Rescue Mission	Jefferson	Homeless individuals with substance abuse issues	35	Shelter, work program, drug and alcohol recovery program
The House of Refuge	Orange	All Homeless individuals in Orange County	32	daycare, employment, tutoring, medical,

REGION 6				
SERVICE PROVIDER	COUNTIES IN SERVICE AREA	TARGET POPULATION	BEDS	SERVICES
The Houston READ Commission	Harris	All homeless individuals in need of literacy training	N/A	Literacy training, job placement, referral services, life skills instruction (practical living skills, nutrition, parenting, job development)
Wesley Community Center	Harris	All minority	N/A	counseling, day care, information and

<b>REGION 6</b>				
		homeless individuals		referral, personal care, rent/mortgage assistance, senior center, youth programs, school
Tri-County MHMR	Liberty, Montgomery, Walker	Mentally ill/disabled homeless individuals	8	Transitional housing, homelessness prevention, supportive housing, daily skills training, benefits specialists, medication services, community support services, counseling crisis stabilization, adult education, employment support, job training, case management
Houston Area Women's Shelter	Harris	Homeless Victims of domestic violence and/or sexual assault	41	Emergency shelter, transitional housing, counseling, legal advocacy, information and referral, vocational counseling, medical assistance, group counseling, parenting education, Childcare, rape crisis program, women's center hotline, community education, transportation, personal care
The Shoulder	Harris, Fort Bend, Montgomery, Brazoria, Galveston	Homeless adult medically indigent/homeless substance abusers with priority given to pregnant and postpartum women.	334	Intensive residential services, outpatient services, detoxification, personal care, testing, drug/alcohol education, counseling, personal care, information and referrals
AIDS Foundation of Houston, Inc.	Harris	Homeless HIV infected women and their families	N/A	Medical assistance, food, nutrition, permanent and transitional housing, rental and utility assistance, information and referral, education
Service of the Emergency Aid Resource Center for the Homeless (S.E.A.R.C.H)	Harris	All homeless individuals in the Houston area	N/A	Transitional housing, child care, job training, job placement, counseling, transportation, basic services, minor medical care, Information and referral
Harris County Hospital District		All homeless.		Case Management, information and referrals. housing placement, job counseling, follow-up
DePelchin Children's Center	Harris, Fort Bend, Montgomery, Waller, Liberty	Homeless Families with Children ages 0 - 17, accompanied & unaccompanied	49	Child and Family Therapy, emergency shelter, residential treatment, counseling, crisis intervention, acute hospital care, foster care, adoption, teen parent services, parents anonymous, transitional living
Houston Recovery Campus	Harris	Medically and economically indigent homeless persons with substance abuse disorders.	N/A	Substance abuse treatment
Bay Area Women's Center	Harris	Homeless Victims of domestic violence and/or sexual assault	26	28 day safe shelter, community education, counseling, crisis intervention, 24-hour hotline, legal advocacy, transportation, information and referral, personal care.
Gulf Coast Community Services Association	Harris	Homeless/At-Risk Individuals	N/A	Rental, mortgage payment assistance to prevent eviction, foreclosure; payment of security deposit or first month's rent
Montgomery County Women's Center	Montgomery, Harris, Liberty	Homeless Victims of domestic violence and/or sexual assault	34	Crisis intervention, counseling, hotline, alcohol and drug abuse intervention, advocacy; food, medication, community education

<b>REGION 6</b>				
Cleveland Area Interfaith Center	Liberty, Montgomery, San Jacinto, Polk	Homeless/At-Risk Individuals	N/A	Rental, mortgage payment assistance to prevent eviction, foreclosure; payment of security deposit or first month's rent, information and referral, medical needs, food requests
The Gulf Coast Center	Brazoria, Galveston	Homeless/At-Risk Individuals with mental illness	172	Provides temporary (0 to 6 months) housing, transportation, food, counseling, access to support services, crisis intervention, screening and referral, case management, employment services, medication, substance abuse programs, education
City of Galveston	Galveston	Homeless/At-Risk Individuals		Provides rent subsidies, utilities security deposits, stabilizing services, day care, case management
Women's Resource and Crisis Center of Galveston County Inc.	Galveston	Homeless Victims of Domestic Violence, sexual assault and/or child abuse		24 hour hotline, shelter, legal advocacy, food, referrals, transportation, counseling, group therapy, outreach
Baptist Ministries Association	Galveston	All homeless individuals		Shelter
AIDS Coalition of Coastal Texas	Galveston	Homeless Persons with HIV/AIDS		Rental assistance, food, counseling, health insurance premiums, medical referrals, community services referrals, case management
Alcohol and Drug Abuse Shelter	Galveston	Homeless Female substance abusers		30 days of treatment, shelter, referrals, food
Children' Center Youth Services Shelter	Galveston	Homeless Abused or neglected children		emergency shelter
Luke's Society	Galveston	Homeless poverty level and homeless families		medical services
Our Daily Bread	Galveston	All Homeless individuals		Substance abuse counseling, counseling, food, medical care, clothing and community referrals
Pregnancy Education and Parenting Program	Galveston	Homeless Teenage women with children		Day care, transportation, counseling and parenting education
St. Joseph's Inn	Galveston	Homeless children in crisis	6	Shelter, outreach services, counseling, referrals
FamilyTime Foundation	Harris, Liberty, Montgomery	Homeless Victims of domestic violence and/or sexual assault		transportation, counseling, education, advocacy, 24 hour hotline,

<b>REGION 7</b>				
<b>SERVICE PROVIDER</b>	<b>COUNTIES IN SERVICE AREA</b>	<b>TARGET POPULATION</b>	<b>BEDS</b>	<b>SERVICES</b>
Travis County	Travis	Homeless/At-	N/A	Rent and mortgage subsidy, legal aid,

REGION 7				
		Risk Individuals		information and referral, medications subsidy, medical assistance, home rehabilitation, food subsidy and commodities distribution
Community Advocates for Teens & Parents, Inc.	Travis	Homeless teenage women with children	18	Shelter, counseling, information and referral, food, clothing, self-sufficiency training, academic tutoring, day care, parenting classes
Hays Caldwell Women's Center	Hays, Caldwell	Homeless victims of domestic violence and/or sexual assault	34	Shelter, peer counseling, legal advocacy, information and referral, employment, child care, medical care, 24-hour hotline
Family Crisis Center	Bastrop, Fayette, Lee	Homeless victims of domestic violence and/or sexual assault	19	Emergency shelter, 24 hour hotline, crisis intervention, support services, personal advocacy, crisis and group counseling, information and referrals, intervention/prevention programs
Advocacy Outreach	Bastrop	Homeless/At-Risk Individuals	N/A	Adult education, information and referrals, medications,
Family Crisis Center, Inc.	Burnett, Blanco, Llano, Lampasas	Homeless victims of domestic violence and/or sexual assault	22	Shelter, counseling, 24-hour hotline, food, clothing, information and referral, advocacy
Center for Battered Women	Travis	Homeless victims of domestic violence and/or sexual assault	55	24-hour hotline, legal support services, outreach counseling, children's counseling, violence prevention, community education, systems advocacy
Salvation Army	Travis	All homeless individuals	242	Shelter, food, personal care, case management, job search training, life skills training, counseling
Caritas	Travis	Homeless working poor, refugees and homeless persons		Social services, food, refugee services, rent subsidies, utility assistance
Martha's Kitchen/Shelter	Bell	All homeless individuals		shelter, food, clothing, personal items, child care, transportation, spiritual counseling, job placement, medical services
Casa Marianella	Travis	Spanish speaking homeless, refugees	26	Shelter, food, clothing, education, counseling, referrals, employment assistance and transitional housing.
Williamson-Burnett County Opportunities, Inc.	Williamson	Homeless At risk families in poverty	25	Head start, emergency assistance, nutrition, affordable housing, weatherization, transportation, child care, shelter for battered women and their children
Greater San Marcos Youth Council	Hays, Bastrop, Bexar, Guadalupe, Travis	Homeless accompanied Youth ages 10 - 17	50	food, shelter, family and individual counseling, medical and dental services, recreational activities, job and life skills training.
HOBO	Travis	All homeless individuals		Transitional housing, information and referral, drug and alcohol counseling
City of Bryan - Twin Cities Mission - Sheltering Arms - Phoebe's Home	Brazos, Burleson, Grimes, Leon, Madison, Robertson, Washington	All homeless individuals	154	Shelter, food, clothing, emergency medical care, counseling, clothing, transportation, education
Southside Community Center	Hays	All Homeless		Homeless shelter, soup kitchen,

REGION 7				
				tutoring, housing rehabilitation, information and referral, job placement assistance
Youth Options	Travis	Homeless youth from 10 - 21 years	26	Crisis intervention, information and referral, counseling, outreach, shelter, transitional living, activities, independent living skills, education, job placement, case management, HIV education
Housing Opportunities, Inc.	McLennan	All homeless.		Plans to provide a homeless facility with 23 beds.
Cause, Inc.	Hill, Bosque, Freestone, Limestone	All homeless.		energy assistance, housing, weatherization, emergency food, headstart, transportation

REGION 8a				
SERVICE PROVIDER	COUNTIES IN SERVICE AREA	TARGET POPULATION	BEDS	SERVICES
Children's Shelter of San Antonio	Bexar	Homeless families with children, 0-18 years of age		Emergency shelter; self-sufficiency assistance for parents (information, counseling, transportation); child care
The Salvation Army	Bexar	All homeless individuals	819	Existing shelters
San Antonio Metropolitan Ministry	Bexar	All homeless individuals, priority given to families with children		Emergency and transitional shelter and support services; facilities maintenance; child development services; possible employment of homeless
Comal County Family Violence Shelter	Comal	Homeless, especially children and disabled	72	Shelter, client assistance, therapy, psychological services;
George Gervin Youth Center	Bexar	Homeless persons, especially teen mothers	1,480	Homeless shelter, housing assistance, health care, employment counseling, nutrition, food, clothing, substance abuse treatment, outreach, transportation, child care
Comal County Juvenile Residential Supervision and Treatment Center	Comal, Kendall, Guadalupe, Hays	Homeless persons, especially youths 10-17 years old		Two youth shelters (13 beds each); food, healthcare (dental); rent, utilities subsidies; deposit, first month rent assistance; home repairs/maintenance
Respite Care of San Antonio	Bexar	Low-income/homeless/families with disabled children	913	In-home care, host-family care, family day/night out; shelter for disabled children

REGION 8b				
SERVICE PROVIDER	COUNTIES IN SERVICE AREA	TARGET POPULATION	BEDS	SERVICES
Valley Community Ministries	Cameron, Hidalgo	Homeless/At-Risk Individuals		Job counseling, resume preparation, networking training; employment placement; referral; transportation; job interview tips including clothes,

<b>REGION 8b</b>				
				grooming
Women's Shelter of the Corpus Christi Area	Aransas, Brooks, San Patricio, Bee, Refugio, Kenedy, Jim Wells, Live Oak, Kleberg, McMullen, Duval	Homeless victims of domestic violence and/or sexual assault	483	Shelter, food, medical assistance; utilities, rental housing deposits; first month's rent assistance
Corpus Christi Metro Ministries	Nueces	Homeless Mentally or physically disabled, accompanied or unaccompanied	450	Food, clothing, sanitary facilities, shelter; counseling and access to other services
Catholic Social Services of Laredo	Webb, Jim Hogg, Zapata	Homeless women with children	123	food; shelter; advocacy; medical, psychological, and employment counseling; transportation; rent, utilities, deposit subsidies
Nueces County MHMR Community Center	Nueces	Homeless with mental illness or substance abuse	450	shelter; medication assistance; rent, utilities, security deposit, first month's rent assistance; vocational training

<b>REGION 9</b>				
<b>SERVICE PROVIDER</b>	<b>COUNTIES IN SERVICE AREA</b>	<b>TARGET POPULATION</b>	<b>BEDS</b>	<b>SERVICES</b>
Concho Valley for Human Advancement	Coke, Concho, Crockett, Irion, Reagan, Sterling, Tom Green	Homeless with Mental illness or substance abuse	N/A	Security deposits and/or first month's rent; possible employment and income for work at the Center
Community Council of Reeves County	Loving, Reeves, Ward, Winkler	Homeless/At-Risk Individuals	N/A	Rent/ mortgage/ utilities assistance to prevent eviction/ foreclosure/ termination; payment of security deposits or first month's rent; emergency food, transportation, medical needs; counseling
Institute of Cognitive Development	Coke, Concho, Crockett, Irion, Kimble, Mason, McCulloch, Tom Green, Menard, Reagan, Sterling, Sutton, Schleicher	Homeless crime victims	78	Safe, secure housing for homeless; renovation/upgrade of facilities; possible employment as House Managers/Advocates
Permian Basin Center for Battered Women and their Children	Andrews, Bordon, Crane, Dawson, Ector, Gaines, Glasscock, Howard, Loving, Martin, Midland, Reeves, Upton, Ward, Winkler	Homeless victims of domestic violence and/or sexual assault		Overnight accommodations; transportation assistance; counseling; advocacy; food; first month's rent, utility deposits

<b>REGION 10</b>				
<b>SERVICE PROVIDER</b>	<b>COUNTIES IN SERVICE AREA</b>	<b>TARGET POPULATION</b>	<b>BEDS</b>	<b>SERVICES</b>

<b>REGION 10</b>				
Child Crisis Center of El Paso	El Paso	Homeless children ages newborn through 12 years who have been abused, neglected or abandoned	23	Shelter, food, clothing, activities, medical attention, schooling, counseling, referral, parenting education & support groups.
The Salvation Army	El Paso	Homeless women, accompanied or unaccompanied	68	Shelter, employment referrals, meals, clothing, utility and rental assistance, living skills, tutors, plans to include transitional housing.
El Paso Shelter for Battered Women	El Paso, Hudspeth, Culberson	Homeless victims of domestic violence and/or sexual assault	84	living skills, legal advocacy, counseling, transitional living, education, employment referral, ESL classes and rent and utility deposits.
El Paso County Alcohol and Drug Abuse Services	El Paso	Homeless indigent substance abusers	20	Medical detoxification, Adult Intensive Residential Services, Transitional Treatment Services, Transitional Treatment Center, Adolescent residential treatment, Criminal Justice Outpatient and Treatment Alternatives to Incarceration

# C. Special Needs Facilities and Services

The following is an annotated list of guides to facilities and services for persons with special needs in Texas.

## **Health and Human Services in Texas: A Reference Guide. Health and Human Services Commission, May 1993.**

The Texas Health and Human Services Commission has prepared a comprehensive reference guide to statewide health and human services. As of September 1995, the May 1993 version (the fourth edition) is the most recent version of the guide. According to the Commission, this guide and other information and referral tools are being updated. The fourth edition contains information on 236 programs provided by 24 state agencies, 2 federal agencies, 13 public medical schools and health science centers and a section on statewide information and referral. The guide is \$18 in printed format and \$20 in electronic format.

### **Information and Referral Hubs**

The Texas Health and Human Services Commission, through the Information and Referral Project, is working to establish information (I&R) hubs throughout the state. These community-based hubs are locally chosen single points of contact for consumers and providers to obtain information on state and local services. Currently, I&R Hubs have been designated in 120 of Texas' 254 counties. Statewide coverage is projected by the end of 1996. Finding Help in Texas: A Directory of Information and Referral Providers is published annually and can be obtained from the Texas Health and Human Services Commission, P.O. Box 13247, Austin, Texas, 78711, (512)502-3200.

### **TESS**

House Bill 7, passed by the 72nd legislature, promoted a health and human services delivery model based on the concept of one-stop connection to services. In response to this bill the Texas Health and Human Services Commission (HHSC), and its eleven component agencies collaborated to combine the functionality of their separate screening systems into a single product - TESS. This "front end" to the service delivery system is an automated screening tool that determines potential eligibility for programs in nine state health and human service agencies and for Supplemental Security Income (SSI). TESS operators inform the screened individuals where to apply for the services for which they may be eligible. TESS is designed for use by agencies that have a need to screen the potential eligibility for Texas health and human service programs. A DOS-based version of TESS is currently in use in 65 DHS offices and 115 TDH offices. For more information contact Cynthia Countyman, DHS, 512-450-3714.

### **IDBN**

The Integrated Database Network (IDBN) project is currently being piloted. IDBN is designed to develop an automated integrated index of clients of Texas' health and human services agencies. The IDBN system will provide access to selected information on clients to service delivery and management staff of the 11 HHSC agencies. A pilot IDBN system currently is being implemented in Big Spring at an office shared by several HHSC agencies. Additional pilot locations are the Casey Foundation project site in Houston and a site in Brownwood. Data will include Medicaid eligibility; food stamps, Aid to Families with Dependent Children, and Supplemental Security Income Data; Women, Infants, and Children program

data; Texas Department of Mental Health and Mental Retardation Client Assignment and Registration System (CARE) data; and Immunization Tracking System (ITS) data.

**Texas Council on Family Violence Service Directory, Texas Council on Family Violence, March 1995 (For more information call 512-794-1133).**

The Texas Council on Family Violence is a 501(c) (3) statewide membership association representing 62 shelters for battered women, 26 battering intervention and prevention programs, and four family violence legal assistance programs throughout Texas.

**Directory of Services, Community Relations Office, TXMHMR, Austin TX 1993-4 (For more information call 512-206-4540).**

The Texas Department of Mental Health and Mental Retardation (TXMHMR) provides services and support to persons with mental illness and mental retardation. They provide services through community-based nonprofit locally governed components of the MHMR service delivery system. TXMHMR facilities include state hospitals, state schools and state centers. TxMHMR's Directory of Services provides a comprehensive listing of their services by county.

**Area Agencies on Aging Directory of Access and Assistance, TDoA, July 1995 (For more information call 512-444-2727).**

The Texas Department on Aging provides a variety of services for the elderly including but not limited to congregate meals, information and referral, recreation, residential repair, home health aids, education, restoration of functional capacities after illness or hospitalization, transportation, medical procedures, senior centers, legal centers, nutrition sites, and case management. TDoA allocated federal and state funds to 28 Area Agencies on Aging who provide services directly or contract with local providers to deliver services.

**Texas HIV/AIDS Community Resource Directory, Texas Department of Health HIV division, Spring 1995. (for more information call 1-800-299-AIDS).**

The Texas Department of Health publishes the Texas HIV/AIDS Community Resource Directory which provides a listing of HIV/AIDS service providers, counseling and testing sites, pediatric services and educational resources. The directory includes national and state hotlines and information numbers, state agency resources & a bibliography of additional information resources.

## **D. Barriers to Affordable Housing**

*Please reference the “Barriers to Affordable Housing” portion of the Strategic Plan section. (Section III E, p. 116).*



# Section III. Strategic Plan

## § 91.315 Strategic plan.

- (a) General. For the categories described in paragraphs (b), (c), (d), and (e), the consolidated plan must do the following:
- (1) Indicate the general priorities for allocating investment geographically within the State and among priority needs;
  - (2) Describe the basis for assigning the priority (including the relative priority, where required) given to each category of priority needs;
  - (3) Identify any obstacles to meeting underserved needs;
  - (4) Summarize the priorities and specific objectives, describing how the proposed distribution of funds will address identified needs;
  - (5) For each specific objective, identify the proposed accomplishments the State hopes to achieve in quantitative terms over a specific time period (i.e., one, two, three or more years), or in other measurable terms as identified and defined by the State.
- (b) Affordable housing. With respect to affordable housing, the consolidated plan must do the following:
- (1) The description of the basis for assigning relative priority to each category of priority need shall state how the analysis of the housing market and the severity of housing problems and needs of extremely low-income, low-income, and moderate-income renters and owners identified in accordance with § 91.305 provided the basis for assigning the relative priority given to each priority need category in the priority housing needs table prescribed by HUD. Family and income types may be grouped together for discussion where the analysis would apply to more than one of them;
  - (2) The statement of specific objectives must indicate how the characteristics of the housing market will influence the use of funds made available for rental assistance, production of new units, rehabilitation of old units, or acquisition of existing units; and
  - (3) The description of proposed accomplishments shall specify the number of extremely low-income, low-income, and moderate-income families to whom the jurisdiction will provide affordable housing as defined in § 92.252 of this chapter for rental housing and § 92.254 of this chapter for homeownership over a specific time period.
- (c) Homelessness. With respect to homelessness, the consolidated plan must include the priority homeless needs table prescribed by HUD and must describe the State's strategy for the following:
- (1) Helping low-income families avoid becoming homeless;
  - (2) Reaching out to homeless persons and assessing their individual needs;
  - (3) Addressing the emergency shelter and transitional housing needs of homeless persons; and
  - (4) Helping homeless persons make the transition to permanent housing and independent living.
- (d) Other special needs. With respect to supportive needs of the non-homeless, the consolidated plan must describe the priority housing and supportive service needs of persons who are not homeless but require supportive housing (i.e., elderly, frail elderly, persons with disabilities (mental, physical, developmental), persons with alcohol or other drug addiction, persons with HIV/AIDS and their families, and public housing residents).
- (e) Nonhousing community development plan. If the State seeks assistance under the Community Development Block Grant program, the consolidated plan must describe the State's priority nonhousing community development needs that affect more than one unit of general local government and involve activities typically funded by the State under the CDBG program. These priority needs must be described by CDBG eligibility category, reflecting the needs of persons or families for each type of activity. This community development component of the plan must state the State's specific long-term and short-term community development objectives (including economic development activities that create jobs), which must be developed in accordance with the statutory goals described in § 91.1 and the primary objective of the CDBG program to develop viable urban communities by providing decent housing and a suitable living environment and expanding economic opportunities, principally for low-income and moderate-income persons.
- (f) Barriers to affordable housing. The consolidated plan must describe the State's strategy to remove or ameliorate negative effects of its policies that serve as barriers to affordable housing, as identified in accordance with § 91.310.

- (g) Lead-based paint hazards. The consolidated plan must outline the actions proposed or being taken to evaluate and reduce lead-based paint hazards, and describe how the lead-based paint hazard reduction will be integrated into housing policies and programs.
- (h) Anti-poverty strategy. The consolidated plan must describe the State's goals, programs, and policies for reducing the number of poverty level families and how the State's goals, programs, and policies for producing and preserving affordable housing, set forth in the housing component of the consolidated plan, will be coordinated with other programs and services for which the State is responsible and the extent to which they will reduce (or assist in reducing) the number of poverty level families, taking into consideration factors over which the State has control.
- (i) Institutional structure. The consolidated plan must explain the institutional structure, including private industry, nonprofit organizations, and public institutions, through which the State will carry out its housing and community development plan, assessing the strengths and gaps in that delivery system. The plan must describe what the State will do to overcome gaps in the institutional structure for carrying out its strategy for addressing its priority needs.
- (j) Coordination. The consolidated plan must describe the State's activities to enhance coordination between public and assisted housing providers and private and governmental health, mental health, and service agencies. With respect to the public entities involved, the plan must describe the means of cooperation and coordination among the State and any units of general local government in the implementation of its consolidated plan.
- (k) Low-income housing tax credit use. The consolidated plan must describe the strategy to coordinate the Low-income Housing Tax Credit with the development of housing that is affordable to low-income and moderate-income families.
- (l) Public housing resident initiatives. For a State that has a State housing agency administering public housing funds, the consolidated plan must describe the State's activities to encourage public housing residents to become more involved in management and participate in homeownership.

# A. Affordable Housing

## 1. Priority Housing Needs

**The following priority needs groups have been identified for the 1996 Consolidated Plan:**

- 1) Households at 80% or less of median income, particularly those with a severe cost burden (greater than 50% of income spent on housing) or living in substandard housing conditions.
- 2) Low income persons (80% or less of median income) with special needs - including elderly persons, frail elderly persons, persons with disabilities, persons with alcohol and/or other drug addictions, persons with HIV/AIDS, and public housing residents.
- 3) Residents of the colonias.
- 4.) Migrant Farmworkers.
- 5.) Homeless persons.

**Geographic Priorities:**

Given the geographic and demographic diversity in the state, assigning geographic funding priorities from the state level is impractical. To the extent possible, TDHCA will provide a balanced distribution of housing-related funds based on regional need. Please note that the Texas Legislature has directed 12.5 percent of the State's Community Development block Grant for non-entitlement cities and counties and \$20 million of the State's private activity bond ceiling for mortgage revenue bonds in 1996 and 1997 be set aside solely for the colonias. In addition, TDHCA has established a special Border Initiative fund for housing, of which approximately \$1.8 million will be carried over to 1996 from 1995 programs.

## Housing Priority Needs Summary Table

Priority Housing Needs			Priority Need Level		
households (HH)			High, Medium, Low, No Such Need		
			0-30%	31-50%	51-80%
Renter	Elderly HH	Cost Burden > 30%	H	H	H
		Cost Burden > 50%	H	H	H
		Substandard	H	H	H
		Overcrowded	H	H	H
	Small Related HH	Cost Burden > 30%	H	H	H
		Cost Burden > 50%	H	H	H
		Substandard	H	H	H
		Overcrowded	H	H	H
	Large Related HH	Cost Burden > 30%	H	H	H
		Cost Burden > 50%	H	H	H
		Substandard	H	H	H
		Overcrowded	H	H	H
	All Other HH	Cost Burden > 30%	H	H	H
		Cost Burden > 50%	H	H	H
		Substandard	H	H	H
		Overcrowded	H	H	H
Owner	Cost Burden > 30%	H	H	H	
	Cost Burden > 50%	H	H	H	
	Substandard	H	H	H	
	Overcrowded	H	H	H	

The Priority Needs Summary Table uses the following definitions:

**High priority (H):** Activities to address this need will be funded by the State during the five-year period.

**Medium Priority (M):** If funds are available, activities to address this need may be funded by the State during the five-year period.

**Low Priority (L):** The State will not fund activities to address this need during the five-year period. The State will consider certifications of consistency for other entities' applications for federal assistance.

**No Such Need (N):** The State finds there is no need or the State shows that this need is already substantially addressed. No certifications of consistency will be considered.<sup>92</sup>

The following discussion uses figures from Tables 1 through 3 in the Housing and Homeless Needs Assessment Section.

Seventy-eight percent of renter households with incomes at 0-30% of the median and 77 percent of renter households with incomes at 31-50% of the median, have one or more housing problems (cost burden, overcrowding, or substandard housing). Combining these two income groups, renter households with incomes at 0-50 percent of the median have one or more housing problems.

<sup>92</sup> U.S. Department of Housing and Urban Development, *Guidelines for Preparing a State Consolidated Strategy and Plan Submission for Housing and Community Development Programs*, p. 30.

Sixty-eight percent of owner households with incomes at 0-30 percent of the median and 48 percent of owner households with incomes at 31-50% of the median have one or more housing problems. Combining these two income groups, owner households with incomes at 0-50% of the median account for 43 percent of all owner households with a housing problem and for 77 percent of owner households with a severe cost burden. Thirty-five percent of owner households with incomes at 51-80% of the median have one or more housing problems. The 0-80 percent of the median income category is given the highest priority of funding in the Priority Needs Summary Table.

The data presented in the Housing and Homeless Needs Assessment Section of this report shows that households with lower incomes have higher incidences of housing problems. There are minimal differences between the incidences of housing problems between the two lowest income groups (0-30% and 31-50% of median income). The incidences of housing problems for these two groups is significantly higher than that of the other low-income group, households with incomes at 51-80% of median income, although significant need exists within this group. Households at 0 - 80 percent of median income have therefore been given higher priority than households above 80 percent of median income. This prioritization will allow the State to target resources to those households most in need, regardless of household type.

TDHCA believes that the lack of adequate affordable housing supply is the single largest impediment to satisfying the widest number of housing needs, regardless of income categories at or below 80 percent of median income. TDHCA has decided to leverage its available public funds by partnering with local governmental and non-profit entities, as well as the private for-profit sectors, to expand the supply of owner-occupied and rental housing. To the extent low income households (51% - 80% median) are benefited, more housing stock will be made available to the very low income population, as low income occupants occupy newer units in mixed income developments.

## 2. Obstacles to Meeting Underserved Needs

The most readily apparent obstacle to meeting underserved housing needs in Texas is severe shortage of housing stock (as evidenced by the 1996 Community Needs Survey results) and a shortage of funding sources.

Aside from the obvious shortages of funding and housing stock, local barriers to the implementation of the HOME Program grant include lack of experienced administrative staff at the local level, interested contractors and resident participation. The HOME Program is staff and time intensive. For the more rural areas, local staff may consist of only one or two part-time employees who have no experience with federal grants. The city or county may hire a consultant to help with the program, but consultants often have several TDHCA contracts open concurrently and cannot devote the time needed to each individual entity. Rural areas may also have difficulty finding interested contractors who have the financial stability to wait a minimum of two weeks for payment after the work is complete and the invoice is submitted. Contractors can earn more working in metropolitan areas because of the larger projects. Also, residents arguably don't understand the funding process and/or are intimidated by the involvement of government.

Lack of resident participation is not limited to rural areas, but may be more evident due to smaller populations. Local residents do not apply for funds for several reasons. They may fear becoming involved with "the government" or may see the funds as a "handout". Others, especially elderly, do not want a lien put on their house, even though the loan may be forgivable and can be structured to be forgiven entirely upon death. Some residents only want their houses rehabilitated, when cost dictates reconstruction, because they do not want their original house demolished. Another problem in rural communities is the lack of an adequate housing stock which meets Section 8 Housing Quality Standards. This means that some communities are unable to house families that would otherwise be able to use their Section 8 certificate/voucher.

The shortage of decent, affordable housing in Texas is a serious problem. An impediment to reaching qualified homeowners with state and federal rehabilitation assistance is the lengthy time period involved in getting payment to the small contractors who do these kinds of projects. CDBG and HOME funds often go to entities with little or no tax base or locally generated funds. These entities do not have cash reserves or cash on hand to fund local contractors and thus must wait on State reimbursement of expenses to pay small contractors. These are people working "out of their pickup trucks" i.e. one-person operations, who do not have the cash flow to wait up to a month to be paid for work done, which was paid for up-front out of their own pockets. Presently, there is a 3 day disbursement requirement for CDBG funds drawn down by a grantee, and 15 days for the HOME Program. If this disbursement period was extended to 30 days, just for the rehabilitation activity, then funds could be requested for a particular project, in advance, and rehabilitation contractors could be paid as soon as work is inspected. This is a critical issue for housing rehabilitation because it is so difficult to find and retain good contractors for rehabilitation activity.

An additional obstacle results from a well-meaning approach - devotion of housing assistance, particularly financial assistance, solely to very low income groups. Very few (if any) developers can or will develop for this income segment without deep and continuous subsidies. When this approach is pursued, the cost per unit assisted grows larger, and the funds are more likely to be made available as grants rather than loans, which means the funds will not be recycled. TDHCA believes that only by increasing the overall supply of housing can we satisfactorily address the cost of home ownership and/or rental rates. This means that available resources should also be directed to those groups who can help pay their own way, as well as the for-profit private sector, to help subsidize the very low income groups.

### 3. Affordable Housing - Specific Objectives and Proposed Accomplishments

**Goal 1:** TDHCA will increase and preserve the availability of safe, decent and affordable housing for very low, low and moderate income persons and families.

<b>Specific Objective 1.1</b>	Prepare a statewide analysis of housing needs for very low, low and moderate income persons.
<b>Proposed Accomplishments</b>	1. Complete an annual statewide analysis of housing needs by geographic area for individuals and families of very low, low and moderate income persons.

<b>Specific Objective 1.2</b>	Make loans, grants and incentives available to fund eligible housing activities and preserve/create housing units for very low, low and moderate income households.
<b>Proposed Accomplishments</b>	<ol style="list-style-type: none"> <li>1. Provide housing loans and grants through the Housing Trust Fund for very low and low income households.</li> <li>2. Provide housing loans and grants through the HOME Program for very low and low income households.</li> <li>3. Provide rental assistance through Section 8 certificates and vouchers for very low income households.</li> <li>4. Provide federal tax incentives to develop rental housing for very low and low income households.</li> <li>5. Provide below market interest rate mortgage loans to very low, low and moderate income first time home buyers.</li> <li>6. Provide loans for the development of multi-family rental units for very low, low and moderate income households.</li> <li>7. Acquire multi-family housing units for very low-, low-, and moderate income individuals and families.</li> <li>8. Acquire and/or refinance projects at risk of being lost as affordable housing.</li> <li>9. Monitor occupancy requirements of Texas properties sold under the Resolution Trust Corporation's Affordable Housing Program.</li> <li>10. Provide program funds to rehabilitate substandard rental housing.</li> <li>11. Inform local governments eligible to receive CDBG funds of the availability of CDBG funds for housing and the use of CDBG funds as leverage and matching funds for other housing programs.</li> <li>12. Work to increase the numbers of low-income rental projects by informing policy makers and housing developers of the need for additional units throughout the state.</li> <li>13. Promote the coordination of housing resources among state and federal agencies and promote the coordination of program resources through projects that qualify for funding from a variety of sources.</li> <li>14. Work with the for-profit development community, as well as other housing and social service agencies to coordinate the provision of affordable housing and supportive services for</li> </ol>

<b>Specific Objective 1.2</b>	Make loans, grants and incentives available to fund eligible housing activities and preserve/create housing units for very low, low and moderate income households.
	<p>persons with special needs.</p> <p>15. Promote the development of mixed-income housing.</p> <p>16. To insure that new multi-family housing stays affordable, access programs that require long-term affordability and require housing sponsors to sign restrictive covenants that define affordability periods.</p> <p>17. Increase awareness of programs which promote homeownership and self-sufficiency for residents of subsidized and assisted housing.</p> <p>18. Structure HOME scoring criteria to promote the leveraging of public/private funds and increase partnerships at the local level, particularly with the for-profit community.</p> <p>19. Access funding from the Federal Home Loan Bank Board</p> <p>20. Promote pro-active initiatives to preserve, acquire, and rehabilitate single-family and multifamily housing</p> <p>21. Promote the creation of housing through private sector enterprises.</p> <p>22. Study methods to maximize the use of LIHTC and HOME funds in rural, low-income areas and adjust program rules accordingly.</p>
<b>Specific Objective 1.3</b>	Increase the capacity statewide to develop affordable housing for very low-,low-, and moderate- income households.
<b>Proposed Accomplishments</b>	<ol style="list-style-type: none"> <li>1. Allocate 15 percent of each federal fiscal year's HOME appropriations for housing projects developed by non-profits (State-certified CHDOs).</li> <li>2. Provide Low Income Housing Tax Credits for housing projects developed in conjunction with HOME funds..</li> <li>3. Provide funding information and establish partnerships among local not-for-profits, for-profits, <i>and/or</i> state and federal housing administrators.</li> </ol>
<b>Specific Objective 1.4</b>	Discourage the expenditure of State and Federal housing funds in areas susceptible to repeated flood damage.
<b>Proposed Accomplishments</b>	<p><i>Significant public funds are spent each year to provide temporary housing, food, shelter, evacuation, security and repair services to persons who live in flood prone areas creating an ongoing 'flood and repair' cycle that drains public resources. Rather than simply responding to damage as it occurs, and continually providing funds to those who choose to remain in flood prone areas, public policy should focus on prevention and apply resources to encourage households to locate or relocate to areas outside the 100-year floodplain.</i></p> <ol style="list-style-type: none"> <li>1. State housing-related (exclusive of services) funds should not be used to purchase, construct, or substantially rehabilitate property located in the 100-year floodplain unless the jurisdiction which it is under has adopted a floodplain management plan which is consistent with Federal Emergency Management Agency (FEMA) standards.</li> </ol>

<b>Goal 2:</b> TDHCA will target its housing-related resources for assistance to very low-income households.	
<b>Specific Objective 2.1</b>	To annually apply a minimum of 25 percent of the Department's housing-related resources to benefit very low-income Texans.
<b>Proposed Accomplishments</b>	1. Require that housing-related resources maximize benefits to very low-income Texans.

<b>Goal 3:</b> TDHCA will maximize the effectiveness of available funds by leveraging public/private resources.	
<b>Specific Objective 3.1</b>	Annually leverage the Department's combined loans, grants and incentives with public/private resources.
<b>Proposed Accomplishments</b>	1. Structure program guidelines, scoring criteria and technical assistance to encourage applicants to provide local or other funds to leverage available Department resources.

<b>Goal 4:</b> Mortgage Financing	
<b>Specific Objective 4.1</b>	Assist in overcoming barriers to mortgage financing experienced by very low-, low-, and moderate-income households.
<b>Proposed Accomplishments</b>	<ol style="list-style-type: none"> <li>1. Provide agency resources to assist households facing contract for deed problems.</li> <li>2. Use the TDHCA Downpayment Assistance Program to assist very low and low-income households in mortgage financing.</li> <li>3. Provide training and assistance to affordable housing professionals to educate first-time homebuyers.</li> <li>4. Provide information and assistance to first-time homebuyers.</li> <li>5. Originate low or no-interest loans which can be recycled for future affordable housing needs.</li> </ol>

<b>Goal 5:</b> TDHCA will increase the stock of affordable, decent, safe and sanitary housing in the colonias.	
<b>Objective 5.1</b>	Make loans, grants and incentives available to fund eligible housing activities and preserve/create housing units for very low, low and moderate income households.

<p><b>Proposed Accomplishments</b></p>	<ol style="list-style-type: none"> <li>1. Establish five Owner-Builder <i>Self-Help Housing Resource Centers</i> in counties along the U.S./Mexico Border to help to develop and promote effective self-help housing delivery strategies and techniques.</li> <li>2. Encourage the full use of the RECD/FmHA Colonias set-aside</li> <li>3. Provide agency resources to assist households facing contract for deed problems</li> <li>.</li> <li>4. Use resources from the Housing Trust Fund, HOME and CDBG programs to improve housing and infrastructure in the colonias.</li> <li>5. Agencies with resources available to improve conditions in the colonias (including TDHCA, HUD, TWDB, Fannie Mae and RECD/FmHA) need to collaborate with local governments Not-For-Profits and For-Profits in order to make the most effective use of their resources and develop a collaborative and comprehensive approach to improving conditions in the colonias.</li> <li>6. Devise a Mortgage Revenue Bond Program dedicated to the colonias.</li> </ol>
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**3b. Definitive Listing of Households or Individuals Assisted with Affordable Housing**

	FY 1995 Total Households or Individuals Served	FY 1995 Households Served by Income Group		
		0-30% AMFI	31-50% AMFI	51-80% AMFI
HOME Program	860(households)	593	243	24
Emergency Shelter Grants Program	50,258 (individuals)	50,258		
Texas Community Development Program (Housing Fund)	160(households)	160 (0-80%)		
HOPWA	*3,400 (individuals)			

\* 1995 estimate from the Department of Health

# B. Homelessness

## 1. Priority Needs

Homeless persons are considered a priority group for housing-related funding (see 'priority housing needs' above). The priorities also target households at 80 percent or less of median income, particularly those with a severe cost burden or living in substandard housing conditions. Much of this population group can be considered 'at-risk' of homelessness.

**Homeless  
Priority Needs Summary Table**

Priority Homeless Needs	Priority Need Level		
	High, Medium, Low, No Such Need		
	Families	Individuals	Persons w/ Special Needs
Assessment/Outreach	H	H	H
Emergency Shelter	H	H	H
Transitional Housing	H	H	H
Permanent Supportive Housing	H	H	H
Permanent Housing	H	H	H

The Priority Needs Summary Table uses the following definitions:

**High priority (H):** Activities to address this need will be funded by the State during the five-year period.

**Medium Priority (M):** If funds are available, activities to address this need may be funded by the State during the five-year period.

**Low Priority (L):** The State will not fund activities to address this need during the five-year period. The State will consider certifications of consistency for other entities' applications for federal assistance.

**No Such Need (N):** The State finds there is no need or the State shows that this need is already substantially addressed. No certifications of consistency will be considered.<sup>93</sup>

<sup>93</sup> U.S. Department of Housing and Urban Development, Guidelines for Preparing a State Consolidated Strategy and Plan Submission for Housing and Community Development Programs, p. 30.

## 2. Homelessness - Specific Objectives and Proposed Accomplishments

<b>Goal 1:</b> TDHCA will improve living conditions for the poor and homeless.	
<b>Specific Objective 1.1</b>	To ease the hardships of poverty and homelessness of very low-income persons.
<b>Proposed Accomplishments</b>	<ol style="list-style-type: none"> <li>1. Administer homeless and poverty-related funds through a network of community action agencies and other local organizations so that poverty-related services are available to very low-income persons throughout the state.</li> <li>2. Provide funds to improve the quality of existing emergency shelters for the homeless.</li> <li>3. Provide funds to make additional emergency shelters available.</li> <li>4. Provide funds to help meet the costs of operating emergency shelters and of providing essential services to homeless persons.</li> <li>5. Provide funds to homelessness prevention programs for utility, mortgage, and rental assistance.</li> <li>6. Provide funds for transitional housing programs.</li> <li>7. Emphasize continuum of care efforts and coordination between shelter and service providers in the ESGP application process.</li> </ol>
<b>Specific Objective 1.2</b>	Increase the coordination of resources among agencies and governments serving the homeless.
<b>Proposed Accomplishments</b>	<ol style="list-style-type: none"> <li>1. Promote the coordination of housing resources among state and federal agencies and promote the coordination of program resources through projects that qualify for funding from a variety of sources.</li> <li>2. Work with the Texas Interagency Council for the Homeless in implementing their Strategic Plan.</li> <li>3. TDHCA will continue its partnership with the Texas Department of Mental Health and Mental Retardation (MHMR) designed to create a Continuum of Care project for homeless persons in the South Texas Region.</li> <li>4. Pursuant to 24CFR, require nonprofit applicants for ESGP funds to submit their ESGP application to the local city or county government for the government's approval.</li> <li>5. Require ESGP program applicants to describe their participation in any local homeless coalition, social services coordinating council, development of the HUD-required Consolidated Plan or similar document, and/or development of a "continuum of care" plan for the community.</li> </ol>
<b>Specific Objective 1.3</b>	If funds are available, plan for the implementation of a transitional housing pilot program which provides supportive services and other opportunities designed to move homeless persons into permanent housing.
<b>Proposed Accomplishments</b>	<ol style="list-style-type: none"> <li>1. When applicable, ask ESGP program applicants to describe and document their organization's transitional housing Programs.</li> </ol>

<b>Goal 1:</b> TDHCA will improve living conditions for the poor and homeless.	
	<ol style="list-style-type: none"> <li>2. Develop a plan to implement transitional housing pilot program. The transitional housing program will include the provision of the following services: (1) interim housing; (2) physical and mental health services; (3) literacy training; (4) job training; (5) family counseling; (6) credit counseling; (7) education services; and, (8) other services that will prevent homelessness (child care, transportation, etc.).</li> <li>3. Identify potential sources of funding for supportive service programs.</li> </ol>
<b>Objective 1.4</b>	If funding is available, gather information on homelessness in Texas, to include the number and characteristics of homeless persons.
<b>Proposed Accomplishments</b>	<ol style="list-style-type: none"> <li>1. Conduct a statewide census of homeless persons. The census will gather, at a minimum, information on the number of homeless persons in Texas, why they are homeless, and their current living arrangements.</li> <li>2. Develop a report for the Governor, Lt. Governor, Speaker of the House, the governing body of each of the Council member agencies, the Texas Legislature, and other funding entities.</li> </ol>
<b>Objective 1.5</b>	Conduct a statewide inventory of facilities and services that meet the need for emergency shelter, transitional housing, and supportive services for homeless individuals and families.
<b>Proposed Accomplishments</b>	<ol style="list-style-type: none"> <li>1. Conduct a survey of the homeless service providers that have responded to ESGP RFPs since the program's inception.</li> </ol>

# C. Other Special Needs Groups

## 1. Priority Needs

Low-income persons with special needs - including elderly persons, frail elderly persons, persons with disabilities, persons with alcohol and/or other drug addictions, persons with HIV/AIDS, and public housing residents - are considered a priority group for housing-related funding.

## 2. Other Special Needs - Specific Objectives and Proposed Accomplishments

<b>Category 1: General Special Needs</b>	
<b>Objective 1.1</b>	Commit funding resources to address the housing needs of persons with special needs.
<b>Proposed Accomplishments</b>	<ol style="list-style-type: none"> <li>1. Create a 10% special needs set-aside through the HOME and Housing Trust Fund programs.</li> <li>2. Compile information regarding the housing needs of and housing resources available to persons with special needs. Incorporate guidance, input and information from service providers who specialize in serving those with special needs to augment Census data and survey results.</li> </ol>
<b>Objective 1.2</b>	Discourage the segregation of persons with special needs from the general population.
<b>Proposed Accomplishments</b>	<ol style="list-style-type: none"> <li>1. Increase awareness of the availability of conventional housing programs for persons with special needs.</li> <li>2. Establish criteria and performance measures which encourage the integration of persons with special needs when scoring projects targeted toward special needs population.</li> </ol>
<b>Objective 1.3</b>	Increase collaboration between organizations that provide services to special needs populations and organizations with housing expertise.
<b>Proposed Accomplishments</b>	<ol style="list-style-type: none"> <li>1. Require that applicants requesting funds for special needs housing projects provide documentation of a collaborative effort between the housing developer and a social service provider with experience serving special needs populations.</li> <li>2. Work together with HHSC and other HHS agencies to develop housing alternatives for individuals requiring long-term community care services.</li> <li>3. Require that applicants for special needs housing projects contact local social service agencies (i.e. HHS agencies and community care providers for the elderly) to document and verify the need for special needs housing.</li> </ol> <p>Require that applicants receiving housing funds hold public hearings post notices of public hearings with local HHS and community-care providers.</p>

<b>Category 1: General Special Needs</b>	
<b>Category 2: Persons with Disabilities</b>	
<b>Objective 2.1</b>	Assess need. A satisfactory assessment of the <i>housing needs</i> of the low income disabled population in Texas is not available.
<b>Proposed Accomplishments</b>	1. To the extent possible, TDHCA will work with HHSC, MHMR, and other HHS agencies, and community groups to gather information on the housing needs of persons with disabilities throughout the state.
<b>Objective 2.2</b>	Increase the availability of affordable and accessible housing for persons with disabilities.
<b>Proposed Accomplishments</b>	<ol style="list-style-type: none"> <li>1. Continue to monitor the recipients of funding to ensure compliance with all state and federal requirements for accessibility as required by program regulations.</li> <li>2. Encourage new construction and, when feasible, rehabilitation projects utilizing TDHCA funding sources to reflect the "American with Disabilities Act Accessibility Guidelines for Building and Facilities" (36 CFR part 1191, Appendix A) published by the U.S. Architectural &amp; Transportation Barriers Compliance Board. Housing rehabilitation and construction programs administered by TDHCA such as HOME, CDBG, Housing Trust Fund and LIHTC should examine the feasibility of establishing program rules incorporating the ADA Accessibility Guidelines (ADAAG).</li> <li>3. Establish in 1996 a pilot project in a minimum of three areas to promote accessibility through the removal of architectural barriers. Such a program could result in the provision of funding for the rehabilitation of existing housing to meet accessibility guidelines for persons with disabilities. The program should not use funds to pay for modifications for housing which is already supposed to be in compliance with accessibility requirements. Such housing should be brought into compliance with accessibility standards.</li> </ol>
<b>Objective 2.3</b>	Form partnerships.
<b>Proposed Accomplishments</b>	Promote the coordination of housing resources available among State and Federal agencies and consumer groups that serve the housing needs of persons with disabilities.
<b>Objective 2.4</b>	Provide housing choices which are not linked to supportive services.
<b>Proposed Accomplishments</b>	<ol style="list-style-type: none"> <li>1. Separating housing from supportive services increases housing choice and provides individuals the opportunity to choose their services and tailor them to their specific needs. TDHCA, in partnership with other agencies, should encourage consumer-control models of housing provision for persons with disabilities.</li> <li>2. Require that applicants receiving housing funds hold public hearings and post notices of public hearings with local HHS and community-care providers and consumer groups.</li> </ol>
<b>Objective 2.5</b>	Increase awareness of competitive grant funds.
<b>Proposed</b>	1. Use planning documents such as the State Low Income

## Category 1: General Special Needs

<b>Accomplishments</b>	<p>Housing Plan and the Consolidated Plan to increase awareness of competitive grant opportunities for groups serving persons with disabilities.</p> <p>2. Help to bring competitive grant funds into Texas and encourage participation at the local level through capacity building efforts and technical assistance offered at the state level.</p>
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## Category 3: Elderly Persons

<b>Objective 3.1</b>	Assess need. To make the most effective use of available funds, the State needs an accurate count of the number of frail, handicapped and otherwise needy elderly currently living in Texas and in need of affordable housing. <i>Give particular emphasis to the needs of frail elderly persons in poor rural communities.</i>
<b>Proposed Accomplishments</b>	1. To the extent possible, TDHCA will collaborate with other agencies on such a project.
<b>Objective 3.2</b>	Support the development of non-institutional housing options and programs which enable the elderly to remain in their own homes and stay close to family and other support groups.
<b>Proposed Accomplishments</b>	<p>1. Collaborate with the TDoA to provide education and technical assistance to encourage innovative housing options for the elderly. Innovative approaches can include but are not limited to - shared housing, residential care homes, ECHO housing, co-housing, accessory apartments, transitional housing, and home repair/modification programs.</p> <p>2. Encourage local regulatory codes and housing design standards that permit accessory apartments and other modified living arrangements for the elderly.</p>
<b>Objective 3.2</b>	Increase awareness of competitive grant funds.
<b>Proposed Accomplishments</b>	<p>1. Use planning documents such as the State Low Income Housing Plan and the Consolidated Plan to increase awareness of competitive grant opportunities for groups serving elderly persons.</p> <p>2. Help to bring competitive grant funds into Texas and encourage participation at the local level through capacity building efforts and technical assistance offered at the state level.</p>

### **3. Housing Opportunities For Persons With AIDS (HOPWA) Strategic Plan**

Provided below is the Texas Department of Health (TDH) CY 1996 Strategic Plan for HOPWA as part of the 1996 Consolidated Plan as it relates to persons with HIV/AIDS and their families:

#### **General Priorities for Allocating Investment**

Housing needs among persons with HIV/AIDS and their families varies throughout the state. To provide equity among all geographic regions, HOPWA funds within Texas are disbursed to State contractors using a formula allocation based on the same one used for distributing the Ryan White Title II Comprehensive AIDS Resources Emergency (CARE) Act funds from the U. S. Department of Health and Human Services.

The general locations for the HOPWA activities cover the entire state through 26 established HIV Service Delivery Areas (HSDAs). An HIV CARE Consortium is located in each of the 26 HSDAs across the state to administer the HOPWA funds, the Ryan White CARE Act funds, and the State Services grants.

Elements of the allocation formula include (1) the total number of AIDS cases reported to TDH in Austin during the two-year period prior to the year in which the formula is run for the grant period; (2) the total Texas population for each area estimated at the time the formula is run, based on the 1990 U. S. Census; and (3) the ratio of each HSDA's estimated 1990 poverty rate to the State's 1990 poverty rate. Counties which are directly funded by HUD are excluded from the formula.

#### **Basis for Assigning Priority**

Individuals eligible to receive assistance or services under the HOPWA program are persons with Acquired Immunodeficiency syndrome (AIDS) or related diseases and their families who are low-income as defined by HUD. Eligible persons for participation in the program are determined routinely at intake for all HIV/AIDS services clients. They are assessed for changes in housing eligibility status during regular assessment visits with their case manager. Any client needing housing assistance may request determination of eligibility as needed.

#### **Obstacles to Meeting Underserved Needs**

The most often received comment to meeting underserved needs relate to the shortage of available low-income housing for the increased demand for persons living in poverty; not only for HIV/AIDS infected clients, but for low-income persons in general. Other concerns include the inability to use the HOPWA funds to pay deposits, confidentiality, securing permanent and affordable housing to move persons off HOPWA assistance, and a shortage of funds in some regions.

#### **Summary of Priorities**

The priorities of the program are to keep persons with HIV/AIDS from becoming homeless and to provide a better quality of life for them and their families during all stages of the disease. Persons with HIV/AIDS have a full set of needs including medical care, drugs, food, transportation, counseling, case management, and housing. The need for housing continues to increase as AIDS becomes more a disease of the poor.

In addition, the National Commission on AIDS estimates that one-third to one-half of persons with AIDS are homeless or at risk of homelessness. In Texas, as of June 30, 1995, there were 13,908 persons reported to be living with AIDS. That translates into 4,630 to 6,950 people with AIDS who are homeless or at risk of being homeless.

### **Specific Objectives**

The primary or specific objective for the HOPWA program in Texas is to provide housing assistance through two programs: Emergency Housing Assistance and Rental Assistance.

**Emergency Assistance Program:** This program provides short-term rent, mortgage, and utility payments to prevent homelessness of the tenant or mortgagor of a dwelling. It enables low-income individuals at risk of becoming homeless to remain in their current residences for a period not to exceed 21 weeks in any 52-week period.

**Rental Assistance Program:** This program provides tenant-based rental assistance, including assistance for shared housing arrangements. It enables low-income clients to pay their rent and utilities until there is no longer a need, or until they are able to secure other housing.

Services, other than housing needs, are provided to persons with HIV/AIDS through the Ryan White Title II funds and through State Services grants.

### **Proposed Accomplishments**

Based on level funding, HOPWA funds should provide assistance to approximately 3,400 clients statewide for both programs during the 1996 calendar year. TDH estimates that 1,800 persons can be provided with emergency housing assistance and 1,600 persons can be provided rental assistance.

# D. Nonhousing Community Development Plan

The Nonhousing Community Development Plan will primarily cover activities funded under the Texas Community Development Program (TCDP), administered by TDHCA.

The Texas Community Development Program administers federal Community Development Block Grant (CDBG) funds authorized by the federal Housing and Community Development Act of 1974, as amended.

## 1. Priority Non-Housing Community Development Needs

### **Priority needs groups proposed for the 1996 Consolidated Plan:**

The primary beneficiaries of the Texas Community Development Program are low- and moderate-income persons. Very low, low- and moderate--income families are defined as those earning less than 80 percent of the area median family income, as defined under the U.S. Department of Housing and Urban Development (HUD) Section 8 Assisted Housing Program (Section 102(c)).

### **Geographic Priorities:**

The Texas Community Development Program administers a number of separate funding categories. Some of these are allocated on a regional basis, while others are allocated statewide on a competitive basis, and still others are reserved for specific areas of the state. A full description of the different funds and their allocation methods is available in the Action Plan section, which contains the established scoring criteria for the different funds, including the prioritization of eligible activities.

## Non-Housing Community Development Priority Needs Summary Table

Priority Community Development Needs	Priority Need Level
	High, Medium, Low, No Such Need
PUBLIC FACILITY NEEDS	M
INFRASTRUCTURE IMPROVEMENT	H
Solid Waste Disposal Improvements	M
Drainage and Flood Control Improvements	H
Water System Improvements	H
Street and Bridge Improvements	H
Sewer System Improvements	H
PUBLIC SERVICE NEEDS	M
ECONOMIC DEVELOPMENT NEEDS	H
OTHER COMMUNITY DEVELOPMENT NEEDS	M
PLANNING	H

The Priority Needs Summary Table uses the following definitions:

High priority (H): Activities to address this need will be funded by the State during the five-year period.

Medium Priority (M): If funds are available, activities to address this need may be funded by the State during the five-year period.

Low Priority (L): The State will not fund activities to address this need during the five-year period. The State will consider certifications of consistency for other entities' applications for federal assistance.

No Such Need (N): The State finds there is no need or the State shows that this need is already substantially addressed. No certifications of consistency will be considered.<sup>94</sup>

The above allocation of priorities is based on historical funding requests in the Community Development Program and on information received in the 1996 Consolidated Plan Community Needs Survey conducted by TDHCA.

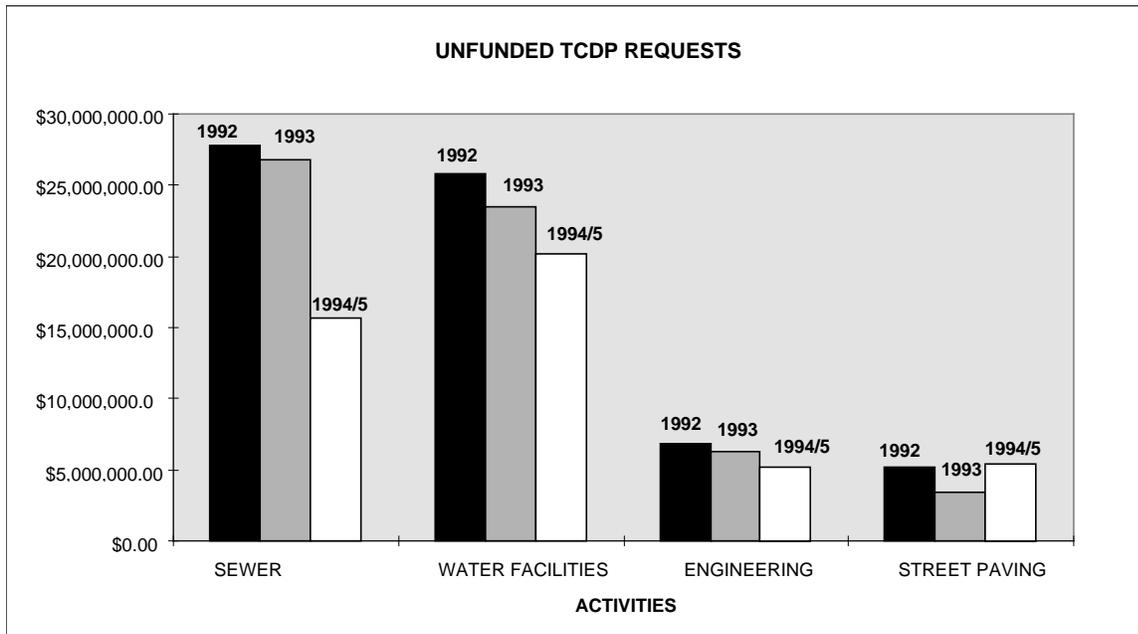
The HUD Guidelines for preparing a State consolidated strategy suggest that the state use the last 2 or 3 years of local government applications to assess the demand for community development funds. The tables below illustrate the amount of *unfunded* community development fund application requests for the 1992, 1993 and 1994/5 CDBG program years. Unfunded request amounts are included for water, sewer, engineering, street paving, administration, housing rehabilitation, drainage, removal of architectural barriers, acquisition demolition, community center, senior centers and fire protection. In some cases, the local governments knew before submitting their application which activities would be given the highest score by the regional review committees. The possibility of such a significant bias must be considered when using the figures below to gauge the need for a particular activity.

<sup>94</sup> U.S. Department of Housing and Urban Development, Guidelines for Preparing a State Consolidated Strategy and Plan Submission for Housing and Community Development Programs, p. 30.

**Please note:** The funding amounts requested (shown on the Y-axis of the tables) vary significantly in each table.

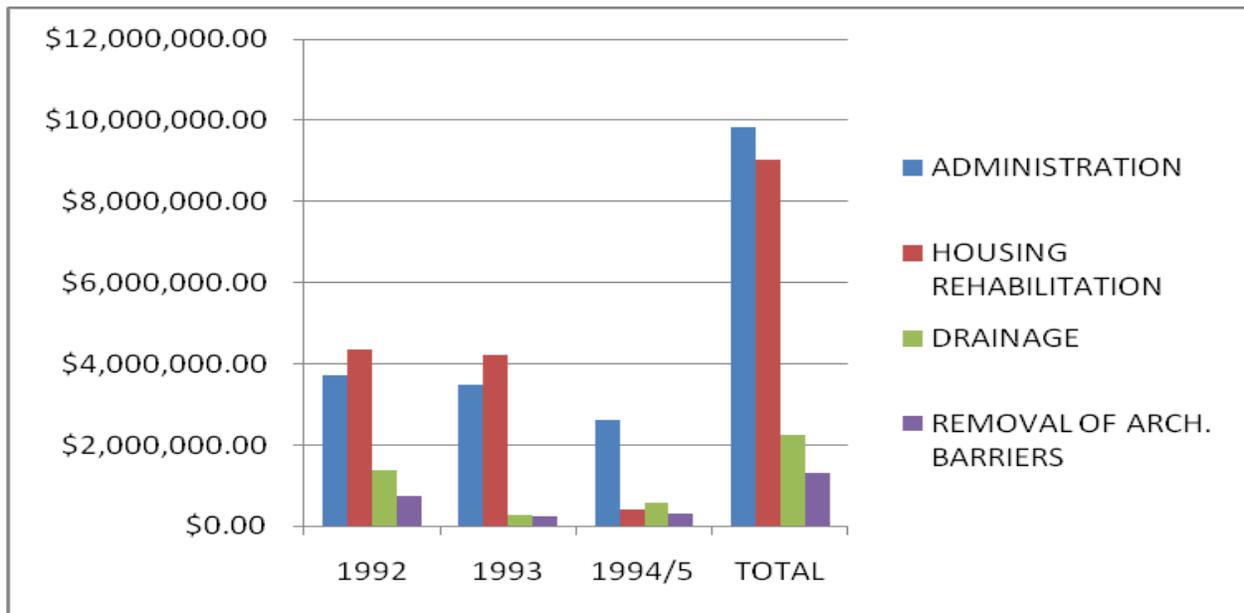
### UNFUNDED REQUESTS FOR COMMUNITY DEVELOPMENT PROGRAM FUNDS FOR 1992-1995

	1992	1993	1994/5	TOTAL
<b>SEWER FACILITIES</b>	\$27,839,655.00	\$26,809,120.00	\$15,648,054.00	\$70,296,829.00
<b>WATER FACILITIES</b>	\$25,859,390.00	\$23,471,726.00	\$20,159,487.00	\$69,490,603.00
<b>ENGINEERING</b>	\$6,788,122.00	\$6,302,099.00	\$5,180,425.00	\$18,270,646.00
<b>STREET PAVING</b>	\$5,196,293.00	\$3,381,808.00	\$5,449,011.00	\$14,027,112.00



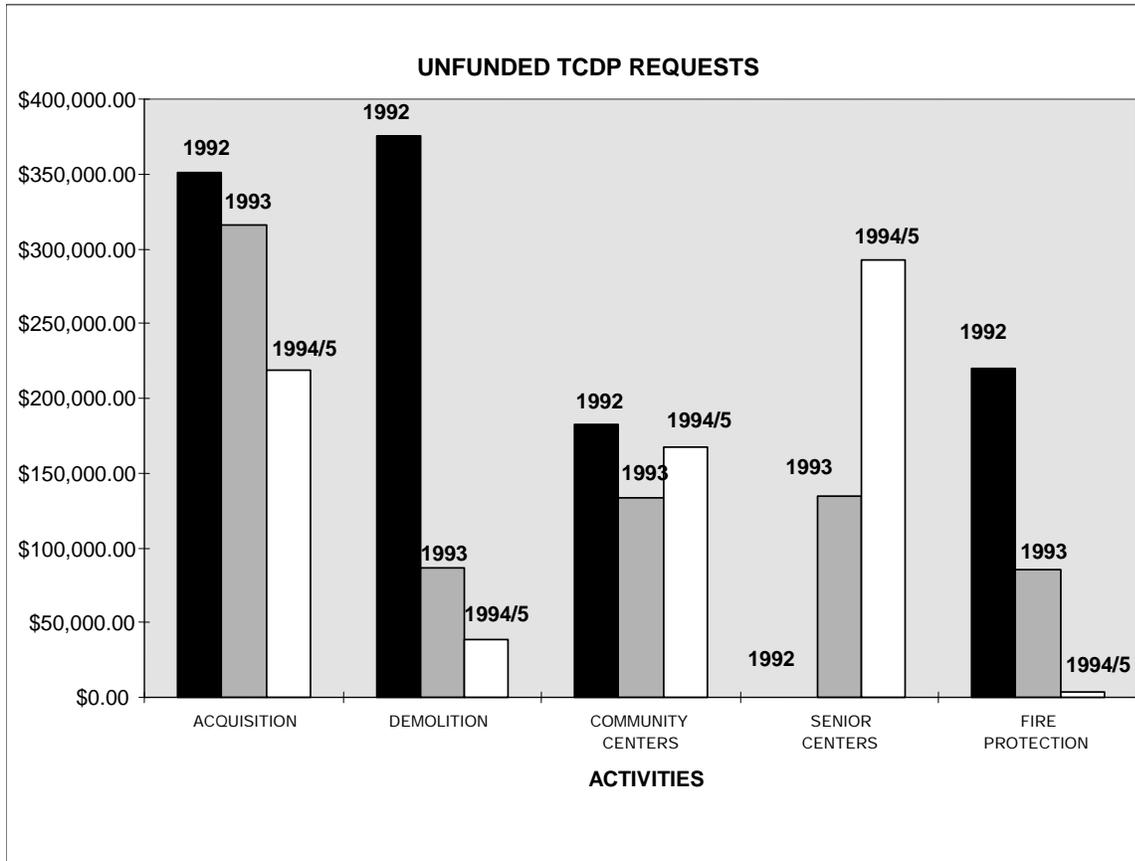
## UNFUNDED REQUESTS FOR COMMUNITY DEVELOPMENT PROGRAM FUNDS FOR 1992-1995

	1992	1993	1994/5	TOTAL
<b>ADMINISTRATION</b>	\$3,714,221.00	\$3,484,461.00	\$2,623,435.00	\$9,822,117.00
<b>HOUSING REHABILITATION</b>	\$4,370,700.00	\$4,217,934.00	\$426,694.00	\$9,015,328.00
<b>DRAINAGE</b>	\$1,370,181.00	\$283,420.00	\$589,065.00	\$2,242,666.00
<b>REMOVAL OF ARCH. BARRIERS</b>	\$741,499.00	\$246,560.00	\$325,250.00	\$1,313,308.00



## UNFUNDED REQUESTS FOR COMMUNITY DEVELOPMENT PROGRAM FUNDS FOR 1992-1995

	1992	1993	1994/5	TOTAL
<b>ACQUISITION</b>	\$350,831.00	\$314,995.00	\$218,301.00	\$885,127.00
<b>DEMOLITION</b>	\$374,900.00	\$87,066.00	\$39,066.00	\$501,032.00
<b>COMMUNITY CENTERS</b>	\$182,000.00	\$132,986.00	\$166,980.00	\$481,966.00
<b>SENIOR CENTERS</b>	\$0.00	\$134,082.00	\$292,456.00	\$426,538.00
<b>FIRE PROTECTION</b>	\$219,402.00	\$85,000.00	\$3,068.00	\$307,470.00



### Summary

There have been \$70,296,829 in unfunded requests for sewer systems since 1992 making this the most highly requested activity from the community development fund. Requests for water systems run a close second with a total of \$69,490,603 in unfunded requests over the past three years. After sewer and water systems, there is a significant drop in the amount of unfunded requests for other activities ranging from \$18,270,646 for engineering costs to \$307,470 for fire stations. The program has shown an overall decline in unfunded requests since 1992. This decline can be attributed to increasing allocations at the federal level as well as the success of the 1994/5 double funding cycle.

## 2. Obstacles to Meeting Underserved Needs

The most commonly cited obstacle to meeting the underserved community development needs of Texas cities (aside from inadequate funding) is the often non-existent administrative capacity of the small rural towns and counties the CDBG program serves. Of the 1,033 cities in Texas that are eligible to receive CDBG funds 922 have a population of less than 7,000, and 454 have a population less than 1,000. Of the 248 eligible counties the program serves, 130 have a population of less than 7,000. Limited by a dwindling tax base and a city staff of one or two persons, small rural areas (who often have the most urgent need for public improvements and the most limited resources) cannot compete effectively against larger cities. The CDBG Program regulatory requirements are staff and time intensive. The city or county may hire a consultant to help with the program, but consultants often have several TDHCA contracts open concurrently and cannot devote the time needed to each individual entity. Rural areas may also have difficulty finding interested contractors who have the financial stability to wait a minimum of two weeks for payment after the work is complete and the invoice is submitted. Contractors can earn more working in metropolitan areas because of the larger projects.

Despite the fact that they make up a high percentage of eligible applicants, some regions produce a very small number of county applicants. Of the 248 county applicants eligible for 1994/5 funds only 80 applied. In 1993, 71 counties applied, in 1992, 77 counties applied, in 1991, 63 counties applied and, in 1990, only 59 counties applied. West Central Texas (of 19 eligible 1994 applicants only 2 applied), North Central Texas (of 14 eligible counties only one applied in 1994) and the Panhandle area (only 2 of 26 eligible counties applied) have some of the lowest rates of county applications.

The sheer physical size and diversity of the State of Texas can present an obstacle to meeting underserved needs. Providing technical assistance and monitoring in the West Texas region, for example, requires long hours of travel between towns and airports making it difficult and time intensive to provide ongoing support. The regional diversity and range of problems encountered throughout the state make it difficult to develop a comprehensive understanding of statewide need.

Consolidated Plan committee members cited a lack of grassroots local citizen participation as another obstacle to meeting underserved community development needs. Lack of citizen participation is not limited to rural areas, but may be more evident due to smaller populations. Local residents do not participate in public hearings for a variety of reasons: They may fear becoming involved with "the government" or may see the funds as a "handout". Lack of transportation is another significant barrier for many low-income individuals who may want to participate in the public hearing process; advisory committee representatives mentioned that some of their constituents do not feel comfortable speaking in a public hearing format and find the bureaucratic jargon that surrounds federal programs alienating and difficult to understand.

Another obstacle to meeting underserved needs applies to colonias projects. There have been cases when a county applies to provide water service to an area, but more than one water supply corporation or city may have a Certificate of Convenience and Necessity (CCN) in that territory (CCNs have been issued which have overlapping territories). In these cases, a dispute over which water supply corporation/city has the right to serve the territory, (and therefore collect the revenues) may arise. A public hearing process may be necessary to resolve this issue which can then delay projects for months.

### 3. Non-Housing Community Development - Specific Objectives and Proposed Accomplishments

The intent of the Texas Community Development Program is to design a state program that meets the federal Community Development Block Grant (CDBG) program eligibility requirements for applicants; balances the needs of the greatest number and neediest low- and moderate- income persons; places some emphasis on eligible program activities that meet basic human needs; considers local input and needs in the development of program design through a citizen participation process; and allows local involvement in the selection of program grantees.

<p><b>Goal 1:</b> TDHCA will work to better Texas communities by supporting community and economic development. The purpose of the Texas Community Development Program (TCDP) is the development of viable communities by providing decent housing, a suitable living environment, and expanding economic opportunities principally (51%) for persons of low- and moderate-income. However, 70 percent of CDBG funds spent must benefit low to moderate income persons.</p>	
<p><b>Specific Objective 1.1</b></p>	<p>The following objectives have been established for the Texas Community Development Program:</p> <ul style="list-style-type: none"> <li>a) To improve public facilities to meet basic human needs, principally for low- and moderate-income residents.</li> <li>b) To improve housing conditions, principally for persons of low- and moderate-income.</li> <li>c) To expand economic opportunities by creating or retaining jobs, principally for low- and moderate-income persons.</li> <li>d) To provide assistance and public facilities to eliminate conditions hazardous to the public health and of an emergency nature.</li> </ul>
<p><b>Proposed Accomplishments</b></p>	<ol style="list-style-type: none"> <li>1. Encourage projects that address basic human needs such as water, sewer and housing; projects that provide a first-time public facility or service; and projects designed to bring existing services up to at least state minimum standards as set by the applicable regulatory agency.</li> <li>2. Analyze and review the Community Development Fund allocation formula.</li> <li>3. Award bonus points to projects where at least 60 percent of the TCDP funds benefit low/moderate income persons.</li> <li>4. Provide ongoing technical assistance, monitoring, and contract management to ensure that the needs of persons to be served are met and to ensure that funding recipients have the administrative capability to administer funds.</li> <li>5. Provide funds for economic development and business expansion in rural communities. Fund economic development projects that create or retain jobs.</li> <li>6. Provide assistance for the recovery from natural disasters and fund projects that resolve threats to the public health and/or safety of local residents in rural areas.</li> <li>7. Require that CDBG applicants show a 'good faith effort' towards providing affordable housing opportunities in their</li> </ol>

<p><b>Goal 1:</b> TDHCA will work to better Texas communities by supporting community and economic development. The purpose of the Texas Community Development Program (TCDP) is the development of viable communities by providing decent housing, a suitable living environment, and expanding economic opportunities principally (51%) for persons of low- and moderate-income. However, 70 percent of CDBG funds spent must benefit low to moderate income persons.</p>	
	<p>community in order to be eligible to receive CDBG funds. Such a requirement would include the following elements:</p> <ul style="list-style-type: none"> <li>• Describe the community's current supply of affordable housing.</li> <li>• Document past efforts that have been made to increase the supply of affordable housing.</li> <li>• Document any future efforts the community plans to undertake to increase the stock of affordable housing.</li> <li>• Document whether the community has applied for affordable housing funds and been turned down.</li> <li>• Document whether the community has turned down funds for affordable housing within the past five years.</li> </ul>
<b>Specific Objective 1.2</b>	To the extent possible, encourage the regional and local determination of needs and priorities for the use of community development funds.
<b>Proposed Accomplishments</b>	<ol style="list-style-type: none"> <li>1. Include local elected officials in the review and scoring of the Community Development fund applications.</li> <li>2. Provide assistance to local governments in rural areas. This assistance will emphasize planning activities that primarily address problems in the areas of public works and housing assistance</li> <li>3. Require an inclusive citizen participation process prior to the development of an application and prior to the submission of an application.</li> <li>4. Establish a Colonia Advisory Committee (with at least five persons who are residents of the Colonias) to advise TDHCA in the Administration of the Colonia Self-Help Centers Fund.</li> </ol>
<b>Specific Objective 1.3</b>	Increase the coordination and leveraging of CDBG resources with other local, state, federal or private resources.
<b>Proposed Accomplishments</b>	<ol style="list-style-type: none"> <li>1. Require that applicants document efforts to provide infrastructure improvements through the issuance of general obligation or revenue bonds and/or increased rate structures</li> <li>2. Administer demonstration projects that utilize a variety of funding sources.</li> <li>3. Require that Colonia Self-Help Centers be operated by a qualified organization such as a nonprofit organization, a local community action agency, or a local housing authority.</li> <li>4. Work with TNRCC to identify and provide assistance to communities being fined for noncompliance with public facility requirements.</li> <li>5. Work with Texas A &amp; M University to expand the community centers they have established in the Colonias.</li> </ol>

**Goal 1:** TDHCA will work to better Texas communities by supporting community and economic development. The purpose of the Texas Community Development Program (TCDP) is the development of viable communities by providing decent housing, a suitable living environment, and expanding economic opportunities principally (51%) for persons of low- and moderate-income. However, 70 percent of CDBG funds spent must benefit low to moderate income persons.

	Require that TCDP applicants eligible for the Texas Water Development Board Economically Distressed Areas Program adopt and enforce the Model Subdivision Rules established pursuant to Section 16.343 of the Water Code.
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<b>Goal 2:</b> TDHCA will target resources to economically distressed areas of the State with high concentrations of substandard housing and inadequate infrastructure.	
<b>Specific Objective 2.1</b>	Target CDBG resources to the Colonias where high levels of severe economic distress are well documented. Evaluate the possibility of expanding geographic priorities to reach additional areas of the state that also experience high levels of economic distress, substandard housing and inadequate infrastructure.
<b>Proposed Accomplishments</b>	<ol style="list-style-type: none"> <li>1. In accordance with Subchapter Z of Chapter 2306, Local Government Code, establish colonia self help centers in El Paso, Hidalgo, Starr, Webb and Cameron Counties.</li> <li>2. In addition to the self-help centers, provide funds for public improvements and planning through a Colonia Construction Fund and a Colonia Planning Fund.</li> <li>3. Consider expanding the network of self-help centers to include economically distressed areas in other parts of the State.</li> </ol>

<b>Goal 3:</b> TDHCA will work to better Texas communities by helping local governments to become more effective.	
<b>Specific Objective 3.1</b>	To help 20 percent of the local governments in smaller Texas communities each year to become better informed of federal and state law impacting daily operations, of available resources outside the community, and of modern management practices.
<b>Proposed Accomplishments</b>	<ol style="list-style-type: none"> <li>1. Administer a program providing information, advice, and training to officials of communities of less than 10,000 people (through TDHCA's Local Government Division).</li> </ol>

# E. Barriers to Affordable Housing

## 1. Description

In his testimony to the members of the House Committee on Banking, Finance and Urban Affairs, William C. Apgar of the Joint Center for Housing Studies of Harvard University noted that "a host of land use and building rules and regulations unnecessarily increase the cost of housing construction and rehabilitation."<sup>95</sup> The following types of government housing development regulations can prevent the development of affordable housing for very low to moderate income renters and homebuyers: unnecessarily stringent local zoning ordinances and building codes, development fees, inefficient permitting processes, and redundancy between local and county housing development regulations. Also, to defray the costs of excessive housing regulations, developers often transfer their additional expenses to homebuyers and renters thereby increasing consumer housing cost burdens.

Two of the most important public policies that continue to present barriers to affordable housing in Texas are housing or subdivision development regulations and lending policies. These regulations and policies not only have an impact on housing affordability, but also on accessibility and availability for very low, low, moderate income, and/or minority households. Exclusionary zoning ordinances such as large lot zoning and land use restrictions prevent the development of affordable housing types (e.g. manufactured housing, higher density low income housing) and restrict the in-migration of new homebuyers and renters. Excessive development regulations may also prove to be a disincentive for developers to supply low income housing.

Lending policies further impact the availability and accessibility of affordable housing for very low and low income households. Strict lending policies, for example, particularly affect poor, rural households. Because of more lax housing regulations in rural areas in Texas, developers and low to moderate income homebuyers in rural areas may not qualify for loans due to insurance requirements. Strict underwriting policies by lending institutions also hamper efforts to stimulate economically depressed communities and provide very low and low income households with homeownership opportunities. Low-income homebuyers, in particular, are denied access to home financing because of conservative, restrictive lending policies. In its 1991 report, the United States Advisory Commission on Regulatory Barriers to Affordable Housing noted that even after housing development regulatory barriers to affordable housing were overcome, "barriers imposed by racial discrimination, unnecessarily restrictive credit lending practices, and operations of the secondary market institutions would remain."<sup>96</sup>

The federal definition of "area median family income" poses the single largest barrier to developing a larger supply of affordable housing in rural and small town Texas. The definition limits HUD programs to percentages of area median incomes of 80 percent or less, and therefore unwittingly discriminates against those areas with significantly lower median incomes compared to metropolitan areas. As a result, housing developments in rural Texas require much deeper subsidies and would utilize (on a permanent basis) far too much of the housing resource dollars available to the State.

TDHCA has determined that many for-profit and non-profit organizations would gladly develop in these areas but for the restrictions on assistance indirectly imposed by low median incomes. Also, residents in these communities would willingly pay in excess of 30 percent of income for housing if it were available. TDHCA strongly recommends the adjustment of the federal median income formula for rural Texas.

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<sup>95</sup> Testimony by William C. Apgar, The Joint Center for Housing Studies, Harvard University.

<sup>96</sup> (United States Advisory Commission on Regulatory Barriers to Affordable Housing, 1991.)

## 2. Strategy

While localities should implement specific regulatory reforms related to affordable housing because of a greater awareness of their individual economic, demographic, and housing conditions, states can provide significant guidance. The Cranston Gonzales Affordable Housing Act which guides Federal and State housing policy, recognizes that the best awareness and understanding of housing needs is to be found at the local level. Many of HUD's recent programs, therefore, emphasize greater participation at the local level, but the question remains -- to what extent should the State play a role in guiding local housing policy? TDHCA continues to explore avenues for promoting affordable housing at the local level and will evaluate the appropriate role for the State in influencing factors that favor affordable local housing.

The State of Texas will continue to engage in the following actions in order to assist localities in overcoming the unnecessary regulatory barriers which increase the cost of housing:

- encourage localities to assess and reform those building codes and zoning regulations that lead to increased housing costs and 'exclusionary zoning.'
- provide water development bonds for colonias through the Texas Water Development Bond Program.
- provide below-market-rate loans to first time homebuyers under the MRB Program.
- promote economic growth in economically depressed areas through the Texas Department of Commerce's Enterprise Zone Program.
- continue research on defining and eliminating or reducing policy barriers.

In order to more comprehensively address the issue of regulatory barriers to affordable housing, TDHCA recommends the establishment of a State Task Force on Regulatory Barriers to Affordable Housing. The purpose of this task force would be to identify and assess existing public policy barriers to affordable housing and to introduce solutions to overcome them. Task force participants would include a broad range of housing experts and advocates (e.g.: non-profit housing directors, private developers, State and local government officials, planners, private housing consultants) with experience and understanding of affordable housing regulatory barriers. Note that by State law, TDHCA would not be able to pay the travel costs of the committee (Art. 6252.33)

The Texas Fair Housing Act of 1989 enables the State to remedy discriminatory public policies affecting housing affordability and access. The Act prohibits discrimination against individuals in their pursuit of homeownership or rental housing opportunities based on race, color, national origin, sex, religion, familial status, and physical or mental handicaps. Recent State activities or current objectives relating to fair housing are discussed below:

- Inform lending institutions of the discriminatory barriers which very low, low and moderate income persons encounter in seeking out private financing. In particular, TDHCA has been successful in recruiting minority lending institutions to become involved in its bond programs.
- Comply with the Texas Fair Housing Act in TDHCA administered programs.
- Coordinate fair housing efforts with the Texas Commission on Human Rights, which was created under the Fair Housing Act to directly address public grievances related to fair housing.

### 3. Median Income Adjustments

Median incomes in the largest metropolitan areas of Texas are as follows:

#### 1995 Adjusted Median Family Incomes (AMFI) in Texas by Area

	50% of AMFI	60% of AMFI	80% of AMFI	100% of AMFI
<b>Austin/San Marcos</b>	\$21,600	\$25,920	\$34,560	\$43,200
<b>Dallas</b>	\$23,500	\$28,200	\$37,600	\$47,000
<b>Fort Worth</b>	\$23,050	\$27,660	\$36,880	\$46,100
<b>Houston</b>	\$22,650	\$27,180	\$36,240	\$45,300
<b>San Antonio</b>	\$17,450	\$20,940	\$27,920	\$34,900

while in rural Texas counties, the median incomes are:

<b>Star County</b>	\$14,350	\$17,220	\$22,960	\$28,700
<b>Dawson County</b>	\$14,350	\$17,220	\$22,960	\$28,700

*Note: The incomes above reflect households with four persons.  
Source: U.S. Department of Housing and Urban Development*

Note the large discrepancies in absolute dollar amounts of median income between the larger metropolitan and rural areas. For instance, the median income of rural counties is within a few hundred dollars of 60 percent of median in Dallas Fort Worth and Houston.

When housing costs are calculated at 30 percent of median income, maximum rental rates and home ownership purchase prices are pushed extraordinarily low, especially in the Border Counties containing Colonias, Deep East Texas, West Texas, and Central Texas. Developers (both for-profit and non-profit) simply cannot make housing projects work at these levels without very deep subsidies. TDHCA believes that this problem can be greatly alleviated by simply modifying the median income calculations and changing the rent allocation formula for these areas.

TDHCA proposes a statewide optional median income equal to the average of the three highest large metropolitan areas in Texas, thereby allowing more citizens to participate in affordable housing without requiring additional expenditures of state or federal funds. While moderate (115 percent of median) and low (80 percent or less of median) income groups may be the direct beneficiaries of this change, more housing supply will be developed, affording greater choice to more people who could improve their housing circumstances and/or take up residence in rural communities rather than commute. This, in turn, will free up more affordable housing units for lower income groups. TDHCA believes this will help address the State's housing mismatch where higher income households are occupying units that could be affordable to the lowest income households (see Section II A.4 at p. 65).

## F. Lead-Based Paint Hazards

The following strategies have been identified in consultation with the Texas Department of Health (TDH):

Applications for housing rehabilitation funds need to include the following basic questions:

- When was the house built?
- Is the paint in good condition?
- Will children aged 7 or under be living in the property?
- Are the residents of child bearing age or is a child expected in the near future?

Based on the responses to these questions, each project should be given a priority need status.

TDHCA needs to work with the TDH to educate communities on the hazards of lead-based paint. The State needs to address lead based poisoning proactively and focus on prevention rather than responding to contamination as it occurs. Prevention is the most effective strategy for dealing with lead-based paint contamination. The key to prevention starts with education. There needs to be a greater awareness of the health effects of lead-based paint poisoning. Also, many local communities are not aware of funding sources for lead-based paint abatement.

Any housing rehabilitation or renovation projects funded under TDHCA's Community Development, HOME, and Emergency Shelter Grants programs are subject to the requirements, as applicable, of the Lead-Based Paint Poisoning Prevention Act (42 USC 4821-4846) and implementing regulations at 24 CFR part 35.

## **G. Anti-Poverty Strategy**

1992 Census Bureau data showed that Texas has the fourth highest poverty rate among the states, 17.8 percent compared to the national rate of 14.5 percent. The federal government defined the poverty threshold for 1992 as \$14,335 in income for a family of four and many poor families make substantially less than this. The National Center for Children in Poverty, which focuses on programs and policies for poor children under six, found that the median income for families with children under six living below poverty in 1991 was \$7,216. Poverty of this degree can be self-perpetuating, creating barriers to education, health and the financial stability provided by homeownership.

Those groups showing the largest growth in proportion of population, the young and minority populations, continue to be over-represented in the Texas poverty population. According to the 1989 Special Texas Census, 40 percent of the poverty population is between the ages of 0-17. Hispanics make up 33 percent of Texas children under the age of 18, but 55 percent of all poor children. African American children account for 13.5 percent of Texas children, but 22 percent of all poor children. Female-headed households are also over-represented among the poor, making up 19 percent of all households with children, yet account for 43.5 percent of poor households with children. Minorities again are particularly affected here. Fifty-three percent of African American female-headed households and 58 percent of Hispanic female-headed households live in poverty (Figures generated with 1989 and 1990 Census Data).

### ***Unemployment***

The one economic variable that impacts all programs of TDHCA is unemployment. High unemployment contributes to the growing number of persons living in poverty and places added demands on the Department's programs as well as upon many of the human service programs managed by other state agencies. In addition to the serious consequences for families and individuals, unemployment can severely impact a community. The ability to generate taxes and utility revenues and to incur debt is directly related to the resources that a community's citizens have. High numbers of unemployed persons form populations that hinder a community's ability to be self-sufficient. Cities located along the Texas-Mexico border typically experience unemployment rates that run almost double the unemployment rate for the state. Also, throughout the state, the minority population suffers double the unemployment rate of the non-minority population. Community service agencies see large increases in the demand for emergency assistance when their service area is affected by increased unemployment. For example, the City of Fort Worth has been severely affected by defense-related cutbacks and has seen a huge increase in demand for services. In 1993, they experienced a 63 percent increase in the number of people assisted with their human service programs. Unfortunately, the huge increase in demand is not accompanied by an increase in the level of funds available to provide assistance, placing a drain on the resources available.

### ***Energy***

The cost of energy represents a burden to the majority of low-income households, particularly those on a fixed income. The price of energy used for home usage, particularly electricity and LP gas, has increased. Increases in cost of energy, coupled with high unemployment and poverty rates and a dilapidated housing stock has increased the demand for energy-related service. Inability to pay not only leads to shut-offs, but for many creates health concerns and forces families to abandon their homes. The Department has a variety of programs to respond to these energy-related problems. Some programs address air infiltration in the homes to reduce energy consumption and energy utility costs, while others provide direct assistance to help with payment of utility bills. The Department's Energy programs support a case management approach to address the underlying causes of energy-induced hardship and to promote self-sufficiency.

### ***Down-payment Costs and Interest Rates***

Most families' chief financial asset is their home. However, various factors make homeownership difficult for very-low and low-income families. National reports indicate that the barrier to homeownership for most families is saving for the up-front cost of financing. According to a report by the U.S. Census Bureau, "Who Can Afford to Buy a House in 1991," 50 percent of all families nationwide could not afford a median-priced home in the areas where they lived due to the down payment and closing costs. Thus, while many low and moderate income households may qualify for a mortgage loan and be able to afford a monthly mortgage payment, inability to afford the down payment and closing costs keeps them from homeownership.

Mortgage interest rates can be another barrier to homeownership. For instance, on a \$50,000 mortgage, a two percent interest rate hike adds about \$72.00 to the monthly mortgage payment, a significant amount for low-income families. In fact for each one percent hike in the interest rate, more than 200,000 potential buyers of a median priced home are priced out of the housing market nationally during the course of a year (*NAHB Housing Background*). Through programs providing down payment assistance and encouraging low-interest home mortgage loans, the Department helps very-low and low-income Texans overcome obstacles to homeownership.

### ***Education***

There is a very close relationship between education and the cycle of poverty. Factors such as poor nutrition, lack of parental involvement and teen pregnancy make it difficult for those in poverty to obtain a quality education. Many also drop out of school. Without a good education, there is virtually no hope of escaping poverty in today's competitive job market. In previous years, many undereducated Texans found employment as seasonal and migrant farmworkers. This avenue of employment is increasingly closed, leaving families without an income and communities with a diminished tax-base. The Department does not administer conventional educational support, but does provide assistance to community organizations which manage Headstart, Job Training, GED, basic English and other programs designed to improve the educational levels of disadvantaged persons.

### ***TDHCA's Role***

TDHCA has an important role in addressing Texas poverty. The Department seeks to reduce the number of Texans living in poverty, thereby providing a better future for all Texans. This means 1) trying to provide long-term solutions to the problems facing people in poverty and 2) targeting resources to those with the greatest need. Presently, over 43 percent of the persons served by the poverty programs administered by the Department are Hispanic and 21 percent are African American. Additionally, over one-third (35 percent) the population served are under the age of 17, and over 20 percent are over the age of 65, another vulnerable group. The Department provides low-income persons with energy-related, emergency and housing assistance to meet the basic necessities.

Public assistance and social service programs have started to shift their focus. The new emphasis centers on reducing dependency and increasing self-sufficiency. Assisted housing can no longer have a pure income maintenance orientation. The JOBS program in Aid to Families with Dependent Children and the new Family Self-Sufficiency (FSS) program have slowly begun a move away from income maintenance programs. In light of this new emphasis, housing and community development resources that address poverty needs to emphasize self-sufficiency. The self-sufficiency approach provides incentives for assisted housing residents that are willing to undertake a set of activities intended to lessen dependency. These activities should be tailored to meet the needs and capabilities of each individual household and can be provided through the housing deliverer or through human service providers. For example, the HOME program can be used to reward people who have successfully moved through a FSS program or who have earned their way out of public housing.

Experience has shown that segregating low-income persons in an insulated community perpetuates the cycle of poverty and often creates slums. A second anti-poverty theme centers on mobility--insuring that residents of assisted housing have access to jobs, schooling, public safety and role models. Rental assistance combined with counseling and support services can be used to increase mobility. Scattered site production can also be used to encourage mixed income housing.

An asset development approach to addressing poverty emphasizes the use of public assistance to facilitate long-term investments rather than incremental increases in income. In housing, this can mean gaining equity through homeownership. And in economic development it can mean business ownership.

Finally, comprehensive community development can be used to address the complex and interrelated problems of distressed neighborhoods. Comprehensive community development, as opposed to program specific community development, focuses on the needs of the community rather than the narrow functional needs that can be satisfied with specific projects. It involves recognizing the many levels of need in a community and addressing these needs with a toolbox of housing resources, community development resources, economic development resources and social service resources. Working together rather than separately these resources can improve the quality of life in a community and engender long-term changes. These "changes of condition" may deal with alcohol and substance dependency, mental and physical health, nutrition, child care and parenting, life skills, general education and work skills, and criminal behavior. "Changes of condition" may also mean providing an influx of non-poor households to serve as role models and shift the nature of the environment. For those in housing and community development, the principal change may simply be a change in perspective and a recognition that collaboration between and among private sector developers, builders and lenders on the one hand, and non-development resources (such as local governments and social services providers) on the other hand is absolutely essential. For those in human services the change may involve a subtle shift in focus away from crisis intervention and towards preventive measures, working with the family on a case basis rather than the individual members of the family and, most importantly, providing services within the context of community development.

The CDBG program can be instrumental because of its ability to create jobs and infrastructure. By creating and retaining jobs through assistance to businesses and then providing lower income people access to these jobs, CDBG can be a very effective anti-poverty tool. This potential can be further maximized by providing jobs that offer workplace training and education, fringe benefits, opportunities for promotion and services such as child care.<sup>97</sup> By the same token, improved infrastructure affords the opportunity to upgrade existing substandard housing (such as in the colonias) and build new moderate, low, and very low income housing where none could exist before.

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<sup>97</sup> A significant portion of the information and ideas in this section are from COSCDA's State Consolidated Plan Workshop Reports. The information is gathered from Consolidated Plan workshops held on October 19-21 and November 2-4, 1994.

# H. Institutional Structure and Coordination

## 1. Overview Of Texas Department of Housing and Community Affairs Scope And Functions

### Organization

The Texas Department of Housing and Community Affairs was created on September 1, 1991, from the consolidation of the Texas Housing Agency, the Texas Department of Community Affairs and the Community Development Block Grant (CDBG) program of the Texas Department of Commerce pursuant to Texas Government Code, Chapter 2306. In addition, on September 1, 1992, the Low Income Home Energy Assistance Program (LIHEAP) and the Emergency Nutrition and Temporary Emergency Relief Program (ENTERP) were transferred to TDHCA from the Texas Department of Human Services. (*Texas Government Code, Chapter 2305 and Texas Human Resources Code, Chapter 34*). Additionally, effective September 1, 1995, the authority for the regulation of manufactured housing was transferred to TDHCA.

The Executive Director, appointed by the Governor with the advice and consent of the Senate, administers the work of the Department. The Governing Board, appointed by the Governor with the advice and consent of the Senate, works with the Executive Director to develop policies and programs.

The Department is organized consistent with the Enabling Legislation and is comprised of five primary programmatic divisions: 1.) Housing Programs, 2) Housing Finance, 3) Community Affairs, 4) Community Development, and 5) Manufactured Housing. Department program operations are supported by administrative activities including financial accounting services, internal audit, compliance, legal, and executive management. The organization has been structured to provide clear lines of authority and responsibility, distinct relationships between functional areas and a strong internal control environment. Department staff implement policies and programs as directed by the Executive Director.

The Department contracts with a variety of organizations including local governments, non-profit organizations, community-based entities, for-profit developers, lenders, and Realtors throughout the state to render services to very low-, low- and moderate-income Texans. A significant portion of the state contracts are with non-profit community action agencies which were created by the Economic Opportunity Act of 1964 and share the Department's commitment to identifying and eliminating the causes of poverty for the economically disadvantaged in the state.

## **Main Functions**

The main functions of the Department are to:

### **A. Issue bonds to provide below market rate mortgages and rental housing to very low-, low-, and moderate-income individuals and families**

#### **Multi-Family Bond Program**

The Multi-Family Bond Program finances below-market interest rate loans made to non-profit and for-profit developers of apartment projects that agree to set aside at least 20 percent of a project's units for rental to very low-income persons and families. In addition, at least 5 percent of the units must be made available to persons with special needs. Existing loans and bonds which are refinanced or refunded require at least 25 percent of the units to be set aside for low-income persons and families. The Department funds the loans through the sale of tax-exempt mortgage revenue bonds. This program has financed more than \$308 million in loans to developers for the construction of more than 8,341 rental units.

#### **Single Family Bond Program**

The Single Family Bond Program channels low interest mortgage money through participating Texas lenders to eligible families who are purchasing their first home or who have not owned a home in the past three years. Eligibility is determined by a variety of factors - most importantly income and first time home-buyer status. Although income limits may vary with each bond issue, the program is designed primarily to serve very low to moderate income (50-115 percent of Area Median Family Income [AMFI]) Texas families. Through the sale of tax-exempt mortgage revenue bonds, the program is able to offer interest rates approximately 1% to 1.5% below market rate. The First Time Homebuyer Program is available throughout the State via participating lenders operating under FNMA, FHA, VA, and RECD (formerly known as FmHA) guidelines. From 1979 through 1994, the program has financed approximately 24,609 mortgages worth \$1.35 billion.

#### **Down Payment Assistance Program**

The Down Payment Assistance Program (DPAP) assists low and very low income families (80% of AMFI or less) in purchasing a home by providing an interest free loan toward down payment and allowable closing costs. There is not a maximum cap on the amount of loan assistance, but all DPAP loans are made in conjunction with the Single Family First Time Homebuyer Program, or other TDHCA administered programs. The loan does not require monthly payments but must be paid when the home is sold or the original first lien mortgage is paid.

#### **Home Improvement Loan Program**

The Home Improvement Loan Program (HILP) provides interest free loans of up to \$15,000 to low and very low income homeowners (80% of AMFI or less) for the purpose of substantially improving or protecting the livability of their residences. These homeowners generally do not have other resources available to them to maintain or improve their home. The repayment terms vary depending on the loan amount with a maximum term of 20 years. The program has limited funds and there is a waiting list of potential borrowers. Currently, HILP is administered as a pilot program in the City of Lubbock and surrounding areas.

#### **Home Construction and Acquisition Loan Program**

The Home Construction and Acquisition Loan Program (HCALP) provides interest free loans through two innovative Programs: 1.) the "Self-Help" Home Construction and Acquisition Program and 2.) the "Built to Need" Home Construction and Acquisition Loan Program.

Self-Help HCALP loans to construct or acquire a residence can be made in amounts of \$25,000 (or less) to families earning no more than 80% AMFI. Each Self-Help loan has a maximum term of 20 years. Self-

Help HCALP is currently available through approved non-profit organizations utilizing some form of a "Self Help" whereby the borrower assists with the construction of the home.

The Built to Need HCALP is a new program designed to provide 50% loan financing for a home loan to families earning 60% AMFI or less. The remaining half of the loan will be financed at below-market rates by a private lender. Built to Need loans will have a maximum term of 20 years and 0.00% interest for the amount financed through TDHCA. Total loan amounts can not exceed \$40,000. The program will be available through participating non-profit organizations serving residents of the Texas-Mexico border.

**Contract for Deed Refinance Program:**

The Contract for Deed Refinance Program channels low interest mortgage money through participating Texas lenders to low and very low income families who are purchasing their first home by contract for deed. Families with 50% AMFI or below may be assisted through the Single Family Bond Program with a lower interest rate. The program will enable the buyer to achieve true homeownership by paying off the contract for deed and obtaining a mortgage loan. The program is was made available in the summer of 1995 as a pilot project to targeted areas in the San Antonio area and is projected to assist over 500 families per year. TDHCA is reviewing several possible financing structures to continue the refinancing of contract for deeds, including a bond issuance.

**Single Family Interim Construction Program**

The Single Family Interim Construction Program provides low interest interim loans to developers and non-profit organizations for the creation of affordable housing for resale or lease/purchase to low, very low and moderate income families. This program reduces the interest cost of the home so that the savings can be passed on to eligible families while encouraging further development of affordable housing. The program began in 1995 as a pilot project in the Houston area and is projected to assist 100 low income families per year in that city.

**Direct Lending**

TDHCA is actively negotiating a seller/servicer application with the Federal National Mortgage Association (FNMA) and the Government National Mortgage Association (GNMA). Approval will result in TDHCA becoming a direct lender, which translates to more resources available for communities throughout Texas in need of additional home-buyer assistance.

TDHCA has recently received its Certified HUD Direct Lender/Underwriter approval. Designation through FNMA as a direct lender is still pending as efforts are being made for the Department to satisfy the necessary requirements.

**Mortgage Credit Certificate Program**

Under the Mortgage Credit Certificate Program, a home-buyer obtaining conventional mortgage financing is granted a tax credit based on the amount of interest paid on the mortgage loan. The MCC program is currently not available to new homeowners. TDHCA issued approximately 7,250 MCCs throughout the active life of this program and continues to reissue the certificates as program participants refinance their debt

**Bond Program Marketing**

Single Family Marketing Staff develop and implement a marketing plan to promote Single Family Bond Program products. Efforts to maintain and expand bond program visibility include a toll free customer service telephone line, staff participation in trade show exhibitions, and a statewide multimedia campaign. Through the media campaign, Single Family bond program information is delineated to the public via printed information, newsletters and newspapers, and radio and television Public Service Announcements (PSAs)

Educational workshops are continually organized, promoted, and conducted by Single Family Marketing Staff. Historically, this "hands-on" method of program [and community] outreach has been the

cornerstone effort of the Single Family Marketing Plan. Focus for educational workshops is divided between three groups 1) lenders and Realtors, 2) not-for-profit housing organizations, and 3) potential program consumers or the general public.

## **B. Administration of loans, grants, services and incentives for very low, low- and moderate-income Texans, those with special needs, and those at-risk of being homeless.**

### **Compliance**

The Department established the Compliance Division for the purpose of segregating the oversight of long term obligations from program funding and implementation monitoring. The Division's primary function is the development and enforcement of compliance procedures to ensure that program requirements are met. This is accomplished through participation in program development, technical assistance and field visits. Compliance staff is responsible for the Single Audit review of federal grant contracts and monitoring occupancy requirements established in restrictive use agreements.

### **Statewide Housing Assistance Payments Program**

The Statewide Housing Assistance Payments Program (Section 8) is a federal program which provides rental assistance to low-income families, elderly, disabled, and handicapped individuals who could not otherwise afford decent, safe and sanitary housing. Tenants pay 30 percent of their adjusted income as rent and the federal government pays the difference between that amount and the lesser of the actual rent and no more than the fair market rent.

### **Low Income Housing Tax Credit Program**

The Low Income Housing Tax Credit Program (LIHTC) provides non-profit and for-profit housing developers with a dollar for dollar reduction in their federal tax liability for the purpose of creating affordable housing. The developer must set aside at least 20 percent of a project's available units for very low-income individuals and families. Historically, the set aside has been much greater. 75,000 units have been placed in service-utilizing tax credits in order to provide affordable rental housing for very low-income Texans since 1987.

### **Housing Trust Fund**

The only state authorized and funded program for affordable housing, the Housing Trust Fund, was created by the Department's enabling legislation. The fund is used to assist persons and families of low and very low-income to finance, acquire, rehabilitate and develop affordable, decent, safe and sanitary housing. The fund is available to local governments, public housing authorities, community housing development and non-profit organizations, and income-eligible individuals and families. Funding sources for the Housing Trust Fund include State appropriations, unencumbered fund balances and public or private gifts or grants.

### **Resolution Trust Corporation's Affordable Housing Disposition Program**

The Department entered into a Memorandum of Understanding with the Resolution Trust Corporation (RTC) in which the Department agreed to monitor the Land Use Restriction Agreements on Texas multifamily apartment communities sold under the RTC's Affordable Housing Disposition Program. Occupancy requirements for those properties mandate that a percentage of the units remain affordable and occupied by very low and low-income residents for up to fifty years.

### **Community Development Block Grant**

The Community Development Block Grant (CDBG) assists local governments in the development of viable communities. The program provides federal grants and loans to non-entitlement cities and counties to be used for various types of eligible public facilities, economic development, housing assistance and planning activities. Each year Texas receives an allocation of federal CDBG funds to use

primarily to assist persons of low and moderate income. These funds are distributed by TDHCA to eligible cities and counties through the following categories to meet the diverse needs of Texas citizens.

***Community Development Fund***

Funds are available under the Community Development Fund program for public facility improvements such as sewer or water improvements, streets and drainage. The funds may also be used for affordable housing rehabilitation or construction for low and moderate income persons. A regional competition system is used to distribute the funding statewide.

***Young v. Cisneros Fund***

The Young vs. Cisneros Fund was new for program year 1994. It was established to address the required activities of desegregation plans and amendments filed by the U.S. Department of Housing and Urban Development (HUD) on February 3, 1994 with the court presiding over the *Young v. Cisneros* lawsuit.

***Colonia Fund***

Assistance is available for use by eligible counties for planning and assessment projects in severely distressed unincorporated areas that meet the definition of a "colonia." A colonia must be located within 150 miles of the Texas-Mexico border and not in a standard metropolitan statistical area, where the population exceeds one million.

***Disaster Relief/Urgent Need Fund***

Assistance from the program is available for recovery from natural disasters and funds projects that resolve a threat to the public health or safety of local residents. Disaster assistance requires that the Governor request a Presidential Disaster Declaration or declare a State of Emergency/Disaster. Urgent Need applicants must provide documentation that a threat to life or health exists within the jurisdiction.

***Planning/Capacity Building Fund***

Assistance from the Planning/Capacity Relief Fund is available to local governments involved in the community and economic development process. Grants are available through a statewide competition which emphasizes planning activities that address problems primarily in the areas of public works and housing assistance.

***Texas Capital Fund***

Through the Texas Capital Fund program, funds are available on a continual basis for economic development and business expansion in non-entitlement cities and counties. Funds are awarded for the purpose of creating permanent jobs or retaining existing jobs primarily for persons of low and moderate income.

***Coordinated Agenda for Southwestern Area of the United States***

TDHCA's Community Development Division also received a special purpose grant from HUD for a program known as the Coordinated Agenda for the Southwestern Area of the United States, commonly referred to as CASA. Grant funds were awarded to establish three "one-stop" technical assistance service centers for colonia residents who live within 150-miles of the Texas-Mexico border. The TA Providers serve as liaisons between the colonia residents, local governments and State and Federal agencies. They will be available to help communities write grant and loan applications for government programs, to address and resolve legal issues related to subdivision platting that prevent development of water and sewer services and to promote the availability of water and sewer infrastructure, housing, transportation, health care, education, job training, social services, fire and police protection, and other community services in the colonias.

***Technical Assistance and Capacity Building Centers***

TDHCA will establish a technical assistance office in East Texas and plans to open an office in West Texas. The offices will serve to provide technical assistance in the areas of: economic

development, including business development, job training, tourism, small and minority business expansion and retention; and housing, including capacity building in self-help programs, project development, program application, poverty management, property maintenance, advisory boards, and generating community involvement.

The East Texas office will be established in Lufkin. The city of Lufkin was one of ten cities receiving technical assistance from TDHCA and the Texas Department of Commerce under an Economic Empowerment Program that was funded by a \$250,000 HUD "Technical Assistance to Economically Empower Low-Moderate Residents in CDBG Communities" grant. Each city received technical assistance from a resource team composed of state agency, private sector, and other public sector representatives. As a result of the assistance, each city developed a list of activities that would receive concentrated attention. The city selected a one-stop service center as one of its activities. Establishing the technical assistance center will meet one of the city's listed activities.

### **Community Services Block Grant**

The Community Services Block Grant (CSBG) provides administrative support to a network of local Community Action Agencies (CAA) which provide services to very-low income persons in all areas of the state. The funding assists CAA's in providing essential services such as access to child care; health and human services for children, families, and the elderly; nutrition; transportation; job training and employment services; housing; substance abuse prevention; migrant assistance; and other poverty-related programs. Local agencies use CSBG funds to implement such programs with minimal funding and leverage the delivery of services to a greater number of people. Some direct services supported with CSBG funds include information and referral services and the support of local community centers. CSBG funds also aid organizations serving Native Americans, migrant and seasonal farmworkers, and help other projects designed to improve opportunities for the poor.

### **Community Food and Nutrition Program**

The federally funded Community Food and Nutrition Program (CFNP) supports statewide efforts to share information concerning hunger related issues; stimulate the expansion of child feeding programs; distribute surplus commodities and wild game taken by hunters; and create farmers markets designed to serve low-income neighborhoods.

### **Emergency Community Services Homeless Grant**

The Emergency Community Services Homeless Grant (EHP), a federally funded program, provides funds by formula to community service agencies, expands services provided to homeless persons, assists in obtaining social and maintenance services, promotes private sector assistance and addresses the prevention of homelessness.

### **Emergency Shelter Grants Program**

The Emergency Shelter Grants Program (ESGP), a federally funded program, provides funds to cities, counties and non-profit organizations for activities relating to shelter and services for homeless persons and prevention of homelessness. Funding is distributed by statewide competition.

### **Emergency Nutrition/Temporary Emergency Relief Program**

The Emergency Nutrition/Temporary Emergency Relief Program (ENTERP) is a state program that provides emergency assistance and energy related assistance to low income persons. ENTERP assistance is provided by formula to county governments or non-profit organizations serving each Texas county. Funding is provided from State General Revenue and Oil Overcharge funds allocated to the State of Texas by the federal courts through the U.S. Department of Energy (DOE).

### **Comprehensive Energy Assistance Program**

The Comprehensive Energy Assistance Program (CEAP) is designed to assist low-income households experiencing difficulties paying their energy expenses. The CEAP utilizes a case management approach,

energy conservation education and budget counseling to promote self-sufficiency, especially in paying energy expenses. The CEAP also assists in resolving household energy related crises and provides, based on a professionally administered energy audit, replacement, retrofit and/or repair of heating and/or cooling elements that result in energy savings for the household.

#### **Weatherization Assistance Program**

The Weatherization Assistance Program (WAP) provides assistance to low-income households to make homes more energy efficient. Grant funds are channeled to local subrecipient organizations to address air infiltration problems with the U.S. Department of Energy approved repair measures such as caulking, insulation, and weather-stripping. The Enhanced Weatherization Assistance Program supports the same measures approved for the regular weatherization program and also provides for structural repair and repair or replacement of heating/cooling conditioning appliances.

#### **Home Investment Partnership (HOME) Program**

The purpose of the Home Investment Partnership Program (HOME) is to expand the supply of decent and affordable housing for very-low and low-income households. A minimum of 15 percent of the annual allocation must be reserved for Community Housing Development Organizations (CHDO's) for investment only in housing to be developed, sponsored, or owned by the CHDO. The flexibility of the regulations governing the HOME Program allows a variety of activities such as owner-occupied rehabilitation; first-time homebuyer assistance; rental programs; tenant-based rental assistance and pre-development loans.

##### ***Owner-Occupied Rehabilitation or Reconstruction***

Funds are available to cities, counties and non-profits to assist low-income owners in repairing or rebuilding their homes.

##### ***First-Time Home Buyer Assistance***

Funds are available to cities, counties, CHDOs, and non-profit organizations to expand the supply of affordable housing. Recipients offer assistance to eligible first-time home buyers for acquisition and rehabilitation, new construction, down payment assistance and closing cost assistance. Recapture provisions ensure the long term use of funds to assist future first-time home buyers.

##### ***Rental Housing***

The Department makes funds available to CHDOs, Public Housing Authorities (PHAs), non-profit organizations and private developers for the acquisition, rehabilitation or new construction of affordable rental housing units. Owners are required to make the units available to very low and low-income families and must meet long-term rent restrictions. Applications are underwritten by the Department.

##### ***Interim Construction Financing***

Funds are available to cities, CHDO's, for-profit organizations, and PHA's to construct single-family housing for low-income households.

##### ***Tenant Based Rental Assistance***

Tenant Based Rental Assistance (TBRA) is provided to qualified low- and very low-income families in accordance with written tenant selection policies and criteria. Assisted families participate in a Self Sufficiency Program.

## **C. Provide training and technical assistance to local governments and community-based organizations.**

### **Local Government Services**

Local Government Services targets cities and counties with populations under 10,000 and rural areas to assist local officials to provide essential public services and to resolve financial, social and environmental problems in their communities. Information, tools, resources and training assists local officials in the performance of their duties and the effective and efficient management of their scarce resources. The training is provided primarily through workshops conducted in conjunction with regional councils of governments; however, assistance is also provided to individual communities as needed. Principal areas covered in the workshops are the orientation of newly elected officials, management of local governments, annexation, grant writing, resource location, incorporation of new cities, budgeting, personnel management, operation of rural fire prevention districts, and operation of boards for community action agencies. Additional information is furnished in response to telephone and written requests and through the preparation and distribution of publications such as guides to local government operations, officials, boards and laws.

### **Housing Resource Center**

The Housing Resource Center (HRC) provides technical assistance and census data to the public, community-based housing development organizations, non-profit housing developers, and Department staff. The HRC is charged with the producing the HUD-required Consolidated Plan and the legislatively mandated State Low Income Housing Plan.

## **D. Regulate the manufactured housing industry.**

### **Manufactured Housing Division**

The Manufactured Housing Division administers and enforces the Texas Manufactured Housing Standards Act (Article 5221f, Vernon's Texas Civil Statutes). This act imposes certain regulations on the construction and installation of manufactured housing; requires registration of manufactured home manufacturers, retailers, installers, brokers, rebuilders, and salespersons; and provides fair and effective consumer remedies. The U.S. Department of Housing and Urban Development (HUD) approved the Manufactured Housing Division to act as a State Administrative Agency (SAA) in accordance with the National Manufactured Home Construction and Safety Standards Act of 1974. As an SAA, the Manufactured Housing Division monitors home manufacturers for compliance with HUD regulations for notifications and corrections concerning nonconformances and defects in manufactured homes. Division personnel conduct the following inspections: installation inspections at homeowner sites to check blocking and anchoring requirements; reviews of consumer complaint records at factories; consumer complaint inspections at home sites; and inspections of homes at retailer locations to check for transit damage, label tampering, and retailer performance generally. The division issues documents of title and maintains the State master database for all manufactured home titles, including all records related to liens and release of liens. The division resolves consumer complaints through informal and formal means and provides for the administration of the recovery fund.

## 2. Overview of Institutional Structure and Coordination of Resources

### Assessment and Strategy

Coordination among the many public and private, local, state, and federal entities involved in housing is one of the main challenges addressed by the Texas Department of Housing and Community Affairs. TDHCA is designated as the central coordinating agency of all State housing programs and most State-administered federal housing programs by the Texas Legislature.

As the lead state agency involved with the issue of low-income housing, TDHCA continually endeavors to strengthen interagency cooperation. In response to extensive public comment on this issue, the State will work to improve coordination with State and Federal Agencies who provide funds for the development of affordable housing for low, very low and moderate income persons. Some of these agencies are RECD (formerly the Farmers Home Administration (FmHA)), HUD, RTC, Texas Department of Commerce, the Federal Home Loan Bank, the Veteran's Land Board, the Texas Department on Aging, the Texas Department of Health, the Texas Rehabilitation Commission, the Texas Department of Mental Health and Mental Retardation, and the Texas Department of Human Services.

The State Low Income Housing Plan will serve as the statewide housing plan through which all major policy issues will be addressed. Chapter 2306 of the Government Code mandates the development of a State Low Income Housing Plan which facilitates the coordination of all housing programs, helps the pooling and leveraging of local, state and federal funding, and improves the methods of collecting data and statistics on housing needs. State law also requires that the State develop monitoring standards and procedures which will enhance the utilization of housing programs by low, very low and moderate income persons in the State.

TDHCA, through its multiple sources of housing funds such as HOME, HOPE 3, Housing Trust Funds, CDBG, Single Family and Multi-Family Bond Programs, LIHTC, and Section 8, has the opportunity to address the housing needs of moderate, low and very low income persons in a comprehensive manner. This centralization of housing issues and coordination of housing programs serves as the most significant strategy which the State of Texas uses to eliminate gaps in the delivery of housing services. However, additional coordination with other state, local, private and public entities is critical to overcoming gaps in the housing services delivery system.

### TDHCA Internal Coordination

#### HOME Program Coordination with other TDHCA programs

##### Weatherization Assistance Program

The mission of TDHCA's Energy Weatherization Assistance Program (WAP) is to reduce the heating and cooling costs for low-income families by improving the energy efficiency of their homes and insuring their health and safety.

Many low-income homes need extensive structural repairs. For these homes, leveraging of housing rehabilitation funds to supplement U.S. Department of Energy (DOE) weatherization funds is an essential step in achieving structural integrity and energy efficiency. Although many important and cost effective improvements are being implemented by both the HOME and Weatherization Assistance Program,

combining the Program's funds and resources would make it possible to do more. Frequently, WAP field staff encounter homes which cannot be effectively weatherized because of poor structural condition. In some instances, a single structural problem such as the need for a new roof may prevent weatherization services from being provided. Therefore, TDHCA will coordinate the HOME Program with the WAP. The HOME funds would provide for the much needed rehabilitation of dwellings and the WAP funds would provide for quality, cost-effective weatherization services. This will be in the best interest of the clients who ultimately will be afforded not only a safe home, but reduced energy expenses that will allow clients to better meet their financial obligations.

### **Low-Income Housing Tax Credit Program**

Section 42 of the Internal Revenue Code of 1986, as amended, permits taxpayers to claim tax credits on their federal income tax returns for qualified expenditures for low income housing units placed in service.

Depending on the housing needs of individual communities, the tax credit can be used to stimulate new construction or substantial rehabilitation. It can be used to produce or preserve a single family house, duplex, or an apartment complex with hundreds of units. *It can be combined with other governmental housing programs to improve the financial feasibility of a development.*

The amount of tax credits a developer is eligible to receive is directly related to the number of qualified low income housing units which meet federal rent and income requirements within a development. The tax credit provides owners of low income housing with a dollar for dollar reduction in federal tax liability in exchange for the production of low income rental housing. The final tax credit amount allocated by TDHCA is an annual amount which can be claimed each year for a ten year period.

To be eligible for the credit, project owners must, at a minimum, set-aside 20 percent of the units in a development for households earning 50 percent or less of the median income or reserve 40 percent of the units for households earning 60 percent or less of the median income. Project owners may set-aside up to 100 percent of the project units, which results in the maximum tax credit eligibility for the development. Additionally, gross rents, utilities, and incomes must not exceed certain maximum limits, which vary from county to county. The program incorporates income limits produced by the U.S. Department of Housing and Urban Development for program operations. These requirements must be met for an initial compliance period of 15 years, then an extended low income housing commitment period of an additional 15 years.

Project owners may obtain an annual tax credit of approximately 9 percent of the cost of construction or rehabilitation on a building when they construct or rehabilitate it and rent it to low income residents. In certain instances this percentage rate may be approximately 4 percent depending on the financing, or if the development includes qualified acquisition costs.

TDHCA has established specific performance requirements and thresholds for the linkage of the HOME Program with the Low-Income Housing Tax Credit Program. TDHCA's linking of the HOME Program with the Low-Income Housing Tax Credit Program will improve the financial feasibility of rental housing developments. Awards made to HOME applicants under this section for rental housing will be contingent upon approval of tax credits under the Low-Income Housing Tax Credit Program.

### **Single Family MRB Bond Program**

Due to the enormous demand for lower interest rate mortgage funds, the limited resources available to TDHCA to provide such funds, and statutory requirements to utilize certain levels of resources to assist the low and very low income populations, TDHCA in the recent past has restricted its tax-exempt mortgage revenue bond proceeds for use only by low and very low income individuals and families. In late 1995, eligibility was expanded to include moderate income qualifying first time home buyers. This structure is projected to generate more loans in "target" census tract areas and to offset a significant portion of TDHCA's cost of issuance, thereby permitting TDHCA to preserve its dwindling resources and recycle more funds for affordable housing.

To further assist low and very low-income individuals and families (up to 80 percent of area median income), HOME funds will be utilized for down payment and closing cost assistance for Single Family MRB Programs. Most reasonable and customary closing costs are eligible. Non-eligible closing costs include: mortgage insurance premiums, escrow reserves, or pre-paid interest. The HOME loan will not have a restriction on the maximum loan amount, provided that the borrower contributes a minimum of 3% of the acquisition cost from his or her own funds towards the down payment and/or acceptable closing costs. This requirement will be waived if FHA, VA, or RECD requires a lesser downpayment. The HOME loan will be non-interest bearing. The term of the HOME loan will run concurrent with the first lien deed of trust. Repayment will be required upon sale of the property, whether on an assumption of the existing first lien mortgage loan or on a new loan refinancing without the consent of TDHCA, and/or payoff of the first lien mortgage loan. The second lien note and the second lien deed of trust obligate the borrower to notify TDHCA upon the occurrence of any one of these events. The Department will recapture the HOME investment out of the net proceeds as specified in 24 CFR 92.254 of the federal HOME regulations.

## **Coordination with Federal Agencies**

### *RECD (formerly the Farmers Home Administration)*

TDHCA and RECD officials are undertaking various cooperative initiatives. This cooperative effort is addressed by RECD participation in the State's Single Family Bond Program where RECD is one of the insurers. In the Single Family Bond Program, TDHCA utilizes the RECD statewide network of lending institutions, and applicants that apply for any TDHCA program funds are to be given extra points in the scoring of their application for leveraging RECD dollars and State dollars. In addition, a joint effort between TDHCA and RECD will address items such as the marketing of programs and the provision of technical assistance for applicants including quarterly meetings with the two staffs. This coordination and collaboration will culminate in the first housing demonstration projects funded from the resources of both agencies to develop affordable housing for low income persons. The demonstration project activities will include:

- Building and developing a migrant farm labor housing project;
- Using RECD funds to refinance Contracts For Deeds, in conjunction with TDHCA funds for new construction and rehabilitation, and;
- Building an affordable planned unit subdivision which will include multi-family and single family units.

### *Federal National Mortgage Association (FNMA)*

TDHCA will maintain its working relationship with FNMA in an effort to increase home ownership opportunities for Texans. TDHCA is offering, under the Single Family Bond Program, conventional loans with FNMA. FNMA's participation as a purchaser of the Department's bonds helps reduce the cost of issuance and the amount of discount points to the purchaser.

### *Resolution Trust Corporation (RTC)*

One of the most frequently identified gaps in the delivery of housing services is the lack of availability of affordable housing stock, especially in rural areas. The Texas Department of Housing and Community Affairs has worked to acquire Resolution Trust Corporation (RTC) properties through their Affordable Housing Disposition Program in order to make them available to low income persons through Community Housing Development Organizations (CHDO's) and other local non-profit organizations. TDHCA entered into negotiations with RTC to acquire multi-family properties throughout the state, and staff coordinated this initiative with elected officials and representatives of public agencies in these localities. When local governments chose not to bid on available RTC properties, TDHCA acted in order to keep these properties in the affordable housing inventory for low and very low income Texans.

### *U. S. Department of Housing and Urban Development (HUD)*

TDHCA has established a cooperative effort with HUD's personnel in their field offices and with the Secretary's representative. This cooperation has led to the joint marketing of housing programs through an annual Housing Conference, a mutual referral program, and a technical assistance service by which each agency assists the other with workshops and other training efforts.

TDHCA and HUD are working together to address the critical housing needs in the Texas/Border region, specifically in the colonias. The lack of accessible and affordable sources of financing for families who reside in colonias acts as a barrier to providing affordable housing.

### *Federal Deposit Insurance Corporation (FDIC)*

TDHCA will continue to work with the FDIC in an effort to increase the supply of affordable housing in the State. The Department will coordinate efforts to acquire foreclosed multi-family complexes from the FDIC which can be subsequently added to the affordable housing stock.

### *Federal Home Loan Bank*

TDHCA will maintain its working relationship with the Federal Home Loan Bank. The Federal Home Loan Bank participates in the Department's Home-buyer's Seminars by providing panelists who explain the Community Reinvestment Act and the Federal Home Loan Bank's role in affordable housing. The Department has submitted an application with the Federal Home Loan Bank - Dallas to become a non-member mortgagee to leverage the funds available for loans for affordable housing.

By networking with the RECD, the Resolution Trust Corporation, FDIC and HUD, TDHCA has established a referral system that facilitates coordination and the marketing of each other's programs.

### **Coordination with other State Agencies**

Chapter 2306 of the Government Code requires TDHCA to write the State Low Income Housing Plan for the State of Texas - thereby creating a more cooperative effort with all entities involved in housing throughout the State. TDHCA has made significant strides in its attempts to pool its housing resources with those of other agencies. Through this coordination, the Department has maximized the use of available resources by targeting them more directly to those families with the most critical need and by eliminating the duplication of efforts. For example, the State intends to coordinate the development of proposed housing programs with services available through human service agencies and other social service providers. The development of the State CHAS provided an opportunity to begin this process by involving the State's Department of Human Services, the Department of Mental Health and Mental Retardation, the Department of Aging, and other agencies in the planning process. TDHCA will continue working with these agencies in order to facilitate the coordination of necessary services with housing assistance.

The Texas Capital Fund, which is funded through the CDBG program (16.15% of the 1996 allocation), provides federal CDBG funds for economic development in nonentitlement areas. The fund is administered by the Texas Department of Commerce through an interagency agreement.

TDHCA has developed a Memorandum of Understanding with the Texas Water Development Board (TWDB) that details the responsibilities of each agency regarding the coordination of funds out of the Economically Distressed Areas Program (EDAP) and the TDHCA Colonia Fund. At the beginning of each fiscal year of the 1996-7 biennium, the TWDB shall provide TDHCA a list of EDAP-funded areas whose colonia residents cannot afford the cost of service lines, hook-ups and plumbing improvements associated with being connected to an EDAP-funded system. No later than November 15, 1996, the TWDB and TDHCA shall submit a joint report to the Legislative Budget Board that describes and analyzes the effectiveness of projects funded as a result of coordinated Colonia Fund/EDAP efforts.

TDHCA's Community Development staff is working with the Texas Water Development Board in Hidalgo County and Willacy County on two colonia utility improvements projects.

TDHCA's El Cenizo project in the colonias included the following participants:

- The Office of the State Attorney General helped to convert contracts for deed to deeds of trust to protect the vested interests of low income families in the colonias.
- Texas Rural Legal Aid established an office in El Cenizo to provide legal and credit counseling.
- The Texas Natural Resources Conservation Commission (along with El Cenizo Officials and Webb County officials) worked to rehabilitate the existing wastewater treatment plant.

TDHCA Texas Department of Mental Health and Mental Retardation have created a partnership to implement a "Continuum of Care" project, based on the U.S. Department of Housing and Urban Development's concept published in "Priority HOME". This project was designed to encourage the coordination of existing services and planning for additional services for homeless persons in South Texas. South Texas is historically and chronically underfunded for homeless services. Competitively awarded federal funding for this population has been minimal. The need for increased state and federal funding and services in this region has been a priority issue for both Departments. The lack of homeless services in the area has been a concern for both the Texas Interagency Council for the Homeless and the Texas Homeless Network. In response to these concerns, the Texas Department of Mental Health and Mental Retardation has committed \$220,00 from the FFY93/94 Projects for Assistance in Transition from Homelessness (PATH) program, as well as administrative and technical assistance support for the partnership activities. The Texas Department of Housing and Community Affairs has committed up to \$100,000 of the FY 1994 Emergency Shelter Grants Program (ESGP) allocation (An additional \$100,000 from the FY 1995 ESGP allocation is reserved for the project, dependent upon performance) and \$250,000 in Tenant-Based Rental Assistance from the FFY93 HOME program. These two state agencies developed a competitive Request For Proposals to obligate these funds. The Valley Coalition, formed in response to the RFP, submitted the successful application. Both state agencies provided extensive technical assistance to the Coalition in order to implement the project in the Harlingen-Brownsville area. The Valley Coalition for the Homeless, through a group of nonprofit organizations and housing authorities, are providing enriched services to homeless persons and families that can benefit from case management to assist them toward self sufficiency and permanent housing.

The 70th Texas Legislature created the Texas Interagency Council for the Homeless (TICH). The Council is made up of 16 member State agencies, 3 appointments, and several advisory members. TDHCA has two members and provides clerical support to the Council. The Council is charged with surveying and evaluating services for the homeless in Texas; assisting in coordinating and providing statewide services for all homeless persons on the state; increasing the flow of information among separate service providers and appropriate authorities; developing guidelines to monitor services for the homeless; providing technical assistance to the Housing Finance Division of TDHCA in assessing the need for housing for persons with special needs in different localities; establishing a central resource and information center for the state's homeless; and developing, in cooperation with the Department of Housing and Community Affairs and the Health and Human Services Commission, a strategic plan to address the needs of the homeless.

## **Coordination with Local Agencies**

On a local level, many of the HOME Program recipients combine city, other state, and federal agency funds to leverage HOME funds and to make their programs more effective. The non-profit organizations and Community Housing Development Organizations often receive funds for a wide-variety of activities that can be used to create a comprehensive housing program that addresses all the needs of their recipients. The units of local government and Public Housing Authorities also access local and state agencies in their areas to provide services that will complement their program activities. Such services include education, vocational counseling, transportation, drug and alcohol counseling, and financial management counseling. Many state recipients work with local branches of the Texas Agricultural Extension Services, Meals on Wheels, the local school districts, the Texas Department of Human Services, and the Texas Employment Commission. State recipients of funds for first-time homebuyer assistance work with local lending institutions and Realtors to provide additional funds and homebuyer and homeownership training. The HOME Program encourages leveraging of HOME funds and applicant partnerships by awarding extra scoring points during the application process.

With the special-needs 10% set-aside, the HOME Program became accessible to applicants with no previous housing experience, by fostering partnerships between entities formed to serve special-needs populations and entities with housing programs. Several local MHMR branches and the United Cerebral Palsy Association of the Capital Area, Inc. (UCPA/CA) are now HOME Program recipients. UCPA/CA is working with VISTA volunteers to assist in the administration of their program. The HOME Program encourages leveraging of HOME funds and applicant partnerships by awarding extra scoring points during the application process.

### *Public Housing Authorities (PHAs)*

PHAs extensive statewide network will be utilized by the Texas Department of Housing and Community Affairs to implement its Tenant Based Rental Assistance (TBRA) HOME program. TDHCA recognizes that PHA's experience and local housing providers' network can be valuable to the State's overall service delivery system. Unlike other local entities, PHAs have experienced staff and the administrative capacity to administer this program. TDHCA will seek out PHAs where local capacity in the area of development of affordable housing is lacking. TDHCA will also work with PHAs to provide information and technical assistance on the Department's housing programs and to survey PHA needs that TDHCA can address. The Department encourages all PHAs to participate in the State's HOME Program and to create CHDO's as part of their organization.

TDHCA is collaborating with the City of Edinburg, the Edinburg Housing Authority and a local bank to provide homeownership opportunities for public housing residents in the City's Sunrise Subdivision.

On April 30, 1993, the Board approved the HOME Program's recommendation to award \$480,000 to the Travis County Housing Authority under the FY 1992 Tenant-Based Rental Assistance fund. Their initial program design called for providing rental assistance to 30 families for two years, during which the families were required to complete a self-sufficiency program.

### *Housing Finance Corporations*

Section 394.027 of the Local Government Code requires that before August 31 of each year, a housing finance corporation file with the Texas Department of Housing and Community Affairs a report that includes:

- For each single-family home mortgage loan made by June 30 of the year the report is filed, the data reported by the originating lenders under the Federal Home Mortgage Disclosure Act.

- Persons residing in multifamily housing units financed by the housing finance corporation similar to the geographic and demographic information contained in the TDHCA compliance and monitoring form and tenant income certification, including household size, total household income and project location.

### *Local Government Cooperation*

TDHCA will continue to assist units of local and county government in taking full advantage of the State's housing programs. The Department currently provides training and technical assistance to these governmental entities on funding available through the Community Development Program, HOME program and Low Income Housing Tax Credit Program. The Local Governments division of TDHCA provides training and technical assistance tailored to address specific local needs such as Rural Fire Prevention Programs, Personnel Management Systems and Policies, and Annexation. Additional workshops, manuals and training materials will be developed to assist local government in utilizing funds available under the new HOME program since city and county governments will be major developers of affordable housing in the program.

The cities of Edinburg, Laredo, and El Paso have been selected as demonstration sites for the creation of new initiatives for home ownership opportunities. Each demonstration is structured differently in an endeavor to create models which can be replicated throughout Texas. Each model will focus on leveraging resources from local, state, and federal governments. The goal of this project is to assist low income families living in rental housing to be able to buy their own homes.

TDHCA will continue to coordinate the delivery of services such as Weatherization, CSBG and Energy Assistance with Community Action Agencies (CAAs). TDHCA has initiated an aggressive capacity building program with CAAs, which is designed to increase their capacity as local housing providers. CAAs also were represented on the CHAS and Consolidated Plan Committees.

TDHCA Community Development staff is working with Cameron County staff on a Colonia Demonstration Project which will include streets, housing rehabilitation and a park.

### **Coordination with Private Organizations**

Financial institutions, non-profit organizations, builders, developers, and other private foundations served as prominent figures in TDHCA's charge to provide decent, affordable housing. TDHCA works closely with, and receives input from, not only public, but an assortment of private organizations as well. This cooperation allows for the targeting of housing needs and the conservation of resources by preventing the duplication of efforts. TDHCA will continue to provide financing through HOME and its mortgage revenue bond and tax credit programs to encourage private builders to become more involved in affordable housing. The Department has expanded this cooperation to include acquisitional interim construction lending.

### *Lending Institutions*

TDHCA works with lenders to promote interest in financing affordable housing activities. Private lending institutions and developers carry significant assets and may provide funding to help initiate local housing projects. Their investment in affordable housing may be further expanded through the formation of partnerships with local non-profit organizations who implement State program strategies.

The Department has taken aggressive initiatives to form partnerships with lending institutions to assist in the creation of affordable housing. These initiatives include the recruitment of lending institutions in areas of the state where there has been little or no previous participation, and the TDHCA will continue to build

relationships with these institutions until every area of the state is covered with a mortgage lender. In addition, the Department makes a special effort to recruit minority lending institutions. TDHCA continues to use Mortgage Revenue Bonds for First Time Homebuyer Programs and the Down Payment Assistance Program which assist low and very low income individuals in obtaining a home. It is hoped that the number of lending institutions will continue to grow so that very-low to moderate-income families throughout the state may take advantage of the Department's Bond Programs.

The Department has also created an affiliated entity, the Texas State Affordable Housing Corporation, a non-profit 501(c)(4) charitable organization, to serve as a mortgage banking entity dedicated solely to affordable housing finance. This entity will originate, sell and service single family and multi-family mortgages in historically underserved areas.

### **Coordination with Non-Profit Organizations**

TDHCA works with non-profits to identify their needs for training and technical assistance especially in rural areas of the State. TDHCA provides funding for technical assistance and training to these organizations in order to improve their capacity to develop affordable housing.

TDHCA sponsored the development of a statewide directory of non-profit housing sponsors experienced in affordable housing development. This directory has been instrumental in the collaboration of efforts and in the formation of partnerships between non-profits, lending institutions, federal agencies, and other state and local agencies.

In addition to maintaining the non-profit directory, the Department provides training workshops and technical assistance to non-profits interested in completing housing development under the new HOME Program. TDHCA encourages the creation of CHDO's through cooperative ventures with the intent to increase the number and capacity of non-profit corporations in Texas. TDHCA provides a training manual for organizations interested in becoming CHDO's. Once certified as CHDO's, the organizations are eligible to sponsor low and very low income housing projects through the HOME Partnership Program funds.

TDHCA has consistently held Home Buyer Seminars throughout the State. The purpose of these seminars is to educate and inform potential home buyers about the various elements involved in purchasing a home. Information is also provided on statewide housing programs whose goal is to serve persons with low to moderate incomes. Seminars are divided into three sessions: the first targets Realtors, lenders, and housing developers; the second provides information to non-profits, civic organizations, community leaders, and elected officials; and the third targets potential home buyers (consumers). These sessions help the Department collaborate with various groups and work to eliminate barriers or gaps in affordable housing.

### **Collaborative Projects through the CDBG Colonia Demonstration Fund and CASA Program**

The technical assistance providers that work with the Community Development Division's CASA program work with organizations such as the Texas Natural Resource Conservation Commission, the Texas Water Development Board, the Farmers Home Administration, the Texas General Land Office, local cities and counties, and the North American Development Bank.

### *Cameron Park*

The Cameron Park Colonia in Cameron County has leveraged housing rehabilitation funds from the CDBG Colonia Demonstration fund, the TDHCA HOME program, local banks through a Community Development Corporation and TDHCA's Housing Trust Fund. Water and sewer lines for the colonia have been installed with funds provided by the Texas Water Development Board, the Public Utility Board of Brownsville and Cameron County. Almost 100% of the households have water service and 279 have public sewer service. In addition Texas A&M University Center for Housing and Urban Development completed a community service center in the Cameron Park colonia which opened in March of 1994. Colonia Demonstration funds have been utilized since the fall of 1994 to pay for a community center director. All offices of this center are utilized to provide various community services to colonia residents. Cameron County is also discussing the possibility of obtaining architectural plans for a park facility through Texas A&M student projects. This would save the county engineering costs which can be utilized for construction costs. Cameron County also plans to submit an application to Texas Parks and Wildlife for recreational improvements. An engineering firm has been hired for streets and drainage improvements and plans are being completed.

### *Sparks*

The Community Development Program is currently involved in a comprehensive improvements demonstration program in El Paso county. The project will provide street improvements, flood and drainage improvements, neighborhood facilities and a community center, parks, a playground and other recreational facilities, water facilities, housing rehabilitation and sewer facilities in the Sparks Colonia. TDHCA is collaborating with El Paso County, Texas A & M University, El Paso County Lower Valley Water Development and RECD (formerly Farmer's Home Administration) in the provision of services and the administration of the project. A Housing Development Center will be established in Sparks with the Sparks Housing Development Corporation and technical assistance from the Texas Department of Housing and Community Affairs and the El Paso Community Foundation. Casas por Cristo a housing non-profit organization will provide the supervision and training of the local volunteers who will construct the center. The center will be used to improve public services in the area, recruit funds to upgrade housing and train residents in sound construction and rehabilitation practices. The El Paso Legal Assistance Society will provide legal and social service information. And the University of El Paso's Energy Center will provide classes on solar designed homes. TDHCA funds will be used to purchase a lot for the Housing Development Center and will fund 96% of the Centers construction costs.

### *Larga Vista*

TDHCA provided \$35,750 of CDBG funds through a Colonia Planning grant to Webb County in 1993 to complete planning studies for the Larga Vista colonia including housing, streets, drainage, platting and topographic mapping. Webb County has completed this study and the colonia is now platted and prepared for infrastructure improvements which will be provided through the Colonia Demonstration Fund. An engineering firm has been hired and has completed final plans and specifications for all construction activities. The Texas Water Development Board's Economically Distressed Areas Program will provide \$1.1 million for the engineering and construction of sanitary sewer lines from the city of Laredo's wastewater system to the Larga Vista colonia. Acquisition of land for a community center and park facility has been completed. Texas A&M Center for Housing and Urban Development will provide the architectural services and construction of a community service center to be utilized by Larga Vista residents and surrounding colonias on Highway 359. Housing Rehabilitation guidelines have been approved by the Texas Community Development Program and a committee has been organized to oversee this activity.

# J. Low-Income Housing Tax Credit Use

## Low Income Housing Tax Credit (LIHTC) Program

Pursuant to federal statute, the program is authorized to allocate tax credits to projects if 20% or more of the residential units in such projects are both rent restricted and occupied by tenants whose income is 50% or less of the area median income, or, alternatively, if 40% of such units are rent restricted and occupied by tenants whose income is 60% or less of the area median income. Most of the participants in the program elect to set aside 100% of their housing units to tenants whose income does not exceed 60% of the area median income.

The amount of credit ceiling available to the Department is based on \$1.25 per capita, which in 1994 amounted to \$22,538,750 in tax credits. The Department also reallocates unused credits returned from the previous years' allocation. In 1994, this amount was \$4 million. Twenty-eight million seven hundred thousand dollars in credits will have been allocated in 1995, and we anticipated this amount to be approximately 24 million dollars for 1996

The Department requires recipients of tax credits to document the participation of Historically Underutilized Businesses (HUBs) in the development and management of tax credit projects. A HUB is defined as a business entity that is at least 51% owned by a Black American, Hispanic American, Asian-Pacific American, Native American, or a Woman of any ethnicity. Depending on our findings, the Department may give preference in future program years to applicants that are certified as HUBs or that utilize HUBs.

The Department's Qualified Allocation Plan sets forth threshold and selection criteria points for the allocation of tax credits. The threshold criteria documents a project owner's readiness to proceed with the development as evidenced by site control; the availability of permanent financing; appropriate zoning for the site; and a market and environmental study. The selection criteria deals with the following issues: project location (e.g. CDBG targeted areas, Qualified Census Tracts, Enterprise Zone); housing needs characteristics (as exemplified by the percentage of households below the poverty level, the percentage of rental units in the area that are over crowded, etc.); project characteristics; owner's characteristics; participation of local tax-exempt organizations; special housing needs; the existence of public housing waiting lists for affordable units, and geographic dispersion.

The Department recommends an allocation of credits based upon the project's score and its financial feasibility and long term viability. These recommendations are taken to the Board of Directors for approval.

Pursuant to federal statute, the Department is required to allocate at least 10% of the housing credit ceiling to qualified non-profit organizations.

*Note: see Section III(H)(2), 'Overview of Institutional Structure and Coordination of Resources,' for a description of the policies and procedures which apply to the use and distribution of State of Texas HOME Investment Partnerships Program Rental Project Assistance funds when combined with Low Income Housing Tax Credits.*

## **K. Public Housing Resident Initiatives**

The Texas Department of Housing and Community Affairs does not have any direct or indirect jurisdiction over the management or operations of Public Housing Authorities in the State.

# Section IV. One-Year Action Plan

## **§ 91.320 Action plan.**

The action plan must include the following:

- (a) Form application. Standard Form 424;
- (b) Resources.
  - (1) Federal resources. The consolidated plan must describe the Federal resources expected to be available to address the priority needs and specific objectives identified in the strategic plan, in accordance with § 91.315. These resources include grant funds and program income.
  - (2) Other resources. The consolidated plan must indicate resources from private and non-Federal public sources that are reasonably expected to be made available to address the needs identified in the plan. The plan must explain how Federal funds will leverage those additional resources, including a description of how matching requirements of the HUD programs will be satisfied. Where the State deems it appropriate, it may indicate publicly owned land or property located within the State that may be used to carry out the purposes stated in § 91.1;
- (c) Activities. A description of the State's method for distributing funds to local governments and nonprofit organizations to carry out activities, or the activities to be undertaken by the State, using funds that are expected to be received under formula allocations (and related program income) and other HUD assistance during the program year and how the proposed distribution of funds will address the priority needs and specific objectives described in the consolidated plan;
- (d) Geographic distribution. A description of the geographic areas of the State (including areas of minority concentration) in which it will direct assistance during the ensuing program year, giving the rationale for the priorities for allocating investment geographically;
- (e) Homeless and other special needs activities. Activities it plans to undertake during the next year to address emergency shelter and transitional housing needs of homeless individuals and families (including subpopulations), to prevent low-income individuals and families with children (especially those with incomes below 30 percent of median) from becoming homeless, to help homeless persons make the transition to permanent housing and independent living, and to address the special needs of persons who are not homeless identified in accordance with § 91.315(d);
- (f) Other actions. Actions it plans to take during the next year to address obstacles to meeting underserved needs, foster and maintain affordable housing (including the coordination of Low-Income Housing Tax Credits with the development of affordable housing), remove barriers to affordable housing, evaluate and reduce lead-based paint hazards, reduce the number of poverty level families, develop institutional structure, and enhance coordination between public and private housing and social service agencies and foster public housing resident initiatives. (See § 91.315 (a), (b), (f), (g), (h), (i), (j), (k), and (l).)
- (g) Program-specific requirements. In addition, the plan must include the following specific information:
  - (1) CDBG.
    - (i) An "urgent needs" activity (one that is expected to qualify under § 570.208(c)) may be included only if the State identifies the activity in the action plan and certifies that the activity is designed to meet other community development needs having a particular urgency because existing conditions pose a serious and immediate threat to the health or welfare of the community and other financial resources are not available.
    - (ii) The method of distribution shall contain a description of all criteria used to select applications from local governments for funding, including the relative importance of the criteria -- if the relative importance has been developed. The action plan must include a description of how all CDBG resources will be allocated among all funding categories and the threshold factors and grant size limits that are to be applied. If the State intends to aid nonentitlement units of general local government in applying for guaranteed loan funds under 24 CFR part 570, subpart M, of this title, it must describe available guarantee amounts and how applications will be selected for assistance. (The statement of the method

*of distribution must provide sufficient information so that units of general local government will be able to understand and comment on it and be able to prepare responsive applications.)*

(2) HOME.

*(i) The State shall describe other forms of investment that are not described in § 92.205(b).*

*(ii) If the State intends to use HOME funds for homebuyers, it must state the guidelines for resale or recapture, as required in § 92.254 of this chapter.*

(3) ESG. *The State shall state the process for awarding grants to State recipients and a description of how the State intends to make its allocation available to units of local government and nonprofit organizations.*

(4) HOPWA. *The State shall state the method of selecting project sponsors.*

## **A. Form application. Standard Form 424**

**\*NOTE: PLEASE CONTACT THE TEXAS  
DEPARTMENT OF HOUSING AND COMMUNITY  
AFFAIRS FOR THE CURRENT FORM 424.**



# B. Resources

## **Federal Resources**

The Federal resources expected to be available to address the priority need and specific objectives identified for each of the programs addresses in the Consolidated Plan can be found under *Section IV: One Year Action Plan* as follows:

- E. Texas Community Development Program 1996 Final Statement
- F. State of Texas FY 1996 HOME Program Description
- G. State of Texas 1996 Emergency Shelter Grants Program Application
- H. State of Texas 1996 Application for Housing Opportunities for Persons with AIDS (HOPWA)

It is the policy of TDHCA to aggressively seek additional private and non-Federal public resources. Each of the programs listed above in the *1996 State of Texas Consolidated Plan* in their action plans show how they seek matching funds and where participation of the private sector is being sought. These efforts of seeking other resources as well as leveraging existing resources will continue to be an emphasis of each of these programs.

# C. Activities

## TDHCA's Plan for Utilizing Housing Resources

### **Community Development Block Grant (CDBG) Program**

CDBG fund distribution is discussed in detail as part of the Texas Community Development Fund Final Statement, included later in this Action Plan section.

#### ***Plan to accommodate special needs populations***

Colonia residents are specifically targeted for funds through the TCDP's Colonia Fund, which provides for infrastructure and housing improvements in the state's colonias. Eligible counties submit projects that may include any combination of eligible CDBG activities (e.g., water, sewer, housing, community centers, drainage, etc.) that benefit colonia residents. As with the Community Development Fund, any housing-related activities must benefit one hundred percent (100%) low to moderate income people.

HUD does not allow CDBG funds to be set-aside for any one group of people beyond the low to moderate income requirement, except when used to provide public services such as child care, education, welfare, crime prevention, or health care. Public services funds are limited to fifteen percent (15%) of the total amount of assistance requested by a given community. It is not possible for the TCDP to set aside CDBG funds to provide housing for a specific group of people.

However, at the local level, some targeting is possible. Cities or counties receiving CDBG funds for housing-related projects must draft guidelines that describe how they will select the people who will benefit from the housing assistance. Often, these guidelines give priority to elderly, special needs, and very-low income persons. The drafting of guidelines is a local matter that is governed only by the TCDP requirement that one hundred percent (100%) of the beneficiaries will be of low to moderate income.

In accordance with federal regulations, TCDP grants are available only to eligible units of general local government (cities and counties) for community development projects that principally benefit low to moderate income people. TCDP applicants are required to hold two (2) public hearings prior to submitting an application to the program. The hearings must be announced formally in a local newspaper at least 72 hours prior to the hearing. The first hearing establishes community development and housing needs, describes the TCDP, and discusses previous TCDP projects in the community. The second hearing discusses the specific community development/housing project selected to appear on the city or county's application. Residents and community-based organizations are welcomed at these meetings and must, by law, be given the opportunity to voice their opinions or concerns at the hearings. Once a project is funded, any changes to the project that require a contract amendment must be discussed in an advertised public hearing.

Affordable new housing construction is unique among CDBG activities in that it requires the local government that receives funds to work with an eligible subrecipient organization to operate the housing program. Eligible subrecipients are neighborhood-based nonprofit organizations (NBOs), as defined at 24 CFR 570.204(c)(1). These organizations must be not-for-profit and a majority of either their

membership, clientele, or governing body must be residents of the neighborhood where TCDP funded activities will be carried out. Housing finance corporations in cities of more than 25,000 people are not eligible subrecipients. In cities of fewer than 25,000, housing finance corporations are eligible if they meet the definition of eligible neighborhood-based organization.

The TCDP itself receives public input from community groups during a series of public hearings concerning the program's Final Statement, which describes how the program will operate during the following year. This year, six (6) public hearings were held across Texas.

### **Emergency Community Services Homeless Grant Program (EHP)**

All funds provided from the EHP program are used for one special needs population - homeless persons or persons at-risk of homelessness. All funds assist persons who are at or below poverty, which is approximately 0-50% AMFI.

#### ***Plan to accommodate special needs populations***

All funds for this program assist homeless persons or persons at-risk of homelessness.

#### ***Efforts to ensure participation of low-income Texans and their community-based institutions***

These funds are restricted by law to recipients of Community Services Block Grant funds. The Boards that administer EHP funds are required to have at least 1/3 of their members representing the poor. Additionally, these organizations are required to publish the availability of EHP funds in their communities and to seek input on the use of the funds.

### **Emergency Nutrition/Temporary Emergency Relief (ENTERP) Program**

Future funding for the Emergency Nutrition/Temporary Emergency Relief Program (ENTERP) is unknown. The Texas Legislature appropriated \$473,884 in General Revenue funds and \$2.5 million in Oil Overcharge funds to fund ENTERP for FY 1995. The fuel overcharge portion of the funding allocation is in the process of being phased out. It is anticipated that \$1,000,000 will stay in ENTERP until August 31, 1996. The funds would then be transferred to the Weatherization Assistance Program (WAP).

ENTERP allocates state funds to the counties based on poverty and unemployment rates. Funds are used to provide emergency services such as utility assistance, housing, food, clothing, medical services and transportation. Contractors must provide a financial contribution to the program in an amount equal to the state contribution. Income eligibility may not be set at less than 75% of the federal poverty guidelines. Otherwise, each ENTERP contractor can establish their own criteria for determining the eligibility of applicants for services.

#### ***Plan to accommodate special needs populations***

ENTERP General Revenue funds may be used to match local funds for temporary emergency housing assistance to needy persons.

#### ***Efforts to ensure participation of low-income Texans and their community-based institutions***

State law requires that local funds be used to match ENTERP funds in order to assist counties in meeting the needs of individuals and families for temporary emergency relief.

Counties are notified and given an opportunity to apply for funds to operate this program. If a county declines to provide services, the Department accepts applications from other political subdivisions or nonprofit organizations. Contractors selected to administer ENTERP must notify the public of the program, obtain public comments and respond to comments. The Department requires a description of how public notification and comment will be accomplished.

### **Emergency Shelter Grant (ESG) Program**

ESGP fund distribution is discussed in detail as part of the ESG Homeless Assistance Plan, included later in this Action Plan section.

#### ***Plan to accommodate special needs populations***

All funds for this program assist homeless persons and/or persons at-risk of homelessness.

#### ***Efforts to ensure participation of low-income Texans and their community-based institutions***

Community Services maintains a mailing list of approximately 600 organizations that provide shelter, services, or are otherwise interested in services to homeless persons. The majority of organizations on the list are community-based, nonprofit organizations. Community Services uses the Texas Register and several statewide newsletters, including the Texas Homeless Network, the Texas Council on Family Violence, and the Texas Association of Regional Councils, to notify communities and organizations that ESGP funds are available. Nonprofit organizations are encouraged but not required to have a homeless or formerly homeless person on the Board.

### **Energy Assistance**

The target group for TDHCA's energy assistance program includes households within 0-125% of OMB poverty guidelines. All funds are dedicated to this income level.

Funds are distributed based on a formula which looks at county data for the following variables:

- Number of non-elderly poverty household
- Number of elderly poverty households
- Median income variance
- Inverse poverty household density ratio; and
- Heating and cooling degree days.

#### ***Plan to accommodate special needs populations***

Allocations for the energy assistance program are not made by racial or ethnic groups. Priority is given by Congressional requirement to elderly persons, persons with disabilities, and households with children 6 years of age or under. Department of Energy (DOE) rules govern the program with limited rules from Health and Human Services.

The Weatherization Assistance Program (WAP) focuses on reducing energy consumption and providing a safe and healthy environment for its recipients. There is no direct focus on economic self-sufficiency.

WAP is linked to the Comprehensive Energy Assistance Program (CEAP) which focuses on energy self-sufficiency. The link is by referral.

### ***Efforts to ensure participation of low-income Texans and their community-based institutions***

The agencies the Department contracts with to deliver the WAP services statewide are for the most part, community action agencies whose boards are in part composed of poverty population representatives. The Policy Advisory Council for the WAP contains consumer group representation. A public hearing is held annually to provide input on how the funds are to be expended.

## **HOME**

*HOME Program fund distribution is discussed in detail as part of the HOME Program Description included later in this Action Plan section.*

### ***Plan to accommodate special needs populations***

The 1994 HOME Program created a Special Needs Set-Aside to provide housing for persons with “special needs,” as defined in the State’s CHAS, now the Consolidated Plan. Special Needs are defined as homeless, or non-homeless persons who are: low-income, elderly, frail elderly, disabled, and persons with AIDS and AIDS related diseases. The Special Needs Set-Aside is approximately 10% of TDHCA’s federal HOME allocation. The Special Needs Set-Aside does not include the Colonias or Migrant Farm Workers. Those persons receiving Tenant Based Rental Assistance must participate in an economic self-sufficiency program. Additionally, extra points will be awarded to **non**-Special Needs Set-Aside fund applicants who have indicated that HOME funds will be targeted to special needs populations. The persons or households receiving HOME assistance must have incomes at or below 80% of the area median income.

### ***Efforts to ensure participation of low-income Texans and their community-based institutions***

A part of the HOME Program’s design is to extend and strengthen partnerships among all levels of government and the private sector, including nonprofit organizations, in the production and operation of affordable housing. Since HUD allows TDHCA to reserve a portion of the federal HOME allocation for CHDO eligible activities, CHDOs are given an incentive to participate in the HOME Program by virtue of a statutorily mandated 15 percent set-aside. TDHCA also awards points to HOME applicants who have involved their community in the development of the application or administration of their program/project. Examples are: community support for the applicant’s HOME program, public and private sector contributions to enhance the overall success of the program, and community or neighborhood “clean-up,” “paint-up,” and “fix-up” campaigns.

## **Housing Trust Fund (HTF)**

During our last two funding cycles the Housing Trust Fund has committed all of its funds to low- and very-low income individuals and families (very-low income is defined as 60% or less of the median income, as per State statute). In fact, the goal has been to apply at least 70% of our funds each year to very-low income residents. Points are awarded in our application scoring process to projects that set aside units for persons with special needs.

With respect to formula allocation, 2/3 of our available Housing Trust dollars have been used for housing rehabilitation projects and 1/3 for new construction. Rehabilitation is calculated at \$25,000 per unit which is considered moderate rehabilitation. (Expenses may be \$25,000 or less) while new construction is calculated at \$40,000 per single family home. Both estimates are then adjusted to factor in a 3:1 leverage with outside funds. This determines the minimum number of units we will be able to produce in a given year.

***Plan to accommodate special needs populations***

The Housing Trust Fund has a 10 percent set-aside in place for projects which target individuals with special needs.

***Efforts to ensure participation of low-income Texans and their community-based institutions***

The HTF application process encourages involvement by the individuals who will benefit from applicant funding. Points are awarded during the application scoring process to applicants who have adequately involved the low and very-low income community in the planning and implementation of their project.

In terms of program policy and administration, when changes are made to the Housing Trust Fund rules, the community is allowed to participate in public hearings to voice their concerns regarding the program. In addition, program rules are published statewide in the Texas Register after which time a public comment period is held for 30 days. During this time individuals may offer their suggestions for changes in program policy.

**Low Income Housing Tax Credit (LIHTC) Program**

*LIHTC Program fund distribution is discussed in detail as part of the Strategic Plan section presented earlier in this document.*

***Plan to accommodate special needs populations***

In addition to the 1% of the total credit ceiling that is reserved for special housing projects, the Department provides extra points for projects located in Colonias; projects designed and equipped for elderly tenants; projects that are equipped and accessible to persons with physical or mental disabilities; and projects that provide transitional housing units for the homeless. The Department also provides preference in its selection criteria to projects that include supportive services for the tenants.

***Efforts to ensure participation of low-income Texans and their community-based institutions***

The Department has established a 10 percent set-aside for projects developed by qualified not-for-profit organizations and the Department encourages the participation of Community Development Corporations and other neighborhood-based groups.

**Section 8 Program**

Resources are determined each year at the Federal level by the Department of Housing and Urban Development. As additional Notices of Funding Availability (NOFA's) are published in the Federal Register the Department applies to receive additional funding for certificates and or vouchers.

***Plan to accommodate special needs populations***

Previously HUD allowed for a separate allocation to be set aside (i.e. elderly units under the certificate/voucher allocation). However, as of October 18, 1994, the new program rules (subpart E) do not allow for this specific set aside of elderly housing units. Families are now assisted according to federal preferences as their names come to the top of the waiting list and funds are available to assist their housing needs. The Department will explore other NOFA's which address special needs as they become available.

***Efforts to ensure participation of low-income Texans and their community-based institutions***

TDHCA is currently researching avenues to encourage the participation of community based organizations in the Section 8 Program.

## **Single Family Bond Programs**

Down Payment Assistance Program (DPAP): DPAP funds will be allocated through TDHCA First Time Homebuyer Program(s) Participating Lenders to the program consumer. Eligible program participants must earn 80% or less of Area Median Family Income (AMFI) and must purchase a home through TDHCA's First Time Homebuyer Programs or in conjunction with any of the other programs administered by the Department

Contract for Deed Program: The Contract for Deed Program serves Texas families earning 51-100% of AMFI. Beneficiaries must own their home under a land contract or contract for deed and have a full one year payment history. Loan amounts are restricted to the lesser of LTV as required by FHA or the amount required to pay off the seller, closing costs, and required repairs.

Home Construction and Acquisition Program (HCALP): HCALP offers affordable homes through 0.00% interest loans and by utilizing the "sweat equity" of the qualifying consumer/family. Homes constructed through HCALP are available to families earning 80% or less of AMFI. Participants must also be first time homebuyers (unless living in targeted areas or having a Contract for Deed Exception). Funds are allocated to non-profit organizations upon request and after TDHCA approval (the non-profit is required to complete a questionnaire and supply documentation that verifies the organization's experience and capability to successfully utilize HCALP funds). The non-profit organization selects families to benefit from HCALP according to program guidelines.

Home Improvement Loan Program (HILP): Beneficiaries of HILP must be current owners and occupants of the residence to be repaired. Income limits for this program are 80% or less of AMFI. The net worth of program participants can not exceed \$75,000 and their liquid assets can not exceed \$6,000. Funds are allocated to the program consumer from TDHCA, sometimes non-profit assistance is used to locate and assist DPAP applicants.

First Time Homebuyer Programs: First Time Homebuyer Programs allocated funds directly to consumers for mortgage loans at a reduced interest rate. Funds are reserved by participating lenders, and 25 percent are made available on a "first come-first serve" basis. Incomes for Program Participants can not exceed the limits set forth in each program's guide lines. Currently the maximum percentage of AMFI for Program 45A is 80%, and 115% AMFI for Program 46. Program participants must be first time homebuyers.

Interim Construction Program: Homes constructed under this program will be sold to families earning 80% or less of AMFI. Construction loans will be made to builders and/or developers in amounts not to exceed \$1,000,000 per project. Each project must contain 10 detached single family homes and the builder/developer must contribute at least 10-20% equity in the project by virtue of cash or similar contributions or value of the property in excess of loan amounts.

Subsidized Home Purchase Loan Program (SHPLP): Subsidized mortgage loans are made through this program to families earning 80% or less of AMFI. Program participants must be first time homebuyers and have \$6,000 or less in liquid assets. Loans will be originated through participating lenders, but funds will be allocated to end consumers.

### ***Plan to accommodate special needs populations***

The only program currently targeting funds towards special needs groups is the Contract for Deed Program which strives to achieve secure home ownership to families paying on contracts for deed. Many of these families are colonia residents. Program outreach will include electronic and printed media, conferences/conventions, meetings, and mail-outs. Lenders and non-profit organizations in targeted areas will be identified, notified, and approved to attend program training in an effort to reach the low income residents in each targeted colonia community.

***Efforts to ensure participation of low-income Texans and their community-based institutions***

All Single Family Programs offer assistance to low and very low income families. Programs such as HCALP and HILP work directly with local not-for-profit organizations. The Department is currently in the process of obtaining a consultant for the First Time Homebuyer Programs to assist low income program applicants who are located in under-served areas. Invitations to bid for these services went out to a large selection of local not-for-profits. All Single Family programs are marketed to the public through the Department's Marketing Division and through the efforts of each program coordinator.

## **D. Geographic Distribution**

*The methods to be used by TDHCA for the geographic distribution of funds are detailed in the program-specific sections of the action plan which follow.*

# **Addendum: § 91.320(f): Other Actions**

*Actions to be taken by the Department during the next year as outlined in § 91.320(f) are defined under Section III as noted in the matrix below:*

## **Action to Address Obstacles to Meeting Underserved Needs**

The Department's plan for the next year is outlined in Section III.A(3): *Affordable Housing - Specific Objectives and Proposed Accomplishments*, Specific Objective 1.1~5.1, (p. 95-98).

## **Action to Foster and Maintain Affordable Housing**

The Department's plan for the next year is outlined in Section III.A(3): *Affordable Housing - Specific Objectives and Proposed Accomplishments*, Specific Objective 1.1~5.1, (p. 95-98)

## **Action to Remove Barriers to Affordable Housing**

The Department's plan for the next year is outlined in Section III.A(3): *Affordable Housing - Specific Objectives and Proposed Accomplishments*, Specific Objective 1.1~5.1, (p. 95-98), and in Section III.C(2): *Other Special Needs Groups - Specific Objectives and Proposed Accomplishments*, Objectives 1.1~3.2, (p.102-104).

## **Action to Evaluate and Reduce Lead-Based Paint Hazards**

The Department's plan for the next year is outlined in Section I.D: *Lead-Based Paint Hazards*, (p. 53-54), and in Section III.F: *Lead-Based Paint Hazards*, (p. 119).

## **Action to Reduce the Number of Poverty Level Families**

The Department's plan for the next year is outlined in Section III.G: *Anti-Poverty Strategy*, (p. 120-122).

## **Action to Develop Institutional Structure and Enhance Coordination Between Public and Private Housing and Social Service Agencies**

The Department's plan for the next year is outlined in Section III.H(2): *Overview of Institutional Structure and Coordination of Resources*, (p. 131-139).

## **Action to Foster Public Housing Resident Initiatives**

The Texas Department of Housing and Community Affairs does not have any direct or indirect jurisdiction over the management or operations of Public Housing Authorities in the State.

# **E. Texas Community Development Program 1996 Final Statement**

## **I. PROGRAM YEAR 1996 GENERAL PROGRAM INFORMATION**

### **A. Eligible Applicants**

Eligible applicants are nonentitlement general purpose units of local government including cities and counties that are not participating or designated as eligible to participate in the entitlement portion of the federal Community Development Block Grant Program. Nonentitlement cities that are not participating in urban county programs through existing participation agreements are eligible applicants.

### **B. Eligible Activities**

Eligible activities under the Texas Community Development Program are listed in Section 105(a) of the federal Housing and Community Development Act of 1974, as amended [42 U.S.C. Sec. 5305 (a)]. The Texas Department of Housing and Community Affairs (TDHCA) will review all proposed project activities included in applications for all fund categories, except the Texas Capital Fund, to determine their eligibility. The Texas Department of Commerce (TDOC) will determine the eligibility of activities included in Texas Capital Fund applications. All proposed activities must meet one of the following three National Program Objectives:

1. principally benefit low- and moderate-income persons; or
2. aid in the elimination of slums or blight; or
3. meet other community development needs of particular urgency.

### **C. Ineligible Activities**

In general, any type of activity not described or referred to in Section 105(a) of the federal Housing and Community Development Act of 1974, as amended, is ineligible. Specific activities ineligible under the Texas Community Development Program are:

1. construction of buildings and facilities used for the general conduct of government (e.g. city halls, courthouses, etc.);
2. new housing construction, except as last resort housing under 49 CFR Part 24 or affordable housing through eligible subrecipients in accordance with 24 CFR 570.204;
3. the financing of political activities;
4. purchases of construction equipment;
5. income payments, such as housing allowances; and
6. most operation and maintenance expenses.

The Texas Capital Fund (TCF) will not accept applications in support of prisons, racetracks and projects that address job creation/retention through a state-supported facility. The only exceptions to this prohibition are applications in support of prisons and for projects that address job creation/retention by a state-supported facility located on federal military installations closed by the federal government since 1989. The Texas Capital Fund Program may be used to financially assist/facilitate the relocation of a business when certain requirements, as defined in 1996 application guides are met.

### **D. Primary Beneficiaries**

The primary beneficiaries of the Texas Community Development Program are low to moderate income persons as defined under the U.S. Department of Housing and Urban Development (HUD) Section 8 Assisted Housing Program (Section 102(c)). Low income families are defined as those earning less than 50 percent of the area median family income. Moderate income families are defined as those earning less than 80 percent of the area median family income.

## **E. Displacement Of Persons Assisted**

Applicant localities must certify that they will minimize the displacement of persons as a result of activities assisted with Texas Community Development Program grant funds.

## **II. ALLOCATION OF CDBG FUNDS**

### **A. Available Fund Categories**

Assistance is available in six funding categories under the Texas Community Development Program as indicated below:

1. Community Development Fund
2. Texas Capital Fund
3. Colonia Fund
  - a. Colonia Construction Fund
  - b. Colonia Planning Fund
  - c. Colonia Self-Help Centers Fund
4. Planning And Capacity Building Fund
5. Disaster Relief/Urgent Need Fund
6. Housing Demonstration Fund

### **B. Description Of Funds**

#### 1. Community Development Fund

This fund will be available annually (primarily for public facilities and housing assistance) through an annual competition in each of the 24 state planning regions. The scoring of applications will be shared between TDHCA and Regional Review Committees. Funds for projects under the Community Development Fund will be allocated among the 24 state planning regions through a formula based on the factors identified below:

- |                                     |     |
|-------------------------------------|-----|
| a. Non-Entitlement Population       | 30% |
| b. Number of Persons in Poverty     | 25% |
| c. Percentage of Poverty Persons    | 25% |
| d. Number of Unemployed Persons     | 10% |
| e. Percentage of Unemployed Persons | 10% |

To the extent possible, the information used to calculate the regional allocations through these factors will be based on the eligible nonentitlement applicants within each region. Changes in actual regional allocations shall only reflect overall changes in the Texas Community Development Program funding level and changes in eligible population and unemployment characteristics.

#### 2. Texas Capital Fund

This fund will be available three times annually for economic development funding to consider projects that will create or retain permanent employment opportunities, primarily for low to moderate income persons. Responsibility for this fund is contracted to the Texas Department of Commerce (TDOC) through an interagency agreement. The funds may be used for eligible activities as cited in Section 105 (a) of Title I of the Housing and Community Development Act of 1974, as amended, including the following activities:

- a. a grant for infrastructure improvements to assist a for-profit entity or a non-profit entity;
- b. a grant to acquire real property or acquire, construct, reconstruct, or rehabilitate public facilities to assist a for-profit or a non-profit entity;
- c. a grant for infrastructure improvements to assist Texas Main Street Program designated municipalities;
- d. a grant to provide assistance to private, for-profit entities, when the assistance is appropriate to carry out an economic development project (that shall minimize, to the extent practicable, displacement of existing businesses and jobs in neighborhoods) that:
  - (1) creates or retains jobs for low- and moderate-income persons;
  - (2) prevents or eliminates slums or blight;
  - (3) meets urgent needs;
  - (4) creates or retains businesses owned by community residents;
  - (5) assists businesses that provide goods or services needed by, and affordable to, low- and moderate-income residents; or
  - (6) provides technical assistance to promote any of the activities under subparagraphs (1) through (5).

### 3. Colonia Fund

This fund will be available to eligible county applicants for projects in severely distressed unincorporated areas which meet the definition as a "colonia" under this fund. The term "colonia" means any identifiable unincorporated community that is determined to be a colonia on the basis of objective criteria, including lack of potable water supply, lack of adequate sewage systems, and lack of decent, safe, and sanitary housing; and was in existence as a colonia before the date of the enactment of the Cranston-Gonzalez National Affordable Housing Act (November 28, 1990). For an eligible county to submit an application on behalf of eligible colonia areas, the colonia area(s) must be within 150 miles of the Texas-Mexico border region, except that any county that is part of a standard metropolitan statistical area with a population exceeding 1,000,000 is not eligible under this fund.

#### a. Colonia Construction Fund

The allocation will be distributed through an annual competition. Funding priority shall be given to applications from localities that have been funded through the Texas Water Development Board Economically Distressed Areas Program (EDAP) for TCDP projects which provide assistance to colonia residents that cannot afford the cost of service lines, service connections, and plumbing improvements associated with access to the EDAP-funded water or sewer system. An eligible county applicant may submit one (1) application for the following eligible activities:

- (1) Assessments for Public Improvements - The payment of assessments (including any charge made as a condition of obtaining access) levied against properties owned and occupied by persons of low- and moderate-income to recover the capital cost for a public improvement.
- (2) Other Improvements - Other activities eligible under section 105 of the Housing and Community Development Act of 1974 designed to meet the needs of colonia residents.

#### b. Colonia Planning Fund

The allocation will be distributed through an annual competition. An eligible county applicant may submit one (1) application for the following eligible activities:

- (1) Planning - Payment of the cost of planning community development (including water and sewage facilities) and housing activities; costs for the provision of information and technical assistance to residents of the area in which the activities are located and to appropriate nonprofit organizations and public agencies acting on behalf of the residents; and costs for preliminary surveys and analyses of market needs, preliminary site engineering and architectural services, site options, applications, mortgage commitments, legal services, and obtaining construction loans.

c. Colonia Self-Help Centers Fund

In accordance with Subchapter Z, Chapter 2306, Government Code, TDHCA will establish self-help centers in Cameron County, El Paso County, Starr County, and Webb County. If deemed necessary and appropriate, TDHCA may establish self-help centers in other counties as long as the site is located in a county that is designated as an economically distressed area under the Texas Water Development Board Economically Distressed Areas Program (EDAP), the county is eligible to receive EDAP funds, and the colonias served by the center are located within 150 miles of the Texas-Mexico border.

The geographic area served by each self-help center shall be determined by TDHCA. Five (5) colonias located in each self-help center service area shall be designated to receive concentrated attention from the center. Each self-help center shall set a goal to improve the living conditions of the residents located in the colonias designated for concentrated attention within a two-year period set under the contract terms. TDHCA has the authority to make changes to the colonias designated for this concentrated attention.

The TDHCA grant contract for each self-help center must be executed with the county where the self-help center is located. The Department will enter into a Texas Community Development Program with each affected county. Each county will then enter into a subcontract with the agency's Texas State Affordable Housing Corporation, a non-profit 501 (c)(4) corporation. The Texas State affordable Housing Corporation will provide the necessary technical oversight to ensure that legislatively mandated activities are carried out as intended in Senate Bill 1509.

A Colonia Advisory Committee will be established and not fewer than five persons who are residents of colonias shall be selected from the candidates submitted by local nonprofit organizations and the commissioners court of a county where a self-help center is located. One committee member shall be appointed to represent each of the counties in which a self-help center is located. Each committee member must be a resident of a colonia located in the county the member represents but may not be a board member, contractor, or employee of or have any ownership interest in an entity that is awarded a contract through the Texas Community Development Program. The Advisory Committee shall advise TDHCA regarding:

- (1) the needs of colonia residents;
- (2) appropriate and effective programs that are proposed or are operated through the centers; and
- (3) activities that may be undertaken through the centers to better serve the needs of colonia residents.

The purpose of each center is to assist low income and very low income individuals and families living in colonias located in the center's designated service area to finance, refinance, construct, improve or maintain a safe, suitable home in the designated service area or in another suitable area. Each self-help center may serve low income and very low income individuals and families by:

- (1) providing assistance in obtaining loans or grants to build a home;
- (2) teaching construction skills necessary to repair or build a home;
- (3) providing model home plans;
- (4) operating a program to rent or provide tools for home construction and improvement for the benefit of property owners in colonias who are building or repairing a residence or installing necessary residential infrastructure;
- (5) helping to obtain, construct, assess, or improve the service and utility infrastructure designed to service residences in a colonia, including potable water, wastewater disposal, drainage, streets and utilities;
- (6) surveying or platting residential property that an individual purchased without the benefit of a legal survey, plat, or record;
- (7) providing credit and debt counseling related to home purchase and finance;
- (8) applying for grants and loans to provide housing and other needed community improvements;
- (9) providing other eligible services that the self-help center, with TDHCA approval, determines are necessary to assist colonia residents in improving their physical living conditions, including help in obtaining suitable alternative housing outside of a colonia's area; and
- (10) providing assistance in obtaining loans or grants to enable an individual or family to acquire fee simple title to property that originally was purchased under a contract for a deed, contract for sale, or other executory contract.

A self-help center may not provide grants, financing, or mortgage loan services to purchase, build, rehabilitate, or finance construction or improvements to a home in a colonia if water service and suitable wastewater disposal are not available.

#### 4. Planning And Capacity Building Fund

This fund will be available annually through a statewide competitive process to assist eligible cities and counties in conducting planning activities that assess local needs, develop strategies to address local needs, build or improve local capacity, or that include other needed planning elements.

#### 5. Disaster Relief/Urgent Need Fund

Disaster Relief assistance is available through this fund as needed for eligible activities in relief of disaster situations where either the Governor has proclaimed a state disaster declaration or has requested a federal disaster declaration.

Urgent Need assistance is available through this fund as needed for projects that include activities to address water or sewer urgent needs that have resulted in either death, illness, injury, or pose an imminent threat to life or health within the affected applicant's jurisdiction, as certified by the appropriate state agency.

To qualify for Disaster Relief or Urgent Need funds, the situation addressed by the applicant must be both unanticipated and beyond the control of the local government. The problem being addressed must be of recent origin (i.e., the situation first occurred or was discovered no more than 18 months prior to the submission of an application for TCDP assistance). Each applicant for these funds must demonstrate that local funds or funds from other state or federal sources are not available to completely address the problem. The distribution of these funds will be coordinated with other state agencies.

Each applicant for Urgent Need funds must provide matching funds. If the applicant's 1990 Census population is equal to or fewer than 1,500 persons, the applicant must provide matching funds equal

to 10 percent of the TCDP funds requested. If the applicant's 1990 Census population is over 1,500 persons, the applicant must provide matching funds equal to 20 percent of the TCDP funds requested. For county applications where the beneficiaries of the water or sewer improvements are located in unincorporated areas, the population category for matching funds is based on the number of project beneficiaries.

#### 6. Housing Demonstration Fund

Funds will be available to provide grants through direct award basis for the development of single family and multifamily low to moderate income housing. The funds may not be used for the actual construction cost of new housing. Eligible activities under this fund are:

- The provision of public facilities improvements supporting the development of the low to moderate income housing
- Engineering costs associated with the public facilities improvements
- Administrative costs associated with the site clearance, site improvements and public facilities improvements

Eligible projects must leverage public (local, state, or federal) or private resources for the actual housing construction costs and any other project costs that are not eligible for assistance under this fund.

In order to meet a national program objective, at least fifty-one percent (51%) of the housing units built in conjunction with each Housing Demonstration Fund project must be occupied by low to moderate income persons. In the case of a rental housing construction project, occupancy by low to moderate income persons must be at affordable rents. TCDP funds can be used to finance 100% of the eligible project costs when at least 51% of the units are occupied by low to moderate income persons.

There is only one type of project that can qualify for assistance when less than 51% of the units will be occupied by low to moderate income persons. Eligible assistance can also be provided to reduce the cost of new construction of a multifamily non-elderly rental housing project. However, at least twenty percent (20%) of the units must be occupied by persons of low to moderate income at affordable rents. For this type of project, the maximum percentage of TCDP funds available for the eligible project costs is equal to the percentage of the project's units that are occupied by persons of low to moderate income at affordable rents.

### C. Allocation Of Available Funds By Fund Category

The State's 1996 program year CDBG allocation is not available at this time. It is anticipated that the 1996 allocation will be similar to the 1995 allocation of \$90,813,000. The amount available for TCDP assistance will be the 1996 State allocation amount plus an estimated \$600,000 in Texas Capital Fund program income. Funds will be allocated according to the following percentages of the State's 1996 allocation:

<u>FUND</u>	<u>1996 PERCENT</u>	<u>AMOUNT AVAILABLE</u>
Community Development Fund	58.26	
Texas Capital Fund	15.73	
Texas Capital Fund Program Income		\$ 600,000
Colonia Fund		
Colonia Construction Fund	9.50	
Colonia Planning Fund	0.50	
Colonia Self-Help Centers Fund	2.50	
Planning And Capacity Building Fund	1.00	
Disaster Relief/Urgent Need Fund	6.10	
Housing Demonstration Fund	3.30	
Administration	2.00 + \$100,000	
Technical Assistance	1.00	

Deobligated funds, unobligated funds and program income generated by Texas Capital Fund projects shall be retained for expenditure within the Texas Capital Fund. Program income derived from Texas Capital Fund projects will be used for economic development activities in economically distressed areas to be approved at the discretion of the TDOC Executive Director.

Any deobligated funds, unobligated funds, program income, and unused funds from previous years' allocations derived from any Texas Community Development Program Fund other than the Texas Capital Fund and any reallocated funds which HUD has recaptured from Small Cities may be redistributed among the above categories, except the Texas Capital Fund, for otherwise eligible projects. The selection of eligible projects to receive such funds will be approved by the TDHCA Executive Director on a priority needs basis with eligible disaster relief and urgent need projects as the highest priority, and the Department's special targeted activities (e.g., colonias, special housing projects, Texas STEP, etc.) as the next highest priority. If deobligated funds are being utilized for Texas STEP projects (self-help), the minimum contract award can be waived.

If a portion of the State's 1996 Community Development Block Grant allocation is rescinded by the federal government, TDHCA will make corresponding reductions within the fund allocations as required.

### D. Program Income

Program income is defined as gross income received by a state, a unit of general local government or a subrecipient of a unit of general local government that was generated from the use of CDBG funds. When program income is generated by an activity that is only partially funded with CDBG funds, the income shall be prorated to reflect the percentage of CDBG funds used. Any remaining program income must be used to establish an approved Revolving Loan Fund (RLF) or returned to the State.

The State may use up to 2 percent of the amount recaptured and reportable to HUD each year for administrative expenses under the Texas Community Development Program. This amount will be matched by the State on a dollar-for-dollar basis.

For any TCDP fund category other than the Housing Demonstration Fund and the Texas Capital Fund, program income generated through a housing rehabilitation program or a housing program which will provide affordable new permanent housing for low to moderate income persons may be retained by communities to establish a revolving loan fund for further housing assistance for low to and moderate income persons.

Program income includes, but is not limited to, the following: payments of principal and interest on loans using CDBG funds; proceeds from the sale of loans made with CDBG funds; gross income from the use or rental of real or personal property acquired by the unit of general local government or a subrecipient with CDBG funds; gross income from the use or rental of real property owned by the unit of general local government or subrecipient that was constructed or improved with CDBG funds; proceeds from the disposition of equipment purchased with CDBG funds; and interest earned on funds held in an RLF account.

#### 1. Texas Capital Fund Program Income

For program income generated through Texas Capital Fund projects, communities that elect to participate in the recapture of program income for use at the local level through a designated Revolving Loan Fund (RLF) will be limited to receiving one Texas Capital Fund contract award per program year. If a community elects not to participate in the recapture of program income, the community may apply for as many Texas Capital Fund awards as it has eligible projects. This determination must be made at the time of the original award and cannot be changed with subsequent awards.

A local government, electing to retain program income at the local level, must have a Revolving Loan Fund Plan (RLFP) approved in writing by TDOC, prior to committing and expending any program income. The RLFP shall be approved and must be used for economic development in accordance with Title I of the United States Housing and Community Development Act of 1974, as amended. The RLFP must be submitted for approval before the award generating program income is programmatically closed. Program income generated by the award prior to TDOC's approval of an RLFP must be returned to the State.

If an approved RLF is established, the local government must first disburse any funds in the RLF for payment of activities associated with the economic development project prior to accessing state funding draw downs. If the local government receives a subsequent economic development award, all program income in the local RLF not committed must be allocated to the new project. Funds retained in the local RLF must be committed within three years of the original TCDP contract start date. If the local government has not committed any RLF funds during the three year period, all program income currently retained in the local RLF and any future program income received must be returned to the State for use in the statewide RLF.

Communities electing to retain program income through an approved RLF are required to monitor and report the amount of program income recaptured to the state with updates concerning the status of outstanding loans or leases, including but not limited to payments received and amendments to the original loan or lease agreement, as required by TDOC.

If the local government elects not to participate in program income recapture or an RLFP is not approved prior to the contract close-out, then all program income must be returned to the state. Program income returned to the state will be placed in a statewide RLF for the purpose of providing funds for eligible economic development activities.

## 2. Housing Demonstration Fund Program Income

For program income generated through Housing Demonstration Fund projects, a local government, electing to retain program income at the local level, must have a Revolving Loan Fund Plan (RLFP) approved in writing by TDHCA, prior to committing and expending any program income. The RLFP shall be approved and must be used for housing activities principally benefiting low to moderate income persons in accordance with Title I of the United States Housing and Community Development Act of 1974, as amended. The RLFP must be submitted for approval before the award generating program income is programmatically closed. Program income generated by the award prior to TDHCA's approval of an RLFP must be returned to the State.

If an approved RLF is established, the local government must first disburse any funds in the RLF for payment of activities associated with the Housing Demonstration Fund project prior to accessing state funding draw downs. If the local government receives a subsequent housing demonstration award, all program income in the local RLF not committed must be allocated to the new project. Funds retained in the local RLF must be committed within three years of the original TCDP contract start date. If the local government has not committed any RLF funds during the three year period, all program income currently retained in the local RLF and any future program income received must be returned to the state for use in the statewide RLF.

Communities electing to retain program income through an approved RLF are required to monitor and report the amount of program income recaptured to the state with updates concerning the status of outstanding loans or leases, including but not limited to payments received and amendments to the original loan or lease agreement, as required by TDHCA.

If the local government elects not to participate in program income recapture or an RLFP is not approved prior to the contract close-out, then all program income must be returned to TDHCA. Program income returned to TDHCA will be placed in a statewide RLF for the purpose of providing funds for eligible housing or other community development activities.

### III. APPLICATION INFORMATION

#### A. Types And Number Of Applications

The following two types of applications are permitted under the Texas Community Development Program:

1. Single Jurisdiction Applications

An eligible applicant may submit one application on its own behalf. When certain situations exist, which will be defined in TCDP application guides, an eligible city may submit an application which benefits persons residing in the extraterritorial jurisdiction of the city, and a county may submit a single jurisdiction application on behalf of a city. The submitting city or county is accountable to the Texas Department of Housing and Community Affairs for financial compliance and program performance. If a city or county submits a single jurisdiction application, or its residents are the beneficiaries of a single jurisdiction application, then the city or county cannot participate in another single jurisdiction or multi-jurisdiction application for the same funding category. Local accountability cannot be assigned to another party.

2. Multi-Jurisdiction Applications

Multi-Jurisdiction applications will be accepted from two or more eligible units of general local government where the application clearly demonstrates that the proposed activities will mutually benefit the residents of the city(ies)/county(ies) applying for such funds. One of the participating units of general local government must be designated to act as the authorized applicant for the multi-jurisdiction application and the authorized applicant is accountable to the Texas Department of Housing and Community Affairs for financial compliance and program performance. A multi-jurisdiction application generally cannot be submitted solely on the basis of administrative convenience. Any city or county participating in a multi-jurisdiction application may not submit a single jurisdiction application for the same funding category.

Under the Community Development Fund regional competitions, a multi-jurisdiction application that includes participating units of general local government from more than one state planning will compete in the regional competition where the majority of the application activity beneficiaries are located.

#### B. Application Cycles

The following table summarizes the frequency of application submission for various application types:

<u>TYPE OF APPLICATION</u>	<u>SUBMISSION CYCLE</u>
1. Community Development Fund	Annually
2. Texas Capital Fund	
Real Estate Grant Program	Three times Annually
Infrastructure Grant Program	Three times Annually
Main Street Improvements Program	Annually
3. Colonia Fund	
Construction Fund	Annually
Planning Fund	Annually
4. Planning/Capacity Building Fund	Annually
5. Disaster Relief/Urgent Need Fund	As needed
6. Housing Demonstration Fund	Direct Award

### C. Contract Awards

With the qualified exceptions of the Texas Capital Fund, Colonia Fund, and Disaster Relief/Urgent Need Fund, an applicant is eligible to receive only one grant award per fund. Maximum and minimum contract awards for any single project allowable under the Texas Community Development Program are:

<u>FUND</u>		<u>CONTRACT AWARD</u>	
		<u>MAXIMUM</u>	<u>MINIMUM</u>
<u>Community Development Fund</u>	- Single Applicant	\$ 500,000 <sup>1</sup>	\$ 75,000
	- Multi-Jurisdiction Application	\$ 500,000 <sup>1</sup>	\$ 75,000
<u>Texas Capital Fund</u>	- Real Estate Program	\$ 500,000	\$ 50,000
	- Infrastructure Program	\$ 500,000	\$ 50,000
	- Main Street Improvements Prog. <sup>2</sup>	\$ 150,000 <sup>2</sup>	\$ 75,000
<u>Colonia Fund</u>	- Construction Fund	\$ 500,000	\$ 75,000
	- Planning Fund	\$ 100,000	\$ None
<u>Planning/Capacity Building Fund</u>		\$ 50,000	None
<u>Disaster Relief/Urgent Need Fund</u>		\$ 350,000	\$ 50,000
<u>Housing Demonstration Fund</u>		\$ 500,000	\$ 75,000

<sup>1</sup> Regional Review Committees will be authorized to establish a grant maximum for their respective regions between \$250,000 and \$500,000 for a single jurisdiction application and between \$350,000 and \$500,000 for a multi-jurisdiction application.

<sup>2</sup> Texas Capital Funds are not specifically reserved for Main Street infrastructure activities; however, Main Street Improvements Program projects may not exceed \$600,000 in total awards.

Amounts shown on the previous page are maximum funding levels or contract "ceilings," since the Program can fund only the actual, allowable, and reasonable costs of the proposed project, not to exceed these amounts. All grants, except Texas Capital Fund, awarded under the Texas Community Development Program are subject to negotiation between TDHCA and the applicant regarding the final grant amount. Texas Capital Fund grants are subject to negotiation between TDOC and the applicant regarding the final grant amount.

The maximum funding level for a combination Texas Capital Fund award will be limited to \$500,000 per applicant.

### D. Project Length

All funded projects, except TCF projects, must be completed within two years from the execution date of the contract agreement. TCF projects which must be completed within three years from the execution date of the contract agreement. Waivers of these requirements for any TCDP contract will only be granted when a waiver request is submitted in writing to TDHCA or TDOC (for Texas Capital Fund contracts) and TDHCA or TDOC finds that compelling circumstances exist outside the control of the local government that justify the approval of such a waiver.

## **E. Review Process**

### **1. Regional Review Committees (RRC) - Composition and Role**

There will be a Regional Community Development Review Committee in each of the 24 state planning regions. Each committee will be comprised of 12 members appointed for two-year staggered terms by the Governor.

Each Regional Review Committee will review and score all applications within its region for the Community Development Fund. Furthermore, the Regional Review Committees do not score but may review and comment on other funds. The scores for the Community Development Fund and comments on other applications will be forwarded to TDHCA.

### **2. State Review Committee (SRC) - Composition and Role**

A State Community Development Review Committee comprised of 12 local elected officials appointed by the Governor for two-year terms, will oversee the Community Development Fund and Planning And Capacity Building Fund and may provide recommendations to the TDHCA Executive Director. The role of the State Review Committee consists of reviewing recommendations for funding under the Community Development Fund and Planning And Capacity Building Fund for consistency and adherence with Department policies regarding appeals procedures as identified in procedures for the programs.

### **3. Texas Capital Fund Review Process**

The Texas Capital Fund applications will be reviewed and evaluated by Texas Department of Commerce (TDOC) staff in accordance with the established selection criteria. Recommendations will be made to the Executive Director of the Texas Department of Commerce for final award.

### **4. Clearinghouse Review**

Regional review of projects will be consistent with guidelines adopted by the Governor's Office for review and comment under the Texas Review and Comment System and Chapter 391, Texas Local Government Code.

## **F. Applicant Threshold And Past Performance Requirements**

A city or county must meet the following requirements in order to submit an application or to receive funding through the Texas Community Development Program:

1. Demonstrate the ability to manage and administer the proposed project, including meeting all proposed benefits outlined in its application;
2. Demonstrate the financial management capacity to operate and maintain any improvements made in conjunction with the proposed project;
3. Levy a local property (ad valorem) tax or local sales tax option;
4. Demonstrate satisfactory performance on previously awarded Texas Community Development Program contracts;
5. Resolve any and all outstanding compliance and audit findings on previous and existing Texas Community Development Program contracts;

6. Obligate at least 50 percent of the total funds awarded under a contract executed at least 12 months prior to the 1996 application deadline (except for Texas Capital Fund contracts and when the applicant is applying for disaster relief funds); and
7. Expend all but the audit funds awarded under a contract executed at least 24 months prior to the 1996 application deadline (except for Texas Capital Fund contracts and when the applicant is applying for disaster relief funds) and submit to TDHCA the close-out documents required by the most recent edition of the Texas Community Development Program Project Implementation Manual.
8. Any county that is designated as eligible for the Texas Water Development Board Economically Distressed Areas Program cannot receive TCDP funds unless the county has adopted and is enforcing the Model Subdivision Rules established pursuant to Section 16.343 of the Water Code.
9. For the Texas Capital Fund contracts: Expend all but the audit funds for any Texas Capital Fund contract that has been in effect for three years (36 months) and submit to TDOC the close-out documents required by the most recent edition of the Texas Community Development Program Project Implementation Manual.

#### **IV. APPLICATION SELECTION CRITERIA**

##### **A. General Description**

All projects under the Community Development Fund, Colonia Fund (except for the Colonia Self-Help Centers Fund), and the Planning And Capacity Building Fund will be evaluated and rated in accordance with a numerical point system based on the following three major criteria:

- (1) community/economic distress factors of the applicant
- (2) project impact/design
- (3) other considerations

The points awarded under these criteria will be combined to rank the projects in descending order. The projects in each fund will be selected based on this descending order and the availability of dollars in each fund. For the Community Development Fund, the points under these criteria will be divided between TDHCA (350 points) and each of the 24 Regional Review Committees (350 points). For the statewide and regional competitions, the Department will score the project impact/design factors.

Texas Capital Fund Real Estate Program and Infrastructure Grant Program projects will be evaluated based upon selection criteria that include, but are not limited to:

- (1) Jobs
- (2) Economic Emphasis
- (3) Leverage Ratio
- (4) Feasibility
- (5) Community Need

Texas Capital Fund Main Street Improvements Program projects will be evaluated based on the following:

- (1) Community Profile
- (2) Project Feasibility
- (3) Leverage Ratio
- (4) Texas Historical Commission Ranking

The final assignment of points for an applicant to the Community Development Fund, Colonia Fund, Housing Demonstration Fund, or the Planning And Capacity Building Fund will be the total of points received in the above mentioned criteria. All funding recommendations for the PY 1996 Community Development Fund and Planning And Capacity Building Fund will then be provided to the State Community Development Review Committee for their recommendations, which will then be provided to TDHCA's Executive Director for final award

Except for Main Street Improvements Program applications, Texas Capital Fund applications will be reviewed and evaluated by TDOC staff. The TDOC staff and the Texas Historical Commission will review and evaluate the Main Street Improvements Program applications. Recommendations for all Texas Capital Fund applications will be made to the TDOC Executive Director for final award.

Disaster Relief/Urgent Need applications must meet the threshold factors as discussed under the "Description Of Funds" section.

**B. Description Of Selection Criteria By Fund Category**

1. Community Development Fund 700 Total Points Maximum

a. Community Distress -- 55 Points (Maximum)

- Percentage of persons living in poverty 20 points
- Per Capita Income 20 points
- Unemployment Rate 15 points

b. Benefit To Low/Moderate-Income Persons -- 40 Points (Maximum)

Applicants are required to meet the 51 percent low/moderate-income benefit for each activity as a threshold requirement. Any project where at least 60 percent of the TCDP funds benefit low/moderate-income persons will receive 40 points.

c. Project Impact -- 0 - 195 Points (Maximum)

Information submitted in the application or presented to the Regional Review Committees will be used by a committee composed of TDHCA staff to generate scores on the project impact factor.

Ten of the 195 points will be awarded to each applicant that did not receive a 1994 or 1995 Community Development Fund contract award.

Ten of the 195 points will be awarded to each applicant that does not have any open Community Development Fund contracts on the application deadline date. To receive the ten points, all previously awarded Community Development Fund contracts must be closed by the 1996 Community Development Fund application deadline. A contract is considered to be closed when: all of the TCDP funds needed to complete the contract activities, except for the reserved audit funds, have been expended; the contract activities are finished and the contract beneficiaries have received access to the facilities and/or services provided under the contract; and all close-out documents required by the most recent edition of the TCDP Project Implementation Manual have been submitted to the Department (the submitted close-out documents must be complete and they must meet standards for acceptability).

Of the remaining 175 points available, each application will be scored by a committee composed of TCDP staff. Each committee member will assign a score within a predetermined scoring range based on the application activities. The separate scores are then totaled and the application is

assigned the average score. The scoring ranges that will be used for Project Impact scoring are as follows:

<u>ACTIVITIES</u>	<u>SCORING RANGE</u>
• Water, Sewer, and Housing	175 - 145
• Street Paving, Drainage, and Flood Control	150 - 130
• Handicapped Accessibility	150 - 130
• Gas/Electrical Facilities and Solid Waste Disposal	145 - 125
• Fire Protection and Health Clinics	145 - 125
• Community/Senior/Social Services Centers	135 - 115
• Demolition/Clearance, Code Enforcement	135 - 115
• Jails, Detention Facilities	125 - 105
• All Other Eligible Activities	115 - 85

Multi-activity projects which include activities in different scoring ranges will receive a combination score within the possible range. As an example, a project including street paving and demolition/clearance activities will be scored within a range of 150-115. If the project included a water activity also, the possible range would be 175-115.

Other factors that will be evaluated by the TCDP staff in the assignment of scores within the predetermined scoring ranges for activities include, but are not limited to, the following:

- Each application will be scored based on how the proposed project will resolve the identified need and the severity of the need within the applying jurisdiction.
- Projects that address basic human needs such as water, sewer, and housing will generally be scored higher than projects addressing other eligible activities.
- Projects that provide a first-time public facility or service will generally receive a higher score than projects providing an expansion or replacement of existing public facilities or services.
- Public water and sewer projects that provide a first-time public facility or service will generally receive a higher score than other eligible first-time public facility or service projects.
- Projects designed to bring existing services up to at least the state minimum standards as set by the applicable regulatory agency will also generally be given additional consideration.

d. Matching Funds -- 60 Points (Maximum)

Applicant(s) population equal to or fewer than 750 according to the 1990 Census:

- |  |           |
|--|-----------|
| • Match equal to or greater than 5% of grant request   | 60 points |
| • Match at least 4% but less than 5% of grant request  | 40 points |
| • Match at least 3%, but less than 4% of grant request | 20 points |
| • Match at least 2%, but less than 3% of grant request | 10 points |
| • Match less than 2% of grant request                  | 0 points  |

Applicant(s) population equal to or fewer than 1,500 but over 750 according to the 1990 Census:

- |  |           |
|--|-----------|
| • Match equal to or greater than 10% of grant request    | 60 points |
| • Match at least 7.5% but less than 10% of grant request | 40 points |
| • Match at least 5%, but less than 7.5% of grant request | 20 points |
| • Match at least 2.5%, but less than 5% of grant request | 10 points |
| • Match less than 2.5% of grant request                  | 0 points  |

Applicant(s) population equal to or fewer than 5,000 but over 1,500 according to the 1990 Census:

- Match equal to or greater than 15% of grant request 60 points
- Match at least 11.5% but less than 15% of grant request 40 points
- Match at least 7.5% but less than 11.5% of grant request 20 points
- Match at least 3.5% but less than 7.5% of grant request 10 points
- Match less than 3.5% of grant request 0 points

Applicant(s) population over 5,000 according to the 1990 Census:

- Match equal to or greater than 20% of grant request 60 points
- Match at least 15% but less than 20% of grant request 40 points
- Match at least 10% but less than 15% of grant request 20 points
- Match at least 5% but less than 10% of grant request 10 points
- Match less than 5% of grant request 0 points

The population category under which county applications will be scored will depend on the project type and the beneficiary population served. If the project is for beneficiaries for the entire county, the total population of the county will be used. If the project is for activities in the unincorporated area of the county with a target area of beneficiaries, the population category will be based on the unincorporated residents for the entire county. For county applications addressing water and sewer improvements in unincorporated areas, the population category will be based on the actual number of beneficiaries to be served by the project activities.

The population category under which multi-jurisdiction applications will be scored will be based on the combined populations of the applicants according to the 1990 Census.

Applications that include a housing rehabilitation and/or affordable new permanent housing activity for low- and moderate-income persons as a part of a multi-activity application will not have to provide any matching funds for the housing activity. This exception is for housing activities only. Sewer or water service line/connections will not be counted as housing rehabilitation. Demolition/clearance and code enforcement, when done in the same target area will be counted as part of the housing activity. When demolition/clearance and code enforcement are proposed without housing rehabilitation activity, then the match score will still be based on actual matching funds committed by the applicant. The additional activities, other than related housing activities, will be scored based on the percentage of match provided for the additional activities.

e. Regional Review Committee -- 350 Points (Maximum)

- Project Priorities
- Local Effort
- Continuation of Need 50 points (Maximum)
- Merits of Project 175 points (Maximum)

Further instructions concerning the Regional Review Committee points will be included in the RRC Guidebook. However, maximum points of 50 under Continuation of Need and 175 points on Merits of Project have been established.

### Community Development Fund Marginal Competition

Marginal applicants are those applicants whose score is high enough for partial funding in their respective region. The marginal amount in a regional competition is the amount remaining from the regional allocation after all fully funded applicants have been selected.

All applicants whose marginal amount available is under \$75,000 will automatically be considered under this competition.

When the marginal amount left in a regional allocation is equal to or above the TCDP grant minimum of \$75,000, the marginal applicant may scale down the scope of the original project design, and accept the marginal amount, if the reduced project is still feasible. Alternatively, such marginal applicants may choose to compete under the pooled marginal fund competition for the possibility of full project funding.

This fund consists of all regional marginal amounts of less than \$75,000, any funds remaining from regional allocations where the number of fully funded eligible applicants does not utilize a region's entire allocation and the contribution of marginal amounts larger than \$75,000 from those applicants opting to compete for full funding rather than accept their marginal amount.

The scoring factors used in this competition are TDHCA's Community Development Fund scoring factors (maximum of 350 points). Applicants' scores on the TDHCA Community Distress scoring factors will be recalculated based on the applicants competing in the marginal pool competition only. The Benefit To Low/moderate-Income Persons, Project Impact and Matching Funds scores are part of the total score received in this competition, but they are not rescored.

## 2. Texas Capital Fund Real Estate Improvements And Infrastructure Grant Programs

The selection criteria for the Real Estate Improvements and Infrastructure Grant Programs of the Texas Capital Fund will focus upon factors which may include, but which are not limited to, the following:

- a. Creation or retention of jobs primarily for low to moderate income persons
- b. Creation or retention of jobs paying an above-average wage
- c. Generation of a greater ratio of private investment to Texas Capital Fund investment
- d. Expansion of markets through means such as exporting, value-added processing, and/or creating new or modified product lines
- e. Provision of job opportunities at the lowest possible Texas Capital Fund cost per job
- f. Benefit to areas of the state most in need of new capital investment and/or jobs
- g. Assistance for small businesses and manufacturers
- h. Feasibility of project and ability to create and/or retain jobs

Following the assessment based on the selection criteria described above, projects will be reviewed and evaluated upon the following additional factors: history of the applicant community in the program; strength of business or marketing plan; management experience of the business' principals; and justification of minimum Texas Capital Fund contribution necessary to serve the project.

3. Texas Capital Fund Main Street Improvements Program

The selection criteria for the Main Street Improvements Program of the Texas Capital Fund will focus upon factors which may include, but which are not limited to, the following:

a. Threshold Requirements

In order for an application to be considered, an applicant must meet either (1) or (2) and (3) below:

- (1) Area Slum/Blight Objective. Document the boundaries of the area designated as a slum or blighted area, document the conditions that qualified it as a state enterprise zone or an area specified in 10 T.A.C. Sec. 9.1 (a)(17), and the way in which the assisted activity addressed one or more of the conditions that qualified the area as a slum or blighted area; or
- (2) Spot Slum/Blight Objective. To show how this objective will be met, the applicant must document that the project qualifies as slum or blighted on a spot basis under local law and describe the specific condition of blight or physical decay that is to be treated;
- (3) Main Street Designation. The applicant must have been designated by the Texas Historical Commission as a Main Street City and must have received this designation two years prior to submitting a Texas Capital Fund application for main street improvements.

- b. Feasibility of project
- c. Creation or retention of jobs paying an above-average wage
- d. Generation of a greater ratio of private investment to Texas Capital Fund investment
- e. Provision of job opportunities at the lowest possible Texas Capital Fund cost per job
- f. Benefit to areas of the state most in need of new capital investment and/or jobs
- g. Texas Historical Commission scoring
- h. Community profile

Following the assessment based on the selection criteria described above, projects will be reviewed and evaluated upon the following additional factors: history of the applicant community in the program; strength of marketing plan; and justification of minimum Texas Capital Fund contribution necessary to serve the project.

4. Colonia Construction Fund 400 Total Points (Maximum)

a. Community Distress -- 60 Points (Maximum)

- Percentage of persons living in poverty 15 points
- Per Capita Income 15 points
- Percentage of housing units without public sewer service 15 points
- Percentage of housing units without public water service 15 points

b. Benefit To Low/Moderate Income Persons -- 50 Points (Maximum)

A formula will be used to determine the percentage of TCDP funds benefiting low to moderate income persons. The percentage of low- to moderate-income persons benefiting from the proposed project is multiplied by the amount of TCDP funds requested for construction activities (total TCDP request minus the amounts of TCDP funds requested for engineering and administration). The resulting dollar amount is then divided by the total amount of TCDP funds requested to determine the

percentage of TCDP funds benefiting low- to moderate-income persons. Points will be awarded based on the percentage of TCDP funds benefiting low- to moderate-income persons in accordance with the following scale:

- 100% to 90% of TCDP funds benefiting low- to moderate-income persons 50
- 89.99% to 80% of TCDP funds benefiting low- to moderate-income persons 40
- 79.99% to 70% of TCDP funds benefiting low- to moderate-income persons 25
- 69.99% to 60% of TCDP funds benefiting low- to moderate-income persons 10
- 59.99% to 51% of TCDP funds benefiting low- to moderate-income persons 0

c. Project Priorities -- 195 Points (Maximum)

- Activities (service lines, service connections, and/or plumbing improvements) providing public access to EDAP-funded water or sewer systems 195
- First time public Water and/or Sewer service and Housing activities 145
- Expansion or improvement of existing Water and/or Sewer service 95
- Street Paving and Drainage activities 75
- All Other eligible activities 20

A weighted average will be used to assign scores to applications which include activities in the different Project Priority scoring levels. Using as a base figure the TCDP funds requested minus the TCDP funds requested for engineering and administration, a percentage of the total TCDP construction dollars for each activity will be calculated. The percentage of the total TCDP construction dollars for each activity will then be multiplied by the appropriate Project Priorities point level. The sum of these calculations will determine the composite Project Priorities score.

d. Project Design -- 95 Points (Maximum)

Each application will be scored by a committee composed of TCDP staff using the following information submitted in the application to generate scores on the project design factor:

- The severity of need within the colonia area(s) and how the proposed project resolves the identified need.
- The applicant will use TCDP funds to provide water or sewer connections, yard service lines, and/or plumbing improvements associated with providing access for colonia residents to water or sewer systems funded by the Texas Water Development Board Economically Distressed Areas Program (EDAP).
- The TCDP cost per low/moderate-income beneficiary.
- Whether the applicant has provided any local matching funds for administrative, engineering, or construction activities.
- If applicable, the projected water and/or sewer rates after completion of the project based on 3,000 gallons, 5,000 gallons and 10,000 gallons of usage.
- The ability of the applicant to utilize the grant funds in a timely manner.
- Whether the applicant has adopted and enforced subdivision rules or regulations. Counties that have adopted and enforced the Model Subdivision Rules established pursuant to Section 16.343 of the Water Code receive additional consideration.
- The availability of grant funds to the applicant for project financing from other sources.
- The applicant's past performance on previously awarded TCDP contracts.

Colonia Construction Fund Marginal Applicant

The marginal applicant is the applicant whose score is high enough for partial funding of the applicant's original grant request. If the marginal amount available to this applicant is equal to or more than the Colonia Construction Fund grant minimum of \$75,000, the marginal applicant may scale down the scope of the original project design, and accept the marginal amount, if the reduced project is still feasible. In the event that the marginal amount remaining in the Colonia Construction Fund allocation is less than \$75,000, then the remaining funds will be used to either fund a Colonia Planning Fund application or will be placed in the marginal pool competition described under the Community Development Fund Selection Criteria.

5. Colonia Planning Fund 350 Total Points (Maximum)

a. Community Distress -- 60 Points (Maximum)

- |  |           |
|--|-----------|
| • Percentage of persons living in poverty                  | 15 points |
| • Per Capita Income  | 15 points |
| • Percentage of housing units without public sewer service | 15 points |
| • Percentage of housing units without public water service | 15 points |

b. Benefit To Low/Moderate Income Persons -- 40 Points (Maximum)

Points will be awarded based on the low- to moderate-income percentage for the entire colonia area(s) where project planning activities are located according to the following scale:

- |   |    |
|---|----|
| • 100% to 90% low/mod colonia area(s)   | 40 |
| • 89.99% to 80% low/mod colonia area(s) | 30 |
| • 79.99% to 70% low/mod colonia area(s) | 20 |
| • 69.99% to 60% low/mod colonia area(s) | 10 |
| • 59.99% to 51% low/mod colonia area(s) | 0  |

c. Project Design -- 250 Points (Maximum)

Each application will be scored by a committee composed of TCDP staff using the following information submitted in the application to generate scores on the project design factor:

- The severity of need within the colonia area(s), how clearly the proposed planning effort will remove barriers to the provision of public facilities to the colonia area(s) and result in the development of an implementable strategy to resolve the identified needs.
- The planning activities proposed in the application.
- Whether each proposed planning activity will be conducted on a colonia-wide basis.
- The extent to which any previous planning efforts for colonia area(s) have been accomplished.
- The TCDP cost per low/moderate-income beneficiary.
- Whether the applicant has provided any local matching funds for the planning or preliminary engineering activities.
- Whether the applicant has adopted and enforced subdivision rules or regulations. Counties that have adopted and enforced the Model Subdivision Rules established pursuant to Section 16.343 of the Water Code receive additional consideration.
- The availability of grant funds to the applicant for project financing from other sources.
- The applicant's past performance on previously awarded TCDP contracts.

Colonia Planning Fund Marginal Applicant

The marginal applicant is the applicant whose score is high enough for partial funding of the applicant's original grant request. The marginal applicant may scale down the scope of the original project design, and accept the marginal amount, if the reduced project is still feasible. Any unobligated funds remaining in the Colonia Planning Fund allocation will be reallocated to either fund additional Colonia Construction Fund applications or will be placed in the marginal pool competition described under the Community Development Fund Selection Criteria.

6. Planning And Capacity Building Fund 430 Total Points (Maximum)

a. Community Distress -- 55 Points (Maximum)

- Percentage of Persons living in poverty 20 points
- Per Capita Income 20 points
- Unemployment rate 15 points

b. Benefit To Low/Moderate Income Persons -- -0- Points

Applicants are required to meet the 51% low/moderate-income benefit as a threshold requirement, but no score is awarded on this factor.

c. Project Design -- 375 Points (Maximum)

- (1) Program Priority 50 points

Applicant chooses its own priorities here.

- (2) Base Match 0 points

- Five percent match required from applicants with population equal to or less than 750.

- Ten percent match required from applicants with population over 750 but equal to or less than 1,500.
- Fifteen percent match required from applicants with population over 1,500 but equal to or less than 5,000.
- Twenty percent match required from applicants with population over 5,000.

(3) Areawide Proposals 50 points

Applicants with jurisdiction wide proposals because the entire jurisdiction is at least 51 percent low/moderate-income qualify for these points. (County applicants with identifiable, unincorporated communities may also qualify for these points provided that incorporation is being considered as an option. Proof of efforts to incorporate would be required).

(4) Planning Strategy and Products 275 points

- New applicants receive 50 points while previous recipients of planning funds receive either 40 or 20 points depending on the level of implementation of previously funded activities. Recipients of TCDP planning funds prior to PY 1987 will be considered new applicants for this scoring factor
- (i) Proposed Planning Effort - Up to 225 points will be awarded for the applicant's proposed planning based on the following:
- the extent to which any previous planning efforts have been implemented or accomplished;
  - how clearly the proposed planning effort will resolve community development needs addressed in the application;
  - whether the proposed activities will result in the development of a viable and implementable strategy and be an efficient use of grant funds; and
  - demonstration of local commitment.

7. Housing Demonstration Fund

Funds will be available to provide grants through a direct award basis for the development of single family and multifamily low to moderate income housing. The funds may not be used for the actual construction cost of new housing. Eligible activities under this fund are:

- The provision of public facilities improvements supporting the development of the low to moderate income housing
- Engineering costs associated with the public facilities improvements
- Administrative costs associated with the site clearance, site improvements and public facilities improvements

Eligible projects must leverage public (local, state, or federal) or private resources for the actual housing construction costs and any other project costs that are not eligible for assistance under this fund.

In order to meet a national program objective, at least fifty-one percent (51%) of the housing units built in conjunction with each Housing Demonstration Fund project must be occupied by low to moderate income persons. In the case of a rental housing construction project, occupancy by low to moderate income persons must be at affordable rents. TCDP funds can be used to finance 100% of the eligible project costs when at least 51% of the units are occupied by low to moderate income persons.

There is only one type of project that can qualify for assistance when less than 51% of the units will be occupied by low to moderate income persons. Eligible assistance can also be provided to reduce the cost of new construction of a multifamily non-elderly rental housing project. However, at least twenty percent (20%) of the units must be occupied by persons of low to moderate income at affordable rents. For this type of project, the maximum percentage of TCDP funds available for the eligible project costs is equal to the percentage of the project's units that are occupied by persons of low to moderate income at affordable rents.

## **V. OTHER 1996 CDBG PROGRAM GUIDELINES**

### **A. Community Needs Assessment**

Each applicant for TCDP funds must prepare an assessment of the applicant's housing and community development needs. Starting with the 1996 program year, the needs assessment submitted by an applicant in an application for TCDP assistance under the Community Development Fund must also include information concerning the applicant's past and future efforts to provide affordable housing opportunities in the applicant's jurisdiction and the applicant's past efforts to provide infrastructure improvements through the issuance of general obligation or revenue bonds.

### **B. Minority Hiring/Participation**

It is the policy of TDHCA to encourage minority employment and participation among all applicants under the Community Development Block grant Program. All applicants to the Community Development Block Grant Program shall be required to submit information documenting the level of minority participation as part of the application for funding.

### **C. Fair Housing Plan**

Each 1996 TCDP contractor locality must submit a Fair Housing Plan within six months of the policy issuance of the Fair Housing Plan requirements by TDHCA. The Plan must include activities such as an analysis of impediments to fair housing choice, an assessment of the contractor locality's housing needs; methods the contractor locality will utilize to address any inequities identified; a timeframe for resolving any inequities included in the assessment; and an extensive review of conditions surrounding public housing (if applicable). The Plan must also include ethnic and racial composition of assisted housing and relate to low- and moderate-income persons.

### **D. Citizen Participation**

A grant to a locality under the Texas Community Development Program may be awarded only if the locality certifies that it is following a detailed citizen participation plan that provides for and encourages citizen participation at all stages of the community development program. TCDP applicants and funded localities are required to carry out citizen participation in accordance with the following Citizen Participation Plan.

Public Hearing Provisions - For each public hearing scheduled and conducted by a TCDP applicant or recipient, the following public hearing provisions shall be observed:

1. Public notice of all hearings must be published in a non-legal section of the newspaper at least 72 hours prior to the scheduled hearing. The public notice must be published in a local newspaper. Each public notice must include the date, time, location and topics to be considered at the public hearing. A published newspaper article may also be used to meet this requirement so long as it meets all content and timing requirements. Notices should also be prominently posted in public buildings and distributed to local Public Housing Authorities and other interested community service providers.
2. Each public hearing shall be held at a time and location convenient to potential or actual beneficiaries and will include accommodation for persons with disabilities. Persons with disabilities must be able to attend the hearings and an applicant must make arrangements for individuals who require auxiliary aids or services if contacted at least two days prior to each hearing. At least one of the two required public hearings must be held after 5:00 p.m. on a weekday or at a convenient time on a Saturday or Sunday.

3. When a significant number of non-English speaking residents can be reasonably expected to participate in a public hearing, an interpreter will be present to accommodate the needs of the non-English speaking residents.

The applicant must comply with the following citizen participation requirements for the preparation and submission of an application to the Texas Community Development Program:

1. At a minimum, the applicant must hold at least one public hearing prior to developing the application and a second public hearing prior to submission of the application to TDHCA or TDOC.
2. The public hearings must be held at least 7 days apart.
3. At least one of the public hearings must be held in the proposed project area (incorporated cities with a population of fewer than 5,000 persons and a county application that includes multiple project areas are not required to comply with directive).
4. The locality must retain documentation of the hearing notice(s), a listing of persons attending the hearing(s), minutes of the hearing(s), and any other records concerning the proposed use of funds for a period of one year or until the project, if funded, is closed out. Such records must be made available to the public in accordance with Chapter 552, Government Code.
5. The first public hearing must include a discussion with citizens on the development of housing and community development needs, the amount of funding available, all eligible activities under the Texas Community Development Program, and the use of past TCDP contract funds, if applicable. Citizens, with particular emphasis on persons of low to moderate income who are residents of slums or blighted areas, shall be encouraged to submit their views and proposals regarding community development and housing needs. Local organizations that provide services or housing for low to moderate income persons, including but not limited to, the local Public Housing Authority, the local Health and Human Services office, and the local Mental Health and Mental Retardation office, must receive written notification concerning the date, time, location and topics to be covered at the first public hearing. Citizens shall be made aware of the location where they may submit their views and proposals should they be unable to attend the public hearing.
6. The second public hearing must include a discussion of the proposed project (including the locations of the project activities), the amount of funds being requested, the estimated amount of funds proposed for activities that will benefit low/moderate-income persons, and the plans of the locality to minimize displacement of persons and to assist persons actually displaced as a result of activities assisted with TCDP funds, if applicable. The notice must include the location and hours when the application is available for review.
7. While more than one application may be discussed at a single public hearing -- that is, if the applicant is considering both a Community Development Fund and a Texas Capital Fund application -- a hearing held for the previous program year's submittal of the same application (under either fund) is not acceptable for meeting the requirements for any subsequent competition.

The applicant must comply with the following citizen participation requirements in the event that the applicant/recipient receives funding from the Texas Community Development Program:

1. The locality must hold a public hearing concerning any substantial change, as determined by TDHCA or TDOC, proposed to be made in the use of TCDP funds from one eligible activity to another.
2. Upon completion of the community development program activities, the locality shall hold a public hearing and review its program performance including the actual use of TCDP funds.

3. The locality must retain documentation of the hearing notice(s), a listing of persons attending the hearing(s), minutes of the hearing(s), and any other records concerning the actual use of funds for a period of three years after the project is closed out. Such records must be made available to the public in accordance with Chapter 552, Government Code.

Complaint Procedures - The applicant/recipient must have written citizen complaint procedures that provide a timely written response to complaints and grievances. The complaint procedures must comply with the requirements of the Texas Department of Housing and Community Affairs Complaint System, 10 T.A.C. Sec. 1.11 and 1.13. Citizens must be made aware of the location and hours that they may obtain a copy of these written procedures.

Technical Assistance - When requested, the applicant/recipient shall provide technical assistance to groups representative of persons of low to moderate income in developing proposals for the use of TCDP funds. The level and type of assistance shall be determined by the applicant/recipient based upon the specific needs of the community's residents.



# **F. State of Texas FY 1996 HOME Program Description**

## **92.150(b)(3) Description of Distribution of Funds**

*For a State, a description of how the State will distribute funds (consistent with priorities identified in its approved housing strategy) i.e., transferring funds to other participating jurisdictions that do not meet the participation threshold allocation level in § 92.102, administering a competitive process, or directly administering HOME funds. To the extent known, States should identify the areas in which HOME funds will be used. In addition, states should specify the activities to be undertaken and the tenure groups to be assisted based on their approved housing strategy regardless of the manner of distribution. For those program description items in paragraph (b)(5), (b)(7), and (b)(8) of this section that must be approved by HUD, a State may either describe the requirements it plans to follow or, if distributing funds to subrecipients, expects its recipients to follow. Alternatively, States may wish to submit to HUD the proposed requirements of its subrecipients after they have submitted their applications to the State;*

### Distribution of Funds

The State of Texas will distribute HOME funds using a competitive application process or direct award process. Any allocated percentages described below for various HOME activities may vary by as much as 30 percent as recommended by the Department and approved by the Board.

The State will distribute HOME funds through a statewide competition or through regional allocations for each of the eleven planning regions in the State of Texas Consolidated Plan as determined by the Department. Applications for funds will be reviewed on a competitive basis established by scoring criteria that reflect the State's housing priorities. The State will consider applications for HOME funds from Participating Jurisdictions, but such applications will be given lower priority for funding. The HOME Program distributes funds for regionally competitive activities using a formula allocation that gives priority to regions based on families at or below the poverty level, substandard housing, overcrowding, and renter cost burden.

### **HOME Demonstration Fund**

The present allocation for this fund is approximately 29 percent of the total HOME allocation. The Department, with the approval of the Board, may reserve HOME funds to combine and coordinate with other programs administered by the Department as outlined in the Consolidated Plan, or for housing activities the Department may opt to pursue within the Department's scope of service. Such programs include the Down Payment Assistance Program for the first time home buyers; the Contract for Deed Program to help convert contracts for deed to ownership positions with notes and deeds of trust; the Weatherization Program to help Texans weatherize their homes; the Low Income Housing Tax Credit Program to develop multifamily properties in rural areas; and other programs developed by staff and presented to the Board for approval.

The following funding categories have been established for the HOME program:

#### **1. Owner-Occupied Housing Assistance**

The present allocation for this fund is approximately 14 percent of the total HOME allocation. Eligible activities include: rehabilitation and reconstruction of single family residential housing. TDHCA determines the application criteria and evaluates all applicants. Staff funding recommendations are presented to the TDHCA Board for final approval.

#### **2. First-Time Homebuyer Assistance**

The present allocation for this fund is approximately 16 percent of the total HOME allocation. Eligible activities include: down payment and closing cost assistance and gap financing. The total amount of financial assistance is \$5,000 per homebuyer. TDHCA determines the application criteria and evaluates all applicants. Staff funding recommendations are presented to the Board for final approval.

### **3. Rental Project Assistance**

The present allocation for this fund is approximately 20 percent of the total HOME allocation. Eligible activities include: acquisition, rehabilitation, new construction, reconstruction, and conversion of commercial property to rental housing. Owners of units assisted with HOME funds are required to keep the units affordable for a period of time dependent upon the amount of assistance provided per unit (5 to 20 years). TDHCA determines the application criteria and evaluates all applicants. Staff funding recommendations are presented to the Board for final approval.

### **4. Tenant-Based Rental Assistance**

The present allocation for this fund is approximately 5 percent of the total HOME allocation. TDHCA determines the application criteria and evaluates applicants. Staff funding recommendations are presented to the Board for final approval.

TBRA is a form of rental assistance that allows the assisted tenant to live and move to any dwelling unit with a right to continued assistance. Rental assistance is available for a maximum of two years.

### **5. Interim Construction Financing Assistance**

The present allocation for this fund is approximately 16 percent of the total HOME allocation. TDHCA intends to carry out a project for the new construction of single-family housing. The repayment of TDHCA interim loans will result in a revolving loan fund for the construction of additional affordable housing units. Staff funding recommendations are presented to the Board for approval.

The following funding categories are composed of set-aside funding from each of the above mentioned funding categories.

#### **1. Special Needs Set-Aside**

The allocation for this set-aside is 10 percent of the total HOME allocation. The purpose of this funding category is to provide affordable housing for persons with special needs. Non-profit organizations, units of local government and Public Housing Agencies with documented history of working with special needs populations and relevant housing related experience may apply. Special Needs set-aside funds will be reserved within the HOME activity allocations eligible for the Special Needs set-aside as sub-allocations for those activity funds.

#### **2. CHDO Set-Aside**

The allocation for set-aside is, not less than 15 percent of HUD-provided HOME allocation in accordance with 24 CFR 92.300, specifically where CHDO will perform the role of Developer, Owner, or Sponsor. CHDO set-aside funds will be reserved within the HOME activity allocations eligible for the CHDO set-aside as sub-allocations for those activities. The sum of all sub-allocations must not be less than the 15 percent requirement.

### **Regional Allocation**

State HOME funds for rehabilitation and reconstruction of single-family owner-occupied housing units and funds for down-payment and closing-costs for first-time homebuyers may be distributed through regional allocation goals, developed for each of the eleven planning regions described in the State of Texas Consolidated Plan (see Map, Appendix A). The HOME Program distributes funds for regionally competitive activities using a formula allocation that gives priority to regions based on families at or below the poverty level, substandard housing, overcrowding, and renter cost burden.

HOME regional allocations will serve as targets or goals, and not absolute limits on the amount of funds for which communities within a region may apply.

### **Statewide Allocation**

State HOME funds for rehabilitation, reconstruction, new construction, and acquisition of multi-family and single-family rental units may be distributed through a statewide competition. Additionally, the State has set-aside funds that will be awarded through a statewide competition for applications designed to assist persons with special needs (defined as elderly, frail elderly, homeless, persons with disabilities, and persons with AIDS).

### **Transfer of Funds to Other Participating Jurisdictions**

In accordance with 24 CFR 102(b)(2), the State is willing to authorize HUD to transfer a portion of the State's federal HOME allocation to units of local governments.

### **Competitive Review of Applications**

The State may review applications for funds on a competitive basis. Criteria listed in the State of Texas Consolidated Plan will form the basis for the State's development of scoring criteria for each activity. The State may conduct the review and scoring of all applications, by region where applicable, and make recommendations for funding.

HOME funds will be distributed in accordance with the eligible activities and eligible costs listed in 24 CFR 92.205 - 92.209. All local State recipients administering HOME funds will be required to execute certifications that the program will be administered according to federal HOME regulations.

### **Areas Where HOME Funds will be Used**

The State intends to distribute HOME funds to both metropolitan and non-metropolitan areas. The State intends to conduct broad outreach to communities throughout the State in order to make them aware of the availability of HOME funds. This outreach effort has been underway since the State of Texas Consolidated Plan was completed and has resulted in significant interest in the HOME Program throughout all areas of Texas.

The State will assist Non-Participating Jurisdictions. These areas do not receive a direct allocation of HOME funds from HUD; and therefore, only have access to HOME funds through the State. The State will consider applications for HOME funds from Participating Jurisdictions, but such applications will be given lower priority for funding.

### **Match Requirements**

The State will provide matching contributions from several sources for HOME funds drawn down from the State's HOME Investment Trust Funds Treasury account within the fiscal year. The State sources include the following:

- (a) Proceeds from the sale of single-family mortgage revenue bonds issued by the State
- (b) Match contributions from the State's Housing Trust Fund to affordable housing projects that are not HOME-assisted; but, that meet the requirements as specified in 92.219(b)(2).
- (c) Eligible match contributions from State recipients, as specified in 24 CFR 92.220.
- (d) The difference between the acquisition cost and the appraised value of RTC properties for housing projects that are HOME-funded.

Additionally, the State will continue to carry forward match credit.

### **Program Administration**

The State will expend HOME funds in an amount not to exceed 10% of the State's federal allocation for program administration. A portion of this 10% will be made available to eligible State recipients who participate in the State's HOME Program.

## 92.150(b)(4) Role of Community Housing Development Organizations (CHDOs)

*The amount of HOME funds that the participating jurisdiction is reserving for community housing development organizations. An explanation of how the participating jurisdiction will work with community housing development organizations and a description of the activities (with type of activity and level of funds) that community housing development organizations will be undertaking for the participating jurisdiction;*

The State recognizes the important role that non-profits can play in the development of affordable housing. The State intends to work closely with non-profit organizations that qualify as CHDOs to encourage their participation in the HOME Program. As recommended in the State of Texas Consolidated Plan, the State will provide information, training and technical assistance to CHDOs in order to increase their capacity to develop affordable housing.

### Amount of Funds Set-Aside for CHDOs

The State intends to reserve 15% of its HOME funds for projects sponsored, developed, or owned by CHDOs. This 15% set-aside will be calculated based on the State's Federal allocation.

The State will allow up to 10% of the 15% set-aside to be used for project specific seed money loans as allowed under 24 CFR 92.301. These loans will be made available to help CHDOs cover pre-development costs on HOME eligible projects.

### How the State will Work with CHDOs

CHDOs will be eligible to apply to the State for HOME funds. Applications for funds from CHDOs will be reviewed according to the same criteria as other applications.

The Department's Housing Resource Center is responsible for certifying CHDOs and for providing technical assistance. The types of technical assistance provided are as follows:

- Information to the organizations that express interest in becoming a certified CHDO from initial contact via phone, fax or in person;
- Supply the CHDO Certification candidate with all necessary information to aid the non-profit organization in preparation for the certification process (e.g., samples of Articles of Incorporation, By-laws, Resolutions and By-law Amendments);

The Housing Resource Center receives funds earmarked specifically for capacity building. The funds have been used for the following activities:

**Consultant funding** - Consulting firms have been funded to provide technical assistance for capacity building to non-profit organizations and CHDOs who have been funded by the State.

**Capacity Building** - Funds are available for capacity building to assist non-profit housing developers who are primarily serving the housing needs of low-income Texans and special housing needs populations in Texas. These funds are available for start-up, administration, pre-planning, training, and technical assistance.

The State's HOME staff will encourage CHDO participation in the HOME Program by providing ongoing training and assistance.

### Description of Activities of CHDOs

CHDOs are eligible to participate both as subrecipients of funds under HOME and as subcontractors to other eligible applicants for all HOME funded housing activities. CHDOs are eligible to participate in each of the State's HOME funded housing programs to the same extent as other applicants.

## 92.150(b)(5) Recapture Provisions under the First-Time Homebuyer Program

*If the participating jurisdiction intends to use HOME funds for homebuyers, the guidelines for resale or recapture must be described as required in 92.254(a)(4);*

The State has elected to utilize option (ii) under 24 CFR 92.254(a)(4)(ii), as its method of recapturing HOME funds under any First-Time Homebuyer Program the State administers.

(A) The following methods of recapture would be acceptable to the Department:

- (1) Recapture the entire amount of the HOME investment, except that the HOME investment amount may be reduced prorata based on the time the homeowner has owned and occupied the unit measured against the required affordability period.
- (2) If the net proceeds (i.e., the sales price minus loan repayment, other than HOME funds, and closing costs) are not sufficient to recapture the full (or a reduced amount as provided for in paragraph (4)(ii)(A)(1), above, of this section) HOME investment plus enable the homeowner to recover the amount of the homeowner's downpayment and any capital improvement investment, the participating jurisdiction's recapture provisions may share the net proceeds. The net proceeds may be divided proportionally as set forth in the following mathematical formulas:

$$\frac{\text{HOME investment}}{\text{HOME investment} + \text{homeowner investment}} \times \text{Net proceeds} = \text{HOME amount to be recaptured}$$

$$\frac{\text{homeowner investment}}{\text{HOME investment} + \text{homeowner investment}} \times \text{Net proceeds} = \text{amount to homeowner}$$

- (3) Alternatively, the PJ may also allow the homebuyer to recover all the homebuyer's investment (downpayment and capital improvements) first before recapturing the HOME investment

- (B) The HOME investment that is subject to recapture is based on the amount of HOME assistance that enabled the homebuyer to buy the dwelling unit. This is also the amount upon which the affordability period is based. This includes any HOME assistance that reduced the purchase price from fair market value to an affordable price, but excludes the amount between the cost of producing the unit and the market value of the property (i.e., the development subsidy). The recaptured funds must be used to carry out HOME-eligible activities. If no HOME funds will be subject to recapture, the provisions at 92.254(a)(4)(i) apply.
- (C) Upon recapture of the HOME funds used in a single-family, homebuyer project with two to four units, the affordability period on the rental units may be terminated at the discretion of the participating jurisdiction.

## **92.150(b)(6) Procedures for Tenant-Based Rental Assistance**

*If the participating jurisdiction intends to use HOME funds for tenant-based rental assistance, a description of how the program will be administered consistent with the minimum guidelines described in § 92.211, or with the requirements of § 92.210 if the participating jurisdiction intends to use HOME funds for tenant-based rental assistance solely for security deposits.*

### Program Administration

PHAs or other entities with the capacity to operate a rental assistance program will be eligible to apply for HOME funds to administer the tenant-based rental assistance program in accordance with 24 CFR 92.211.

### Tenant Selection and Procedures

The State intends to utilize tenant-based rental assistance in accordance with written tenant selection policies and criteria that are consistent with the purposes of providing housing to very-low and low-income and are reasonably related to federal preference rules and defined under 24 CFR 92.211(b)(1).

In addition, the State intends to set-aside funds for individuals with special-needs as defined by the State of Texas Consolidated Plan and in accordance with 24 CFR 92.211(b)(2). The applicants for this activity must have documented history of serving the special needs groups their programs target and must have housing-related experience.

### Payment Process

The State will offer tenant-based rental assistance in both the Section 8 Certificate and Voucher models.

### Terms of Rental Assistance Contract

In accordance with HOME requirements, the term of the tenant-based rental assistance contracts will be limited to 24 months. The State will limit the portability of HOME funded tenant-based assistance to the boundaries of the State of Texas.

### Procedures for Determining Rent Reasonableness

The State will ensure rent reasonableness in accordance with current HUD rules for the Voucher and Certificate programs. In general, rent reasonableness will be determined based on HUD's schedule of maximum fair market rents for the area. The State may also require administering agencies to survey housing costs of comparable unassisted rental units in order to ensure rent reasonableness.

### Maximum Subsidy Amounts

Procedures for determining rent standards and the minimum tenant contribution will follow the same procedures used under the Section 8 Certificate and Voucher programs.

### Lease Requirements

Under the HOME funded tenant-based rental assistance program, the State will require that leases comply with the requirements of 24 CFR 92.253(a) and (b). These sections of the HOME rule ensure that leases not include provisions that waive tenants' rights.

Property Standards

Housing occupied by a family receiving tenant-based rental assistance through the State HOME program will be required to meet Section 8 Housing Quality Standards (HQS).

Eligibility for Section 8 Assistance

Individuals receiving tenant-based rental assistance through the State HOME Program will not jeopardize their eligibility for Section 8 rental assistance as a result of receiving HOME assistance. Recipients of HOME funded tenant-based rental assistance who are selected from Section 8 waiting lists will qualify for tenant selection preferences to the same extent as when they received tenant-based rental assistance under HOME.

## **92.150(b)(7) Other Forms of Investment**

*If a participating jurisdiction intends to use other forms of investment not described in § 92.205(b), a description of the other forms of investment.*

The State is not proposing to use any form of investment in its HOME Program that is not already listed as an eligible form of investment in 24 CFR 92.205(b).

The State may, from time to time, entertain other forms of investment for discretionary uses. In such instances, the State will request prior written approval from HUD, and will modify this portion of the Program Description in accordance with the program requirements.

## **92.150(b)(8) Affirmative Marketing and Minority/Women Business Outreach Procedures**

*A statement of the policy and procedures to be followed by the participating jurisdiction to meet the requirements for affirmative marketing, and establishing and overseeing a minority and women business outreach program under § 92.350 and § 92.351, respectively.*

The State will require recipients of HOME funds to establish procedures to ensure affirmative marketing of properties assisted with HOME funds, and will encourage participation by minority and women business enterprises to the maximum extent possible. The HOME affirmative marketing procedures follow procedures similar to those now used in the Texas Rental Rehabilitation Program. HOME procedures for outreach to minority and women business enterprises incorporate activities currently employed by the Texas Community Development Program.

### Affirmative Marketing

Appendix B outlines the State's guidelines for ensuring affirmative marketing of HOME-assisted units. These guidelines require that each HOME State recipient establishes procedures for informing the public, owners and potential tenants of federal fair housing laws and the locality's affirmative marketing program. State procedures further require that HOME State recipients develop procedures for soliciting applications from eligible tenants who are not likely to apply for housing without special outreach. Finally, State procedures require that State recipients maintain records of their efforts to affirmatively market HOME-assisted units.

### Minority and Women Business Enterprise Outreach Procedures

Appendix C outlines procedures that State recipients of State HOME funds must follow in order to include minority and women-owned businesses in contracting opportunities to the maximum extent possible. These procedures outline the minimum requirements that State recipients must follow and suggest methods for identifying and soliciting bids from minority and women-owned businesses. The procedures also list suggestions regarding the development of informational materials and procurement procedures that will encourage participation by Minority Business Enterprises (MBEs) and Women Business Enterprises (WBEs). Finally, the procedures list the State's requirements for maintaining records on participation by minority and women-owned businesses.



# **G. State of Texas 1996 Emergency Shelter Grants Program Application**

## **Background**

The Texas Department of Housing and Community Affairs (TDHCA) has administered the Emergency Shelter Grants Program (ESGP) since the Spring of 1987, pursuant to Federal funding available and approval of the State of Texas application by the United States Department of Housing and Urban Development (HUD) for the 1986 ESGP year, and since the authorization of ESGP by Title IV, Subtitle B of the Stewart B. McKinney Homeless Assistance Act of 1987, as amended (42 U.S.C. sec. 11371 et seq.)

## **Proposed Use Plan**

The Texas Department of Housing and Community Affairs will administer the S-96-DC-48-0001 ESGP funds in a manner consistent with the Stewart B. McKinney Homeless Assistance Act of 1987, as amended (42 U.S.C. Sec 11371 et seq.), and the State of Texas Comprehensive Housing Affordability Strategy (CHAS). TDHCA will obligate the 1996 ESGP funds through a statewide competitive Request for Proposal (RFP) process. TDHCA will obligate ESGP funds to units of general local government, or to private nonprofit organizations providing assistance to homeless individuals, if the local government for the locality in which the project is located certifies that it approves of the project. TDHCA will evaluate the proposals received and award funds in accordance with the RFP specifications. This statewide competitive RFP process will allow the FFY 1996 ESGP funds to be distributed equitably throughout the state.

### **The objectives of the ESGP shall be to:**

1. Help improve the quality of emergency shelters for the homeless;
2. Make additional emergency shelters available;
3. Help meet the costs of operating and maintaining emergency shelters;
4. Provide essential services so that homeless individuals have access to the assistance they need to improve their situations; and,
5. Provide assistance to prevent homelessness.

### **Eligible activities shall be limited to:**

1. Renovation, major rehabilitation or conversion of buildings for use as emergency shelters for the homeless.
2. Provision of essential services, including (but not limited to):
  - a. Assistance in obtaining permanent housing;
  - b. Medical and psychological counseling and supervision;
  - c. Employment counseling;

- d. Nutritional counseling;
- e. Substance abuse treatment and counseling;
- f. Assistance in obtaining other Federal, State, and local assistance;
- g. Other services such as child care, transportation, job placement, and job training; and,
- h. Staff salaries necessary to provide the above services.

These services may be provided only as per Sec. 414 of the McKinney Act as amended by Sec. 832 of the Cranston-Gonzalez National Affordable Housing Act (42 U.S.C. Sec. 11374).

- 3. Payment of maintenance, operation, and furnishings, except that not more than 10% of the amount of any grant received under this subtitle may be used for costs of staff.
- 4. Developing and implementing homeless prevention activities as per Sec. 414 of the McKinney Act as amended by Sec. 832 of the Cranston-Gonzalez National Affordable Housing Act.

No ineligible activities as described in 24 CFR 576.22 shall be undertaken.

**Recipients chosen for ESGP funding will be required to meet certain minimum specifications that will include, but will not limited to:**

- 1. Being eligible units of local government or private nonprofit organizations;
- 2. In the case of a private nonprofit organization, providing documentation of certification of approval of the project from the unit of local government in which the project is located;
- 3. Assuring that ESGP funds will be obligated within 180 days from the contract execution date;
- 4. Proposing to undertake only eligible activities;
- 5. Demonstration of need;
- 6. Assuring ability to provide matching funds;
- 7. Demonstrated effectiveness in serving the homeless, including the ability to establish, maintain, and/or improve the self-sufficiency of homeless individuals;
- 8. Assuring to the maximum extent practicable, it will involve, through employment, volunteer services, or otherwise, homeless individuals and families in constructing, renovating, maintaining, and operating facilities assisted under ESGP, in providing services assisted under ESGP, and in providing services for occupants of facilities assisted under ESGP;

9. Assuring the operation of an adequate, sanitary, and safe homeless facility;
10. Assuring that it will administer, in good faith, a policy designed to ensure that the homeless facility is free from the illegal use, possession, or distribution of drugs or alcohol by its beneficiaries;
11. Assuring that it will develop and implement procedures to ensure the confidentiality of records of any individual receiving assistance as the result of family violence; and,
12. Proposing a sound plan consistent with the State of Texas Consolidated Plan, the Stewart B. McKinney Homeless Assistance Act, and all other assurances and certifications of this application.

### **Funding Procedures**

In FY95, ESGP funds were distributed based on the 11 TDHCA service regions of the State. The total funds available, \$4,243,400, was divided among the Regions based on the percentage of poverty population in each region (i.e. Region 1, with 4.54% of the State's poverty population, gets 4.54% of the available funds - \$192,650). A comprehensive homeless census is not available, so the Department decided to distribute the funds based on poverty.

The Department issued a notice of funding availability and funding applications were distributed to each city, county, or nonprofit organization that requested a funding application. The Department received 100 proposals prior to the deadline. As the proposals were received, they were sorted by Region and numbered consecutively. The Department had four review teams review the proposals, each team had a set number of Regions assigned to them, and each team reviewed approximately 25 proposals. A review instrument was developed to evaluate each proposal, the instrument permitted the awarding of a maximum of 109 points. A variety of factors, as per the application instructions, were evaluated and scored to determine the proposal's merit in identifying and addressing the needs of the homeless population as well as the organization's capacity to carry out the project.

The top scoring applications in each region were recommended for funding, based on the amount of funds available for that Region.. Any proposal that received a score that was below 70% of the highest raw score from the Region was not considered for funding. Thus, some Regions did not utilize the amount of funds originally allocated to that Region. These funds were redistributed to other Regions. The Department obligated funds to 63 projects.

**The Department intends to use the same method utilized in 1995 to distribute the 1996 ESGP funds.**

**TEXAS DEPARTMENT OF HOUSING AND COMMUNITY AFFAIRS**  
**S-96-DC-48-0001 EMERGENCY SHELTER GRANTS PROGRAM (ESGP)**

**TENTATIVE TIMETABLE FOR ACTIVITIES\***

**ACTIVITY**  
**DATE**

ESGP RFP available  
11/01/95

HUD approves the State of Texas Consolidated Plan  
12/31/95

HUD makes ESGP funds available  
01/01/96

Deadline for submission of ESGP Proposals  
01/08/96

65-day obligation deadline  
03/05/96

Interim Performance Report from TDHCA to HUD  
04/03/96

180-day obligation deadline  
09/05/96

Initial Annual Performance Report  
01/30/97

\*Activity dates are tentative



# **H. State of Texas 1996 Application for Housing Opportunities for Persons With Aids (HOPWA)**

**APPLICATION FOR**

**HOUSING OPPORTUNITIES FOR PERSONS  
WITH AIDS (HOPWA) - FORMULA**

**1996  
FIFTH YEAR FUNDING**

**SUBMITTED TO  
U. S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT (HUD)**

**Submitted by**

**The Texas Department of Health (TDH)  
HIV/STD Health Resources Division  
1100 W. 49th Street  
Austin, Texas 78756**

## **CONTRACTUAL AGREEMENT**

This grant application for Housing Opportunities for Persons with AIDS (HOPWA) is part of the State of Texas Consolidated Plan for Housing in program year 1996. Even though this grant application is part of the Consolidated Plan submitted to HUD by the Texas Department of Housing and Community Affairs, HUD will directly contract with the Texas Department of Health (TDH) for the HOPWA program as it has done during the four previous years,

## **EXHIBIT 1: PROGRAM ABSTRACT**

The Texas Department of Health (TDH) proposes to continue the following two activities:

### **EMERGENCY ASSISTANCE PROGRAM**

This program is for short-term rent, mortgage, and utility payments to prevent homelessness of the tenant or mortgagor of a dwelling. It enables low-income individuals at risk of becoming homeless, to remain in their current residences for a period not to exceed 21 weeks in any 52-week period. Payments for rent, mortgage, and/or utilities, including telephone, up to the cap established by the local HIV CARE Consortium, are provided. The project sponsor makes payment directly to the provider with the client paying any balance due. Deposits for rent or utilities are not allowed.

### **RENTAL ASSISTANCE PROGRAM**

This program is for tenant-based rental assistance, including assistance for shared housing arrangements. It enables low-income clients to pay their rent and utilities until there is no longer a need, or until they are able to secure other housing. Clients must either contribute the greater of 10% of gross income or 30% of adjusted gross income towards their rent, or the amount of welfare or other assistance received for that purpose. The project sponsor pays the balance of the rent up to the Fair Market Rent (FMR) value. Deposits for rent or utilities are not allowed.

Based on level funding, the 1996 HOPWA funds will provide assistance to approximately 3,400 clients statewide for both programs. Each of the 25 HIV Care Consortia will be allowed to utilize up to 7% of their allocation for administration of the program. Project sponsors are required to provide case management. Support Services will be provided through Ryan White CARE Act funds and State Services funds.

## **EXHIBIT 2: PROGRAM PLAN**

1. The TDH estimates that 1,800 persons can be provided with short-term rent, mortgage, and utility payments and 1,600 persons can be provided rental assistance during the project year. Individuals eligible to receive assistance or services under the HOPWA program are persons with Acquired Immunodeficiency Syndrome (AIDS) or related diseases and their families who are low-income as defined by HUD.

Eligible persons for participation in the program will be determined routinely at intake for all HIV/AIDS services clients. They are assessed for changes in housing eligibility status during regular assessment visits with their case manager. Any client needing housing assistance may request determination of eligibility as needed.

2. The general locations for the proposed activities cover the entire State through 26 established HIV Service Delivery Areas (HSDAs). An HIV CARE Consortium is located in each of the 26 HSDAs across the State to administer the HOPWA grant, as well as the Ryan White CARE Act and the State Services grants. The HOPWA funds will be distributed to 25 of the 26 consortia. Dallas has been excluded from the allocation because, in backing out the directly-funded HUD EMSAs from our formula, all counties in the Dallas HSDA matched the counties in the HUD EMSA; consequently, these counties will be covered through direct funding from HUD.

3. The urgent housing and supportive services needs of eligible persons not currently being addressed by available public and private resources are assessed through a client-based needs assessment conducted by each consortium at least annually prior to making local funding decisions. Housing continues to rank high on the needs assessments of people with HIV/AIDS. In Texas, there are approximately 4,630 to 6,950<sup>98</sup> people living with AIDS who are homeless or at risk of homelessness. It is unknown how many symptomatic people with HIV also are at risk. While the TDH distributes approximately \$14.2 million in Ryan White and State Services grants to provide a wide array of health and social services for persons with HIV/AIDS, housing traditionally has received minimal attention in the face of pressing medical problems.

The need for housing continues to increase as AIDS becomes more a disease of the poor. AIDS cases are growing faster among women, children, and minorities, who already are overrepresented among the poor. The HOPWA program will continue to fill this unmet need by providing emergency housing assistance and rental assistance.

Since the primary objective of this project is the provision of assistance to continue independent living, the continuation of HOPWA funding will be of critical assistance in addressing the future threat of homelessness for persons with HIV/AIDS in Texas. The public resources that are available in connection with the proposed HOPWA-supported activities come from the Ryan White and the State Services grants for services provided to HIV/AIDS persons.

4. Project sponsors for fifth year HOPWA funds will be selected based on a formula allocation using the following elements:

- a. The total number of AIDS cases reported to the TDH during the two-year period from December 1, 1993, to November 30, 1995, as collected by the TDH's HIV Surveillance System;
- b. The total Texas population estimated as of July 1, 1993 (or 1994 if available), based on the 1990 U.S. Census; and,
- c. The ratio of each HSDA's estimated 1990 poverty rate to the State's 1990 poverty rate.

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<sup>98</sup> This number is based on an estimate made by the National Commission on AIDS that one-third to one-half of persons with AIDS are either homeless or at risk of homelessness. In Texas, there were 13,908 persons reported to be living with AIDS as of June 30, 1995.

In addition, all counties identified by HUD which were included in the five directly-funded EMSAs (Austin, Dallas, Fort Worth, Houston, and San Antonio) in Texas were excluded from the formula. The counties removed from the formula to avoid duplication of services were Bastrop, Caldwell, Hays, Travis, Williamson, Collin, Dallas, Ellis, Hunt, Kaufman, Rockwall, Hood, Johnson, Parker, Tarrant, Chambers, Fort Bend, Harris, Liberty, Montgomery, Waller, Bexar, Comal, Guadalupe, and Wilson.

Twenty-five of the State's 26 HSDAs will receive fifth year HOPWA funding through a contract with the Administrative Agency in each of the 25 HIV CARE Consortia located in those HSDAs. Each administrative agency will serve as the project sponsor and will either directly administer the HOPWA funds or contract with another provider for delivery of these services. Each consortium will be required to submit objectives and a plan of action for expenditures of its allocation. Award of their funding allocation will be made contingent upon the submission of an acceptable plan of action. Administrative agencies are allowed to use up to 7% of their allocation for personnel or other administrative costs. The 25 HSDAs/Consortia (project sponsors) are listed below. Note: TDH reserves 3% of the total award for administrative and indirect cost combined.

### HIV Service Delivery Areas

Abilene	Laredo
Amarillo	Lubbock
Austin	Lufkin
Beaumont-Port Arthur	Permian Basin
Brownsville	San Antonio
Bryan-College Station	Sherman-Denison
Concho Plateau	Temple-Killeen
Corpus Christi	Texarkana
Dallas	Tyler
El Paso	Uvalde
Fort Worth	Victoria
Galveston	Waco
Houston	Wichita Falls

5. The method of informing eligible persons of the housing assistance and services available and the method for selecting participants for the program is initiated during intake for new clients and during routine medical/psychosocial appointments for existing clients. All HIV CARE Consortia clients are screened for housing needs at this time. Notices of HOPWA assistance and eligibility criteria are sent to all other HIV education, counseling and testing, and service agencies in the HSDA, asking for referrals of potential clients. In addition, the consortium collaborates with any other housing assistance programs in the HSDA to insure that appropriate referrals can be made.

Having met HUD's basic eligibility criteria, clients are selected based on a criteria established by the consortium.

6. The procedures that have been taken to ensure coordination of HOPWA assistance with State and local government agencies responsible for providing services to persons with AIDS or related diseases and their families, including coordination with agencies administering assistance provided under the Ryan White CARE Act of 1990, are as follows:

This project will continue to be directly supervised by the Administrative Agencies in 25 of the 26 HIV CARE Consortia. These consortia coordinate the State and federal funds for HIV health and social services administered by the TDH, including the Ryan White and the State Services Grants.

Referral mechanisms will be established with entities receiving direct federal funding to ensure that all clients are referred for housing information to the HOPWA sponsoring agency. Consortium membership includes all State and local agencies in the HSDA which provide services to people with HIV/AIDS.

The fundamental purpose of the consortia networks is to insure the coordination of all agencies serving those with HIV/AIDS in order to avoid duplication, to save dollars, and to provide the best possible service to people with HIV/AIDS.

### **EXHIBIT 3: PROGRAM BUDGET SUMMARY**

The budget will be distributed as follows: Amount of award to be determined by HUD.

1. 3% of total grant award will be used by the grantee for administrative and indirect costs combined.
2. The balance of the award will be contracted to 25 Consortia using the formula allocation described above. 60% will be used for the rental assistance program and 40% will be used for the emergency assistance program.

### **EXHIBIT 3A: SUPPLEMENT - ADMINISTRATIVE BUDGET**

Administrative funds and indirect costs combined will total 3% of the total grant award.

**Exhibit 4A: Budget.**

Enter in the chart below each type of service proposed; the name and address of the provider, if already selected; and the amount of HOPWA and other funding budgeted. The totals for HOPWA funds shown on this chart must equal the amounts of supportive services totaled from the Program Summary Budget chart in Exhibit 3.

<b>Type of Service</b>	<b>Provider-Full Name &amp; Address</b>	<b>HOPWA Funds (a)</b>	<b>Other Funds (b)</b>
<i>LIST OF SERVICES PROVIDED BY HOPWA CONTRACTORS USING RYAN WHITE COMPREHENSIVE AIDS EMERGENCY RESOURCES ACT, TITLE II, FUNDS AND STATE OF TEXAS SERVICES FUNDS:</i>	AIDS Resource Center of Texoma, Inc. P. O. Box 367 Sherman, Texas 76091	HOPWA funds will be used for housing assistance only.	\$90,389 (F) 32,930 (S)
<i>Adoption/Foster Care Assistance</i>	Abilene Public Health Department P. O. Box 6489 Abilene, Texas 79608-6489	No HOPWA funds will be used for supportive services.	172,647 (F) 75,285 (S)
<i>Buddy/Companion Services</i>	Ark-Tex Council of Governments P. O. Box 5307 Texarkana, Texas 75505-5307		146,384 (F) 56,515 (S)
<i>Case Management</i>	Austin Health and Human Services, TCHD 2100 E. St. Elmo Road, Bldg 30E Austin, Texas 78744-1886		496,182 (F) 429,759 (S)
<i>Client Advocacy</i>			
<i>Counseling</i>			
<i>Day or Respite Care</i>			
<i>Dental Care</i>	Brazos Valley Community Action Agency 504 E. 27th St Bryan, Texas 77803-4023		152,067 (F) 59,100 (S)
<i>Direct Emergency Financial Assistance</i>			
<i>Drug Reimbursement</i>			
<i>Education/Risk Reduction</i>	Coastal Bend AIDS Foundation, Inc. P. O. Box 331416 Corpus Christi, Texas 78463-1416		395,275 (F) 165,763 (S)
<i>Food Bank/Home Delivered Meals</i>			
<i>Health Insurance Continuation</i>			
<i>Home Health Care</i>	East Texas AIDS Project, Inc. P. O. Box 631346 Nacogdoches, Texas 75963-1346		200,856 (F) 83,897 (S)
<i>In-home Hospice</i>			
<i>Housing Assistance</i>			
<i>Medical Care</i>			
<i>Mental Health</i>	Galveston County Health District P. O. Box 939 La Marque, Texas 77568-0939		305,358 (F) 116,736 (S)
<i>Therapy/Counseling</i>			
<i>Nutritional Services</i>			
<i>Rehabilitation Care</i>			
<i>Residential Hospice Care</i>	Houston Regional HIV/AIDS Resources Group Inc 811 Westheimer, #201 Houston, Texas 77006		\$1,574,355 (F) 1,663,114 (S)
<i>Residential Housing Services</i>			
<i>Substance Abuse Treatment/Counseling</i>			
<i>Transportation</i>			

<b>Type of Service</b>	<b>Provider-Full Name &amp; Address</b>	<b>HOPWA Funds (a)</b>	<b>Other Funds (b)</b>
<i>see above for list of services</i>	Laredo (City of) Health Department P O Box 2337 Laredo, Texas 78044-2337		214,880 (F) 79,176 (S)
	Panhandle AIDS Support Organization, Inc. P O Box 2582 Amarillo, Texas 79105-2582		236,640 (F) 94,763 (S)
	South Plains AIDS Resource Center for the Permian Basin 3641 N. Dixie Odessa, Texas 79762		242,682 (F) 93,494 (S)
	Special Health Resources of East Texas P O Box 2709 Longview, Texas		448,079 (F) 159,880 (S)
	San Angelo AIDS Foundation, Inc. P O Box 62474 San Angelo, Texas 76906		81,301 (F) 33,482 (S)
	San Antonio Metropolitan Health District 332 West Commerce San Antonio, Texas 78285-5201		582,724 (F) 563,216 (S)
	South Plains AIDS Resource Center P O Box 6949 Lubbock, Texas 79493		240,125 (F) 99,746 (S)
	Southwest AIDS Committee, Inc. 1505 Mescalero El Paso, Texas 79925-2019		531,539 (F) 198,229 (S)

<i>Type of Service</i>	<b>Provider-Full Name &amp; Address</b>	<b>HOPWA Funds (a)</b>	<b>Other Funds (b)</b>
<i>see above for list of services</i>	<p>Tarrant County Health Department 1800 University Drive Fort Worth, Texas 76107</p> <p>Triangle AIDS Network P O Box 12279 Beaumont, Texas 77726</p> <p>United Medical Centers P O Box 921 Eagle Pass, Texas 78853-0921</p> <p>United Way of Central Texas, Inc. P O Box 1312 Temple, Texas 76503</p> <p>Valley AIDS Council 2220 Haine Drive, Suite 33 Harlingen, Texas 78550</p> <p>Victoria City-County Health Department P O Box 2350 Victoria, Texas 77902-2350</p> <p>Waco-McLennan County Public Health District 225 West Waco Drive Waco, Texas 76707</p> <p>Wichita Falls-Wichita County P.H. District 1700 Third Street Wichita Falls, Texas 76301-2199</p>		<p>\$1,382,073 (F) 426,996 (S)</p> <p>293,803 (F) 100,815 (S)</p> <p>110,215 (F) 48,153 (S)</p> <p>183,542 (F) 76,139 (S)</p> <p>663,487 (F) 236,176 (S)</p> <p>110,376 (F) 41,653 (S)</p> <p>209,914 (F) 72,129 (S)</p> <p>121,353 (F) 52,495 (S)</p>
S=State funds, F=Federal funds	Totals	0	<p>\$9,186,246 (F) \$5,059,641 (S)</p>
		Total a & b	\$14,245,887 *

\* This total represents funds contracted during FY 1995.

## **EXHIBIT 4. B. DESCRIPTION**

Each supportive service proposed is listed below. Recipients of these services are monitored on a continuous basis through the case management system to determine if appropriate services and levels of care are being provided. The schedule of client follow-up varies with the health and psychosocial status of the individual client.

**1.Adoption/Foster Care Assistance:** assistance in placing children whose age is less than 20 because their parents are unable to care for them due to HIV-related illness or death, in temporary (foster care) or permanent (adoption) homes.

**2.Buddy/Companion Services:** activities provided by volunteers/peers to assist the client in performing household or personal tasks, and providing mental and social support to combat the negative effects of loneliness and isolation.

**3.Case Management:** a range of client-centered services that links clients and other family members with health care, psychosocial and other services to insure timely, coordinated access to medically appropriate levels of health and support systems. Key activities include: 1) Initial comprehensive, individualized service plan; 2) Development of continuity of care; 3) Coordination of services required to implement the plan; client monitoring to assess the efficacy of the plan; and 4) Periodic re-evaluation and adaptation of the plan as necessary over the life of the client. May include client-specific advocacy and/or review of utilization of services.

**4.Client Advocacy:** assessment of individual need, provision of advice and assistance obtaining medical, social, community, legal, financial, and other needed services. Advocacy does not involve coordination and follow-up on medical treatment.

**5.Counseling (Other):** individual and/or group counseling services, other than mental health counseling, provided to clients, family and/or friends by non-licensed mental health counselors. May include psycho-social, caregiver support, bereavement counseling, drop-in counseling, nutrition counseling or other support group activities.

**6.Day Or Respite Care:** home-based, non-medical assistance designed to relieve the primary caregiver responsible for providing day-to day care of client or client's child.

**7.Dental Care:** diagnostic and therapeutic services rendered by dentists, dental hygienists, and similar professional practitioners.

**8.Direct Emergency Financial Assistance:** provision of payments to agencies, or establishment of voucher programs to assist with emergency expenses related to food, housing, rent, utilities, medications or other critical personal needs.

**9.Drug Reimbursement:** on-going local programs to pay for approved pharmaceuticals for persons with no other payment source for this service; and/or allocation of funds for these purposes to state-operated pharmaceutical payment programs.

**10.Education/Risk Reduction:** (1) provision of information including information dissemination/outreach about medical and psycho/social support services and counseling or (2) preparation/distribution of materials in the context of medical and psycho/social support services to educate clients with HIV about methods to reduce the spread of HIV.

**11.Food bank/Home Delivered Meals:** provision of actual food or meals. Not finances to purchase food or meals.

**12.Health Insurance Continuation:** premium payments, co-payments, deductibles, or risk pool payments made on behalf of a client to keep his or her private health insurance active.

**13.Home Health Care:** therapeutic, nursing, supportive and/or compensatory health services provided by a licensed/certified home health agency in a home/residential setting in accordance with a written, individualized plan of care established by a case management team that includes appropriate health care professionals. Component services are defined separately (para-professional, professional, and specialized care):

**Para-Professional Care** (homemaker/home health aide, and personal/attendant care);

**Professional Care** (routine and skilled nursing); and

**Specialized Care** (intravenous and aerosolized medication treatments, diagnostic testing, parental feedings and other high tech services);

**14.In-home Hospice:** nursing care, counseling, physician services, and palliative therapeutics provided by a hospice program to patients in the terminal stages of illness in their home.

**15.Housing Assistance:** assistance in locating and obtaining suitable, on-going or transitional shelter. Includes costs associated with finding a residence and/or subsidized rent.

**16.Medical Care:** provision of office-based medical services, emergency department services, skilled nursing, intermediate care, long term care, and specialized health services focusing on the prevention of illness and the ongoing management of chronic conditions and acute health problems. Medical care includes: diagnostic testing, early intervention and risk assessment, preventative care and screening, practitioner examination, medical history taking, diagnosis and treatment of common physical and mental conditions, prescribing and managing medication therapy, care of minor injuries, education and counseling on health and nutritional issues, minor surgery and assisting at surgery, well-baby care, continuing care and management of chronic conditions, emergency room care, and referral to and provision of, specialty care. Usual providers of medical care are: physicians, advanced practice nurses (e.g., nurse practitioners, certified nurse midwives, and clinical nurse specialists), physician assistants, and specialists (E.G., OB/GYNs, immunologists, cardiologists, etc.).

**17.Mental Health Therapy/Counseling:** psychological and psychiatric treatment and counseling services, including individual and group counseling, provided by a mental health professional licensed or authorized within the State, including psychiatrists, psychologists, clinical nurse specialists, social workers, and counselors.

**18.Nutritional Services:** provision of education, counseling, and/or direct food services.

**19.Rehabilitation Care:** services provided by a licensed or authorized professional in accordance with an individualized plan of care which is intended to improve or maintain a client's quality of life and optimal capacity for self-care. This definition includes physical therapy, speech pathology, and low-vision training services.

**20.Residential Hospice Care:** room, board, nursing care, counseling, physician services, and palliative therapeutics provided to patients in the terminal stages of illness in a residential setting, including a non-acute care section of a hospital that has been designated and staffed to provide hospice service for terminal patients.

**21.Residential Housing Services:** provision of housing assistance in a group home setting.

**22.Substance Abuse Treatment/Counseling:** provision of treatment and/or counseling to address substance abuse (including alcohol) problems provided in an office-based health service or residential health service setting.

**23.Transportation:** conveyance services provided to a client in order to access health care or psycho- social support services. May be provided routinely or on an emergency basis.

# Section V. Certifications

## § 91.325 Certifications.

### (a) General.

- (1) Affirmatively furthering fair housing. Each State is required to submit a certification that it will affirmatively further fair housing, which means that it will conduct an analysis to identify impediments to fair housing choice within the State, take appropriate actions to overcome the effects of any impediments identified through that analysis, and maintain records reflecting the analysis and actions in this regard. (See § 570.487(b)(2)(ii).)
- (2) Anti-displacement and relocation plan. The State is required to submit a certification that it has in effect and is following a residential antidisplacement and relocation assistance plan in connection with any activity assisted with funding under the CDBG or HOME programs.
- (3) Drug-free workplace. The State must submit a certification with regard to drug-free workplace required by 24 CFR part 24, subpart F.
- (4) Anti-lobbying. The State must submit a certification with regard to compliance with restrictions on lobbying required by 24 CFR part 87, together with disclosure forms, if required by that part.
- (5) Authority of State. The State must submit a certification that the consolidated plan is authorized under State law and that the State possesses the legal authority to carry out the programs for which it is seeking funding, in accordance with applicable HUD regulations.
- (6) Consistency with plan. The State must submit a certification that the housing activities to be undertaken with CDBG, HOME, ESG, and HOPWA funds are consistent with the strategic plan.
- (7) Acquisition and relocation. The State must submit a certification that it will comply with the acquisition and relocation requirements of the Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970, as amended, and implementing regulations at 49 CFR 24.
- (8) Section 3. The State must submit a certification that it will comply with section 3 of the Housing and Urban Development Act of 1968, and implementing regulations at 24 CFR 135.

### (b) Community Development Block Grant program. For States that seek funding under CDBG, the following certifications are required:

- (1) Citizen participation. A certification that the State is following a detailed citizen participation plan that satisfies the requirements of § 91.115, and that each unit of general local government that is receiving assistance from the State is following a detailed citizen participation plan that satisfies the requirements of § 570.486.
- (2) Consultation with local governments. A certification that:
  - (i) It has consulted with affected units of local government in the nonentitlement area of the State in determining the method of distribution of funding;
  - (ii) It engages or will engage in planning for community development activities;
  - (iii) It provides or will provide technical assistance to units of general local government in connection with community development programs;
  - (iv) It will not refuse to distribute funds to any unit of general local government on the basis of the particular eligible activity selected by the unit of general local government to meet its community development needs, except that a State is not prevented from establishing priorities in distributing funding on the basis of the activities selected; and
  - (v) Each unit of general local government to be distributed funds will be required to identify its community development and housing needs, including the needs of the low-income and moderate-income families, and the activities to be undertaken to meet these needs.
- (3) Community development plan. A certification that this consolidated plan identifies community development and housing needs and specifies both short-term and long-term community development objectives that have been developed in accordance with the primary objective of the statute authorizing the CDBG program, as described in § 570.2, and requirements of this part and part 570.
- (4) Use of funds. A certification that the State has complied with the following criteria:
  - (i) With respect to activities expected to be assisted with CDBG funds, the action plan has been developed so as to give the maximum feasible priority to activities that will benefit low- and moderate-income families or aid in the prevention or elimination of slums or blight. The plan

may also include CDBG-assisted activities that are certified to be designed to meet other community development needs having particular urgency because existing conditions pose a serious and immediate threat to the health or welfare of the community where other financial resources are not available to meet such needs;

- (ii) The aggregate use of CDBG funds, including section 108 guaranteed loans, during a period specified by the State, consisting of one, two, or three specific consecutive program years, shall principally benefit low- and moderate-income families in a manner that ensures that at least 70 percent of the amount is expended for activities that benefit such persons during the designated period (see 24 CFR 570.481 for definition of "CDBG funds"); and
  - (iii) The State will not attempt to recover any capital costs of public improvements assisted with CDBG funds, including Section 108 loan guaranteed funds, by assessing any amount against properties owned and occupied by persons of low- and moderate-income, including any fee charged or assessment made as a condition of obtaining access to such public improvements. However, if CDBG funds are used to pay the proportion of a fee or assessment attributable to the capital costs of public improvements (assisted in part with CDBG funds) financed from other revenue sources, an assessment or charge may be made against the property with respect to the public improvements financed by a source other than with CDBG funds. In addition, with respect to properties owned and occupied by moderate-income (but not low-income) families, an assessment or charge may be made against the property with respect to the public improvements financed by a source other than CDBG funds if the State certifies that it lacks CDBG funds to cover the assessment;
- (5) Compliance with anti-discrimination laws. A certification that the grant will be conducted and administered in conformity with title VI of the Civil Rights Act of 1964 (42 U.S.C. 2000d) and the Fair Housing Act (42 U.S.C. 3601-3619) and implementing regulations.
- (6) Excessive force. A certification that the State will require units of general local government that receive CDBG funds to certify that they have adopted and are enforcing:
- (i) A policy prohibiting the use of excessive force by law enforcement agencies within its jurisdiction against any individuals engaged in non-violent civil rights demonstrations; and
  - (ii) A policy of enforcing applicable State and local laws against physically barring entrance to or exit from a facility or location that is the subject of such non-violent civil rights demonstrations within its jurisdiction.
- (7) Compliance with laws. A certification that the State will comply with applicable laws.
- (c) Emergency Shelter Grant program. For States that seek funding under the Emergency Shelter Grant program, a certification is required by the State that it will ensure that its State recipients comply with the following criteria:
- (1) In the case of assistance involving major rehabilitation or conversion, it will maintain any building for which assistance is used under the ESG program as a shelter for homeless individuals and families for not less than a 10-year period;
  - (2) In the case of assistance involving rehabilitation less than that covered under paragraph (d)(1) of this section, it will maintain any building for which assistance is used under the ESG program as a shelter for homeless individuals and families for not less than a three-year period;
  - (3) In the case of assistance involving essential services (including but not limited to employment, health, drug abuse, or education) or maintenance, operation, insurance, utilities and furnishings, it will provide services or shelter to homeless individuals and families for the period during which the ESG assistance is provided, without regard to a particular site or structure as long as the same general population is served;
  - (4) Any renovation carried out with ESG assistance shall be sufficient to ensure that the building involved is safe and sanitary;
  - (5) It will assist homeless individuals in obtaining appropriate supportive services, including permanent housing, medical and mental health treatment, counseling, supervision, and other services essential for achieving independent living, and other Federal, State, local, and private assistance available for such individuals;
  - (6) It will obtain matching amounts required under § 576.71;
  - (7) It will develop and implement procedures to ensure the confidentiality of records pertaining to any individual provided family violence prevention or treatment services under any project assisted under the ESG program, including protection against the release of the address or location of any family violence shelter project except with the written authorization of the person responsible for the operation of that shelter; and
  - (8) To the maximum extent practicable, it will involve, through employment, volunteer services, or otherwise, homeless individuals and families in constructing, renovating, maintaining, and operating facilities assisted under this program, in providing services assisted under the program, and in providing services for occupants of facilities assisted under the program.

- (9) *It is following a current HUD-approved consolidated plan.*
- (d) HOME program. *Each State must provide the following certifications:*
- (1) *If it plans to use program funds for tenant-based rental assistance, a certification that rental-based assistance is an essential element of its consolidated plan;*
  - (2) *A certification that it is using and will use HOME funds for eligible activities and costs, as described in §§ 92.205 through 92.209 and that it is not using and will not use HOME funds for prohibited activities, as described in § 92.214; and*
  - (3) *A certification that before committing funds to a project, the State or its recipients will evaluate the project in accordance with guidelines that it adopts for this purpose and will not invest any more HOME funds in combination with other federal assistance than is necessary to provide affordable housing.*
- (e) Housing Opportunities for Persons With AIDS. *For States that seek funding under the Housing Opportunities for Persons With AIDS program, a certification is required by the State that:*
- (1) *Activities funded under the program will meet urgent needs that are not being met by available public and private sources; and*
  - (2) *Any building or structure purchased, leased, rehabilitated, renovated, or converted with assistance under that program shall be operated for not less than 10 years specified in the plan, or for a period of not less than three years in cases involving non-substantial rehabilitation or repair of a building or structure.*



# Section VI. Monitoring

## **91.330 Monitoring**

*The consolidated plan must describe the standards and procedures that the State will use to monitor activities carried out in furtherance of the plan and will use to ensure long-term compliance with requirements of the programs involved, including the comprehensive planning requirements.*

The Department has conducted a thorough analysis of the monitoring requirements of HUD-funded programs and has designed comprehensive monitoring tools which enable program staff to verify whether funds are expended appropriately. The guidelines defined in the monitoring tools include procedures by which financial monitoring is conducted, inspection and draw down procedures, and program close out reviews. Additionally, the Department has ongoing oversight procedures for facility use and occupant eligibility review. In instances where contracts require long term oversight (such as land use restrictive covenants or revolving loan funds) reporting and enforcement procedures have been implemented.

The Texas Community Development Program (TCDP) has established programmatic monitoring procedures to ensure compliance with applicable contract obligations, state and federal regulations and requirements and to provide guidance for resolutions where non-compliance has been identified. These procedures are based on guidance received from the Community Planning Development handbook No. 6509.2. Rev. 4.

The threshold requirements for scheduling an on-site monitoring visit are as follows:

- Contract has not been previously monitored, and
  - At least seventy-five percent (75%) of the TCDP funds have been drawn, and seventy-five percent (75%) of the construction activities have been completed.
- OR
- The contractor locality requests a monitoring visit or a compliant is received, and
  - The request is approved by the Program Director.

After the on-site monitoring visit is conducted, the program monitor must prepare a monitoring letter outlining all findings and/or concerns, and identify resolutions and/or recommendations for each contract reviewed. In the event the contractor locality fails to meet a target date for corrective actions, a telephone call is appropriate. The telephone call must be documented. If the contractor locality does not respond to the telephone call, a follow-up letter shall be sent requesting the status of the corrective actions.

Once all non-compliance findings have been resolved and acceptable close-out documents have been received, the Department shall submit a letter to the contractor locality stating the contract is programatically closed. All TCDP contracts are closed subject to the right to recover funds or questioned costs based upon the findings of the Single Audit and final review by the U.S. Department of Housing and Urban Development.

Specific details regarding the monitoring procedures for other programs in the Consolidated Plan are available upon request.



# Section VII. Citizen Participation Plan

## Overall Scope

The Texas Department of Housing And Community Affairs (TDHCA) is the governor's designated lead agency for the development and approval of the State of Texas' Consolidated Plan. All of the programs covered by the Consolidated Plan are administered by TDHCA with the exception of the Housing Opportunities for People With AIDS (HOPWA) program which is administered by the Texas Department of Health.

Several steps were taken to seek the participation of citizens in the development of this Plan:

- A broad-based Advisory Committee (see list of members below) was named to work with program staff who would develop an initial draft that could be reviewed by the Executive Director. Representation on the advisory committee was diverse and included representatives from local governments, nonprofits, public housing authorities, state and local health and human service agencies, state universities, and advocacy organizations. The advisory committee met on a monthly basis to discuss issues covered in the Consolidated Plan.
- A survey was designed to seek input from approximately 3,500 local communities and service providers throughout the state to gain a better understanding of local needs.
- Several public hearings were held in advance of the development of the Plan with the idea of communicating the purpose of the Consolidated Plan and to offer the public an opportunity to comment on housing and community development needs they would like to see reflected in the Plan. These hearings were held in locations that were accessible to persons with disabilities. Also, translators were available at these hearings for those who needed that help.
- Once the draft of the Plan was released for public comment, it was distributed to state regional libraries, Councils of Government, and Community Action Agency offices throughout the State. These locations were announced in the Texas Register. In addition, copies of the draft were available from TDHCA to those requesting it.
- A summary of the draft of the Consolidated Plan was published in the *Dallas Morning News* and the *Texas Register*. In addition, Spanish versions of the summary were be available to those attending the public hearings and those requesting it by mail.
- A 30 day comment period was offered for the purpose of receiving public comment on the Plan. The final Plan will include a summary of those comments; and for those comments not incorporated into the final Plan, reasons will be given as to why they were excluded.
- During the 30 day comment period, five regional public hearings will be held in the North, South, Central, East and West regions of Texas. At least two weeks notice will be provided for each public hearing. Translators will be available at these hearings if requested by the public. Sites chosen will be accessible to persons with disabilities.
- The CDBG citizen participation requirements applicable to their recipients are included in the CDBG portion of this Consolidated Plan.

**Criteria for amendment to the Consolidated Plan**

A change of over 30 percent in the funding of individual program categories contained in the Consolidated Plan (whether planned or actual activities) will be considered a substantial amendment.

**Opportunity provided for comment on any proposed substantial amendments**

If a substantial amendment is needed, then reasonable notice will be given to citizens and units of general local government and opportunity will be given to receive their comments for no less than 30 days after notice is given.

**Disposition of comments received on any proposed substantial amendments**

Any comments or views received, either in writing or orally, will be considered in the preparation of the substantial amendment to the Consolidated Plan. A summary of those comments or views and an indication of whether they were accepted or not (if not, the reasons for not doing so will be stated) shall be attached to the substantial amendment to the Consolidated Plan.

**Performance Report**

As 1996 will be the first year of the Consolidated Plan, there were not be a Performance Report issued. In the 1997 Consolidated Plan, a Performance Report will be prepared analyzing the results of the 1996 Consolidated Plan.

**Access to records**

Information and records relating to the Consolidated Plan and the State's use of assistance under the programs covered by the Plan over the preceding five years are available in accordance with the Texas Open Records Act.

**Complaints**

The State will provide a timely, substantive written response to every written complaint received that conforms to TDHCA's Complaint System 10 T.A.C. Sec. 1.11 and 1.13. Copies of this procedure are available upon request.

# Appendix

# A. Maps





## B. State of Texas Consolidated Plan Advisory Committee Members

<b>PUBLIC AND PRIVATE AGENCIES THAT PROVIDE HEALTH SERVICES AND SOCIAL SERVICES:</b>	<b>PUBLIC AND PRIVATE AGENCIES THAT PROVIDE HOUSING SERVICES</b>	<b>LOCAL GOVERNMENT ELECTED OFFICIALS, REPRESENTATIVES AND CONSULTANTS</b>	<b>MISCELLANEOUS</b>	<b>STATE OR LOCAL HEALTH AND CHILD WELFARE AGENCIES</b>
<b>TEXAS DEPARTMENT OF MENTAL HEALTH AND MENTAL RETARDATION</b> Ann Denton	<b>HAMILTON VALLEY MANAGEMENT</b> Dennis Hoover	<b>CITY OF HAMILTON</b> Lambert Little, Mayor	<b>PRAIRIEVIEW TEXAS A &amp; M UNIVERSITY</b> Alvin I. Tomas, PhD	<b>TEXAS EDUCATION AGENCY</b> Barbara Wand
<b>TEXAS DEPARTMENT OF HEALTH</b> Quade R. Stahl,	<b>AUSTIN HOUSING AUTHORITY</b> Roxann Chargois	<b>LOWER COLORADO RIVER AUTHORITY</b> Rosa Rios Valdez	<b>TEXAS A&amp;M UNIVERSITY</b> Charles Graham, PhD	<b>CITY OF AUSTIN /TRAVIS COUNTY HEALTH AND HUMAN SERVICES DEPT.</b> Pat Feagin
<b>TEXAS DEPARTMENT ON AGING.</b> Diane Lang	<b>GALVESTON HOUSING AUTHORITY</b> Walter Norris	<b>TEXAS COUNCIL ON GOVERNMENTS</b> A.C. Johnson,	<b>STATE SENATOR PEGGY ROSSON'S OFFICE</b> Andy Homer	<b>DEPELCHIN CHILDREN'S CENTER</b> Jane T. Harding
<b>TEXAS ASSOCIATION OF HOMES FOR THE AGING</b> David Lattimer	<b>TEMPLE HOUSING AUTHORITY</b> Hal Rose	<b>TEXAS HOUSING ASSOCIATION &amp; THE CITY OF MARBLE FALLS</b> Mark Mayfield	<b>TEXAS LOW INCOME HOUSING INFORMATION SERVICE</b> John Henneberger	<b>DALLAS COUNTY COMMUNITY ACTION AGENCY</b> Cleo Sims
<b>HEALTH AND HUMAN SERVICES COMMISSION</b> Andre Alcantar	<b>TEXAS VETERANS LAND BOARD</b> Suzanne Guerrero	<b>GARY R. TRAYLOR AND ASSOCIATES</b> Gary R. Traylor	<b>TX DEPT. OF COMMERCE</b> Mary Reynolds,	
<b>TEXAS REHABILITATION COMMISSION</b> Carl Risinger	<b>RECD</b> Ronney Radle	<b>WAXMAN &amp; ASSOCIATES</b> David Waxman	<b>TEXAS COALITION FOR THE HOMELESS</b> Sally Shipman	
<b>TEXAS DEPARTMENT OF HUMAN SERVICES</b> Maria Garcia Montoya	<b>CENTRAL TEXAS MUTUAL HOUSING ASSOCIATION</b> Francie Ferguson	<b>HOUSING SERVICES INC.</b> Eric Hartzell	<b>TDHCA BOARD MEMBER</b> Mary Sanger	
<b>ADAPT</b> Bob Kafka	<b>TEXAS ASSOCIATION OF COMMUNITY ACTION AGENCIES</b> Dan Valliere	<b>RAYMOND K. VANN AND ASSOCIATES</b> Karen Kibbe		
	<b>TEXAS FEDERATION OF HOUSING COUNSELORS</b> Ed Harris	<b>TEXAS ASSOCIATION OF REGIONAL COUNCILS</b> Jim Ray		

# **C. 1996 Consolidated Plan Community Needs Survey Results**

## **A. Introduction**

The 1996 Consolidated Plan Community Needs Survey was designed to allow TDHCA to obtain a better grasp on housing and community needs, issues, and problems at the local level across the state. It was arranged in three sections -- housing, homeless persons and other special needs populations, and community development -- in order to organize issues, facilitate the answering process, and simplify the subsequent analysis. The Community Needs Survey is, in part, an acknowledgment of the difficulty in producing an accurate assessment of the widely varied social, economic, and physical conditions of individual localities across a state as large as Texas from a central location. In addition, the survey represents an attempt by the Department to allow the groups most familiar with their unique local situations to provide an evaluation of their local needs. The survey was initially mailed out in the Spring of 1995 to some 3,500 local governments (all of the cities and counties in the state), Low Income Housing Tax Credit (LIHTC) developers, Community Housing Development Organizations (CHDOs), nonprofit housing developers, public housing authorities (PHAs), Community Development Block Grant (CDBG) consultants, health professionals, homeless shelter providers, and others. Follow-up reminders were subsequently mailed to increase the survey response rate.

## **B. Response Rate**

As of September, 1995, TDHCA had received completed surveys from over 1,600 respondents representing approximately 47 percent of all mail-outs. Local governments were best represented with nearly a 54 percent response rate. Notably, more than two-thirds of mid-sized cities (with populations between 15,000 and 49,999) returned the completed questionnaire. Non-governmental entities had only a 42 percent response rate. LIHTC developers and CDBG consultants were the least responsive with 24 percent and 27 percent response rates respectively. (See following table).

## 1996 Community Needs Survey Response

response rate	received	sent	group
48.3%	221	458	Cities w/ population less than 1,000
55.9%	247	442	Cities w/ population 1,000-4,999
56.1%	87	155	Cities w/ population 5,000-14,999
67.1%	53	79	Cities w/ population 15,000-49,999
63.2%	24	38	Cities with population 50,000+
52.8%	134	254	Counties
<b>53.7%</b>	<b>766</b>	<b>1,426</b>	<b>All local governments</b>
23.5%	12	51	Low Income Housing Tax Credit (LIHTC) Developers
44.8%	26	58	Community Housing Development Organizations (CHDOs)
45.3%	78	172	Texas Alliance for the Mentally Ill (AMI) list; MHMR Housing/Residential Services Coordinators; Programs to Assist the Transition from Homelessness (PATH) Project Directors; Texas Mental Health Centers (TMHC) Board Members; HOPWA list; HIV Consortium Chairs
34.1%	189	555	Statewide nonprofits
53.2%	214	402	Public Housing Authorities (PHAs)
46.5%	321	691	Community Services Block Grant (CSBG) list, Emergency Nutrition/Emergency Relief Program (ENTERP) list, Community Action Agency (CAA) Board Chairs; Emergency Shelter Grant Program (ESGP) list
27.3%	50	183	CDBG Consultants
<b>42.1%</b>	<b>890</b>	<b>2,112</b>	<b>All others</b>
<b>46.8%</b>	<b>1,656</b>	<b>3,538</b>	<b>Total</b>

### C. Analysis/Discussion of Results

The following is a summary of the overall results of the survey. While this summary generally reports the results for all respondents combined, it notes where the responses for a particular category of respondent differ greatly from the overall responses. Responses from non-governmental entities generally tended to follow those from the largest cities (populations 50,000 plus), most likely because these respondents were generally from the larger cities. Detailed results for each of the respondent groups are available from TDHCA.

#### 1. Housing

##### a. General

The state of Texas is experiencing a shortage of affordable housing. 81 percent of all survey respondents (including a near-unanimous 92 percent of the largest cities) indicated that their community's need for affordable housing is outpacing the supply. According to the survey, this housing shortage is based more upon a lack of financial incentives than on restrictive local land use controls. 72 percent of all survey respondents indicated that developers lack financial motivations to build affordable housing; and 73 percent agreed that public measures such as low-interest loans or tax incentives would help to increase the supply. Still, only 26 percent of all the respondents thought that non-discriminatory mortgage financing was readily available to low-income persons in their community.

**b. Current Supply**

According to the survey, the statewide housing shortage is particularly acute in the rental market and for low-income persons. 83 percent of all respondents reported a shortage of rental housing in their community; and of these, some 54 percent reported a *major* shortage. For low-income persons, the situation is worse: the percentages of communities which reported shortages in affordable housing for low-income persons were 85 percent and 83 percent for rental and owner-occupied units respectively. In contrast, over one-third of all respondents (36 percent) indicated a sufficient supply of owner-occupied housing in their area. Strikingly, every CHDO respondent indicated a lack of owner-occupied housing opportunities for low-income persons; and, among the largest cities, 96 percent reported rental housing shortages for low-income persons with 83 percent reporting a *major* shortage.

**c. Expected Supply in Five Years**

Respondents were almost unanimous in their prediction that the affordable housing crisis would continue or worsen over the next five years. Those respondents not affiliated with local governments were particularly pessimistic, predicting shortages for affordable low-income rental and owner-occupied housing in 92 percent and 90 percent of their communities respectively.

**d. Seriousness of Problems**

There are a variety of housing problems which exist in varying degrees of severity in Texas communities; but, in general, the larger the city, the larger proportion of more serious problems. There is a consensus (92 percent) among all respondents that substandard housing is a problem in their communities, and 38 percent consider it to be a *serious* problem. Another across-the-board issue was the shortage of available housing for special needs populations -- particularly low-income elderly persons and persons with disabilities. Statewide, 82 percent of respondents expressed a housing shortage for the low-income elderly, and 74 percent mentioned the lack of appropriate accessible housing for disabled persons.

The following examples contrast the difference in problem severity between the largest (population 50,000 plus) and the smallest communities (less than 1,000 persons) in the State: 96 percent of the largest cities have problems with overcrowded housing compared to only 34 percent of the smallest communities; also, 79 percent of the largest cities have problems with the geographic isolation or segregation of low-income persons compared to only 13 percent of the smallest communities.

**e. Available Resources**

Generally, there appears to be a shortage of resources available to communities to implement fair housing regulations and lead-based paint abatement activities. Only 15 percent and 6 percent of all respondents indicated there were ample resources in their community for fair housing enforcement and lead-based paint abatement respectively; and 39 percent of all respondents indicated that there was *no* funding available for lead-based abatement in their community. According to the survey, the smallest towns experienced the most serious lack of funding, with 52 percent and 67 percent reporting *no* resources available for fair housing and lead-based paint programs respectively. There is a strong feeling across the state that the capacity of non-profit organizations is insufficient. 63 percent of all respondents (and three-fourths of the largest cities, and more than three-fourths of the smallest cities) rated the capacity of local non-profits as minimal or non-existent.

**f. Need for Assistance**

According to the survey, local communities have a variety of needs -- some critical -- for rental, owner-occupied, and special needs population housing payment assistance; building rehabilitation; and new construction. Interestingly, total survey respondents showed a slightly greater desire for more owner-occupied single-family housing than for new multifamily or public

housing units which contrasts with their collective indication of a greater shortage of rental housing (refer to sec.1b - Current Supply). More than two-thirds of all respondents expressed a major or critical major need for the following activities: rehabilitation and repair of existing renter-occupied housing (69%), assistance with closing costs and/or down payment costs for homebuyers (67%), rehabilitation and repair of existing owner-occupied housing (68%), weatherization of existing homes to increase energy efficiency (71%), and housing assistance for elderly persons (69%).

Notably, expressed needs in almost all categories increased as the size of the city increased. For example, for tenant rental assistance, 84 percent of the largest cities reported critical or major need compared to just 31 percent of the smallest towns; and the largest cities' need for rehabilitation of rental and owner occupied housing was 83 percent and 92 percent respectively compared to only 41 percent and 49 percent for the smallest towns. Another sharp contrast occurred in the reported need of housing assistance for persons with HIV or AIDS; 58 percent of the largest cities cited a major or critical need compared to only 6 percent of the smallest towns.

## **2. Homeless Persons and other Special Needs Populations**

### ***a. Homelessness***

The survey results point towards a distinct relationship between the size of a community and the degree of its homelessness problem. 53 percent of all respondents admitted that homelessness was a problem in their community, but they differed greatly in their assessment of the issue. Fully one-half of the largest cities reported that homelessness was a very serious or somewhat serious problem compared to only 2 percent of the smallest towns (77 percent of which answered that homelessness was not a problem at all). Only 6 percent of all local government respondents had conducted an estimate or a count of homeless persons in their community; and only 4 percent of the governments had plans to conduct a homeless survey.

### ***b. Homeless Shelter Facilities***

More than three-fourths (80%) of all local government respondents in Texas indicated that their community lacked short-term facilities for homeless individuals and families. However, as the size of the community increased, the likelihood of the city having homeless facilities increased as well. For instance, only 1 percent of the smallest towns had homeless facilities compared to 88 percent of the largest cities. Of those communities which had homeless shelters, 60 percent said their facilities were in fair to good condition; but 39 percent of community shelters were said to be overburdened. Specific populations left unserved by more than one-fourth of the communities with facilities included homeless youth (27%), persons with alcohol or other drug addictions (28%), persons with mental illness (30%), and persons with physical disabilities (28%). Assuming current trends were to continue, only 2 percent of all respondents predicted a decrease in the need for short-term homeless facilities in their community; over one-half of all respondents (and 92 percent of the respondents with shelter facilities in their communities) predicted an increase or substantial increase in demand.

### ***c. Transitional Housing Resources***

According to the survey, there are limited or inadequate resources to address the problem of the transition from homelessness. In response to survey questions, nearly three-fourths of local governments answered that they had no resources to provide for housing for persons making either the transition from homelessness or from mental or physical health institutions. In general, larger cities appeared to have more resources than smaller communities. For homeless transitional housing and mental and physical health institution transitional housing, 54 percent and 71 percent, respectively, of the largest cities had at least limited resources to address the problem compared to just one percent of the smallest towns.

#### **d. Need for Assistance**

Overall, approximately forty to fifty percent of all survey respondents indicated a major or critical need for such services as renovation, rehabilitation or conversion of buildings for use as homeless shelters (39%), homeless essential support services (45%), shelter maintenance and operational costs (43%), transitional housing facilities (45%), and homelessness prevention programs (49%); but there was a large disparity in perceived need between local government and non-governmental entities. Respondents from local government, for instance, indicated a major or critical need for the previously mentioned categories on only 17 percent of the surveys on average. On the other hand, for the same services, an average of 68 percent of the non-governmental respondents indicated a major or critical need.

#### **e. Housing Problems for Persons with Special Needs**

There is a general consensus in the state that a variety of housing problems exist for persons with special needs, but respondents differed in regards to the degree of severity. The smaller communities tended to report that housing problems for persons with special needs were less severe in their community; for example, only 26 percent of the smallest communities, on average, indicated that the following problems or shortages for low-income persons were somewhat serious or very serious in their community: housing assistance for persons with disabilities (19%), housing assistance for elderly persons (31%), housing with the appropriate structural modifications for persons with disabilities (23%), housing with the appropriate modifications for elderly persons (26%), supportive services for persons with disabilities, and supportive services for elderly persons (31%). The largest communities and non-governmental entities, conversely, expressed that the previously mentioned problems were serious for 69 percent and 64 percent of returned surveys, on average, respectively. Strikingly, 88 percent of the largest cities indicated that a shortage of housing assistance for low-income elderly persons was a serious problem.

### **3. General Community Development Needs**

#### **a. Overall Non-Housing Community Development Needs**

Respondents were asked to assess their own community's need for assistance for a variety of activities. Based upon the results of all surveys, with particular attention paid to the local governments' answers, a pattern or hierarchy of needs emerged; in general, each activity appeared to conform to a high, medium, or low priority based upon respondents' assessments of needs as critical, major, minor, or no need at all. Those activities requiring assistance which would be considered a high priority for a majority of communities (followed, in parentheses, by the percentage of local governments designating the activity a major or critical need) were as follows: sewer system improvements (59%), street and bridge improvements (59%), drainage and flood control (53%), and economic development (63%). The activities considered to be of medium importance would be water system improvements (50%), community and senior centers (36%), parks and recreation areas (42%), and planning (48%). The low priority activities would be removal of architectural barriers in public facilities (20%), fire protection services (29%), law enforcement and police protection services (32%), emergency medical services (32%), and solid waste management (26%). Interestingly, more than one-fourth of the smaller cities (population less than 15,000) expressed a *critical* need for assistance with sewer system improvements, street and bridge improvements, and economic development.

#### **b. Water Systems**

Eighty percent of all respondents indicated that their community's water supply was operated by the city which included the community, but 18 percent of the smallest towns relied on a water supply corporation. An average of 88 percent of all respondents (including 100 percent of the largest cities) observed that their community's water system was fair to good with respect to supply/storage capacity, treatment facilities, distribution facilities, and water pressure. Of some concern, however, was the number of respondents indicating that homes in their community lacked public water service. Nine percent of all local governments indicated that more than 5

percent of their populace did not have public water service; this figure includes 2 percent of local governments where more than 20 percent of homes lacked water service. Notably, nearly one-fourth (24%) of the county government respondents indicated that more than 5 percent of the homes in their region lacked public water service.

While 72 percent of all local government respondents indicated that they had adequate resources to provide for routine maintenance of their public water system, only 36 percent possessed sufficient funds to correct water system problems. Twelve percent of all local government respondents (including 17 percent of towns with populations less than 5,000) divulged that their public water system was in violation of either TNRCC or EPA water quality regulations or minimum capacity requirements. An additional two percent of all governments admitted their water system was under an enforcement order. Asked to assess the primary needs of their community's water supply system in the next five years, local government respondents answered with the following: greater capacity to serve new customers (25%), rehabilitation of the existing system (22%), or *both* greater capacity and rehabilitation (36%). If current trends were to continue, 21 percent of local governments expected the physical condition of their local water supply system to be poor, and 7 percent said it would be very deteriorated.

### **c. Sewer/Wastewater Systems**

According to the survey, eighty percent of local governments' sewer systems were operated by the city which included the community. However, twelve percent of local government respondents (including one-fourth of the smallest towns) indicated there was no public sewer service for their community. An average of 84 percent of all local government respondents observed that their community's public sewer system was fair to good with respect to sewage treatment facilities and capacity; but 28 percent of these respondents said their community's sewer lines were in poor condition. The percentage of local governments which felt their community had inadequate resources to maintain their local sewer system or correct its problems were 17 percent and 22 percent respectively. 21 percent of local governments admitted their community's public sewer system was in violation of either TNRCC or EPA discharge regulations or permit-related capacity requirements. Another 10 percent said their sewer system was actually under an enforcement order. Assuming current trends were to continue, the primary needs of local governments with regard to their public sewer system would be greater capacity to serve new customers (20%), rehabilitation of the existing system (26%), or *both* greater capacity and rehabilitation (41%). In five years, 27 percent of local governments expected the physical condition of their local water supply system to be poor, and 12 percent said it would be very deteriorated.

### **d. Streets and Bridges**

In general, according to the survey, roads and bridges in the larger communities were in better condition than in small towns or unincorporated areas. 45 percent of all respondents (but only 21% of the largest cities) asserted that streets in their local community were not in good enough condition to carry their typical daily traffic volumes. 23 percent of all respondents (but only 8% of the largest cities) said the majority of bridges in their community were deteriorated including five percent which were unsafe or impassable to traffic. Assuming current trends were to continue, 54 percent of all local government respondents (but only 12% of the largest cities) thought the overall condition of roads and bridges in their community would be poor or very deteriorated. In five years, the primary needs of the communities' roads system would be greater capacity to serve new customers (10%), rehabilitation of the existing system (40%), or *both* greater capacity and rehabilitation (39%).

### **e. Drainage and Flood Control**

According to survey respondents, less than one-half of communities possessed drainage and flood control structures which were adequate for handling periods of normal rainfall. The most important factors which contributed to drainage and flooding problems in the past two years (followed, in parentheses, by the percentage of local governments' communities affected) included damaged or deteriorated drainage or flood control structures (23%), undersized or

missing drainage facilities/structures (46%), blockage of drainage by debris (43%), development in floodplains (16%), and unusually heavy rainfall (45%). The medium-sized to largest cities, in particular, were affected by missing or undersized drainage facilities during periods of heavy rainfall. 58 percent of all respondents (including more than three-quarters of cities larger than 15,000 people) said developed areas in their community experienced recurring drainage and flooding problems during the last five years.

**f. Community/Social Service/Senior Centers**

Community, social service, and/or senior centers appeared to be in demand for many communities across the State. The ranking by priority for all respondents (followed, in parentheses, by the percentage of surveys on which it was marked) was as follows: social service centers (53%), general purpose community centers (51%), indoor recreation facilities (47%), health centers (38%), and senior citizen centers (37%). The most-needed type of facility for the smallest towns was a general-purpose community center, mentioned on one-half of their surveys; all other facilities were mentioned by less than 40 percent of the small town governmental respondents. The largest cities, on the other hand, expressed a variety of needs with nearly all categories mentioned by half of the respondents or more. The most pressing need for the largest cities was for social service (i.e.: job training, counseling, daycare) centers which were mentioned by 83 percent of the large city governments.

**g. Americans with Disabilities Act (ADA) Activities**

Thirty-nine percent of all respondents indicated there was a moderate need to modify public facilities so that their community met ADA requirements; an additional fourteen percent said that this need was high. Nine percent of all respondents (but 31% of special needs service providers) indicated that one or more lawsuits had been threatened, pending, or settled involving their community and ADA. 49 percent of all respondents (including 87% of towns under 15,000) said there had been no legal problems involving the ADA.

**h. Parks and Recreation Areas**

Seventy percent of all respondents (and 93% of the largest cities) answered that their community's parks and recreation areas were in fair to good condition. But 15 percent of local governments (including 36% of the smallest towns) indicated that they had no facilities at all. 53 percent of all respondents (including 83% of the largest cities) said that their local parks and recreation areas needed active use improvements such as playgrounds, swimming pools, and playing fields/courts. Another 51 percent said their parks needed passive use improvements such as new or additional benches, tables, lighting, and bathrooms.

**j. Solid Waste Management**

More than one-half of all local governmental respondents were unsure about the present and future capacity of their community's primary solid waste facility, but one-fourth of the governments (including 50% of the cities with population greater than 15,000) said that their community facility(ies) had adequate capacity for at least the next ten years. Six percent of the local governments indicated that their community's solid waste facility was already beyond capacity, and five percent of the local governments said their facility was not meeting all of its permit requirements.

**k. Planning**

Nearly three-fourths of local government respondents (including one-fourth who *strongly* agreed) agreed that more planning efforts were needed in their community. Yet only 36 percent of local government respondents indicated that their community had adopted a comprehensive or master plan. The larger the community, the better the chances were that it had some sort of planning activity. For instance, 83 percent of the largest cities had a comprehensive plan in effect compared to only 13 percent of the smallest towns. A mere 24 percent of all local government respondents' communities had adopted an economic development plan; twenty percent (60% of the largest cities but only 8% of the smallest towns) had a capital improvements plan; and 12 percent, a downtown development plan or local historic preservation ordinance.

### ***I. Economic Development***

Although economic development was listed by a majority of local governments as a major or critical need, the average survey response for each listed development tool included 35 percent which marked "No Response" and 12 percent which indicated the particular tool was "Not Desired." Interestingly, the local government respondents from mid-to-large cities were the biggest proponents of economic development strategies. For example, 86 percent of cities over 15,000 in population either desired or currently made use of tax incentives for businesses. And 78 percent of respondents representing local governments of cities between 5,000 and 50,000 persons used a one-half cent economic development sales tax or desired to implement one.

According to all respondents, the tools most used currently by their community at that time (followed, in parentheses, by the percentage of respondents indicating that the particular tool was in use in their community) were tax incentives (28%), an economic development sales tax (25%), small business loans (23%), job training (20%), and marketing/advertising campaigns (18%). The economic development tools which were most desired by all respondents were real estate development loans/grants (44%), job training (42%), small business loans (41%), small business incubators (39%), and public infrastructure provisions (36%). The least desired tools were pre-built buildings ("not desired" by 22%) and the one-half cent sales tax (20% "not desired"). Seventy percent of all respondents felt that economic development efforts in their community should create jobs by promoting local business growth and by attracting businesses from other places. 58 percent indicated their community should focus on retaining jobs at existing business, 47 percent believed in the development and promotion of tourism, and 31 percent advocated the recruitment of retired persons to the community.

## D. Summary of Public Comments

In accordance with §91.105 TDHCA has prepared a summary of comments and views of citizens and units of local governments that have been received in writing and orally at the ten public hearings held across the State.

To ensure inclusion of each comment and commenter to the **Summary of Public Comments** section of the **1996 State of Texas Consolidated Plan** the Department used the existing format. Under HUD regulations TDHCA is only required to summarize the comments and supply response to those in opposition of proposed changes. The following summary exceeds these requirements and includes the full spectrum of comments, observations and viewpoints expressed throughout the planning process.

TDHCA would like to thank the following organizations and citizens for their written and oral comments. Every comment was taken into full consideration.

ADAPT ♦ Alamo Area Council of Governments ♦ Bill Langford Associates ♦ Brazos Valley Development Council ♦ Bruce J. Spitzengel Consulting ♦ C&K Consulting ♦ City of Browdell ♦ City of Agua Dulce ♦ City of Alvarado ♦ City of Blue Ridge ♦ City of Bonham ♦ City of Boyd ♦ City of Browndell ♦ City of Brownsville ♦ City of Clarksville ♦ City of Diboll ♦ City of Ector ♦ City of Grapeland ♦ City of Hughes Springs ♦ City of Kirbyville ♦ City of La Feria ♦ City of Lakeport ♦ City of Linden ♦ City of Los Fresnos ♦ City of Muleshoe ♦ City of New London ♦ City of Pelican Bay ♦ City of Pinehurst ♦ City of Pineland ♦ City of Port Isabel ♦ City of Primera ♦ City of Raymondville ♦ City of Rio Hondo ♦ City of San Augustine ♦ City of Santa Rosa ♦ City of Socorro ♦ City of Tenaha ♦ City of Trenton ♦ City of Trinity ♦ City of Van Alstyne ♦ City of Whitehouse ♦ Coalition of Texans with Disabilities ♦ Community Action of Nacogdoches ♦ Concho Valley Council of Governments ♦ Consumer Controlled Housing Initiative ♦ Consumers Union ♦ County of Kleberg ♦ County of Upshur ♦ D.O.E.S. (disability advocacy organization) ♦ David Waxman and Associates ♦ Dimmit County ♦ Ector County ♦ First Southwest Company ♦ Gary Traylor and Associates ♦ HOWCO ♦ Laguna Vista Civic Club, Inc. ♦ Ledbetter Water Supply District ♦ Lower Colorado River Authority (LCRA) ♦ Lower Rio Grande Valley Development Council ♦ Middle Rio Grande Valley Development Council ♦ Morris County ♦ Panhandle Regional Planning Commission ♦ Permian Basin Regional Planning Commission ♦ Project Bravo ♦ Public Management ♦ Raymond K. Vann and Associates ♦ Real County ♦ Ricardo Gomez and Associates ♦ Rio Grande Council of Governments ♦ Rio Valle Rainbow ♦ Southwest Consultants ♦ ♦ State Senator Carlos Truan ♦ State Senator Peggy Rosson ♦ State Senator Judith Zaffirini ♦ Texas Association of Community Action Agencies (TACAA) ♦ Texas Association of Homes and Services for the Aging ♦ Texas Association of Regional Councils (TARC) ♦ Texas Federation of Housing Counselors, Inc. ♦ Texas Low Income Housing Information Service ♦ Texas Municipal League ♦ TMS Group ♦ Town of Bayside ♦ Town of Combes ♦ Town of Laguna Vista ♦ Town of Little Elm ♦ United Cerebral Palsy of Texas ♦ United Cerebral Palsy of the Capitol Area

### I. General

1. The methods for the geographic distribution of funds for the programs have not been detailed enough.

#### ***TDHCA Response #1:***

***A reasonable geographic distribution of program funds is a desired outcome. It is a factor, however, that is not entirely within our control. TDHCA's program (HOME, ESG and CDBG) applicants are competitive. If there are not enough 1) eligible applicants or 2) applicants meeting the minimum requirement threshold, it makes it difficult to achieve a good geographic distribution.***

***Geographic distribution is first sought on a TDHCA (formerly CHAS) Region basis. This is a grouping of counties into eleven regions throughout the State. When enough counties in a region have applied, we then seek balance among the counties as a desired outcome, but this is conditioned on the two criteria mentioned above.***

2. If Medicaid is moved to a block grant allocation, it will give the state of Texas the opportunity to link services with housing in ways to prevent premature institutionalization and nursing home utilization. Wants TDHCA to work with other agencies in promoting that goal.

**TDHCA Response #2:**

***TDHCA desires to cooperate and participate with other state agencies to prevent premature institutionalization. An effective mechanism to do this does not presently exist. TDHCA will send a letter to the appropriate state agencies offering to assist in helping them with this.***

3. The lowest income households have the highest housing needs (table data extracted from Consolidated Plan). The proper way to allocate resources is to align the allocation with documented housing need.

**TDHCA Response #3:**

***If there were adequate resources to meet the housing needs of all Texans who are the most needy, then allocating resources based on those most in need could be the sole determinant. Regrettably, this is not the case; thus, additional factors must be considered in order to leverage the available resources.***

***With the reality of diminishing federal and state grants, new sources of funding and new approaches to create/stimulate housing creation need to be sought. The most likely candidate for this is the private sector or the utilization of market-driven resources.***

***In addition, any funds provided (from any resource) must also be leveraged. Outright grants would be the exception, not the rule. When at all feasible, housing funds invested need to be matched with locally provided resources. In other words, those benefiting should help to the extent they are able to do so. This approach multiplies our resources to help supply the extensive needs for housing throughout the State.***

4. The programs are weighted to the higher end of the lower-income groups and that program recipients are generally at the upper limit of the eligible income range. Suggested setting goals in terms of what percentage of funds each income group should receive.

**TDHCA Response #4:**

***Those most in need are not solely identified by income, although it is a significant factor. In addition to income, special needs populations deserve consideration and geographic distribution can be a factor. Other considerations: see #1 and 3.***

5. The Consolidated Plan should examine need and then attempt to serve those needs. The lowest income groups will be the most affected by changes at the federal level in public housing policy. TDHCA needs to make sure that programs are serving the lowest income groups. There is no new funding from HUD, through its public housing programs, to provide housing to those comprising the lowest income levels. Therefore the State should make changes in the allocation of discretionary funds to ensure that the poorest Texans are assisted.

Overall, there is a very poor linkage between the needs of various income groups so well documented in the plan and the programs and program guidelines proposed in the plan. It is as if the decision-makers at TDHCA who decided how to allocate program resources had not read the needs portion of the consolidated plan.

**TDHCA Response #5:**

***TDHCA is aware of the severe housing needs of the lowest income populations. ESGP program funds are concentrated exclusively on serving the State's poorest individuals and households. The State's lowest income populations are also eligible for assistance through the HOME program, the HOPWA program and the CDBG program. The CDBG***

***Colonia Fund is reserved for severely impoverished communities. The HOME program's tenant based rental assistance and owner occupied housing assistance funds are designed to reach very low income households.***

***However, the Department recognizes that focusing housing resources exclusively on the lowest income populations (such as the use of federal preferences in Public Housing) has historically resulted in poorly integrated and impoverished projects that do not serve the residents and the community effectively. Department staff believes that efforts to reach the poorest populations should be tempered with a balanced vision of every segment of the population that does not have access to affordable housing. Such a balanced vision is reflected in Subchapter A of the Department's enabling legislation which requires that the Department provide for the housing needs of individuals and families of low and moderate income.***

6. Recommended the monitoring provisions of the Consolidated Plan are inadequate to ensure accountability for the expenditure of funds under the programs. Requested that specific details of the State's monitoring procedures for its programs be made available.

**TDHCA Response #6:**

***TDHCA monitoring procedures are available for public inspection subject to the Open Records Act.***

7. Recommended the State require that all housing funded or assisted under its programs either be accessible to persons with disabilities or be constructed in such a manner as to allow for adaptation at minimal cost.

**TDHCA Response #7:**

***TDHCA supports this objective and has established an Accessibility Review Committee to evaluate this issue and architectural barrier removal.***

8. Suggests that TDHCA adopt language proposed by the citizen advisory committee concerning the prioritization of resources to support the preservation of existing housing stock of local public housing authorities and their prioritization for funding in the event PHA funds are block granted.

9. Recommends the incorporation of the goals of the Texas Interagency Council for the Homeless into the Consolidated Plan

10. There was one glaring problem in the advisory committee process which should be corrected in future years. There was not a single low-income individual appointed to the committee, nor was there representation of low-income community organizations or fair housing groups. It seemed as if almost all of the members of the advisory committee either represented providers, state agencies or consultants who make their living off of the programs included in the Consolidated Plan. While this group has a point of view which needs to be represented in the plan, the exclusion of low-income people from the committee was a glaring problem which skewed the committee's discussions and recommendations away from the needs of the poor. TDHCA should correct this deficiency in the future by ensuring that no less than one-third of the advisory board members are consumers of the programs in the consolidated plan and that low-income people are adequately represented.

**TDHCA Response #1-10:**

***TDHCA agrees that an adequate representation of consumers should be included in an Advisory Committee. However, TDHCA sent notices to numerous service organizations.***

11. The plan properly acknowledges the lack of good quality data in several areas, including estimates of the state homeless population and estimates of the needs of the physically challenged. TDHCA should propose strategies to better assess those needs.

**TDHCA Response #11:**

***TDHCA has sought good estimates, but almost every source has a different definition or categorization of disability. And the estimates vary widely as a result. We welcome any information that would assist us in this effort.***

12. There is not a full discussion of all the housing programs resources available to the Department in the consolidated plan. Specifically there was not adequate discussion of the use of the single family bond program and the income targeting of the bond program in the consolidated plan. Since the single family bond program is the largest housing program the state operates, the consideration of this program and how it fits into the state plan to provide housing is essential to a complete consolidated plan. Had the program been included in the consolidated plan, the public would have been able to express concern over the changes TDHCA has made in that program this year, which fail to target loans made under the program exclusively to families at or below 80% of area median family income as was the case in the previous bond issue. This action by TDHCA clearly flies in the face of the housing needs data presented in the consolidated plan which clearly shows that the overwhelming need is among families earning less than 80% of the area median family income.

**TDHCA Response #12:**

***The Consolidated Plan deals with only four programs: HOME, ESG, CDBG and HOPWA. It is not the intent of this Plan to discuss all housing programs or resources, as this Plan is designed to fulfill the requirements established by HUD to fund the above programs.***

***The Plan that does address all housing programs is the Texas Low Income Housing Plan. The 1996 edition will be published early in 1996. A 1995 edition is available now for inspection at our offices.***

13. Change the Low Income Housing Tax Credit (LIHTC) Program so that it can work in the poorer areas of the State. Additional money may need to be put into such projects to make them feasible.

**TDHCA Response #13:**

***TDHCA has a set-aside for rural areas and also gives priority to properties in low-income areas, including the colonias.***

14. Submitted a resolution which was passed at the Texas Municipal League Annual Conference:

“...be it resolved by the delegates assembled at this 1995 Annual Conference of the Texas Municipal League that the Municipal League request that the Texas Department of Housing and Community Affairs (TDHCA) respond in the following manner to local municipal government input regarding the provision of federal or state subsidies, included but not limited to LIHTC and HOME funds, to provide affordable housing opportunities:

- 1) Require developers of such housing to comply with the local jurisdiction’s strategy to provide affordable housing for its citizens, including the type of housing (homeowners or rental properties), type of program (rehabilitation or new construction), location, density, concentration, and amenities to be provided; 2) Require the local jurisdiction’s statement of consistency with local housing strategies prior to proceeding with the TDHCA underwriting of the project;

**TDHCA Response #14:**

***Local jurisdictions with Consolidated Plans should conform to the guidelines within. In those jurisdictions that do not have a Consolidated Plan or an established housing strategy, projects must conform to local building codes. In addition, TDHCA currently requires housing applicants to seek the support of their project from their local jurisdiction.***

15. Require TDHCA to reject applications determined not consistent with local housing strategies upon proper documentation being provided by the local jurisdiction to TDHCA.

**TDHCA Response #15:**

***So long as state and federal regulations are not compromised, an applicant would be rejected if it was at serious variance with a local jurisdiction's established housing strategy or building code.***

16. Require TDHCA to hold public meetings within the local jurisdiction's boundaries to inform the public and solicit public input as to the need for the housing and the services and amenities to be provided and require TDHCA to respond to such comments within 30 days."

**TDHCA Response #16:**

***If an applicant's project were consistent with the local jurisdiction's established housing plan, public meetings would not be needed. It would already have been a part of the local community's public discourse.***

***Should a project need public input from the local jurisdiction, it would be the responsibility of the applicant to adequately inform the public and report on their response as a part of the application.***

17. There was only one elected official on the Consolidated Plan Advisory Committee; therefore is concerned about the validity of local government input.

**TDHCA Response #17:**

***TDHCA agrees that more local government input would increase the value of the input the Advisory Committee receives. However, regional public hearings were held and through a direct mail-out, local officials were invited to participate and provide their input.***

18. There are many agencies and organizations involved in many programs for housing. A better utilization of currently available resources would be to leverage private sector resources. Consolidation of existing programs and efforts might provide a better solution rather than seeking additional funding to support programs which have not historically worked.

**TDHCA Response #18:** ***TDHCA is in agreement that existing programs should be leveraged, to the extent possible, with private sector resources***

19. Considering the importance of the Community Development Program, the CDBG Final Statement should be the principal item in the document with the housing programs as support sections.

**TDHCA Response #19:**

***The design of the 1996 Texas Consolidated Plan conforms to the outline established by HUD. Housing and Community Development are intended to be interwoven, but they are not viewed as mere supports to the other.***

20. Much of the data reflected in the various housing related sections reflect the State of Texas as a whole or various metropolitan areas or larger cities, etc. The Texas Community Development Program is for non-metropolitan cities and for counties. How can these housing programs realistically serve the small rural areas even where there are needs?

**TDHCA Response #20:**

***The areas served by the individual programs are established by federal regulations. It is not possible to make the available funds meet the entire spectrum of need; that is why a public process has been established for the Consolidated Plan so the public can have their say in the Plan. Texas has sought public input prior to the start of the planning process, during the process and when it produced its draft.***

## II. Housing Needs for Persons with Disabilities and Set-Aside for Statewide Architectural Barriers Removal Program

1. *Section III: Strategic Plan; Part A-3: Affordable Housing -Specific Objectives and Proposed Accomplishments;  
Proposed Accomplishments 1.2-1 through -7*  
Include language which specifically expresses inclusion of 'people with disabilities' and 'accessibility'. Without specific integration and inclusion, people with disabilities are often excluded from full participation.

**TDHCA Response #1:**

***Persons with disabilities are not excluded in any of TDHCA's programs. The above mentioned sections use the terms very low-, low, and moderate income persons only as an income targeting mechanism. Each of the programs discussed in this section fully include persons with disabilities as well as many other special needs groups in their allocation of funds.***

2. *Section III: Strategic Plan; Part C-2: Other Special Needs - Specific Objectives and Proposed Accomplishments;  
Proposed Accomplishment 2.1-1*  
Should also specifically include "housing consumers with disabilities and community disability groups". These are the experts, and they best understand what their own housing needs are.

**TDHCA Response #2:**

***In Proposed Accomplishment 2.1.1 the term "community groups" is all-inclusive meaning housing consumers with disabilities as well as community disability groups.***

3. *Proposed Accomplishment 2.2-1*  
ADAPT believes that the monitoring of compliance with accessibility requirements is a "perennial problem" with TDHCA. If TDHCA is unable or unwilling to actively serve as an enforcer of accessibility regulations, the statement should at least read "Strengthen the monitoring of and reporting of violations by recipients of funding to ensure compliance with all state and ..." In the 1995 State Low Income Housing Plan, for instance, the figures show that in multi-family housing projects with 20 or more units financed through TDHCA Multi-Family Bonds, only 71 units out of a required 392 units were provided for persons with special needs.

**TDHCA Response #3:**

***While TDHCA is a strict enforcer of all fair housing regulations, recently more focus is being placed on accessibility requirements. The TDHCA Accessibility Review Committee is in the process of developing a more stringent tracking and monitoring program to promote accessibility and barrier removal in all of the Department's programs.***

4. *Proposed Accomplishment 2.2-2*  
"Encouraging" reflection of and requiring adherence "when feasible" to accessibility guidelines is a weak statement. This section should be reworded to reflect the legal requirement that new construction of rehabilitation projects must comply with ADA/ADAAG. Rehabilitation projects may seek relief, but are required to prove that an undue financial burden exists.

**TDHCA Response #4:**

***See response #3.***

5. *Proposed Accomplishment 2.2-3*  
TDHCA has had almost a year since this policy was published in the 1995 State Low Income Housing Plan. Other models exist for this program (i.e. City of Austin). TDHCA should act now to implement such a program. ADAPT is requesting that TDHCA set aside \$4 million from CDBG funds to fund an architectural barriers removal program.

**TDHCA Response #5:**

**Proposed Accomplishment 2.3.3 has been changed to include the establishment of a Statewide Architectural Barrier Removal pilot project. See page 100.**

6. *Proposed Accomplishment 2.3-1*  
Disability consumer groups should be consulted with and included here as they are the experts on their needs.

*Proposed Accomplishment 2.4-2*

Notices should also be posted with disability consumer groups.

**TDHCA Response #6: See response #2**

7. *Objective 2.5*  
Add a "Proposed Accomplishment 2.5-3" which states "Educate builders and developers about creative uses of available funding resources, e.g. using Section 811 Supportive Housing for the Disabled to integrate housing for people with disabilities with housing for non-disabled persons.

**TDHCA Response #7:**

**Included in the outline of the Statewide Architectural Barrier Removal pilot project is the objective to educate builders, consumers, and local government organizations regarding housing issues surrounding accessibility and barrier removal.**

8. *Section III: Strategic Plan; D. Nonhousing Community Development Plan; Unfunded requests for Community Development Program Funds for 1992-1995 (Table and Graphs)*  
ADAPT of Texas urges TDHCA to verify and report, in future street paving requests that are funded, that accessible curb cuts are in fact being constructed as required by the ADA.

**TDHCA Response #8:**

**As part of the tracking and monitoring program mentioned in response #3 TDHCA will continue to improve its reporting of fund allocation to, and specific modifications promoting accessibility.**

9. *Section III: Strategic Plan; Part D: Nonhousing Community Development Plan - Specific Objectives and Proposed Accomplishments;*  
*Proposed Accomplishment 1.1-1*  
ADAPT of Texas interprets this to mean that TDHCA must ensure decent housing and a suitable living environment by preferentially scoring projects that comply with, at a minimum, the State of Texas Architectural Barriers Law. This would increase the number of nonhousing community development projects that comply with accessibility standards, a feature that is much less expensive to initially design and build in than to rebuild or retrofit.

**TDHCA Response #9:**

**Although the above statement is true, water, sewer, streets and drainage are also considered non-housing community development needs.**

10. *Proposed Accomplishment 1.1-9*  
In this section, every occurrence of the phrase "affordable housing" should be replaced with the phrase "accessible affordable housing." This would serve the dual purpose of helping to increase the availability of accessible affordable housing as well as assure greater compliance with the ADA mandate requiring CDBG recipients to provide access for persons with disabilities.

**TDHCA Response #10:**

**The terminology in this Plan is non-specific. Each program complies with and ensures adherence to ADA mandates. The TDHCA Accessibility Review Committee will take this change in wording into consideration for future TDHCA publications.**

11. *Section III: Strategic Plan; Part E: Barriers to Affordable Housing; 2, Strategy*  
Seventy-four percent of the 1996 Consolidated Plan Community Needs Survey respondents identified a shortage of affordable housing with appropriate structural features for persons with disabilities as a problem. Since modifying housing to make it accessible can be expensive, ADAPT recommends the establishment of a State Task Force on Regulatory Barriers to Accessible Housing. The purpose of this task force would be to identify barriers to accessible housing and introduce solutions to overcome them. Details on the proposed the task force are available from ADAPT.

**TDHCA Response #11:**

***In November of 1995 TDHCA established the Accessibility Review Committee. This internal Committee focuses on establishing a statewide barrier removal pilot project, tracking and reporting accessibility programs, increasing the stock of affordable accessible housing, and other concerns of persons with disability organizations.***

12. *Section IV: One-Year Action Plan; Part C: Activities; Housing Trust Fund - Plan to Accommodate Special Needs Populations:*  
Even though additional points are awarded during application scoring to projects which set aside units for individuals with special needs, the Housing Trust Fund has no specific strategies in place to target projects benefiting individuals with special needs. This is an example of "gross negligence" and shows a lack of adequate strategic planning for the housing needs of persons with disabilities.

**TDHCA Response #12:**

***The Housing Trust Fund is exemplary of what TDHCA has done to increase the accessible affordable housing stock in Texas. Between 1992 and 1995 The Housing Trust Fund has allocated over 2.5 million dollars to the rehabilitation of housing for persons with disability throughout the State. Please note that the Housing Trust Fund is outside the scope of the Consolidated Plan.***

13. *Section IV: One-Year Action Plan; Part E: Texas Community Development Program 1996 Final Statement; IV. Application Selection Criteria; 7. Housing Demonstration Fund; c. Project Design*  
Inasmuch as federal funds are used for this program, it should be fully in compliance with ADA. However, ADAPT of Texas believes that accessibility should be explicitly included as a factor to be evaluated and scored.

**TDHCA Response #13:**

***This issue will be reviewed by the Accessibility Review Committee comprised of Department staff and representatives of disability consumer groups.***

14. Also, recommended that a statewide architectural barriers removal program be implemented to make more accessible and affordable housing available for persons with disabilities. Suggested using \$4 million in CDBG funds to implement such a program, especially in the rural areas of the state.

**TDHCA Response #14**

***TDHCA is currently establishing a pilot project to promote barrier removal statewide. See page 100 Objective 2.2.3.***

15. Pleased with the concept of "consumer control" in the Plan, as well as the emphasis on independence, integration, empowerment, individual need, and the separation of housing and supports. Encourages the modification of the proposed accomplishment section of Special Needs Part C of the Strategic Plan to include concrete activities with target figures and deadlines for the activities. Would like direct notification of accessible housing availability to be sent to organizations from which persons with special needs receive services and/or information.

**TDHCA Response #15:**

***TDHCA is in contact with the Texas Council on Developmental Disabilities regarding the creation of a database including names and phone numbers of most organizations from which persons with special needs receive information and/or services. It is the***

***Department's belief that this is an issue more efficiently dealt with at the local level therefore, TDHCA will provide localities receiving TDHCA funding with listings of organizations with whom to correspond relating to public hearings, the availability of accessible housing, etc.***

16. TDHCA should provide accessibility compliance training and information to contractors paid with federal or state funds.

***TDHCA Response #16:***

***It is the contractors' duty to comply with all State and Federal building codes. TDHCA does monitor each and every project to ensure that compliance has been met.***

17. To ensure compliance TDHCA should provide the Human Rights Commission (enforces ADA), the Texas Department of Licensing and Regulation, and the Regional HUD offices with lists of all new projects being undertaken by, or with funds from, the Department.

***TDHCA Response: TDHCA will continue to monitor ADA regulations compliance.***

18. Encourages tax dollars to be spent efficiently at the outset rather later (i.e. providing rehabilitation to housing units that have already been built).

19. Supported the ADAPT proposal. We should look at accessible housing as an investment in our future. As the population ages many people will become disabled. There is a lack of accessible housing especially in rural areas. Emphasized that just because people are disabled, they should not have to live in groups. Accessible housing costs less than institutionalization. Texas has an opportunity to take the lead in providing accessible housing.

20. The lack of accessible affordable housing for Texans is a major barrier to equal and full participation in life for persons with disabilities. Calls for explicit and firm legal language requiring new construction to comply with ADA and the State of Texas Architectural Barriers Act.

21. Joins Ann Denton with TXMHMR in calling for a 10% minimum set-aside across the board for persons with special needs.

***TDHCA Response #21: Note the HOME Program 10 percent Special Needs Set-aside.***

22. Discussed the need for new accessible housing. Discussed the types of features needed for accessible housing (accessible hallways, bathrooms, counters, etc.) Pointed out the fact that many persons with disabilities are forced to move because of the lack of accessible housing in rural areas.

23. Supports the budgeting of \$4 million for a statewide architectural barrier removal( ABR) program. Witnesses obstacles to accessibility on a daily basis. In certain instances stress related to inaccessibility contributes to worsening the physical condition of persons with disabilities. Would like to see the creation of a statewide ABR program to eliminate the financial burden placed on family members of persons with disabilities. Also encourages funding for an ABR program to stop the relocation of persons with disabilities from their rural homes. Emphasizes the need for safety in the homes of persons with disabilities.

24. Accessibility is a civil rights issue for persons with disabilities.

25. Commended Consolidated Plan staff on the increased recognition of the need for accessible housing for persons with disabilities. Complained about receiving inaccurate information from TDHCA legal staff regarding Section 504 accessibility requirements.
26. The TDHCA ADA coordinator has only been concerned with making sure that TDHCA's facilities and hiring practices comply with ADA.

**TDHCA Response #26:**

***While this comment is untrue, TDHCA has established an Accessibility Review Committee to strengthen ADA understanding and compliance throughout the Department and its programs.***

27. The language in the Consolidated Plan is too 'soft' regarding accessibility. TDHCA shouldn't just "encourage accessibility." Federal law mandates it.

**TDHCA Response #27:**

***The Department complies with Federal law and encourages accessibility in all of its programs.***

28. Many people have to move from rural areas and smaller cities to find accessible housing. Enraged at how the lack of accessible housing in Texas adds to the institutionalization of persons with disabilities. Considers institutionalized persons as homeless.

Inaccessible housing is substandard for persons with disabilities. The lack of access cuts across all categories, but is most critical for the lowest income groups. CDBG and other programs need to look at past compliance of projects with accessibility requirements and also to make sure that future projects are in compliance.

**TDHCA Response #28:**

***TDHCA will establish an accessibility pilot project promoting barrier removal in housing units located in rural and non-rural areas throughout the State. The Department will also further ensure accessibility through increased tracking of compliance with accessibility requirements.***

29. There is a lack of accessible apartments in many areas of the state; has personal experience with the lack of accessible apartments in Nacogdoches and Galveston. Many persons with disabilities have problems because HUD doesn't take the high cost of medical expenses into account when calculating incomes for persons with disabilities.

**TDHCA Response #29:**

***See response #28***

30. Opposed to set-aside funds for Americans with Disabilities Act (ADA) activities. Said their community takes great consideration in working to accommodate individuals with disabilities. Improvements and modifications are made in the business district, churches and schools to make mobility and access easier. TxDOT, individual businessmen, the Community Council, the Council of Government, and local churches all work to provide needed accommodations for persons with disabilities in their homes and in the community.

**TDHCA Response:**

***TDHCA commends communities that promote accessibility. However, due to the lack of affordable accessible housing in rural areas of Texas, the Statewide Architectural barrier removal pilot project will be established.***

### **III. Community Development Program (CDBG)**

#### **A. Structure of Funding Allocation**

1. Opposed to the percentage (15.73%) allocated to the Texas Capital Fund. The amount of the allocation reduces the assistance for badly needed infrastructure projects in small communities.

Said the allocation of funds for the Texas Capital Fund in the Community Development Program was too high. Because obligated funds, unobligated funds and program income generated by the program will be retained within the fund, more funds could be released for the Community Development Fund.

**TDHCA Response #1 & 2:**

***A majority of the local government respondents to the Consolidated Plan Community Needs Survey listed Economic Development as a very critical or a critical need. The TCDP recommends upholding the 15.73% allocation.***

#### **B. Revision of the Community Development Fund Regional Allocation Formula**

***Support:***

2. Supports the new regional allocation formula. This formula has the effect of increasing the amount of money in those areas which have larger number of persons in poverty and unemployed persons. This is a reasonable and commendable objective.
3. Supports the change in the allocation formula that results in more weight being given to the actual numbers of persons in poverty and unemployed rather than percentages.
4. Supports the change in the regional allocation formula, as the change will benefit several east Texas regions.
5. Supports the new regional allocation formula. The formula, as it had been applied in the past, favored regions with smaller population even when those regions have lower unemployment and poverty rates than larger regions. This has caused the Coastal Bend region to lose funding to regions such as Concho Valley and Central Texas despite the fact that the Coastal Bend has higher rates of poverty and unemployment.

***Oppose:***

6. Disagrees with the change in the regional allocation formula. Says that justifying this change on the basis that the colonias have additional funds set aside, and the taking away of other funding through the regional allocation formula will result in a balance, is wrong. This goes against the intent of the Legislature. The regional allocation formula for the Community Development Fund should incorporate measures of median income to account for the extreme poverty in areas along the border.
7. Opposed to the changes in the regional fund allocation formula for the Community Development Fund. Said the emphasis on numbers rather than percentages penalizes poor, small communities.
8. Opposed to proposed change in the regional allocation formula. The existing formula used to allocate funds is not an arbitrary formula, rather one that was derived from a national formula which considers population, poverty, and unemployment factors. The proposal if approved would drastically reduce funds allocated to the City of La Feria.

9. Opposed to the proposed change in the regional allocation formula. The change in percentage of unemployed persons from the present formula of 10% credit to the new formula of 8% will reduce the amount of points credited in the City's region. Believes that utilizing the number of unemployed versus the percentage will result in an unfair advantage to larger metropolitan areas.
10. Opposed to the proposed change in the regional allocation formula. Increasing the weight given to the number of persons below the poverty level and the number of unemployed persons, and decreasing the weight given to the percentages of the aforementioned categories will seriously reduce the funding to be allocated to small communities.
11. Opposed to the proposed change in the regional allocation formula. Decreasing the importance attached to the percentage of unemployed and percentage of poverty persons relative to the number of unemployed and the number of poverty persons will result in the virtual elimination of funding in this region.
12. Opposed to the proposed change in the regional allocation formula. Placing emphasis on the numbers of unemployed persons rather than the percentage of unemployed persons will result in our region losing its ability to compete for funds.
13. Opposed to the proposed change in regional allocation formula. By changing the weighting in the formula to favor regions with larger populations, TDHCA is penalizing regions with smaller population figures.
14. Opposed to the proposed change in the regional allocation formula. The effect of this change would be to shift funds from the State's poorest, most remote communities and regions to those that are relatively more affluent, and located in close proximity to the most prosperous metropolitan areas. Funding would be shifted from regions where poverty and unemployment are a more or less permanent way of life, based in fundamental structural deficiencies, to areas where they are unfortunate, often transient and temporary conditions that reflect the effects of economic cycles.
15. Opposed to the new regional allocation formula. Says the formula generally provide increased funding to the areas with larger nonentitlement populations and decreased funding to areas with smaller nonentitlement populations. The current regional funding allocation formula should be continued with adjustments made to those areas that receive a disproportionate per capita share of funds.

**TDHCA Response #1~15:**

***In recognition of public concern and the significant impact of changing the allocation formula, the TCDP recommends that the State delay the adjustment of the community development allocation formula. During the 1996 program year the TCDP will undertake a systematic review of the effectiveness of the current formula and prepare recommendations for future adjustments.***

**C. Community Development Fund Scoring Factors**

1. Although water is a high need in most small communities, it is easy to garner public support for bond issues to fund these projects because it affects the entire community. It is much harder to 'sell' bond issues for streets and other project types because they only affect segments of the community. Therefore he questions the prioritization of water projects and the scoring criteria, and feels that cities shouldn't be penalized for planning ahead and improving their services incrementally instead of waiting for crisis situations. Just because a city has planned and put in its water and sewer systems, it shouldn't be penalized for other types of projects. Streets and drainage are just as important.

2. The new activity point structure for the Community Development Fund has made it more difficult for projects other than water, sewer, and housing to get funded.
3. Opposed to the changes in the grant scoring process. The City's decision making with regards to TDHCA funding has reflected local priorities as a result of public hearings and discussions. The proposed changes will result in the removal of local control and will serve to validate public non-confidence in government which is at an all time low
4. Wants to keep basic human needs - potable water, sanitary sewer, and housing - a top priority in the CDBG program. While many projects which do not address a community's basic needs are worthy of funding, these projects should require substantial matching funding from the community in order to meet the minimum scoring requirements.
5. Activities which address public health and safety issues should remain the program's highest priorities. Unfunded water and sewer facility requests support the need for additional funding.
6. Would like to see street projects given higher priority.

***TDHCA Response #1-6:***

***Public comments proposing changes to, or retention of, the Community Development Fund Project Impact activity scoring weights and ranges are almost equally divided. The TCDP recommends upholding the proposed scoring weights and ranges.***

#### **D. Minimum Score Threshold**

***Support:***

1. Supports the minimum score requirement for the Community Development Fund as a means of ensuring that funds are well spent.. It is within the State's prerogative to set priorities for the CDBG program. It is important that the State not simply make CDBG a revenue sharing program, and not allow control to be diverted to the non-elected Regional Review Committees.
2. Supports the minimum score. It was instituted to keep non-essential projects from being funded and to focus on critical needs.
3. Supports the minimum score requirement. Achieving the minimum score is easy. There are too many qualified applicants with very serious water, sewer and housing needs across the state whose applications score well over 300 points at the state level to continue funding application that score well below this level.

***Oppose:***

4. Opposed to the minimum score requirement in the Community Development Fund. Says it doesn't give enough leeway to needed projects such as senior centers.
5. Opposed to the minimum score threshold for the Community Development Fund. Says it would have two bad effects: transferring authority from localities to the State, and transferring authority from elected officials to paid staff.
6. Opposed to minimum score for the Community Development Fund. Thinks it is an inequitable distribution of funds, which goes against the mandate of the Legislature, and results in punishing the recipients of the Colonia Fund. The minimum score would only allow for water, sewer and housing projects if one assumes the point deductions for no matching funds and for having open projects.

7. Opposed to the minimum score requirement. If cities only meet the 51% low-mod benefit level, it will be impossible to get the minimum score for most projects. Also, the minimum score takes away local control and will do away with the 'gentlemen's agreement' which allows for local cooperation.
8. Concerned that the minimum score requirement would eliminate the "gentlemen's agreement". Said that the agreement is cooperative, works fairly and is in the best interest of small counties who could not compete in the scoring method proposed by TDHCA. Recommended that the Consolidated Plan be changed to allow the continuance of the gentlemen's agreement in Real County and the Middle Rio Grande Development Council. Without it, small communities will suffer the loss of federal aid.
9. 250 point level seems to be arbitrary. The idea seems like a political ploy to be used by those administering CDBG funds. The minimum score criteria serves no competitive goal in the competitive scoring process which rewards the highest scoring projects.
10. Opposed to the minimum score requirement. The new minimum score requirement will revert the rights and responsibilities entrusted to local elected officials to TDHCA staff
11. Opposed to minimum score requirement. The proposed minimum score provision effectively takes the decision making on local priorities away from the Regional Review Committee (RRC) and their participation in the program will be rendered virtually insignificant. The minimum score requirement will also eliminate the local arrangement known as a "gentlemen's agreement" among the participating eligible localities in our region. This is a local decision of the committee and the participating applicants eligible under HUD guidelines.
12. Opposed to proposed minimum scoring requirement. Any project eligible for funding must receive more than 70% of the point value assigned by the state, regardless of how well it scores at the regional level where scores theoretically reflect local needs and priorities.
13. Opposed to proposed minimum scoring requirement. Any project eligible for funding must receive more than 70% of the point value assigned by the state, regardless of how well it scores at the regional level where scores theoretically reflect local needs and priorities. Recommended that the "gentlemen's agreement," whereby allocation of money to a region is shared equally, remain as it is."
14. Opposed to minimum score requirement. The present scoring system was first developed in the spirit of equal partnership between TDHCA and RRC. This proposed change will take away from this equal partnership.
15. Opposed to the minimum score requirement. Believes it would eliminate local control and undermine local assessment of community need
16. A minimum score may be a problem if the Regional Review Committee uniformly and consistently scores applications low in their region. Conversely, fear of losing funding may lead to a high but narrow range of RRC scores, thus negating RRC effectiveness in the final selection of funded applicants.
17. Opposed to the minimum score requirement. It is not necessary and not justified. It seems that this additional requirement/threshold is aimed at those regions that follow the "gentlemen's agreement" approach to Community Development Fund projects. A minimum score requirements could result in a project not being funded even though adequate funds are available and regardless of how high the score awarded by the Regional Review Committee.

18. Opposed to minimum score requirement. The present scoring system was first developed in the spirit of equal partnership between TDHCA and RRC. This proposed change will take away from this equal partnership.
19. Opposed to the minimum score requirement. Believes it would eliminate local control and undermine local assessment of community need.
20. Opposed to the minimum score requirement. If TDHCA bases the minimum score on only TDHCA points they will completely destroy the significance of the RRC. The minimum score requirement superimposes the State's priorities upon each region. High point value placed on waste water treatment facilities penalizes the communities which have already addressed these issues, and is completely contrary to the spirit of the Community Development Program.
21. Opposed to the minimum score requirement. This change will remove the authority of the RRC, comprised of Governor appointed, locally elected officials.
22. Opposed to the minimum score requirement. Elected officials chosen by the Governor's office to serve on the Regional Review Committee are the best judges of our regions needs. The current arrangement of 350 points each to the RRC and TDHCA is a fair balance between these two bodies.
23. *Resolution:* The Board of Directors of the Rio Grande Council of Governments finds the aforementioned changes (*see regional allocation formula comment*) to the TDHCA 1996 Consolidated Plan to be contrary to the best interests of the citizens of the Upper Rio Grande State Planning Region, and the Board urges TDHCA to withdraw the proposed changes.
24. Opposed to the minimum score requirement. Objections based on the following:
  - The proposed change substitutes state priorities for local priorities.
  - The role and authority of the RRC would be fundamentally undermined if not eliminated entirely.
  - The judgment of the RRC would be replaced by that of state level paid program staff.

**TDHCA Response #1-24:**

***In recognition of significant concern from the border regions and statewide concern from the councils of government, the TCDP recommends that the State eliminate the proposed minimum score. The TCDP will evaluate the activities included in 1996 applications and may propose a minimum score for the 1997 program year, if the 1996 program year applicants from non-competitive or competitive regions do not give some priority to 'basic human needs' activities.***

**E. Minority Hiring Scoring Factor**

***Support:***

1. Supports elimination of minority hiring as a scoring factor. The hiring of minority employees by local governments in proportion to local populations is unrelated to the community development needs of the local community. The issue is difficult for small communities with only 2-3 employees - requiring them to possibly fire tenured employees and recruit from a small minority population to avoid being penalized. Furthermore, this scoring factor has been manipulated by applicants, which casts doubt on the integrity of the selection process.

2. Supports elimination of minority hiring as a scoring factor. There was abuse in this factor and also it often rewarded communities with little or no minority population.
3. Supports elimination of minority hiring as a scoring factor because it was often abused and because it rewarded cities with sparse minority populations.
4. Supports the elimination of minority hiring as a scoring factor. As currently structured the minority hiring scoring factor rewards communities that have little or no minority population.

**Oppose:**

5. Opposed to eliminating the minority hiring factor. In the past, this was a significant scoring factor.
6. Opposed to eliminating the minority hiring factor. This factor is based on the history of the program at a national level and changing it will change the whole nature of the program.
7. Opposed to eliminating the minority hiring factor. To delete minority hiring as an evaluation criteria would be a step backward and would impede future hiring practices that promote hiring of minorities. The deletion of this criteria “appears to be racist and without merit.”
8. Opposes elimination of minority hiring as a scoring factor. Supports efforts to ensure that people of color and historically-underutilized businesses benefit from the CDBG program.
9. Opposes the elimination of the minority hiring scoring factor. Taking minority hiring points away from TDHCA scoring will seriously impact the ability of the City to fairly compete for funds. The impact of this change is severe when scores are taken away on one hand while mandating a minimum scoring requirement of 250 points.
10. Opposes the elimination of the minority hiring scoring factor. The change means a loss of the 25 points previously received for hiring minority companies.
11. Opposes the elimination of the minority hiring scoring factor. Without the criterion scoring for minority hiring, our communities which have worked so hard to encourage and improve minority participation will be placed in a position of tremendous disadvantage in statewide competition.
12. Opposed to the elimination of the minority hiring scoring factor. This change together with others results in the virtual elimination of funding in this region.
13. Opposed to the elimination of the minority hiring scoring factor. The elimination will disqualify the majority of our region’s eligible entities and will seriously affect the ability of those communities to compete for funds. Eligible entities have equally benefited from TCDP funds under our “gentlemen’s agreement.”

***TDHCA Response:***

***The TCDP recommends upholding the elimination of the Minority Hiring scoring criterion. However, TDHCA continues the policy of encouraging minority participation in CDBG as well as all of the Department’s programs.***

**F. 10 Points for Applicants with No Open Community Development Fund Contracts and 10 points for Communities not funded in the 1994/1995 competition**

**Support:**

1. Supports the 10 points for applicants who didn't receive funding in the 1994/1995 cycle. Supports 10 points for applicants without an open contract. These steps will make the distribution of funds much more equitable among the many local governments of the planning region.
2. Supports the 10 point scoring factor for no open projects. It is possible to complete projects in under a year and it serves as a good incentive for quick completion.
3. Supports 10 points for applicants without an open contract. Sees this as an effort to encourage closure of projects in a timely fashion, which will also result in the spreading of CDBG funds among a larger pool of applicants.

**Oppose:**

4. Opposed to scoring penalty for unclosed projects for the Community Development Fund. Said that projects can't be completed in 12 months. Would like a 24 month time period for project completion.
5. Opposes the 10 points for applicants with no open contracts. There are better ways to increase the draw-down rate of funds than using this penalty.
6. Opposes the 10 points for applicants with no open contracts. Says that it is a political ploy to enable the State to divide the funding pie into more pieces. It is not logical to penalize applicants for having open contracts after one year, since all CDBG contracts are written for a 2 year term.

**TDHCA Response #1-6:**

***The TCDP recommends upholding the 10 point scoring factor for applicants that have no open Community Development Fund contracts.***

**G. Housing Needs Assessment Requirement and Documentation of Infrastructure Improvement Requirement**

1. Concerned about the 'bonded indebtedness' phrase in the housing needs assessment required of Community Development Fund applicants. Also, stated that CDBG was not designed as a "but-for" program; in other words the CDBG program is not meant to be a last-resort fund when cities have exhausted all other funding mechanisms. Concerned that the housing needs assessment requirement shifts the program toward this direction. Also recommended that the housing needs assessment should be required for funded applicants only.
2. Question about the infrastructure improvement requirement: low-income cities can't issue general obligation bonds - will they be looked at unfavorably because of this?
3. Supported the collection of information on efforts to increase affordable housing for the Community Development Fund, but said the application process is complicated enough as it is. Proposed a one-time eligibility certification rather than an application requirement.

4. Disagrees with the housing needs assessment required by each applicant. Thinks this requirement should only apply to each funded applicant.
5. Opposed to the housing needs assessment requirement. This requirement is not necessary and would be a duplication of assessments made by local Public Housing Authorities.
6. The required "good faith effort" to provide affordable housing opportunities appears to be a penalty for small communities and counties which the plan previously points out have inherent problems in housing program involvement. The requirement for applicants to document efforts to provide infrastructure improvements through the issuance of general obligation or revenue bonds is already in place under the 'local effort' score given by the Regional Review Committees. Both of these work against the communities that have, over time, practiced wise management by installing and upgrading systems using limited long-term debt or financing projects with current revenues or short-term notes. The Plan rewards communities that do nothing to improve their systems over time and suddenly find themselves faced with massive debt to meet standards. The Plan penalizes judicious management.
7. It is not clear why an applicant should include in their application information concerning past and future efforts to provide affordable housing opportunities and past efforts to provide infrastructure improvements through the issuance of general obligation or revenue bonds. It has always been felt that this program provides a means to address local needs without having to resort to a bond issue. These items have never been considerations in the past and are not now part of the scoring criteria. This will not enhance the application process and has no bearing on the significance or need for a project. TDHCA should be looking for ways to streamline the application rather than creating a more restrictive, almost punitive process.
8. Recommends inclusion in the application of applicant's past and proposed future efforts to provide affordable housing opportunities.
9. Including past and proposed future efforts to provide affordable housing on the application will waste time and result in unnecessary paperwork.

**TDHCA Response #1-9:**

***The TCDP recommends upholding the requirement for a community housing needs assessment.***

**H. Set-Aside for Public Services Funds for Community Action Agencies**

1. Recommended a 15% set-aside out of the CDBG program for public service initiatives.
2. Because of the decreasing funding at the federal level for Community Action Agencies and the discontinuation of the Emergency Homeless Program, TDHCA should set aside 15 % of its total CDBG allocation as Public Service Funds under CDBG for the continuation of the necessary services that Community Action Agencies provide for low-income individuals. These services include employment, emergency food, transportation, weatherization, utility assistance, and many more.
3. Recommended a 15% set-aside of CDBG funds for public service needs such as day care, education, health, energy conservation, recreation programs, and welfare support services. This is needed to combat the affects of the proposed elimination of Emergency Community Services Homeless Grant Program (EHP) Funding in April 1996.

**TDHCA Response #1-3:**

***Public support for such an initiative was not sufficient to consider proposing the set-aside for 1996.***

**H. Community Development Fund Qualifying Criteria:**

1. Requested a change in the qualifying criteria for the Community Development Fund. Wants the elimination of the necessity for sewer/water lines to be extended all the way to homes. Funding could be stretched further and more homes served if this requirement was eliminated.

**TDHCA Response #1:**

***Public support for the elimination of this requirement was not sufficient to consider any change for 1996.***

**I. Representation on the Regional Review Committee:**

1. For the Community Development Fund, there should be a rule that requires equal representation for each county on the Regional Review Committees.
2. Supports having equal representation for counties on the Regional Review Committees.

**TDHCA Response #1-2:**

***The TCDP supports the concept of equal representation for the appointees to each Regional Review Committee (RRC). The TCDP is not proposing any change to the current 12-person RRC membership for each committee, so equal representation for counties in a region with more than 12 counties cannot be accommodated. Public support for a rule requiring equal representation on Regional Review Committees was not sufficient to consider any change for 1996.***

**J. Single/Multiple Jurisdiction Applications**

1. Recommended changing the Community Development Program eligibility requirements to allow applications from multiple jurisdictions across planning regions.
2. Multiple-jurisdiction applications should be allowed when involving more than one state planning region.
3. Supports the change that will allow counties to submit single jurisdiction applications on behalf of a city. Suggests that the wording be clarified.
4. Recommended changing the Community Development Program eligibility requirements to allow applications from jurisdictions which are located in more than one planning region. LCRA is aware of at least one case of a non-profit water supply corporation which would be ineligible because of this rule, because the service area includes parts of three different counties in two state planning regions.
5. Single jurisdiction applicants may include counties applying on the behalf of cities. If allowed, the benefiting city's distress scores rather than the applying county's should be used. Otherwise, cities, claiming such 'smoke-screens' as an insufficient administrative structure will apply through counties when it is advantageous for distress scoring.

**TDHCA Response #1-5:**

***In recognition of public concerns and the restrictive nature of the requirement, the TCDP recommends that the Community Development Fund "same-region" requirement for participating jurisdictions in a multi-jurisdiction application be withdrawn.***

## **K. Colonia Funding**

1. Agrees with the additional wording for the Colonia Construction Fund which says that additional priority shall be given to applications from localities that have been funded through the Texas Water Development Board's EDAP program. Recommends that consideration be given to making cities who have incorporated existing colonia areas (only county applicants are eligible right now). Cities need and incentive to incorporate existing colonias so that building codes can be enforced and "safe, decent and sanitary housing" is provided (counties do not have the power to enforce building codes or zoning regulations in Texas).
2. Opposed to the 50 point advantage for EDAP-eligible areas for the Colonias Fund. Said this is unfair.
3. Within the colonias set-aside program, TDHCA should not restrict the use of replatting and planning funds exclusively to EDAP projects. These funds should be available for replatting and planning in all colonias. There are some colonias which qualify for water or wastewater system funding from non-EDAP sources and they should be allowed to participate in the replatting program.
3. Would like platting to be an eligible activity under the Colonia Construction Fund.
4. For the Community Development Program, platting expenses should be covered by the developers.
5. Agrees with the idea to allow the platting of existing colonias. However, since platting is a planning activity, it should be considered under the Colonia Planning Fund.
6. Opposes the existence of the Colonia Self-Help Centers Fund and the manner in which it was imposed by the Texas Senate. The program is heavy on administrative costs and low on potential.
7. Recommends the following changes be made to the Colonia Construction Fund:
  - The maximum contract award be raised from 500,000 to 1,000,000 for those jurisdictions who have prepared a master plan or strategic plan for water, wastewater and/or housing improvements in the affected colonia.
  - If all the allocated funds for the Colonia Construction Fund Program are not granted during a given fiscal year, the remaining funds will be available for supplemental awards to jurisdictions who have a master plan or strategic plan for the affected colonia.

### ***TDHCA Response #1-7:***

***Public support for any deviation from the information in the Action Plan was not sufficient to consider any change from the 1996 proposal.***

## **L. Elimination of Points Given to Projects Located in an Empowerment Zone**

1. Opposed to the elimination of points given for projects located within an Empowerment Zone designated area.
3. Supports the elimination of the scoring range related to activities in designated Empowerment Zones or Enterprise Communities.

**TDHCA Response #1-2:**

***Public support for the continuation of the additional scoring consideration for Empowerment Zone and Enterprise Communities was not sufficient to retain for 1996.***

**M. HOME Linkage Scoring Factor**

***Supports Elimination::***

1. Supports elimination the "HOME linkage" scoring factor. This scoring factor has resulted in distortions and manipulations with few positive results. Applicants with little need or interest in the HOME program were submitting pro forma HOME applications and the linkage between the applications was often tenuous.

**TDHCA Response #1:**

***All comments received on elimination of the HOME or LIHTC linkage scoring consideration are favorable.***

**N. Other**

1. The citizen participation requirement which requires applicants to notify all local organizations which provide services or housing to low to moderate income persons is unrealistic and impractical. Where will applicants get a list of such organizations? Does this include private and other non private organization, some of which operate out of private residences?

**TDHCA Response #1:**

***The TCDP recommends upholding the notification of local service providers as a citizen participation requirement.***

2. Wanted to return to the 2-year funding application cycle for the Community Development Program. Returning to the one-year cycle will place the program behind again and the program will have to be changed again. The two-year cycle spreads the funds among more applicants.

**TDHCA Response #2:**

***The biennial funding cycle may be considered in the future***

3. Inquired as to why there was no double funding cycle for the Community Development Fund again.

**TDHCA Response #3:**

***The current uncertainty surrounding proposed HUD reinvention and future CDBG appropriations are some reasons why biennial funding was not proposed for 1996.***

4. In the CDBG Program, there is not enough administrative money for localities to do projects. Would like 10% to be passed on to local governments.

**TDHCA Response #4:**

***The CDBG Program currently allows cities/counties to apply for up to 16 percent of the grant request for administration.***

5. The 'Continuation of Need' scoring factor should be eliminated as a Regional Review Committee option. This does nothing more than reward bad projects for persistence.

**TDHCA Response #5:**

***Regional Review Committees are not encouraged by the State to select continuation of need as a scoring criterion, as the State takes this factor into consideration under "Project Impact." Interested parties should voice their concerns at the Regional Review Committee organizational meetings.***

6. The Fair Housing Plan is of concern. Asking recipients to agree to develop something within six months of guideline issuance, when no format exists, is onerous.

***TDHCA Response #6:***

***The State is required to affirmatively further fair housing.***

7. Comments by Committee members regarding frivolous uses of CDBG funding pointed to the exception. There had been unwise use of CDBG and other funds for housing rehabilitation, special needs housing, etc. which have clearly not resolved the housing dilemma. Further expenditures of CDBG funds for housing, in its present form, is a misuse of the public's resources.

***TDHCA Response #6:***

***Housing is an eligible activity under the CDBG Program Guidelines. Historically less than two percent of CDBG funds have been spent on housing related projects.***

8. The STEP program is an admirable activity to be tied to the CDBG program, but it should not be included as a competitive scoring factor. To include STEP as a scoring factor is to create a scenario where claims are made to obtain points and later, amendments are required to revise an unworkable situation.

***TDHCA Response #8:***

***The Small Towns Environment Program (STEP) was not included at the State level as a scoring factor.***

9. With reference to the proposed threshold requirement that "any county that is designated as eligible for the Texas Water Development Board's EDAP program cannot receive TCDP funds unless the county has adopted and is enforcing the Model Subdivision Rule...": this is only appropriate if the county has an application currently being considered by the TWDB or the county has previously received EDAP funds. It is conceivable that a designated county may never be interested in applying for the EDAP funds and should not be penalized because of the designation. This threshold requirement should be deleted or revised to reflect active participation in the EDAP program.

***TDHCA Response #9:***

***This threshold requirement is established in a rider to TDHCA's 1996 and 1997 appropriation. We must follow the legislative intent.***

10. Supports a set-aside of 25% of CDBG funds for very-low income housing programs. The housing program proposed by TDHCA, to be used exclusively for paying for infrastructure is too restrictive and not properly targeted to very low-income families. It is a program designed to enrich developers, not assist low-income people. For that reason, that narrow programming should not be used for the set-aside.

***TDHCA Response #10:***

11. Supports the revision of the regional allocation process to require that there be low-income persons represented on each regional advisory board.

***TDHCA Response #11:***

***Although Regional Review Committee members are locally elected officials, they represent the low-income constituents in their regions, and many of them qualify as low-income residents themselves.***

12. It is important the State of Texas continue to establish overall priorities for the use of CDBG funds and not turn over that function to regional advisory boards. The CDBG program regulations anticipate that the State should have the responsibility to establish the overall use of funds and do not abdicate that responsibility to a network of appointed boards which do not have any representation of low and moderate-income people. Appointed regional advisory boards are composed of local elected officials who are

appointed by the Governor to the committees. Local elected officials have an important viewpoint which should be represented in selecting proposals which should be funded, but the appointed board as presently constituted are not adequately “representative” to receive nonprioritized “sub-block grants” to allocate as they see fit.

**TDHCA Response #12:**

***No documentation was provided to support the above statements as fact.***

13. Recommends the use of CDBG funds to make fair housing a priority in every community.

**TDHCA Response #13:**

***The State is requiring a housing needs assessment.***

14. Opposes the creation of the Housing Demonstration Fund. However supports the following changes should the Fund remain in the Final Statement: funds should be used for supportive infrastructure development and related costs rather than housing construction costs; projects may include both single- and multi-family housing. Suggests limiting the STEP demonstration projects to the Colonia Construction Fund.

**TDHCA Response #14:**

***The Housing Demonstration Funds included in the Consolidate Plan includes the recommended changes.***

15. In regards to the Project Impact criteria, would like to see street paving and drainage in the first category rather than the second.

**TDHCA Response #15:**

***Each region has the option of making street paving and drainage a top priority.***

16. Recommends that CDBG applicants be required, or at least encouraged, to consult with local social service providers to assure maximum effectiveness of Community Development funds.

**TDHCA Response #16:**

***The transmittal of written notification to service providers concerning TCDP public hearings is a proposed 1996 program requirement.***

## IV. HOME Program

### A. Other

1. Delays in reimbursement in the HOME program are a problem.

**TDHCA Response #1:**

***Funds are disbursed in 10 working days on average because the funds are coming down from the federal government.***

2. Opposed to the amount of money put into the Interim Construction Financing Fund for the HOME Program. Would like to see more money put into the Owner-Occupied Housing Assistance Fund.

3. Agreed that more money should be put into the Owner-Occupied Housing Assistance Fund for the HOME Program.

**TDHCA Response #1-3:**

***TDHCA recognizes the need for owner-occupied housing assistance and will continue to fund this activity. However, our priority lies in expanding the number of homeowners in the State of Texas through first-time homebuyer assistance and interim construction financing.***

4. Requested set aside money from the HOME program to supplement weatherization funds.

**TDHCA Response #4:**

***The HOME Program is currently reserving funds to supplement other TDHCA programs, including the Weatherization Assistance Program; and we intend to continue.***

5. The HOME Program should try to increase the money available to localities for administration.

**TDHCA Response #5:**

***TDHCA utilizes HOME administration funds to pay for staff, training materials and workshops, and costs of technical assistance. The HOME Program passes the remaining funds through to grantees.***

6. Believes that the 15% set-aside for CHDO's under the HOME Program effectively promotes the continuing success of CHDO's. Suggests that to better meet the State's goal of increasing the number of State-certified CHDO's with the capacity to develop affordable housing, TDHCA should commit funding for building the capacity of non-profit housing developers.

7. The State should allocate not less than 5% of the HOME allocation for capacity building for non-profit organizations. The State should increase the set-aside of HOME funds for CHDO's from 15% to 40%.

**TDHCA Response #7:**

***TDHCA utilizes funds from the Housing Trust Fund for capacity building for CHDOs. The HOME Program CHDO Set-aside ensures that CHDOs receive at least 15% of the federal allocation for set-aside eligible activities. The set-aside does not limit a CHDO's ability to apply and receive HOME funds for activities not eligible for the set-aside, nor does it restrict CHDOs from being funded for more than the 15% set-aside.***

8. The proposed allocation fails to provide sufficient resources for rental housing for households earning less than 30% of area MFI. The best targeted way to support this population is rental assistance. Recommends 50% of the State's annual HOME funds be set aside for rental assistance for families at or below 30% of MFI who live in substandard or overcrowded housing or who are homeless.

**TDHCA Response #8:**

***Currently, TDHCA's Statewide Housing Assistance Payments Program (Section 8) provides rental assistance throughout the State. While TDHCA's HOME Program will continue to provide rental assistance, we do not see the need to increase the allocation while there is another program addressing this need. Should this program be discontinued in the future, we will reevaluate our funding allocation priorities.***

## **V. ESGP**

1. Requested a 15% set aside for Community Action Agencies from the Emergency Shelter Grants Program.

**TDHCA Response #1:**

***ESGP is obligated using a statewide competitive Request for Proposal process. Funds are designated for each of the 11 TDHCA service areas based on the poverty population in each area. This insures appropriate geographical distribution. Bonus points are given to applicants that have never received an ESGP award before and to applicants from non-entitlement areas (the more rural areas). All CAAs received a copy of the FY 1996 ESGP RFP and are invited to apply. CAAs have received ESGP funding every year since 1989.***

2. Due to the proposed elimination of Emergency Community Services Homeless Grant Program (EHP) funding in April 1996, TACAA seeks funding from ESGP to meet the needs of its communities.

**TDHCA Response #2:**

***ESGP is obligated using a statewide competitive Request for Proposal process. Funds are designated for each of the 11 TDHCA service areas based on the poverty population in each area. This insures appropriate geographical distribution. Bonus points are given to applicants that have never received an ESGP award before and to applicants from non-entitlement areas (the more rural areas). All CAAs received a copy of the FY 1996 ESGP RFP and are invited to apply. CAAs have received ESGP funding every year since 1989.***

## **VI. HOPWA**

*no comments*