

TEXAS DEPARTMENT OF HOUSING AND COMMUNITY AFFAIRS
**TDHCA Governing Board Approved Draft of
CDBG-CV & ESG-CV II Amendment to 2019 One-Year Action Plan**

Disclaimer

Attached is a draft of the CDBG-CV & ESG-CV II Amendment to 2019 One-Year Action Plan, that was approved by the TDHCA Governing Board on October 8, 2020. The version herein is the version that will constitute the official version for purposes of public comment.

Public Comment

Public Comment Period: Starts: Monday, October 12, 2020

Ends: 5:00 p.m. Austin local time on Friday, October 16, 2020

Comments received after 5:00 p.m. Austin local time on Friday, October 16, 2020 will not be accepted.

Written comments may be submitted, in hard copy/fax or electronic formats to:

Texas Department of Housing and Community Affairs
Attn: Housing Resource Center
P.O. Box 13941
Austin, Texas 78711-3941
Fax: (512) 475-0070
Email: info@tdhca.state.tx.us

Written comments may be submitted in hard copy, fax, or email formats within the designated public comment period. Those making public comment are encouraged to reference the specific draft rule, policy, or plan related to their comment as well as a specific reference or cite associated with each comment.

Please be aware that all comments submitted to the TDHCA will be considered public information.

Copies of the Listserv sent out to notify the public of this Amendment, in English, Spanish, French, German, Vietnamese, Russian, Korean, Chinese, Tagalog and Arabic can be found on the Housing Resource Center Announcements page: <https://www.tdhca.state.tx.us/housing-center/announcements.htm>

TEXAS DEPARTMENT OF HOUSING AND COMMUNITY AFFAIRS

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Texas Department of Housing and Community Affairs

Summary of CDBG-CV Amendments to the 2019 State of Texas Consolidated Plan One Year Action Plan

October 2020

The Governor of the State of Texas has designated the Texas Department of Housing and Community Affairs (TDHCA) to receive all allocations of CDBG-CV funds under the CARES Act. It's three allocations are \$40,000,886, \$63,546,200 and \$38,299,172 respectively for a total of \$141,846,258.

As required by the CDBG-CV notice, TDHCA will allocate \$40,000,886 (the amount of its first allocation) to non-entitlement units of general local government (UGLG). Non-entitlement units are cities with populations of less than 50,000 (except cities that are designated principal cities of Metropolitan Statistical Areas), and counties with populations of less than 200,000.

All CDBG-CV allocations will be used for the following activities to prevent, prepare for, or respond to the coronavirus. Depending on the ease of implementation of these activities and the demand at the time the services are provided, TDHCA may redirect funds from one activity to another, without submitting an additional substantial amendment, to expedite the delivery of assistance in these urgent times for up to 25% of the budgeted activities. However, the \$40,000,886 in Urgent Need Rental Assistance allocated competitively to non-entitlement cities and counties will remain with non-entitlement cities and counties but may be relocated among awardees if the funds are not timely expended.

Uses for CDBG-CV Funds

CDBG-CV Program Activity	Recommended Allocation
1. Urgent Need Rental Assistance <i>A. \$40,000,886 to be allocated competitively to non-entitlement cities and counties</i> <i>B. \$65,916,134 to address rental assistance needs elsewhere in the state including:</i> <ul style="list-style-type: none"> • <i>Approximately \$40 million allocated directed to entitlement cities and counties already operating COVID rental assistance programs</i> • <i>A commitment of at least 10% of all RA (\$10.1 million) for eviction diversion</i> 	\$105,917,020
2. Food Bank Distribution Assistance	\$21,000,000
3. Provider Relief Assistance - Persons with Disabilities	\$5,000,000
TDHCA Administration and Technical Assistance (up to 7%)	\$9,929,238
Total first, second and third allocations from HUD	\$141,846,258

1. **Rental Assistance - \$105.9M**

The COVID-19 pandemic has had a massive impact on families' abilities to work for pay, and their capacity to pay their rent. Unpaid rents also affect landlords who must continue to pay mortgages, property taxes and maintenance costs for their rental properties in spite of their income from rents being reduced. The need for assistance has far outpaced the availability of local rental assistance funds. TDHCA is thus proposing making a \$105.9 million commitment from CDBG CARES funds for rental assistance.

As required by CDBG-CV rules, the emergency rental assistance will be made directly to the landlord or property owner, on behalf of the individual or families in need of assistance, and not directly to an individual or family in the form of a direct income payment. Funds dedicated to this activity will assist households for no more than six months of rental assistance, including arrears. The assistance will allow payments for up to 5 months of arrears and at least one month of forward payment of the full amount of the contracted rent up to the Department established limit.

Funds dedicated to rental assistance will be programmed in the following ways: All funds will be allocated regionally to ensure broad geographic distribution in the state.

- **Rental Assistance in Rural and Small Metro Areas:** As required by HUD, TDHCA will allocate at least \$40,000,886 (the amount of its first allocation) to non-entitlement units of general local government through a competitive notice of funding availability and made available regionally. Non-entitlement units are cities with populations of less than 50,000 (except cities that are designated principal cities of Metropolitan Statistical Areas), and counties with populations of less than 200,000. There are approximately 1,000 rural and small cities and counties in Texas. The Department will provide specific program design guidelines, facilitating the program administration for non-entitlement awardees that do not have an existing rental assistance program. Based on the length of conducting a competitive application, we estimate the assistance will be available in communities approximately 6 months from the time this Plan is accepted by HUD.
- **Rapid Deployment in Entitlement Communities with Existing Rental Assistance Programs.** Approximately \$40 million will be directly committed to those entitlement communities already having COVID rental assistance programs. This will allow those larger cities and counties to quickly channel funds through their current programs. It is anticipated that cities and counties will be able to use their existing program design and intake forms subject to approval from the Department. The documents executed by households and landlords will need to be those prepared by the Department, or meeting Department approval. It is estimated these funds will be available in communities within 2 months from the time the Plan is accepted by HUD. If only a limited number of entitlement communities with existing COVID rental programs are willing to accept a rental assistance contract, the \$40 million earmarked for this purpose may be reduced and transferred into the competitive balance of state coverage.
- **Balance of State Coverage.** The funds within each region not allocated for non-entitlement awardees and not committed directly to entitlement communities with existing rental assistance programs – approximately \$25.9 million - will be used to fund one or more of the

following: 1) entitlement communities within that region not already having a rental program in operation, 2) a regional organization to provide rental assistance to the balance of the area within that region, and/or 3) if needed the state may provide assistance to the balance of the area within that region. It is the intent of TDHCA that an eligible household anywhere in the state will be able to apply for funds. To minimize the risk of duplication of benefits, properties in an area covered by a contracted non-entitlement or entitlement awardee will be assisted through that respective program, and will therefore not be eligible to be assisted through the regional or statewide activity.

- **Eviction Diversion:** To keep Texans in their homes who have fallen behind on their rent because of the impact of COVID-19 and whose landlords have initiated eviction proceedings, all Subrecipients will be required to also serve as the Eviction Diversion rental assistance provider for one or more designated Justices of the Peace as specified by TDHCA and the Office of Court Administration. Ten percent of their contract amount will be set aside for this activity until a specified time and then may be reallocated by the Department into other contracts for this activity or be allowed to be used for other rental assistance payments by, in the Department's sole discretion. Rental assistance will be in the form of lump sum payments to landlords in exchange for allowing tenants to remain in their homes. The Supreme Court of Texas is intending to remove or seal the initiated eviction from the household's record to mitigate the secondary effects on the tenant's ability to rent housing in the future.

2. Food Bank Distribution Assistance – \$21M

Funds dedicated to this activity will serve as state match for FEMA eligible activities related to food bank distribution. The Texas Department of Emergency Management (TDEM) has expended approximately \$133 million in food distribution activities to address food and nutrition needs statewide in response to the pandemic, of which the state was required to cover 25% (approximately \$33 million). These CDBG funds will cover approximately \$21 million of that match requirement, based upon a review of the CDBG eligibility of the incurred costs.

3. Assistance for Persons with Disabilities – \$5M

Given that persons with disabilities (PWD) are disproportionately low income and may be particularly vulnerable to both the physical and economic effects of COVID-19, TDHCA is proposing to use \$5 million specifically for those providers and facilities that assist persons with disabilities. It is estimated that the state will enter agreements, non-competitively, with an existing network of subrecipients to assist local providers in accessing funds. We anticipate funds will be made available to providers in communities approximately 4 months from the time the Plan is accepted by HUD.

4. TDHCA Administration – \$9.9M

TDHCA may use up to the 5 percent (\$7,092,313) allowed for general administration and up two percent (\$2,836,925) for technical assistance. From within those pools, up to approximately \$500,000 may be used to pursue expanded broadband planning efforts in the state focusing on the needs of households at 80% or below AMI.

**2015-2019 State of Texas Consolidated Plan
 SP-35 Anticipated Resources - 91.315(a)(4), 91.320(c)(1,2)**

Anticipated Resources (only added row shown)

Program	Source of Funds	Uses of Funds	Expected Amount Available Year 1				Expected Amount Available Remainder of Con Plan: \$	Narrative Description
			Annual Allocation: \$	Program Income: \$	Prior Year Resources: \$	Total: \$		
CDBG-CV	public - federal	Admin and Planning Urgent Need Public Services Rental Assistance Financial Assistance	\$141,846,258	\$0	\$0	\$141,846,258	\$0	CDBG-CV funding will be allocated to the following activities to address the pandemic: 1) Rental assistance 2) Food bank distribution assistance 3) Relief to providers of persons with disabilities 4) State Administration

State of Texas 2019 One-Year Action Plan

AP-15 Anticipated Resources

Program	Source of Funds	Uses of Funds	Expected Amount Available Year 1				Expected Amount Available Remainder of Con Plan: \$	Narrative Description
			Annual Allocation: \$	Program Income: \$	Prior Year Resources: \$	Total: \$		
CDBG-CV	public - federal	Admin and Planning Urgent Need Public Services Rental Assistance Financial Assistance	\$141,846,258	\$0	\$0	\$141,846,258	\$141,846,258	CDBG-CV funding will be allocated to the following activities to address the pandemic: 1) Rental assistance 2) Food bank distribution assistance 3) Relief to providers of persons with disabilities 4) State Administration

AP-20 Annual Goals and Objectives

Sort Order	Goal Name	Start Year	End Year	Category	Geographic Area	Needs Addressed	Funding	Goal Outcome Indicator
26	CDBG-CV Rental Assistance for Rural and Small Metro Areas	2019	2019	Affordable Housing Non-Homeless Special Needs	State of Texas	Rental Assistance TBRA	CDBG-CV: \$40,000,886	Tenant-based rental assistance/Rapid Rehousing: 9,462 Households
27	CDBG-CV Rental Assistance for Entitlement Communities with Existing COVID Rental Assistance Programs	2019	2019	Affordable Housing Non-Homeless Special Needs	State of Texas	Rental Assistance TBRA	CDBG-CV: \$40,000,000	Tenant-based rental assistance/Rapid Rehousing: 6,596 Households Assisted
28	CDBG-CV Rental Assistance for Balance of State Coverage	2019	2019	Affordable Housing Non-Homeless Special Needs	State of Texas	Rental Assistance TBRA	CDBG-CV: \$25,916,131	Tenant-based rental assistance/Rapid Rehousing: 5,036 Households Assisted
29	CDBG-CV Food bank distribution assistance	2019	2019	Non-Housing Community Development	State of Texas	Public Services	CDBG-CV: \$21,000,000	Public Service activities other than Low/moderate income housing benefit: 0 Persons Assisted*
30	CDBG-CV Relief to Providers of Persons with Disabilities	2019	2019	Non-Housing Community Development Non-Homeless Special Needs	State of Texas	Public Services	CDBG-CV: \$5,000,000	Public Service activities other than Low/moderate income housing benefit: 0 Persons Assisted*
31	CDBG-CV Administration	2019	2019	Administration/ Technical Assistance	State of Texas	Rental Assistance TBRA Admin and Planning Public Service	CDBG-CV: \$9,929,238	Other: 0 Other

* Please note that in SP-45 and AP-20 below, the Goal Outcome Indicator for both programs reflects 0 persons being assisted at this time. The HUD system requires that a numeral be entered here, yet at this time an estimate is not available. Therefore, the field is defaulted to 0.

Goals Summary

26	Goal Name	CDBG-CV Rental Assistance for Rural and Small Metro Areas
	Goal Description	Funds will be awarded competitively to units of general local governments (UGLGs) in the state of Texas for rental assistance funds using a regional allocation to ensure broad geographic distribution in the state.
27	Goal Name	CDBG-CV Rental Assistance for Entitlement Communities with Existing Rental Assistance Programs
	Goal Description	Fund will be directly committed to those entitlement communities already having existing COVID rental assistance programs. This will allow those larger cities and counties to quickly channel funds through their current program infrastructure.
28	Goal Name	CDBG-CV Rental Assistance for Balance of State Coverage
	Goal Description	The funds within each region not allocated for non-entitlement awardees and not committed directly to entitlement communities with existing rental assistance programs – approximately \$25.9 million - will be used to fund one or more of the following: 1) entitlement communities within that region not already having a rental program in operation, 2) a regional organization to provide rental assistance to the balance of the area within that region, and/or 3) if needed the state may provide assistance to the balance of the area within that region.
29	Goal Name	CDBG-CV Food Bank Distribution Assistance
	Goal Description	Funds dedicated to this activity will serve as state match for FEMA eligible activities related to food bank distribution. The Texas Department of Emergency Management (TDEM) has expended approximately \$133 million in food distribution activities to address food and nutrition needs statewide in response to the pandemic, of which the state was required to cover 25% (approximately \$33 million). These CDBG funds will cover approximately \$21 million of that match requirement, based upon a review of the CDBG eligibility of the incurred costs.
30	Goal Name	Relief to Providers of Persons with Disabilities
	Goal Description	Funds will support relief assistance to providers of persons with disabilities, such as group homes, covering the costs of activities like: salaries, sheltering residents outside of group homes when quarantining, Personal Protective Equipment (PPP) and if determined eligible by HUD, the cost of holding beds for tenants who area temporarily relocated because of COVID-19.
31	Goal Name	CDBG-CV Administration
	Goal Description	CDBG-CV General Administrative costs including Technical Assistance. Up to \$500,000 of these funds will also be used to support broadband planning.

AP-30 Methods of Distribution

Distribution Methods

Table 1 - Distribution Methods by State Program

26	State Program Name:	CDBG-CV Rental Assistance for Rural and Small Metro Areas
	Funding Sources:	CDBG-CV: \$40,000,886
	Describe the state program addressed by the Method of Distribution.	Funds will be made available competitively and regionally to all Texas non-entitlement units of general local government (UGLGs) to apply as Subrecipients with funds limited to use for rental assistance. Funds not applied for within a region will be made available to non-entitlement applications from other regions. Subrecipients who apply can elect service areas of its jurisdiction (one city, one county) and enter into a contract for a given amount of funds.
	Describe all of the criteria that will be used to select applications and the relative importance of these criteria.	<p>A Notice of Funding Availability will contain a description of all criteria used to select applicants for funding, including the relative weight of each criterion.</p> <p>Priority will be given to non-entitlement UGLGs who have an existing rental assistance activity in place that can readily utilize the funds and applicants that: 1) agree to access their CRF funds to be used as rental assistance, if not expended by that time, or 2) have already accessed their Coronavirus Relief Fund (CRF) allocation.</p> <p>The Department will provide specific program design guidelines, facilitating the program administration for non-entitlement awardees that do not have an existing rental assistance program.</p>
	Describe how resources will be allocated among funding categories.	<p>Funds dedicated to this activity will assist households for <u>no more than six months</u> of rental and assistance, including arrears. The assistance will allow payments for up to 5 months of arrears and at least one month of forward payment of the full amount of the contracted rent up to the Department established limit.</p> <p>The households needing assistance would be identified by Subrecipients reaching out to properties and/or tenants. Subrecipients will accept applications from landlords and will have the option of also working with clients directly, however all payments must be made to landlords directly.</p>
	Describe threshold factors and grant size limits.	A grant limit per contract and threshold factors for subrecipients will be identified in the Notice of Funding Availability. Program participants must evidence or certify that they have been economically impacted by the pandemic and assistance is limited to no more than 6 consecutive months of rental assistance per household.
	What are the outcome measures expected as a result of the method of distribution?	<p>Based on the following calculations, we estimate serving 6,311 households</p> <ul style="list-style-type: none"> • Average Fair Market Rent (FMR) for non-entitlement counties in Texas= \$919 • Estimated average months of assistance = 6 months • Total Cost for 4 months at Avg. FRM = \$5,514 • Allocation of \$40,000,886 (minus 13% Subrecipient admin) = Estimated funds available for rental assistance or \$34,800,770 • Estimated # of Households to be served: 6,311

27	State Program Name:	CDBG-CV Rental Assistance for Entitlement Communities with Existing Rental Assistance Programs
	Funding Sources:	CDBG-CV: \$40,000,000
	Describe the state program addressed by the Method of Distribution.	Approximately \$40 million will be committed through non-competitive direct awards to those entitlement communities already having rental assistance programs responsive to the pandemic. The program is voluntary and cities and counties will have an opportunity to accept or decline the funds.
	Describe all of the criteria that will be used to select applications and the relative importance of these criteria.	There are 74 CDBG entitlement communities in the State of Texas. The Department will offer rental assistance grants to those entitlement cities and counties already operating COVID-19 rental assistance programs. This will allow those larger cities and counties to quickly channel funds through their current programs.
	Describe how resources will be allocated among funding categories.	<p>Funds dedicated to this activity will assist households for no more than six months of rental and assistance, including arrears. The assistance will allow payments for up to 5 months of arrears and at least one month of forward payment of the full amount of the contracted rent up to the Department established limit.</p> <p>The households needing assistance would be identified by Subrecipients reaching out to properties and/or tenants. Subrecipients will accept applications from landlords and will have the option of working with clients directly or via landlords, however all payments must be made to landlords directly.</p>
	Describe threshold factors and grant size limits.	The amount of funds each entitlement will receive will be determined by dividing the \$40M in this category among the entitlements with COVID-19 rental assistance programs that accept funds by using an allocation formula similar to the one HUD used to distribute its CDBG-CV 2 funds. Factors considered in the allocation formula for each entitlement include the number of low-income elderly, unemployment cases, children in poverty and rate of COVID-19 cases.
	What are the outcome measures expected as a result of the method of distribution?	<p>Based on the following calculations, we estimate serving 4,397 households</p> <ul style="list-style-type: none"> • Average Fair Market Rent (FMR) for entitlement counties in Texas= \$1,319 • Estimated average months of assistance = 6 months • Total Cost for 4 months at Avg. FRM = \$7,914 • Allocation of \$40,000,000 minus 13% Subrecipient admin = Estimated funds available for rental assistance or \$34,800,000 • Estimated # of Households to be served: 4,397

28	State Program Name:	CDBG-CV Rental Assistance for Balance of State Coverage
	Funding Sources:	CDBG-CV: \$25,916,131
	Describe the state program addressed by the Method of Distribution.	<p>The funds within each region not allocated for non-entitlement awardees and not committed directly to entitlement communities with existing rental assistance programs – approximately \$25.9 million - will be made available through a competitive application process to fund one or more of the following:</p> <ol style="list-style-type: none"> 1. Entitlement communities within that region not already having a rental program in operation, 2. A regional organization to provide rental assistance to the balance of the area within that region, and/or <p>If no organizations applies to serve a given area, the state may provide assistance to the balance of the area within that region.</p> <p>It is the intent of TDHCA that an eligible household anywhere in the state will be able to apply for funds. Properties in an area covered by a contracted non-entitlement or entitlement awardee will be assisted through that respective program, and will therefore not be eligible to be assisted through the regional or statewide activity.</p>
	Describe all of the criteria that will be used to select applications and the relative importance of these criteria.	Priority will be given to subrecipients that can readily utilize the funds and establish a program within a short amount of time given the contracts will be for a one-year period. Other criteria will be further explained in the Notice of Funding Availability.
Describe how resources will be allocated among funding categories.	<p>Funds dedicated to this activity will assist households for <u>no more than six months</u> of rental and assistance, including arrears. The assistance will allow payments for up to 5 months of arrears and at least one month of forward payment of the full amount of the contracted rent up to the Department established limit.</p> <p>The households needing assistance would be identified by Subrecipients reaching out to properties and/or tenants. Subrecipients will accept applications from landlords and will have the option of also working with clients directly or via landlords, however all payments must be made to landlords directly.</p>	
Describe threshold factors and grant size limits.	Households must be able to evidence or certify that they have been economically impacted by the pandemic. No threshold or grant size limits will apply on a per household or per property basis, beyond that assistance is limited to no more than 6 months of rental assistance per household.	
What are the outcome measures expected as a result of the method of distribution?	<p>Based on the following calculations, we estimate serving 3,358 households</p> <ul style="list-style-type: none"> • Average Fair Market Rent (FMR) for all counties in Texas= \$1,119 • Estimated average months of assistance = 6 months 	

		<ul style="list-style-type: none"> • Total Cost for 6 months at Avg. FRM = \$6,714 • Allocation of \$25,916,131 minus 13% Subrecipient admin) = Estimated funds available for rental assistance \$22,547,034 <p>Estimated # of Households to be served: 3,358</p>
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29	State Program Name:	CDBG-CV Food Bank Distribution Assistance
	Funding Sources:	CDBG-CV: \$21,000,000
	Describe the state program addressed by the Method of Distribution.	<p>Funds dedicated to this activity will serve as state match for FEMA eligible activities related to food bank distribution. The Texas Department of Emergency Management (TDEM) has expended approximately \$133 million in food distribution activities to address food and nutrition needs statewide in response to the pandemic, of which the state was required to cover 25% (approximately \$33 million). These CDBG funds will cover approximately \$21 million of that match requirement, based upon a review of the CDBG eligibility of the incurred costs.</p> <p>This activity will be accomplished through the execution of an Interagency Agreement between TDHCA and TDEM. Upon execution, funds can be paid. <i>It is estimated that funds can be distributed to TDEM within approximately 3 months from the time the Plan is accepted by HUD</i></p>
	Describe all of the criteria that will be used to select applications and the relative importance of these criteria.	Not applicable.
	Describe how resources will be allocated among funding categories.	Not applicable.
	Describe threshold factors and grant size limits.	Not applicable.
	What are the outcome measures expected as a result of the method of distribution?	Match for eligible CDBG food expenses already incurred by the State.

30	State Program Name:	CDBG-CV Assistance for Group Home Providers of Persons with Disabilities
	Funding Sources:	CDBG-CV: \$5,000,000
	Describe the state program addressed by the Method of Distribution.	These funds will be made available to housing providers of assistance to persons with disabilities (to be defined in subsequent documents but intended to include group homes) to allow those entities to receive reimbursement

		for a series of eligible COVID-related expenses (not having been paid or is available to be paid for by another pandemic-specific funding source).
	Describe all of the criteria that will be used to select applications and the relative importance of these criteria.	TDHCA intends to allow eligible providers to include both nonprofit and for profit entities. However, for-profit entities may be more limited in the assistance they can receive which may be determined, in part, by their ownership structure and access to other resources.
	Describe how resources will be allocated among funding categories.	This activity will cover the cost of salaries/wages for employees hired or retained specifically to provide COVID related assistance; hotel or room costs for expenses incurred in keeping PWD clients quarantined; costs of purchasing Personal Protection Equipment (PPE) for staff and PWD clients; and costs of holding beds for clients who are temporarily relocated because of COVID but cannot be made available to a new client if determined allowable by HUD.
	Describe threshold factors and grant size limits.	A maximum amount of assistance by category type and per provider will be implemented.
	What are the outcome measures expected as a result of the method of distribution?	Providers assisted (unknown number at this time).

AP-35 Projects – (Optional)

Introduction:

Per the IDIS Desk Guide, Project-level detail is not required for a state grantees Annual Action Plan. Once a state grantee has allocated funding via its Method of Distribution, the state grantee will use the Projects sub-menu in IDIS Online to add its projects for the program year. However, in order for accomplishments to associate to the goals listed in the plan, projects must be entered in the Action Plan template. Although not typically required, Texas is amending the Action Plan to include the initial allocation of ESG-CV funding, HOPWA-CV, and CDBG-CV. This does require that the ESG, HOPWA, and CDBG funds programmed in this plan are included in the AP-35 as separate ESG, HOPWA, and CDBG projects as outlined in this section.

TDHCA will receive \$9,127,824 in ESG, DSHS will receive \$4,422,464 under the 2019 HOPWA allocation. TDHCA has been allocated an additional \$97,792,616 in 2020 ESG-CV funds, and \$141,846,258 in CDBG-CV funds and DSHS has been allocated an additional \$724,936 under the CARES Act, outlined as ESG20 Texas, CV- and CV-COVID-19 respectively for the purposes of this plan, and the use of these funds is further described below.

#	Project Name
26	CDBG-CV Rental Assistance for Rural and Small Metro Areas
27	CDBG-CV Rental Assistance for Entitlement Communities with Existing Rental Assistance Programs
28	CDBG-CV Rental Assistance for Balance of State Coverage
29	CDBG-CV Food Bank Distribution Assistance
30	CDBG-CV Relief Assistance for Providers of Persons with Disabilities

Table 2 – Project Information

Describe the reasons for allocation priorities and any obstacles to addressing underserved needs

Reasons for allocation priorities and other obstacles to addressing underserved needs can be found in the description of ESG20 and CDBG-CV projects above. Actions to meeting underserved needs are found in Action Plan Section 85.

AP-38 Project Summary
Project Summary Information

26	Project Name	CDBG-CV Rental Assistance for Rural and Small Metro Areas
	Target Area	State of Texas
	Goals Supported	Funds will be awarded competitively to units of general local governments (UGLGs) in the state of Texas for rental/utility assistance.
	Needs Addressed	Rental Assistance
	Funding	CDBG-CV: \$40,000,886
	Description	Funds will be awarded competitively to units of general local governments (UGLGs) in the state of Texas for rental assistance funds.
	Target Date	9/30/2022
	Estimate the number and type of families that will benefit from the proposed activities	6,311 Households
	Location Description	N/A
	Planned Activities	Rental Assistance
27	Project Name	CDBG-CV Rental Assistance for Entitlement Communities with Existing Rental Assistance Programs
	Target Area	State of Texas
	Goals Supported	Fund will be directly committed to those entitlement communities already having rental assistance programs. This will allow those larger cities and counties to quickly channel funds through their current programs.
	Needs Addressed	Rental Assistance
	Funding	CDBG-CV: \$40,000,000
	Description	Fund will be directly committed to those entitlement communities already having rental assistance programs. This will allow those larger cities and counties to quickly channel funds through their current programs.
	Target Date	9/30/2022

	Estimate the number and type of families that will benefit from the proposed activities	4,397 Households
	Location Description	N/A
	Planned Activities	Rental Assistance
28	Project Name	CDBG-CV Rental Assistance for Balance of State Coverage
	Target Area	State of Texas
	Goals Supported	Rental Assistance
	Needs Addressed	Rental Assistance
	Funding	CDBG-CV: \$25,916,131
	Description	The funds within each region not allocated for non-entitlement awardees and not committed directly to entitlement communities with existing rental assistance programs – approximately \$25.9 million - will be used to fund one or more of the following: 1) entitlement communities within that region not already having a rental program in operation, 2) a regional organization to provide rental assistance to the balance of the area within that region, and/or 3) if needed the state may provide assistance to the balance of the area within that region.
	Target Date	9/30/2022
	Estimate the number and type of families that will benefit from the proposed activities	3,358 households served
	Location Description	Not applicable
	Planned Activities	Rental Assistance
29	Project Name	CV- Food Bank Distribution Assistance
	Target Area	State of Texas
	Goals Supported	CDBG-CV Feeding Texans Pandemic Response Program
	Needs Addressed	Public Services
	Funding	CDBG-CV: \$21,000,000

	Description	<p>Funds dedicated to this activity will serve as state match for FEMA eligible activities related to food bank distribution. The Texas Department of Emergency Management (TDEM) has expended approximately \$133 million in food distribution activities to address food and nutrition needs statewide in response to the pandemic, of which the state was required to cover 25% (approximately \$33 million). These CDBG funds will cover approximately \$21 million of that match requirement, based upon a review of the CDBG eligibility of the incurred costs.</p> <p>This activity will be accomplished through the execution of an Interagency Agreement between TDHCA and TDEM. Upon execution, funds can be paid. It is estimated that funds can be distributed to TDEM within approximately 3 months from the time the Plan is accepted by HUD.</p>
	Target Date	9/30/2022
	Estimate the number and type of families that will benefit from the proposed activities	Not applicable
	Location Description	Not applicable
	Planned Activities	FEMA match for Food distribution
30	Project Name	CDBG-CV Relief to Providers of Persons with Disabilities
	Target Area	State of Texas
	Goals Supported	Providers assisted
	Needs Addressed	Public Services
	Funding	CDBG-CV: \$5,000,000
	Description	These funds will be made available to housing providers of assistance to persons with disabilities (to be defined in subsequent documents but intended to include group homes) to allow those entities to receive reimbursement for a series of eligible COVID-related expenses (not having been paid or is available to be paid for by another pandemic-specific funding source).
	Target Date	9/30/2022
	Estimate the number and type of families that will benefit from the proposed activities	Unknown at this this time

	Location Description	Not applicable
	Planned Activities	Relief to Providers of Persons with Disabilities



Texas Department of Housing and Community Affairs

Amendments to the 2019 State of Texas Consolidated Plan One Year Action Plan

October 2020

The amendment reflects only those sections within which changes have been made. All other sections remain unchanged.

PR-05 Lead & Responsible Agencies - 91.300(b)

1. Agency/entity responsible for preparing/administering the Consolidated Plan

The following are the agencies/entities responsible for preparing the Consolidated Plan and those responsible for administration of each grant program and funding source.

Agency Role	Name	Department/Agency
CDBG Administrator		Texas Department of Agriculture
HOPWA Administrator		Texas Department of State Health Services
HOME Administrator	TEXAS	Texas Department of Housing and Community Affairs
HTF Administrator	TEXAS	Texas Department of Housing and Community Affairs
ESG and ESG-CV Administrator	TEXAS	Texas Department of Housing and Community Affairs
CDBG-CV Administrator	TEXAS	Texas Department of Housing and Community Affairs

Table 1 – Responsible Agencies

Narrative

TDHCA administers the ESG, ESG-CV, NHTF, CDBG-CV (Phase I) and the HOME Programs; TDA administers the CDBG Program; and DSHS administers the HOPWA Program. All of these programs, known collectively as CPD Programs, are covered in the 2019 OYAP. TDHCA coordinates development of the OYAP among itself, TDA, and DSHS.

Key Organizational Events

In 1991, the 72nd Texas Legislature created TDHCA. TDHCA's enabling legislation combined programs from the Texas Housing Agency, the Texas Department of Community Affairs, and the Community Development Block Grant Program from the Texas Department of Commerce. Effective September 1, 2002, in accordance with Senate Bill 322, the Manufactured Housing Division became an independent entity administratively attached to TDHCA.

At that time the CDBG Program was transferred from TDHCA to the newly-created Office of Rural Community Affairs, later called the Texas Department of Rural Affairs, and was then subsequently moved to TDA. As of October 1, 2011, the program is administered by TDA. Through an interagency agreement with TDA, TDHCA administers 2.5% of the CDBG funds which are designated for the Colonia Self Help Centers (SHCs) along the Texas-Mexico border.

DSHS, which administers HOPWA, is an agency of Texas Health and Human Services (HHS). In 2015, HHS began a reorganization to produce a more efficient, effective, and responsive system. In September of 2016, the first phase of that effort became operational, and a second phase occurred September 1, 2017. The goals of the transformation were to create a system that is easier to navigate for people who need information, benefits, or services; aligns with the HHS mission, business, and statutory responsibilities; breaks down operational silos to create greater program integration; creates clear lines of accountability within the organization; and develops clearly defined and objective performance metrics for all areas of the organization. Foremost as it relates to HOPWA, DSHS contract oversight and support functions have transferred to HHS. For more information about the HHSC transformation, visit <https://hhs.texas.gov/about-hhs/hhs-transformation>.

On March 12, 2016, TDHCA was designated by Governor Abbott as the state agency responsible for the administration of funds provided through the NHTF.

TDHCA, TDA, and DSHS administer their assigned CPD programs and services through a network of organizations across Texas and do not typically fund assistance to individuals directly. Depending on the program, organizations include units of local government, councils of governments, nonprofit organizations, for-profit organizations, Administrative Agencies (AA), Public Housing Authorities (PHAs), and Community Housing Development Organizations (CHDOs).

SP-35 Anticipated Resources - 91.315(a)(4), 91.320(c)(1,2)

Anticipated Resources (only added row shown)Program	Source of Funds	Uses of Funds	Expected Amount Available Year 1				Expected Amount Available Remainder of ConPlan \$	Narrative Description
			Annual Allocation: \$	Program Income: \$	Prior Year Resources: \$	Total: \$		
ESG CV – Other	Public-federal	Conversion and rehab for transitional housing						TDHCA's ESG funds are awarded via contract to Subrecipient agencies that provide emergency shelter, homelessness prevention, rapid rehousing, and Homeless Management Information Systems (HMIS) activities. HHSP is Texas state general revenue funding for the largest cities to provide flexibility to undertake activities that complement ESG activities. Note that not all ESG direct recipients in Texas are HHSP grantees. Use of funds also includes Administration. The EH Fund, projected to accrue approximately \$140,000 per year, provides funds to counties and municipalities to combat homelessness.
		Financial Assistance	33,254,679	0	0	33,254,679	33,254,679	
		Overnight shelter						
		Rapid re-housing (rental assistance)	97,792,616			97,792,616	97,792,616	
		Rental Assistance Services						
		Transitional housing						

Table 2 - Expected Resources – Priority Table

Executive Summary

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

4. Summary of Citizen Participation Process and consultation process

Summary from citizen participation section of plan.

The State is committed to reaching out to and engaging with the public in order to develop programmatic activities that are responsive to the various affordable housing needs of Texans. The State also solicits and receives input from governmental bodies, nonprofits, and community and faith-based groups. More information on the citizen participation, consultation, and public comment are included in the Consultation and Participation sections of the Plan.

The 2015-2019 Consolidated Plan (as adopted) substantial amendments, the OYAP, and the Consolidated Plan Annual Performance and Evaluation Report (CAPER) are available to the public online at <http://www.tdhca.state.tx.us> and materials are accessible to persons with disabilities, upon request.

The State recognizes that public participation and consultation are ongoing processes. During the development of the 2015-2019 Consolidated Plan, comprehensive outreach was conducted to gather input. This outreach continues through the development of each Annual Action Plan within the 5-year consolidated planning process. Following the release of HUD's Final Rule to Affirmatively Further Fair Housing (AFFH), the State updated the Citizen Participation Plan and Language Access Plan; those updated plans are now being used as the State develops an updated Analysis of Impediments to Fair Housing Choice (AI).

For the ESG-CV Phase I funding the State requested a waiver of the citizen participation process. However, TDHCA held a series of online consultation opportunities with COCs, current ESG Subrecipients, and other stakeholders to gather input on ESG-CV program design. While the substantial amendment was not formally released for public comment, the activities [for the ESG-CV allocation 1 in the amendment](#) were posted for the public to review and orally described at a TDHCA Board Meeting on April 23, 2020, with an opportunity for public comment. [The additional activities proposed in this amendment will be posted for a five-day public comment period.](#) ~~There was no public comment.~~

Expected Resources

AP-15 Expected Resources – 91.320(c)(1,2)

Introduction

CPD funding is governed by this Consolidated Plan, but the State also works to collaborate, coordinate, and layer non-CPD funding sources in order to reach more Texans and more efficiently use available funds. Programs listed in the anticipated resources narrative sections below could be used to leverage CPD funds.

These include:

4% Housing Tax Credit (HTC)/Private Activity Bond (PAB) Program, 9% HTC Program, Multifamily Direct Loan Program, Homeless and Housing Services Program (HHSP), State Ending Homelessness Fund (EH Fund), State Housing Trust Fund Program, Texas Mortgage Credit Certificate (TX MCC) Program, First time homebuyer loan programs, including the My First Texas Home Program, Neighborhood Stabilization Program - Program Income (NSP PI), Section 8 Housing Choice Voucher (HCV) Program, Section 811 Project Rental Assistance (Section 811 PRA) Program and Tax Credit Assistance Program Repayment Funds (TCAP RF).

The expected future funding amounts of the above programs, to the extent known, are in the planning documents governing those programs. These documents can be found online at <http://www.tdhca.state.tx.us/>. The anticipated resources below are focused on CPD Programs.

TDHCA participates in numerous committees, workgroups, and councils which help inform TDHCA of other potential resources to address affordable housing needs. Relationships with other federal and state agencies and local governments are extremely valuable, helping Texas agencies to coordinate housing and services to serve all Texans efficiently and effectively. TDHCA's committee involvement promotes identification and pursuit of federal funding opportunities. TDHCA actively seeks engagement and input from community advocates, funding recipients, potential applicants for funding, and others to obtain input regarding the development of effective policies, programs and rules. Changes to funding plans are made periodically based on feedback received through these avenues.

TDHCA is the lead agency for the following workgroups:

C-RAC: C-RAC is a committee of colonia residents appointed by the TDHCA Governing Board. It advises TDHCA regarding the needs of colonia residents and the types of programs and activities which should be undertaken by the Colonia SHCs. The Colonia SHCs funds are provided to seven pre-determined

counties.

Disability Advisory Workgroup (DAW): The DAW augments TDHCA's formal public comment process, affording staff the opportunity to interact more informally and in greater detail with various stakeholders and to get feedback on designing more successful programs, with a specific focus on gaining insight on issues impacting persons with disabilities.

Housing and Health Services Coordination Council (HHSCC): HHSCC is established by Tex. Gov't Code §2306.1091. Its duties include promoting coordination of efforts to offer Service-Enriched Housing and focusing on other cross-agency efforts.

Texas Interagency Council for the Homeless (TICH): The TICH was statutorily created in 1989 to coordinate the State's homeless resources and services. The TICH consists of representatives from nine state agencies. TDHCA, as the primary source for state homelessness funding, provides administrative and planning support to the TICH.

The descriptions of the collaborations for DSHS and TDA are in the Discussion question of this section below.

As noted in AP-05 the HUD Program Year (PY) used by the state of Texas' Community Planning and Development Programs (CPD) will be changing from a February – January cycle to a September – August cycle. The purpose of this change is to align with State Fiscal year reporting, and the recent timeframe of the Congressional Appropriations process. To accomplish this change, Texas lengthened its PY 2019 by even months, running from February 1, 2019, through August 31, 2020.

Anticipated Resources (only added row shown)

Program	Source of Funds	Uses of Funds	Expected Amount Available Year 1				Expected Amount Available Remainder of ConPlan \$	Narrative Description
			Annual Allocation: \$	Program Income: \$	Prior Year Resources: \$	Total: \$		
ESG CV – Other	Public-federal	Conversion and rehab for transitional housing Financial Assistance Overnight shelter Rapid re-housing (rental assistance) Rental Assistance Services Transitional housing	33,254,679 <u>97,792,616</u>	0	0	33,254,679 <u>97,792,616</u>	33,254,679 <u>97,792,616</u>	<p>TDHCA's ESG funds are awarded via contract to Subrecipient agencies that provide emergency shelter, homelessness prevention, rapid rehousing, and Homeless Management Information Systems (HMIS) activities.</p> <p>HHSP is Texas state general revenue funding for the largest cities to provide flexibility to undertake activities that complement ESG activities. Note that not all ESG direct recipients in Texas are HHSP grantees. Use of funds also includes Administration. The EH Fund, projected to accrue approximately \$140,000 per year, provides funds to counties and municipalities to combat homelessness.</p>

Table 3 - Expected Resources – Priority Table

Explain how federal funds will leverage those additional resources (private, state and local funds), including a description of how matching requirements will be satisfied

HOME

HOME multifamily development is often used to leverage with the HTC Program, which authorizes 9% low-income housing tax credits of \$2.70 per capita for each state, and 4% HTC in amounts linked to the usage of the state's cap for issuance of tax exempt PABs to finance affordable housing development. In Texas, this equates to approximately \$76,700,000 in 9% tax credits available to be awarded annually. These credits may be claimed each year for ten years and represents potential tax credit value on the magnitude of \$767,000,000. The credits are syndicated to limited partner investors to yield cash for use in eligible development activities. Currently typical syndication rates range between 88% and 92%. TDHCA's Qualified Allocation Plan (QAP) identifies the criteria used for selection of eligible developments to provide housing for low-income tenants. HOME provides increased leverage, allowing property owners to utilize fewer tax credits and less private debt and local funding, thus providing more efficient use of resources. Other leveraging sources may include United States Department of Agriculture (USDA) operating subsidies and loans, and conventional and FHA-insured loans. Match requirements for the HOME Multifamily Direct Loan Program will in part be met through Rules that establish awardees' minimum amount of match as 5% of the award amount. In addition to match provided as part of the developer's obligation, TCAP RF may be utilized as HOME match, and THDCA calculates to below market interest rates on eligible loans provided to the HOME development which is included in the match funds reported in the CAPER. TDHCA requires Subrecipients and state recipients to provide match of up to 15% of the project hard costs for some single family activities.

ESG

To meet the ESG match requirement, TDHCA includes the provision of evidence of proposed match as part of the ESG application process. TDHCA awards additional points to applicants that commit to provide match in excess of the requirements. Subrecipients that also administer HHSP funds or funds from the EH Fund may utilize those funds as match for ESG if they are otherwise eligible to be counted as match.

HOPWA

Texas HOPWA does not have program income but leverages funds whenever possible. Project Sponsors leverage available funds from Ryan White and State Services grants, private funding sources, foundations, and local assistance to help clients. AAs do not receive administrative funds from DSHS, so those costs are leveraged from other funding sources. Texas is not required to match the HOPWA formula award.

ESG-CV

ESG CV funds do not include a match requirement, but the funds are anticipated to be leveraged with funds from HHSP and the EH fund.

Due to IDIS character limits, CDBG and NHTF Leveraging is described in the question below.

Annual Goals and Objectives

AP-20 Annual Goals and Objectives – 91.320(c)(3)&(e)

Goals Summary Information *(only revised row shown)*

Sort Order	Goal Name	Start Year	End Year	Category	Geographic Area	Needs Addressed	Funding	Goal Outcome Indicator
1	Homeless Goals	2015	2019	Homeless	State of Texas	Emergency shelter and transitional housing Homelessness Prevention Rapid Re-housing	ESG: \$9,127,824 ESG-CV: \$33,254,679 <u>\$97,792,616</u>	Tenant-based rental assistance / Rapid Rehousing: 4,173 <u>5,835</u> Households Assisted Overnight/Emergency Shelter/Transitional Housing Beds added: 50,593 Beds Homelessness Prevention: 13,998 <u>33,932</u> Persons Assisted

Table 4 – Goals Summary

Goal Descriptions *(only revised row shown)*

1	Goal Name	Homeless Goals
	Goal Description	<p>Funds will be utilized to provide Administration, HMIS services, emergency shelter, rapid re-housing, homeless prevention and street outreach to eligible persons who are experiencing homelessness or at-risk of homelessness, as defined by the applicable program rule or act. Actual funding amounts will be determined based on applications for funding received, which are prioritized in part by the recommendation provided by the applicable CoC. The estimates for the funding amount per activity type and number of persons served are extrapolated from data collected over the prior three years, and reflect that the ESG CV funding is awarded specifically for Rapid Rehousing and Homeless Prevention which increases the amount of funding for those activities. Regardless of the CoC recommendations, TDHCA limits the amount of funding available for street outreach and emergency shelter to not more than 60% of the total ESG funding available for the regular allocation of 2019 ESG funds, but the ESG-CV funds are not limited by this cap and it will not be applied to this funding source. Likewise, funds for administration and HMIS are limited within the TDHCA allocation to ensure that the applicable regulatory or statutory caps for these expenditures are not exceeded.</p>

AP-35 Projects – (Optional)

Introduction:

Per the IDIS Desk Guide, Project-level detail is not required for a state grantee’s Annual Action Plan. Once a state grantee has allocated funding via its Method of Distribution, the state grantee will use the Projects sub-menu in IDIS Online to add its projects for the program year. However, in order for accomplishments to associate to the goals listed in the plan, projects must be entered in the Action Plan template. Although not typically required, Texas is amending the Action Plan to include the ~~entire~~ initial allocation of ESG-CV funding. This does require that the ESG funds programmed in this plan are included in the AP-35 as separate ESG projects as outlined in this section.

TDHCA will receive \$9,127,824 in ESG under the 2019 allocation, outlined as ESG19 Texas. TDHCA has been allocated an additional ~~\$33,254,679~~ \$97,792,616 in 2020 ESG funds under the CARES Act, outlined as ESG20 Texas for the purposes of this plan, and the use of these funds is further described below.

#	Project Name
1	ESG20 Texas

Table 5 – Project Information

Goal Outcome Indicator Info by allocation:

Goal	Goal Outcome Indicator	ESG20 Texas
1	Tenant-based rental assistance / Rapid Rehousing	3,255 <u>4,917</u>
1	Households Assisted Overnight/Emergency Shelter/Transitional Housing Beds added	39,461
1	Homelessness Prevention	10,918 <u>14,797</u>
	Total Persons Assisted	53,634 <u>73,373</u>

Description

TDHCA has programmed ~~will use total~~ ESG-CV allocations 1 & 2 to fund the following activities as needed by the State of Texas to prevent, prepare, and respond to COVID-19:

1. Rapid re-housing
2. Street outreach
3. Emergency shelter (including temporary emergency shelter)
4. Homelessness prevention
5. Homeless Management Information System (HMIS)

- [6. Administrative expenses](#)
- [7. Additional activities allowed by HUD policy, guidance and approved waivers.](#)

[TDHCA is programming all of ESG-CV allocation 2 to fund only the following activities as needed by the State of Texas to prevent, prepare, and respond to COVID-19:](#)

- [1. Rapid re-housing](#)
- [2. Homelessness prevention](#)
- [3. Homeless Management Information System \(HMIS\)](#)
- [4. Administrative expenses](#)

[In order to be responsive to the needs of the State of Texas in preparing, preventing, and responding to coronavirus and its impact on people at risk of and experiencing homelessness, TDHCA will routinely reevaluate our funding decisions throughout the period of performance. Consistent with the terms of all contracts, TDHCA intends to reprogram ESG-CV funding between selected activities or to include additional ESG-CV activities if/when necessary, based on infection control needs and response efforts related to preventing, preparing, and responding to COVID-19.](#)

[TDHCA has requested waivers to the following provisions from HUD:](#)

[Medium-Term Rental Assistance, Utility Payments, Service Costs \(24 CFR §576.105\(a\)\(5\), \(b\)\(2\), and \(c\), and 24 CFR §576.106\(a\)\)](#)

[Recordkeeping for Housing Standards \(24 CFR §576.500\(j\)\)](#)

[Local Government Approval for Emergency Shelter Activities \(24 CFR §576.202\(a\)\)](#)

[ESG Projects Must Utilize Centralized or Coordinated Assessment Established by the CoC \(24 CFR §576.400\(d\)\)](#)

[ESG Projects Must Utilize the HMIS or Comparable Database \(24 CFR §576.400\(f\)\)](#)

[While TDHCA had previously requested waivers to allow for the direct administration of ESG-CV funds, and this authority was granted through CPD Notice 20-08, the State does not plan on direct administering the program, but instead plans on subawarding ESG-CV funds to eligible entity types \(Unit of Local Government, Private Nonprofit, and Public Housing Authority\), ~~including those entities identified in the ESGCV Notice~~, through a letter of interest or a competition; however, the State may administer rapid rehousing and homeless prevention directly if adequate geographic dispersion of assistance through rapid rehousing/homeless prevention is not obtained through partnership with subrecipients. In this event, the plan will be amended to include written standards implemented by TDHCA.](#)

Currently, TDHCA plans on funding the activities identified above; however, TDHCA may reprogram funding to newly allowed activities included in CPD Notice 20-08 if the need evidences itself and ESG-CV funding in other activity types is not being timely expended.

ESG does not have funding allocation priorities for special needs populations. ~~The ESG20 Texas project outlined in the Action Plan includes funds allocated to TDHCA through the first allocation under the CARES Act. A portion of the funds will be utilized by TDHCA for administration, and the remainder will be distributed to entities providing street outreach, emergency shelter, rapid rehousing, and homeless prevention to eligible households, in addition to funding eligible HMIS activities. Funds may be set aside for the provision of legal services allowable under the ESG regulations, as the need for legal services to obtain or maintain housing is anticipated to exceed regularly occurring expenses due to the pandemic. TDHCA will contract these funds to private nonprofit organizations, cities, and counties in the State of Texas to provide the services necessary to help persons who are experiencing or at risk of homelessness quickly regain stability in permanent housing, with particular emphasis of mitigating the impacts of COVID-19.~~ A portion of the funding is allocated to each CoC based on an allocation formula that includes population and other data as described in the State ESG rules. Award authority for all ESG funds remains with TDHCA's Board, and TDHCA contracts directly with all subrecipients regardless of method of application. TDHCA retains the right to adjust awards in relation to the amount of funding received. Threshold requirements for receipt of an award include current status of required single audits and submission of an audit certification form; information necessary to conduct a previous participation review, and documentation sufficient to determine that the subrecipient has adequate capacity to administer the ESG funds. ~~TDHCA has elected to subgrant the first allocation of ESG20 funds through a process that is not competitive, but builds on existing networks and organizational capacity. ESG20 funds may be used for six program components: street outreach, emergency shelter, homelessness prevention, rapid re-housing assistance, HMIS or HMIS-comparable database, and administrative activities. In order to expedite response, a portion of the ESG20 funds will be allocated to existing subrecipients of ESG19, and a portion will be made available to each CoC region based a regional allocation formula. A CoC lead agency may elect to select the subrecipients of ESG20 funding based on the needs and priorities of the CoC in responding to COVID-19, and TDHCA will review their selections and, if the entity is an eligible subrecipient, contract directly with the selected entity. ESG20 funds that are not distributed in either of these manners may be selected by TDHCA to provide one or more of the six eligible components, and TDHCA may either subgrant or procure providers as it deems necessary to facilitate a rapid response. The expected outcome is that funds will be awarded to organizations that have the administrative and performance capacity to provide the services needed in their communities, with a broad distribution of funding to reach as many areas of the state with quality services as possible. The expected outcome of TDHCA's plan to allow local selection is that the same will be accomplished, but with CoC-wide planning rather than with only State planning. As with the ESG19 project, eligible applicant organizations are Units of General Purpose Local Government, including cities, counties and metropolitan cities; urban counties that receive ESG funds directly from HUD; and a consolidation of units of general purpose local governments, like a Council of Governments. Other instrumentalities of a city or county, like a Local Mental Health Authority, may be eligible and should seek guidance determine~~

~~if they may apply. Governmental organizations such as Public Housing Authorities (PHAs) and housing finance agencies are not eligible.~~ Actions to meeting underserved needs are found in Action Plan Section 85.

CDBG-DR allocation priorities can be found in the CDBG-DR Action Plans at:

<http://recovery.texas.gov/action-plans/index.html>

AP-50 Geographic Distribution – 91.320(f)

Description of the geographic areas of the state (including areas of low-income and minority concentration) where assistance will be directed

HOME/NHTF Addresses Geographic Areas for Assistance

TDHCA does not provide priorities for allocation of investment geographically to areas of minority concentration; however, the geographic distribution of HOME/NHTF funds to minority populations is analyzed annually. TDHCA is statutorily required by the Texas Government Code to provide a comprehensive statement of its activities through the State of Texas Low Income Housing Plan and Annual Report. Part of this document describes the ethnic and racial composition of families and individuals receiving assistance from each housing program.

HOME/NHTF funds used for multifamily development are typically paired with tax-exempt bond and/or HTC. TDHCA rules that govern the HTC Program include incentives for developments utilizing the competitive 9% HTC in high opportunity areas, which are defined as high-income and low-poverty areas, and are not typically minority-concentrated except in majority-minority areas of the state. It also provides competitive incentive to develop in colonias or economically distressed areas. Developments using tax-exempt bond financing and 4% HTCs are more frequently located in qualified census tracts due to federal guidelines that cause these to be more financially viable.

ESG Addresses Geographic Areas for Assistance

Assistance provided by ESG funds will be directed statewide, according to the 11 HUD-designated CoC regions. TDHCA does not provide priorities for allocating investment geographically to areas of minority concentration as described in 24 CFR §91.320(f).

HOPWA Addresses Geographic Areas for Assistance

The Texas HOPWA funding allocations are geographically distributed according to the 26 HIV HSDAs. Allocations are based on several factors, including past performance of Project Sponsors and unmet need, with the majority of Texas HOPWA clients (90% in 2017) classified as extremely low and very low income. Allocations generally mirror the Ryan White Program allocation formula, which takes into account population of PLWH, HIV incidence, number of PLWH accessing Ryan White services, percent of PLWH eligible for Medicaid, and other considerations. The allocations are then adjusted based on unmet need, prior performance and expenditures, geographic-specific data provided by Project Sponsors, and any other relevant factors. Many of these individuals reside in areas of minority concentration and a disproportionate number of PLWH are racial and ethnic minorities, so the program allocates funding to

meet the needs of PLWH in Texas.

CDBG Addresses Geographic Areas for Assistance

TDA does not provide priorities for allocation of funds geographically to areas of minority concentration as described in Section 91.320(f). CDBG funds are allocated across the state in three ways.

1. The CD Fund assigns a percentage of the annual allocation to each of the 24 Regional COGs, ensuring that each region of the state receives a portion of the funds.

2. The Colonia Fund directs funding to communities within 150 miles of the Texas-Mexico border. All remaining funds are distributed through state-wide competitions without geographic priorities.

3. Colonia SHCs are established along the Texas-Mexico border in Cameron/Willacy, Hidalgo, Starr, Webb, Maverick, Val Verde, and El Paso counties. The Colonia SHC Program serves approximately 35 colonias in seven border counties, which are comprised of primarily Hispanic households and have concentrations of very low-income households.

NHTF Geographic Priorities description is added to Discussion section text below.

Geographic Distribution

Target Area	Percentage of Funds
State of Texas	100

Table 6 - Geographic Distribution

Rationale for the priorities for allocating investments geographically

HOME Addresses Geographic Investments

HOME funds are allocated geographically using a regional allocation formula (RAF), as described in Strategic Plan Section 10. This process directs funds to areas of the State that demonstrate high need. At least 95% of TDHCA-administered HOME funds are used in areas that are not Participating Jurisdictions (PJs) per statute. This results in more HOME funds in smaller communities than in larger Metropolitan Statistical Areas (MSAs) that receive HOME funds directly from HUD. The current RAF is online at <http://www.tdhca.state.tx.us/housing-center/pubs-plans.htm>.

ESG Addresses Geographic Investments

ESG allocates the majority of ESG and ESG-CV funds to each CoC region based on an allocation formula. This formula includes factors such as homeless population, people living in poverty, cost

burden of renters, point in time counts and ESG funds available from federal and state sources.

HOPWA Addresses Geographic Investments

At the end of 2016, there were 86,669 people living with HIV in Texas. The number of Texans living with HIV increases each year and in order to meet the needs of low-income PLWH in Texas, many of whom live in areas of minority concentration, the HOPWA funding allocations are geographically distributed across the State and are allocated based on several factors, including unmet need.

Six cities in Texas have a population of over 500,000 (Austin, Dallas, Fort Worth, El Paso, Houston, and San Antonio) in MSAs funded directly from HUD for HOPWA. The Texas HOPWA program can operate in any area of the State, but mostly serves counties not covered under the MSAs' jurisdictions, with some overlap of counties between the State and the MSAs. As a result, Texas HOPWA covers all of the rural areas of the State, where many low-income HOPWA clients reside, and funding prioritization is based on areas with greater unmet need for PLWH.

CDBG Addresses Geographic Investments

Texas CDBG Funds for projects under the CD Fund are allocated by formula to 24 regions based on the methodology that HUD uses to allocate CDBG funds to the non-entitlement state programs (21.71% of annual allocation), along with a state formula based on poverty and unemployment (40% of annual allocation). 12.5% of the annual allocation is allocated to projects under the Colonia Fund categories, which must be expended within 150 miles of the Texas-Mexico border.

For the Colonia SHCs, state legislative mandate designates five centers along the Texas-Mexico border in Cameron/Willacy, Hidalgo, Starr, Webb, and El Paso counties to address the long history of poverty and lack of institutional resources. In 2001, TDHCA added two additional Colonia SHCs in Maverick and Val Verde counties. These seven counties collectively have approximately 40,180 colonia residents who may qualify to access center services.

NHTF Geographic Investments description is added to Discussion section text below.

Discussion

Many of the Target Areas available in the Integrated Disbursement and Information System (IDIS), HUD's electronic system in which this Plan has been entered, were too detailed for use at the macro-level; therefore, the State entered the "State of Texas" as a Target Area in Strategic Plan Section 10. Within Texas, each program relies on a formula to distribute funds geographically.

NHTF Geographic Priorities

The Texas NHTF will distribute NHTF funds through a competitive NOFA process. The funds will initially

be available geographically, based on the proportion of Extremely Low Income Renter households to the total population of Renter Households in each of thirteen State Service Regions. A minimum will be calculated for each region as a ratio of the available allocation divided by thirteen, and available competitively within each region prior to collapse into a statewide competition.

NHTF Addresses Geographic Investments

NHTF funds are allocated geographically using a Regional Allocation Formula, as described in Strategic Plan Section 10. Acknowledging that all regions of the State have a need to create housing for ELI households, the formula provides opportunity for access to NHTF. This process directs funds to areas of the State that demonstrate high need.