

# BOARD MEETING OF DECEMBER 17, 2010

**C. Kent Conine, Chair**



Gloria Ray, Vice-Chair  
Leslie Bingham Escareño, Member  
Tom Gann, Member  
Lowell Keig, Member  
Juan Muñoz, Member

***MISSION***

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

***TO HELP TEXANS ACHIEVE AN IMPROVED QUALITY  
OF LIFE THROUGH THE DEVELOPMENT OF BETTER  
COMMUNITIES***

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

**A G E N D A**

**10:30 am  
December 17, 2010  
Capitol Extension, Room E1.016  
Austin, TX**

**CALL TO ORDER, ROLL CALL  
CERTIFICATION OF QUORUM**

Kent Conine, Chairman

**PUBLIC COMMENT**

The Board will solicit Public Comment at the beginning of the meeting and will also provide for Public Comment on each agenda item after the presentation made by the department staff and motions made by the Board.

Updated Ethics Training for Board

**CONSENT AGENDA**

Items on the Consent Agenda may be removed at the request of any Board member and considered at another appropriate time on this agenda. Placement on the Consent Agenda does not limit the possibility of any presentation, discussion or approval at this meeting. Under no circumstances does the Consent Agenda alter any requirements under Chapter 551 of the Texas Government Code, Texas Open Meetings Act.

**Item 1: Approval of the following items presented in the Board materials:**

***Executive***

- a) Presentation, Discussion, and Approval of November 10, 2010, Board Minutes

Brooke Boston  
Board Secretary

***Texas Homeownership***

- b) Presentation, Discussion and Possible Action to submit an application to NeighborWorks America for the National Foreclosure Mitigation Counseling (NFMC) Program – Round 5

Eric Pike  
Dir. Texas  
Homeownership

***Multifamily Division Items - Housing Tax Credit Program***

- c) Presentation, Discussion, and Possible Action regarding of Housing Tax Credit Amendments

Robbye Meyer  
Dir. Multifamily

10198	Pinnacle at North Chase	Tyler
07096	Moore Grocery Lofts	Tyler
07192	Historic Lofts of Waco High	Waco
060202	Beaumont Downtown Lofts	Beaumont

- d) Presentation, Discussion, and Possible Approval of Housing Tax Credit and Exchange Program Extensions

060074	Amarillo Gardens Apartments	Amarillo
07149	Residences at Eastland	Ft. Worth
07621	Residences at Onion Creek	Austin
09000	Courtwood Apartments	Eagle Lake
09001	Hillwood Apartments	Weimer
09165	Cherrywood Apartments	West
09314	Taylor Farms	Dallas
09913	Villas on Raiford	Carrollton
10003	Champion Homes at Marina Landing	Galveston
10178	Cypress Creek at Fayridqe	Houston
10143	Oak Creek Townhomes	Marble Falls

***Multifamily Division Items – Private Activity Bond Program:***

- e) Presentation, Discussion, and Possible Action for the Inducement Resolution Declaring Intent to Issue Multifamily Housing Mortgage Revenue Bonds for Developments Throughout the State of Texas and

Robbye Meyer  
Dir. Multifamily

Authorizing the Filing of Related Applications for the Allocation of Private Activity Bonds with the Texas Bond Review Board for Program Year 2011, Resolution No. 11-014

11600 Chatham Green Arlington

- f) Presentation, Discussion, and Possible Action on the Release and Termination Agreement for Multifamily Housing Revenue Bonds Sphinx at Delafield Series 2004, Resolution No. 11-016

**HOME**

Jeannie Arellano  
Dir. HOME

- g) Presentation, Discussion, and Possible Action to Ratify HOME Program Reservation System Participants approved by the Executive Director
- h) Presentation, Discussion, and Possible Action on HOME Program Multifamily Development Award Recommendations

10040 Ashton Senior Village Schertz  
10262 Las Brisas Manor Del Rio

- i) Presentation, Discussion and Possible Action to Approve for publication in the *Texas Register* final order adopting amendments to the HOME Program Rule, 10 Texas Administrative Code Chapter 53, Subchapters B, C, D, and H

**Office of Colonia Initiatives**

Homero Cabello  
Dir. HTF/OCI

- j) Presentation, Discussion, and Possible Action on the appointment of new Colonia Residents Advisory Committee (C-RAC) members for Val Verde County

**Program Services**

Tom Gouris  
DED Housing Programs

- k) Presentation, Discussion, and Possible Action on Department policy on "HUD Section 3" (to comply with 24 CFR 135)

**Housing Resource Center**

Brooke Boston  
DED Community Based

- l) Presentation, Discussion and Possible Approval to publish for public comment the draft 2011 State of Texas Low Income Housing Plan and Annual Report

**Community Affairs**

Michael DeYoung  
Dir. CA

- m) Presentation, Discussion, and Possible Action to rescind Resolution No. 11-006 and adopt new Resolution No. 11-015 to reflect changes to the 2011 Section 8 Payment Standards for Housing Choice Vouchers in Denton and Ellis Counties

**ACTION ITEMS**

**Item 2: ARRA Accountability and Oversight:**

Brooke Boston  
DED Community Based Programs

- a) Status Report on the Implementation of the American Recovery and Reinvestment Act of 2009 (Recovery Act)

**Item 3: Appeals:**

Robbye Meyer  
Dir. Multifamily

- a) Presentation, Discussion, and Possible Action on Multifamily Program Appeals:

08184 Washington Lofts  
10290 Magnolia Place Apartments

Appeals Timely Filed

- b) Presentation, Discussion, and Possible Action on Tax Credit Assistance Program Appeals:

Tom Gouris  
DED Housing Programs

Appeals Filed Timely

- c) Presentation, Discussion, and Possible Action on HOME Program Appeals:

Tom Gouris  
DED Housing Programs

Appeals Filed Timely

- d) Presentation, Discussion, and Possible Action on Underwriting Appeals:

Brent Stewart  
Director, REA

Appeals Filed Timely

**Item 4: Multifamily Division Items - Housing Tax Credit Program**

## a) Presentation, Discussion and Ratification of the Issuance of Awards from the 2010 Competitive Housing Tax Credit Waiting List of Applications

10009	Creekside Village	Rowlett	
10018	Granbury Seniors	Granbury	
10023	Burkburnett Pioneer Crossing for Seniors	Burkburnett	
10024	Canutillo Palms	El Paso	FWD
10027	The Huntington at Greenville	Allen	
10033	Sulphur Springs Pioneer Crossing for Seniors	Sulphur Springs	FWD
10039	Paris Retirement Village II	Paris	
10040	Ashton Senior Village	Schertz	FWD
10044	Wynnewood Seniors Housing	Dallas	FWD
10045	North Court Villas	Frisco	FWD
10050	West Park Senior Housing	Corsicana	
10059	Westway Place	Corsicana	
10062	Willow Bay Apts	Fort Worth	
10075	Vermillion Park	Mesquite	
10076	Darson Marie Terrace	San Antonio	
10080	Rolling Meadows	Kemah	
10089	Silver Spring at Chapel Hill	Fort Worth	
10090	Silver Spring at Forney	Forney	FWD
10092	Silver Spring Grand Heritage	Lavon	
10093	Greenhaus at East Side Apts	Dallas	
10096	The Orchard at Westchase	Houston	
10101	Lafayette Park Apts	Houston	
10108	Griffith Road Apts	Abilene	
10113	Promenade at Mercer Crossing	Farmers Branch	
10114	The Terrace at Haven for Hope	San Antonio	FWD
10117	Terrell Homes I	Fort Worth	FWD
10118	San Juan Square III	San Antonio	
10120	Montabella Senior	San Antonio	
10121	Mesquite Place	Pearsall	
10128	Ventana Pointe	Houston	
10132	Seaside Manor	Ingleside	
10134	Champion Homes at Copperridge	Dallas	
10135	Champion Homes at Canyon Creek	Brownsville	FWD
10137	Evergreen at Wylie	Wylie	
10151	Sunflower Estates	La Feria	FWD
10152	Shady Oaks	Austin	FWD
10158	Sedona Ranch	Fort Worth	FWD
10160	Creekside Place	New Braunfels	
10162	Promontory Pointe	Austin	
10183	Cypress Creek at Four Seasons Farm	Kyle	
10184	Cypress Creek at Veterans Memorial	Houston	
10186	Mariposa at Calder Drive	League City	
10200	Hillside West Seniors	Dallas	FWD
10202	Brae Estates	Fort Worth	
10221	Residences at Rowlett Creek	Garland	
10223	Sunset Terrace Senior Village	Pharr	
10225	North MacGregor Arms	Houston	
10228	Wintersprings Apts	Humble	
10229	Hannover Park	Spring	
10232	Evergreen Residences-3800 Willow	Dallas	FWD
10233	Kleberg Commons	Dallas	
10235	Villas of Giddings	Giddings	
10241	Timberland Trails Apts	Lufkin	
10250	Willow Meadow Place Apts	Houston	
10257	The Colony at Lake Granbury	Granbury	
10274	Grand Manor Apts	Tyler	
10290	Magnolia Place Apts	Houston	

## b) Presentation and Discussion of the Status of Applications Awarded Housing Tax Credit Exchange Funds and Ratification for the following Exchange Awards

09370	Riverplace Apartments	Hooks
09366	Guadalupe Crossing	Comfort

**Item 5: Bond Finance:**

Tim Nelson  
Dir. Bond Finance

- a) Report of TDHCA Financial Advisor
- b) Presentation, Discussion and Possible Action on Resolution No. 11-013 authorizing application to the Texas Bond Review Board for reservation of the 2010 single family private activity bond authority carryforward from the Unencumbered State Ceiling
- c) Presentation, Discussion and Possible Action on Resolution 11-009 authorizing the issuance of Residential Mortgage Revenue Bonds, Series 2011A and conversion of first tranche of 2009C (Program 77)
- d) Presentation, Discussion and Possible Action on Resolution No. 11-010 authorizing the sale of mortgage certificates and redemption of bonds from Residential Mortgage Revenue Bonds Series 1998AB and 1999A and sale of mortgage certificates from Residential Mortgage Revenue Bonds Series 2000BCD
- e) Presentation, Discussion and Possible Action on Resolution No. 11-011 authorizing the sale of mortgage certificates and redemption of bonds from Residential Mortgage Revenue Bonds Series 2001ABC and sale of mortgage certificates from Residential Mortgage Revenue Bonds Series 2000BCD
- f) Presentation, Discussion and Possible Action on Resolution No. 11-012 authorizing the extension of the Department's warehouse agreement

**Item 6: Community Affairs**

Michael DeYoung  
Dir. CA

- a) Presentation, Discussion and Possible Action on the Program Year 2011 Comprehensive Energy Assistance Program (CEAP) annual allocation recommendations
- b) Presentation, Discussion and Possible Action on the Program Year 2011 Community Services Block Grant (CSBG) annual allocation recommendations
- c) Presentation, Discussion and Possible Action on the Program Year 2011 Community Services Block Grant (CSBG) Discretionary Notice of Funding Availability (NOFA)
- d) Presentation, Discussion, and Possible Action to Ratify the award made by the Executive Director to Community Action Corporation of South Texas of the CSBG, ARRA WAP, DOE WAP, LIHEAP WAP and CEAP programs for Duval County, the service area formerly served by Institute of Rural Development

**Item 7: Disaster Recovery**

Sara Newsom  
DED, Emergency  
Housing & Disaster  
Recovery

- a) Presentation, Discussion, and Possible Action regarding Request for Amendments to CDBG Disaster Recovery housing contracts administered by TDHCA for CDBG Hurricane Ike/Dolly Round I Funding

70090001	City of Houston	Houston
70090003	Harris County	Houston

- b) Presentation, Discussion, and Possible Action regarding Disaster Recovery Housing Program Guidelines
- c) Presentation, Discussion, and Possible Action regarding Application Awards for Round II Phase I

10-001	Lower Rio Grande Valley Development Council (LRGVDC)
10-003	Harris County
10-004	Montgomery County
10-006	Deep East Texas Council of Governments (DETCOG)
10-007	City of Houston
10-008	Houston-Galveston Area Council (HGAC)
10-009	City of Galveston

- d) Presentation, Discussion and Possible Action to increase interest rate for Marina Landing

### Item 8: Compliance and Asset Oversight

- a) Presentation, Discussion, and Possible Approval of an agreed order for the debarment of David Starr

Patricia Murphy  
Chief, Compliance and  
Asset Oversight

### REPORT ITEMS

Kent Conine, Chairman

1. TDHCA Outreach Activities, November 2010
2. Disaster Recovery Division's Status Report on CDBG and FEMA AHPP Contracts Administered by TDHCA, including update on Ike/Dolly Round II
3. Report on the Natural Disaster Housing Reconstruction Plan of the Natural Disaster Housing Reconstruction Advisory Committee

Sara Newsom  
DED, Emergency  
Housing & Disaster  
Recovery

### EXECUTIVE SESSION

The Board may go into Executive Session (close its meeting to the public):

Kent Conine, Chairman

1. The Board may go into Executive Session Pursuant to Texas Government Code §551.074 for the purposes of discussing personnel matters including to deliberate the appointment, employment, evaluation, reassignment, duties, discipline, or dismissal of a public officer or employee;
2. Pursuant to Tex. Gov't. Code, §551.071(1) to seek the advice of its attorney about pending or contemplated litigation or a settlement offer, including:
  - a) *The Inclusive Communities Project, Inc. v. Texas Department of Housing and Community Affairs, et al filed in federal district court, Northern District of Texas*
  - b) *Caroline Miller, et al. vs. State of Texas, et al, filed in District Court for Travis County*
  - c) *Claim of Gladys House filed with the EEOC;*
3. Pursuant to Tex. Gov't. Code, §551.071(2) for the purpose of seeking the advice of its attorney about a matter in which the duty of the attorney to the governmental body under the Texas Disciplinary Rules of Professional Conduct of the State Bar of Texas clearly conflicts with this Tex. Gov't. Code, Chapter 551; or
4. Pursuant to Tex. Gov't. Code, §551.072 to deliberate the possible purchase, sale, exchange, or lease of real estate because it would have a material detrimental effect on the Department's ability to negotiate with a third person.

### OPEN SESSION

If there is an Executive Session, the Board will reconvene in Open Session. Except as specifically authorized by applicable law, the Board may not take any actions in Executive Session

Kent Conine, Chairman

### ADJOURN

To access this agenda & details on each agenda item in the board book, please visit our website at [www.tdhca.state.tx.us](http://www.tdhca.state.tx.us) or contact Nidia Hiroms, 512-475-3934; TDHCA, 221 East 11<sup>th</sup> Street, Austin, Texas 78701, and request the information. Individuals who require auxiliary aids, services or sign language interpreters for this meeting should contact Gina Esteves, ADA Responsible Employee, at 512-475-3943 or Relay Texas at 1-800-735-2989 at least two days before the meeting so that appropriate arrangements can be made. Non-English speaking individuals who require interpreters for this meeting should contact Nidia Hiroms, 512-475-3934 at least three days before the meeting so that appropriate arrangements can be made.

Personas que hablan español y requieren un intérprete, favor de llamar a Jorge Reyes al siguiente número (512) 475-4577 por lo menos tres días antes de la junta para hacer los preparativos apropiados.

**BOARD SECRETARY**  
**BOARD ACTION REQUEST**  
**NOVEMBER 10, 2010**

Presentation, Discussion, and Possible Action regarding Board Minute Summary for November 10, 2010

**Recommended Action**

Approve Board Meeting Minute Summary for November 10, 2010.

**RESOLVED**, that the Board Meeting Minute Summary for November 10, 2010, as having been specifically approved, is hereby approved as presented.



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

**November 10, 2010; 9:00 a.m.  
Capitol Extension, Room E1.028  
Austin, TX**

**SUMMARY OF MINUTES**

**CALL TO ORDER, ROLL CALL, CERTIFICATION OF QUORUM**

The Board Meeting of the Texas Department of Housing and Community Affairs of September 9, 2010 was called to order by Chair, Kent Conine, at 9:10 a.m. It was held at the Capitol Extension, Room E1.028, Austin, Texas. Roll call certified a quorum was present.

**Members Present:**

Kent Conine, Chair  
Gloria Ray, Vice Chair  
Leslie Bingham-Escareño, Member  
Tom H. Gann, Member  
Lowell Keig, Member  
Juan Muñoz, Member

**PUBLIC COMMENT**

The Board will solicit Public Comment at the beginning of the meeting and will also provide for Public Comment on each agenda item after the presentation made by the department staff and motions made by the Board.

Krista Gebbia, Executive Director of Preservation Texas, provided testimony in support of Adaptive Reuse of downtown historic buildings and to adopt changes to the 2011 qualified allocation plan that encourages the rehabilitation and reuse of historic buildings.

Brian Dennison, provided testimony on behalf of Ft. Worth Housing Authority to request consideration for the change in the 2011 QAP that would allow development in central business districts to have a bedroom mix that will reflect the current market in housing.

Hollis Fitch, provided testimony in support of the Washington Hotel Lofts in Greenville, TX and requested consideration for waiving the penalty points for this project at the next board meeting.

Shannon Wasielewski, the historic preservation officer for the city of San Antonio, provided testimony in support of the changes to the 2011 QAP requested by Mr. Fairbanks and Ms. Rickenbacker that would encourage historic preservation and facilitate the adaptive reuse of older and historic buildings in our urban core and turn them into vibrant affordable and mixed income residential options.

Michael Willard, president and CEO of Austin Habitat for Humanity, presented a plaque to the Board for recognition of the partnership with Austin Habitat and the Department.

**CONSENT AGENDA**

Items on the Consent Agenda may be removed at the request of any Board member and considered at another appropriate time on this agenda. Placement on the Consent Agenda does not limit the possibility of any presentation, discussion or approval at this meeting. Under no circumstances does the Consent Agenda alter any requirements under Chapter 551 of the Texas Government Code, Texas Open Meetings Act.

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

*Executive*

- a) Presentation, Discussion, and Possible Action regarding Board Minute Summary for September 9, 2010 and ratification of Items 6(b) (Harris County Contracts) and 6(d) (Program Guidelines) which were not reflected in the September 9, 2010, transcript as having been specifically approved

*Audit*

- b) Report of the Audit Committee Meeting

- c) Presentation, Discussion, and Possible Action on the proposed 2011 Internal Audit Plan

**Legal**

- d) Presentation, Discussion, and Possible Action on the Agreed Final Order with respect to Arbor Oaks Apartments  
**Pulled from Consent Agenda for further discussion.**  
**Motion by Mr. Keig to approve staff recommendation; seconded by Mr. Gann; passed unanimously.**

**Financial Administration**

- e) Presentation and Discussion of the 4th Quarter Investment Report

**Bond Finance**

- f) Presentation, Discussion and Possible Action on Resolution 11-007 approving the First Amendment to the Thirtieth Supplemental Residential Mortgage Revenue Bond Trust Indenture which includes modifications to the New Issue Bond Program

**Multifamily Division Items - Housing Tax Credit Program**

- g) Presentation, Discussion, and Possible Action regarding Housing Tax Credit and Exchange Program Extensions

04408	Hickory Manor Apartments	DeSoto
04488	Mission del Rio	San Antonio
04463	Lakeside Manor Apartments	Little Elm
04612	Willow Bend Apartments	San Antonio
05610	Prairie Ranch Apartments	Grand Prairie
060206	Mesquite Terrace	Mabank
07166/08929	Jermemiah Seniors	Hurst

- h) Presentation, Discussion, and Possible Action regarding of Housing Tax Credit Amendments

09721	Four Seasons	Fort Worth
10061	Magnolia Trails	Magnolia

- i) Presentation, Discussion, and Possible Action regarding Approval for a Memorandum of Understanding between TDHCA and the Texas Bond Review Board

**HOME**

- j) Presentation and Discussion of current HOME Program Fund Balance Report and Possible Action for the Programming of Available Funds for Pilot Programs for Direct Administration  
**Pulled from the Consent Agenda for further discussion.**  
**Motion by Ms. Ray to approve staff recommendation; seconded by Dr. Muñoz; passed unanimously.**

- k) Presentation, Discussion, and Possible Action to Ratify HOME Program Reservation System Participants approved by the Executive Director

- l) Presentation, Discussion, and Possible Action on HOME Program Multifamily Development Award Recommendations

2010-10033	Sulphur Springs Pioneer Crossing for Seniors	Sulphur
2010-10151	Sunflower Estates	La Feria

**Office of Colonia Initiatives**

- m) Presentation, Discussion, and Possible Action of the Use of Available Additional Texas Bootstrap Loan Program Funds from Housing Trust Fund

**Housing Resource Center**

- n) Presentation, Discussion, and Possible Action regarding the 2011 Regional Allocation Formula Methodology
- o) Presentation, Discussion, and Possible Action regarding the 2011 Affordable Housing Needs Score Methodology
- p) Presentation, Discussion, and Possible Action regarding the 2011 State of Texas Consolidated Plan: One-Year Action Plan

**Community Affairs**

- q) Presentation, Discussion, and Possible Action on the FY 2011 Emergency Solutions Grants Program (ESGP) Notice of Funding Availability (NOFA)
- r) Presentation, Discussion and Possible Action on the release of a Request for Applications for provision of Services for the Community Services Block Grant (CSBG) in Mitchell, Shackelford, Stephens, and Taylor Counties
- s) Presentation, Discussion, and Possible Action to Allow for Contract Amendments for awarded Pilot Program for the Homelessness Prevention and Rapid Re-Housing Program (HPRP)
- t) Presentation, Discussion, and Possible Action of the 2011 Section 8 Payments Standards for Housing Choice Vouchers, Resolution No. 11-006
- u) Presentation, Discussion, and Possible Action to Ratify the award made by the Executive Director to Rolling Plains Management Corporation of the ARRA WAP, DOE WAP, LIHEAP WAP and CEAP programs for the service area

formerly served by CAP Inc.

- v) Presentation, Discussion, and Possible Action on the release of a Request for Applications for provision of Services for the Comprehensive Energy Assistance Program (CEAP) in Tom Green County
- w) Presentation, Discussion, and Possible Action on the authority for the Executive Director to release a NOFA for CSBG State Discretionary Funds, to fund Innovative Programs created by Community Action Agencies under CSBG ARRA

**Motion by Ms. Ray to approve Consent Agenda with the exception of Agenda Items (d) and (j); seconded by Ms. Bingham-Escareño; passed unanimously.**

## ACTION ITEMS

### AGENDA ITEM 2: ARRA ACCOUNTABILITY AND OVERSIGHT:

- a) Status Report on the Implementation of the American Recovery and Reinvestment Act of 2009 (Recovery Act)  
**Brooke Boston provided report. No action taken.**

### AGENDA ITEM 3: APPEALS:

- a) Presentation, Discussion, and Possible Action on Multifamily Program Appeals:  
10115 Tuscany Place Kingwood  
Robert Voelker, provided testimony in support of the appeal request.  
Barry Palmer, with Coats, Rose, provided testimony in support of the appeal request.  
Robert Lopez, representing TDA201, the co-developer of the Tuscany Place, provided testimony in support of the appeal request.  
Jim Noteware, Director of the City of Houston's Housing Community Development, provided testimony in opposition to the appeal request.

## EXECUTIVE SESSION

At 10:17 p.m. Mr. Conine convened the Executive Session.

## OPEN SESSION

At 10:43 a.m. Mr. Conine reconvened the Open Session and announced that no action had been taken during the Executive Session.

**Motion by Ms. Bingham-Escareño to deny Tuscany Place appeal, Agenda Item 3a); seconded by Mr. Gann; passed unanimously.**

- b) Presentation, Discussion, and Possible Action on Tax Credit Assistance Program Appeals:  
09750 Residences at Weatherford Weatherford  
Cynthia Bast, Locke, Lord, Bissell & Liddell, provided testimony in support of the appeal request.  
Chad Daffer, fund manager at America First Tax Exempt Investors, provided testimony in support of the appeal request.  
Jim Funderburt, CJB Construction, provided testimony in support of the appeal request.  
Granger MacDonald provided testimony against the appeal request.

**Motion by Ms. Ray to approve appeal; seconded by Dr. Muñoz, and Ms. Bingham-Escareño; with Mr. Keig, Mr. Conine, and Mr. Gann voting no, the motion failed. After further discussion, upon the motion of Mr. Gann to deny the appeal, seconded by Mr. Keig, the Board denied appeal by a vote of four to two (Ms. Bingham-Escareño and Mr. Conine voted to deny; Ms. Ray and Dr. Muñoz voted to approve).**

- c) Presentation, Discussion, and Possible Action on Exchange Program Appeals:  
09904 Lulac Hacienda Apartments Corpus Christi  
David Marquez, provided testimony in appreciation of staff working through the issues with him.  
Raul Vasquez, Jr., Corpus Christi, provided testimony in appreciation of the board consideration of approval of this appeal.

**Motion by Dr. Muñoz to approve appeal; seconded by Mr. Keig; passed unanimously.**

09957 Woodland Park at Decatur Decatur

**Withdrawn from consideration.**

- d) Presentation, Discussion, and Possible Action on HOME Program Appeals:

**None filed.**

- e) Presentation, Discussion, and Possible Action on Underwriting Appeals:  
77090000252 Renaissance Village Apartments San Antonio

**Withdrawn from consideration.**

- f) Presentation, Discussion, and Possible Action on Housing Trust Fund Program Appeals:  
**None filed.**

#### AGENDA ITEM 4: RULES:

- a) Presentation, Discussion, and Possible Action regarding approval for publication in the *Texas Register* of final orders adopting amendments to 10 TAC Chapter 5, Subchapter H, Section 8 Housing Choice Voucher Program, §5.801, Project Access Initiative concerning the Project Access Initiative

**Motion by Ms. Ray to approve staff recommendation, seconded by Dr. Muñoz, passed unanimously.**

- b) Presentation, Discussion, and Possible Action to publish proposed amendments to the rule for the HOME Program, 10 TAC Chapter 53, Subchapters B, C, D, and H for public comment and publication in the *Texas Register*

**Motion by Ms. Bingham-Escareño, seconded by Ms. Ray, passed unanimously.**

- c) Presentation, Discussion, and Possible Action regarding approval for publication in the *Texas Register* final orders repealing 10 TAC Chapter 49, concerning 2009 Housing Tax Credit Program Qualified Allocation Plan and Rules, and adopting new 10 TAC Chapter 49, concerning 2011 Housing Tax Credit Program Qualified Allocation Plan and Rules

Teresa Morales and Tom Gouris provided an explanation of the changes to the QAP based upon public comment received.

Jim Noteware, city of Houston, provided testimony regarding the prospective change in the new QAP for cities' rights within the ETJ surrounding the cities.

John Henneberger, Texas Low Income Housing Information Service, provided testimony location of tax credit developments, the quantifiable community participation letters, and, development location scoring issues.

Granger MacDonald provided testimony in favor of a five-year look back in an involuntary take-over of property.

Donna Rickenbacker, Marquis Real Estate Consultants, provided testimony in support of the changes recommended concerning flexibility in the percentage of bedroom sizes and the additional cost of the development per square foot when considering an adaptive reuse conversion, historic building preservation, and development of mixed income and workforce housing in urban poor areas of our state.

Debra Guerrero, NRP Group provided testimony concerning ineligible applications, or ineligible developments, the listing that's included under this section had previously been under negative points, and so they could still at least have an application. There is no opportunity, if it falls within any of these sections, to actually put in an application.

Pres Kabacoff, CEO of HRI Properties, provided testimony the apartment bedroom size.

Joy Horak-Brown provided testimony concerning a train study in Houston.

Sandra Williams provided testimony on the discussion of trains and the amendment in the QAP.

#### EXECUTIVE SESSION

At 12:46 p.m. Mr. Conine convened the Executive Session.

1. The Board may go into Executive Session Pursuant to Texas Government Code §551.074 for the purposes of discussing personnel matters including to deliberate the appointment, employment, evaluation, reassignment, duties, discipline, or dismissal of a public officer or employee
2. Pursuant to Tex. Gov't. Code, §551.071(1) to seek the advice of its attorney about pending or contemplated litigation or a settlement offer, including:
  - a) *The Inclusive Communities Project, Inc. v. Texas Department of Housing and Community Affairs*, et al filed in federal district court, Northern District of Texas
  - b) *Caroline Miller, et al. vs. State of Texas, et al*, filed in District Court for Travis County
  - c) *Claim of Gladys House filed with the EEOC*
3. Pursuant to Tex. Gov't. Code, §551.071(2) for the purpose of seeking the advice of its attorney about a matter in which the duty of the attorney to the governmental body under the Texas Disciplinary Rules of Professional Conduct of the State Bar of Texas clearly conflicts with this Tex. Gov't. Code, Chapter 551
4. Pursuant to Tex. Gov't. Code, §551.072 to deliberate the possible purchase, sale, exchange, or lease of real estate because it would have a material detrimental effect on the Department's ability to negotiate with a third person

#### OPEN SESSION

At 2:24 p.m. Mr. Conine reconvened the Open Session and announced that no action had been taken during the Executive Session and certified that the posted agenda had been followed.

**Motion by Ms. Bingham-Escareño to approve the final order adopting the new QAP with one amendment to move the ETJs back to the 2010 QAP language; seconded by Dr. Muñoz; motion passed; Mr. Keig absent.**

- d) Presentation, Discussion, and Possible Action regarding approval for publication in the *Texas Register* final orders repealing 10 TAC Chapter 35, concerning 2009 Multifamily Housing Revenue Bond Rules, and adopting new 10 TAC Chapter 35, concerning 2011 Multifamily Housing Revenue Bond Rules

**Motion by Ms. Ray to approve staff recommendation; seconded by Ms. Bingham-Escareño; passed unanimously.**

- e) Presentation, Discussion, and Possible Action regarding approval for publication in the *Texas Register* of proposed repeal of 10 TAC Chapter 60, Subchapter A, §§60.101 – 60.126 and proposed new 10 TAC Chapter 60, Subchapter A, §§60.101 – 60.129

**Motion by Ms. Ray to approve staff recommendation; seconded by Mr. Gann; passed unanimously.**

- f) Presentation, Discussion, and Possible Action regarding approval for publication in the *Texas Register* a final order adopting new 10 TAC Chapter 1 §1.1 concerning Definitions for Housing Program Activities

**Motion by Ms. Ray to approve staff recommendation; seconded by Ms. Bingham-Escareño, passed unanimously.**

- g) Presentation, Discussion, and Possible Action regarding approval for publication in the *Texas Register*, proposed amendments to 10 TAC Chapter 5, Subchapter A. §5.3, §5.20; Subchapter B. §5.203; §5.207; §5.210; §5.216; Subchapter C §5.303; §5.304; §5.310

**Motion by Ms. Ray to approve staff recommendation; seconded by Ms. Bingham-Escareño; Motion by Mr. Keig to amend by including a public comment period on the formula; Amendment accepted by Ms. Ray; passed unanimously.**

- h) Presentation, Discussion, and Possible Action regarding approval for publication in the *Texas Register* a final order adopting Amendments to 10 TAC Chapter 5 Subchapters A, E and I

**Motion by Ms. Ray to approve staff recommendation; seconded by Mr. Gann; passed unanimously.**

- i) Presentation, Discussion, and Possible Action regarding approval for publication in the *Texas Register* final orders repealing 10 TAC Chapter 1, Sections 1.31 – 1.37, 2010 Real Estate Analysis Rules and Guidelines and adopting new 10 TAC Chapter 1, §§1.31 – 1.37, 2011 Real Estate Analysis Rules and Guidelines

**Motion by Ms. Ray to approve staff recommendation; seconded by Dr. Muñoz; passed unanimously.**

#### **AGENDA ITEM 5: MULTIFAMILY DIVISION ITEMS – HOUSING TAX CREDIT PROGRAM:**

- a) Presentation and Discussion of the Status of Applications Awarded Housing Tax Credit Exchange Funds  
**Report item; no action taken.**

- b) Presentation, Discussion, and Possible Action to Award Remaining Exchange Funds and/or return of Funds to the US Treasury Department

Brigitt Hartin, State Representative Darby's office, read letter from the Honorable Representative Darby for the record in support of the Blackshear Homes project located in San Angelo.

Bob Salas, provided testimony in support of Blackshear Homes.

Craig Meyers, WTOS in San Angelo, provided testimony in support of Blackshear Homes.

Jerry Sea, provided testimony in support of Blackshear Homes.

John Gambini, Pioneer Crossing Family, provided testimony in support of Lufkin PC application #10283.

Noor Jooma provided testimony in support of Lufkin PC application #10283.

Bill Fisher, Odyssey Residential, provided testimony in support of Champion Homes at Marina Landing.

Granger MacDonald provided testimony in support of board approval for staff's recommendation.

Dan Allgeier, New Rock Companies provided testimony in support of Heritage Park Vista.

**Motion by Mr. Keig to approve staff recommendation; seconded by Dr. Muñoz; Ms. Ray absent; motion passed.**

#### **AGENDA ITEM 6: DISASTER RECOVERY**

- a) Presentation, Discussion, and Possible Action on Action Plan amendment for Rita Round II, transferring disaster unobligated or unutilized funds to the Homeowner's Assistance Program
- b) Presentation, Discussion, and Possible Action on Action Plan Amendment for Rita Round I, transferring disaster unobligated or unutilized funds to a State Administered Housing Assistance Program

**Motion by Mr. Keig to approve staff recommendation for Agenda Items 6a) and b); seconded by Mr Gann; Ms. Ray absent; motion passed.**

- c) Presentation, Discussion, and Possible Action regarding Request for Amendments to CDBG Disaster Recovery housing contracts administered by TDHCA for CDBG Hurricane Ike/Dolly Round I Funding
- |          |                   |           |
|----------|-------------------|-----------|
| 70090001 | City of Houston   | Houston   |
| 70090005 | Montgomery County | Conroe    |
| 70090014 | Galveston County  | Galveston |

John Henneberger, Texas Low Income Housing Information Service, provided testimony opposing the extension of funding to the city of Houston for the disaster recovery funds.

Linda Crosson, Manager of Disaster Relief, Multifamily, city of Houston, provided testimony in support of the request.

Jim Noteware, city of Houston, provided testimony in support of the request.

Veronica Chapa-Jones, city of Houston, Deputy Director for Grants Management and Compliance, provided testimony in support of the request.

**Motion by Ms. Bingham-Escareño to approve staff recommendation; seconded by Dr. Muñoz; passed unanimously.**

- d) Presentation, Discussion, and Possible Action regarding Disaster Recovery Housing Program Guidelines

**No action taken.**

- e) Presentation, Discussion, and Possible Action regarding the Materially Complete Draft of the Phase 1 Analysis of Impediments

**Motion by Ms. Ray to approve staff recommendation; seconded by Mr. Keig; passed unanimously.**

#### REPORT ITEMS

1. TDHCA Outreach Activities, September/October 2010
2. Disaster Recovery Division's Status Report on CDBG and FEMA AHPP Contracts Administered by TDHCA, including update on Ike/Dolly Round II

#### ADJOURN

Since there was no other business to come before the Board, the meeting was adjourned at 3:50 p.m. on November 10, 2010.

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Brooke Boston, Board Secretary

For a full transcript of this meeting, please visit the TDHCA website at [www.tdhca.state.tx.us](http://www.tdhca.state.tx.us).

**TEXAS HOMEOWNERSHIP DIVISION**

**BOARD ACTION REQUEST**

**December 17, 2010**

**Recommended Action**

Presentation, Discussion and Possible Action regarding an application to NeighborWorks America for the National Foreclosure Mitigation Counseling (NFMC) Program, Round 5, using a portion of the previously-committed Housing Trust Fund monies as matching funds for the NFMC Round 5 application.

WHEREAS, NeighborWorks America has released a funding announcement for NFMC Round 5,

WHEREAS, the Texas Department of Housing and Community Affairs (TDHCA) may partner with HUD-Approved Housing Counseling Agencies to prepare an application for these funds, and

RESOLVED, the Executive Director or his designee is hereby authorized on behalf of TDHCA to submit an application for funding to NeighborWorks America,

FURTHER RESOLVED, Housing Trust Fund monies, as approved by the Board on September 2008, remain available as match for any NFMC funds awarded.

**Background**

At the September 4, 2008, TDHCA Board meeting, staff received approval to use up to \$250,000 in deobligated Housing Trust Fund (HTF) monies for match to secure foreclosure mitigation assistance through the NFMC Program. The assistance was successfully secured and the NFMC Program, administered through NeighborWorks America, has been providing funding to HUD-Approved Housing Counseling Agencies for foreclosure counseling. Working with borrowers and their lenders/servicers, counseling agencies funded through this program have used a wide range of situation-appropriate strategies to help reach resolutions to prevent foreclosure and set counseled borrowers back on a path to long-term affordability of their mortgages.

Although this ongoing program will expire on December 31, 2010, the heightened need for these services caused by national economic problems that have affected Texas, despite its stronger economic posture than other states, has not abated. This service is a key component to maintaining affordable home ownership to low-income Texans.

TDHCA's NFMC program has had a total of 11 Sub-grantees across Texas and provided counseling to 2,582 households. Homeowners served have been predominantly (two-thirds) low income, many (more than half) are ethnic minorities (self-identified as Hispanic) and/or (roughly a third) racial minorities (self-identified as a race other than "white").

The foreclosure rate of households that received counseling is approximately 2 percent (52 households); this percentage is approximately the same as the statewide average foreclosure rate, even though all of these borrowers were already in financial distress and at risk of imminent foreclosure when they sought help from the NFMC program. The most successful tool used by counseling agencies is initiating a forbearance agreement or initiating a repayment plan, which was successful for 354 households. Other

tools commonly used include negotiation of mortgage modifications (291 households) and bringing the mortgage current (256 households). Due to the nature of the counseling process, counseling may continue for many months while the counselors and homeowners negotiate with the servicer. The outcomes of the counseling sessions are illustrated in the table below.

Counseling Outcome-NFMC Combined, Rounds 2 and 3	Households
Bankruptcy	96
Brought mortgage current (with or without rescue funds)	256
Counseled and referred to another organization for assistance (e.g. legal, social service, emergency)	51
Currently in negotiation with servicer; outcome unknown	969
Currently Receiving Foreclosure Prevention/Budget Counseling	158
Homeowner started counseling process but did not continue	236
Homeowner(s) sold property (not short sale)	22
Initiated forbearance agreement/repayment plan	354
Mortgage Foreclosed	52
Mortgage Modified	291
Mortgage put on hold/moratorium	8
Mortgage refinanced	12
Other (e.g. obtained partial claim loan, executed a deed-in-lieu, lost home to tax sale or condemnation)	41
Pre-foreclosure sale/short sale	36
Total	2,582

Applicants for NFMC funding must provide a 20 percent match for the first \$500,000 in funding they receive. After \$500,000, the required match drops to 10 percent. The Department has received \$999,743 in NFMC funds over three funding rounds. The Department has cumulatively used \$149,123.30 of Housing Trust Fund monies as match for the NFMC Program. The matching funds were used to reimburse for additional counseling sessions, provide additional program-related support and defray administrative costs.

NeighborWorks is offering a Round 5 application cycle, opening the application on December 3, 2010, and accepting applications until January 6, 2011. Based on the success of the current grant award, TDHCA is qualified to apply to submit a streamlined application for Round 5. Successful applicants will be awarded funds for reimbursement of counseling sessions completed between October 1, 2010 and December 31, 2011.

Subject to Board approval and anticipating a very rapid application process and timeline, TDHCA has provided information to HUD-Approved Housing Counseling Agencies within the State to have interested agencies at the ready to participate in TDHCA's grant application. The number of counseling sessions proposed to be completed within the grant period will determine the exact application amount and resulting match requirement. Since \$100,876.70 in matching funds remains of the \$250,000 previously approved by the Board, staff is proposing to use a portion of these funds for the Round 5 match commitment as well as in-kind services. The timeframe for which match may be provided is April 1, 2010, to December 31, 2011. As part of an ongoing partnership, the Texas State Affordable Housing



Corporation has committed to provide funds for the grant match requirement along with TDHCA and to continue its administrative role.

**MULTIFAMILY FINANCE PRODUCTION DIVISION**

**BOARD ACTION REQUEST**

**December 17, 2010**

**Recommended Action**

Presentation, Discussion, and Possible Action regarding Housing Tax Credit Amendments.

**WHEREAS**, the tax credit award relating to HTC 10198, Pinnacle at North Chase, was awarded by the Board based on certain premises, including development of six residential buildings on 11.568 acres, and high-speed internet for tenants, and

**WHEREAS**, Pinnacle at North Chase is proposing to replace high speed internet with covered entries and patios, construct and additional residential building, and reduce the site acreage to 10.584, therefore be it

**RESOLVED**, that staff's recommendations regarding the approval of amendments relating to Application #10198, Pinnacle at North Chase be and hereby are approved as presented to this meeting.

**Background**

§2306.6712, Texas Government Code, indicates that the Board should determine the disposition of a requested amendment if the amendment is a "material alteration," would materially alter the development in a negative manner or would have adversely affected the selection of the application in the application round. The statute identifies certain changes as material alterations and the requests presented below include material alterations.

**Summary of Request:** The owner is requesting approval to replace high speed internet with covered entries and covered patios/balconies. The owner is also requesting approval to reduce the development site from 11.568 acres to 10.584 acres, an 8.5 percent decrease. Finally, the owner is requesting approval to increase the number of residential buildings from six to seven. This is a new development that received an award of tax credits this year.

The owner stated the development site is part of a master planned community and recent platting of the community has led to a reduction of the development site in order to accommodate for roadways in the master plan. This reduction will result in an increase to the site density by the same 8.5 percentage. The owner has confirmed the footprint of the development site has not changed. Program rules require Board approval for any modification of site density beyond five percent.

The amendment request states long-term cost of providing high speed internet to residents was mistakenly left off the application's Annual Operating Expenses exhibit. The owner indicated continued costs of providing high speed internet would threaten financial feasibility. Therefore, the owner is requesting approval to provide covered entries and covered patios/balconies in lieu of high speed internet. Neither of the replacement amenities was proposed for points at application and their substitution would not affect the application score.

The owner has also requested approval to increase the number of residential buildings by one, and reconfigure the unit and building plans. Program staff has reviewed the proposed changes and confirmed a net gain of 7,412 square feet with only four units losing a total of sixteen square feet. This last change is one that does not need board approval but is presented here as part of the whole proposal for changes.

Original Application					Proposed Amendment					
# of Units	# of Bed-rooms	# of Bath-rooms	Unit Size	NRA	# of Units	# of Bed-rooms	# of Bath-rooms	Unit Size	NRA	NRA Change
20	1	1	764	15,280	20	1	1	812	16,240	960
12	1	1	775	9,300	12	1	1	812	9,744	444
64	2	2	1,023	65,472	64	2	2	1,114	71,296	5,824
20	3	2	1,231	24,620	20	3	2	1,241	24,820	200
4	4	3	1,483	5,932	4	4	3	1,479	5,916	(16)
<b>120</b>			<b>5,276</b>	<b>120,604</b>	<b>120</b>			<b>5,458</b>	<b>128,016</b>	<b>7,412</b>

Pursuant to §50.17(d) of the Qualified Allocation Plan and Rules “If a proposed modification would materially alter a Development approved for an allocation of a Housing Tax Credit, or if the Applicant has altered any selection criteria item for which it received points, the Department shall require the Applicant to file a formal, written request for an amendment to the Application... The Board must vote on whether to approve an amendment. The Board by vote may reject an amendment and, if appropriate, rescind a Commitment Notice or terminate the allocation of Housing Tax Credits and reallocate the credits to other Applicants on the Waiting List if the Board determines that the modification proposed in the amendment...would materially alter the Development in a negative manner...Material alteration of a Development includes, but is not limited to...A modification of residential density of the Development of at least 5%...”

Therefore, an amendment to the application is necessary.

Owner: Pinnacle at North Chase LLC  
 General Partner: PHG – North Chase, LLC  
 Developer: PHG Lone Star, LLC Developer  
 Principals/Interested Parties: Lisa Stephens  
 Syndicator: Wells Fargo

Construction Lender:	Wells Fargo
Permanent Lender:	Wells Fargo
Other Funding:	City of Tyler
City/County:	Tyler, Smith County
Set-Aside:	N/A
Type of Area:	Urban
Region:	4
Type of Development:	New Construction
Population Served:	General
Units:	120
2010 Allocation:	\$1,473,851
Allocation per HTC Unit:	\$12,282
Prior Board Actions:	6/10 – Approved award of tax credits
REA Findings:	The Underwriter’s analysis indicates that the requested changes do not significantly alter the underwriting of the transaction. The previously awarded credit allocation of \$1,473,851 continues to be recommended.

**MULTIFAMILY FINANCE PRODUCTION DIVISION**

**BOARD ACTION REQUEST**

**December 17, 2010**

**Recommended Action**

Presentation, Discussion, and Possible Action regarding Housing Tax Credit Amendments.

**WHEREAS**, the tax credit award relating to HTC 07096, Moore Grocery Lofts, was awarded by the Board based on certain premises, including rehabilitation of four buildings with self-cleaning ovens, a covered pavilion with barbeque grills, and 16,380 square feet of common area, and

**WHEREAS**, the common area of Moore Grocery Lofts is proposed to be reduced to 13,048 square feet, and the self-cleaning ovens, and pavilion and barbeque grills are being replaced with comparable amenities, therefore be it

**RESOLVED**, that staff's recommendations regarding the approval of amendments relating to Application #07096, Moore Grocery Lofts; #07192 be and hereby are approved as presented to this meeting.

**Background**

§2306.6712, Texas Government Code, indicates that the Board should determine the disposition of a requested amendment if the amendment is a "material alteration," would materially alter the development in a negative manner or would have adversely affected the selection of the application in the application round. The statute identifies certain changes as material alterations and the requests presented below include material alterations.

Summary of Request: The owner is seeking approval to amend several project features. Specifically, the owner is requesting approval to replace self cleaning ovens (1 point) and the covered pavilion (2 points) approved at application. The owner will instead provide washer/dryer connections in each unit to replace the self cleaning ovens (2 points) and a community library (1 point) in place of the barbeque grills. The application did not receive points for either of the proposed replacement amenities, and the overall application score would not be affected.

The owner has also requested Board approval to reduce the common area square footage from 16,380 approved at application to 13,048 as built, which is a 20% reduction. The owner indicates that the square-footage projections in the application were "best-estimates at the front end of the work" and as is typical of adaptive reuse developments changes have occurred as a result of more accurate on the site work. The owner has also added an additional bathroom to all 26 two

bedroom, one bathroom units, which translates into a net gain of 3,235 square feet of NRA. Staff acknowledges the increase in NRA with additional bathrooms will enhance the development; though staff rejects the rationale that the additional NRA alone is an acceptable replacement for the loss in common area that would not require additional Board approval.

Pursuant to §50.17(d) of the Qualified Allocation Plan and Rules “If a proposed modification would materially alter a Development approved for an allocation of a Housing Tax Credit, or if the Applicant has altered any selection criteria item for which it received points, the Department shall require the Applicant to file a formal, written request for an amendment to the Application... The Board must vote on whether to approve an amendment. The Board by vote may reject an amendment and, if appropriate, rescind a Commitment Notice or terminate the allocation of Housing Tax Credits and reallocate the credits to other Applicants on the Waiting List if the Board determines that the modification proposed in the amendment...would materially alter the Development in a negative manner...Material alteration of a Development includes, but is not limited to...A reduction of 3% or more in the square footage of the units or common areas ...”

Therefore, an amendment to the application is necessary.

Owner:	Moore Grocery Lofts, Ltd.
General Partner:	Moore Grocery Lofts, GP LLC
Developer:	Archtypes, LLC & Fitch Development Group
Principals/Interested Parties:	Bill Scantland
Syndicator:	Wachovia Securities
Construction Lender:	Stearns Bank
Permanent Lender:	CBRE Melody Capital Markets (Freddie Mac)
Other Funding:	City of Tyler (CDBG)
City/County:	Tyler, Smith County
Set-Aside:	N/A
Type of Area:	Urban
Region:	4
Type of Development:	Acquisition/Rehab
Population Served:	General
Units:	88
2007 Allocation:	\$771,721
Allocation per HTC Unit:	\$8,770
Prior Board Actions:	09/06 – Approved award of tax credits
REA Findings:	This is an adaptive reuse rehabilitation and new construction development, but the Underwriter’s current cost-estimating methodology is only for new construction improvements. For that reason, the Owner’s costs, as certified by the Owner’s CPA, are used in the Underwriter’s analysis. Furthermore, the Underwriter’s current cost-estimating methodology does not provide specific estimates for all of the substituted amenities. The Underwriter’s analysis indicates that the requested changes do not significantly alter the underwriting of the transaction. No change to the credit

recommendation is recommended prior to the finalization of the cost certification review process.

**MULTIFAMILY FINANCE PRODUCTION DIVISION**

**BOARD ACTION REQUEST**

**December 17, 2010**

**Recommended Action**

Presentation, Discussion, and Possible Action regarding Housing Tax Credit Amendments.

**WHEREAS**, the tax credit award relating to HTC 07192, Historic Lofts of Waco High, was awarded by the Board based on certain premises, including rehabilitation of two buildings with a gazebo with sitting area, barbeque grills, picnic tables, 34,235 square feet of common area, 98,533 square feet of net rentable area, and 192 parking spaces, and

**WHEREAS**, the Historic Lofts of Waco High proposes to increase the common area to 38,060 and decrease net rentable area to 95,116, provide an additional residential building, and combine the gazebo and barbeque grills into one amenity feature, therefore be it

**RESOLVED**, that staff's recommendations regarding the approval of amendments relating to Application #07192, Historic Lofts of Waco High be and hereby are approved as presented to this meeting.

**Background**

§2306.6712, Texas Government Code, indicates that the Board should determine the disposition of a requested amendment if the amendment is a "material alteration," would materially alter the development in a negative manner or would have adversely affected the selection of the application in the application round. The statute identifies certain changes as material alterations and the requests presented below include material alterations.

Summary of Request: The owner is seeking approval to amend several project features. Specifically, the owner is requesting approval to replace the gazebo with a sitting area and barbecue grills with picnic tables, which are both one point items. The owner has instead provided a covered pavilion that includes picnic tables and grills, which is a two point amenity. Staff agreed the development would not lose any of the features originally proposed at application, and the application score would remain unchanged as well. The owner is requesting approval to reduce the number of uncovered parking spaces from 192 to 145, consequently reducing the ratio of spaces to units from 1.85 to 1.4. The parking ratio is in compliance with local building and planning ordinances.



The owner is also requesting approval to amend the site plan of the development to include an additional residential building. The development is an adaptive reuse project. In the course of development, the National Park Service (NPS) determined the third residential building set for demolition was a contributing structure and could not be demolished. Therefore, the Development owner incorporated the third building into the development which is now 100% complete.

Finally, the development owner is requesting approval to increase the common area from 34,235 at application to 38,060 as recently documented by the development architect. Additionally, the net rentable area (NRA) has decreased from 98,535 square feet proposed at application to 95,116 square feet as built. The 3.5% reduction of NRA is more than the 3% approvable by staff and therefore, must receive Board approval. The owner has reiterated that the development is an adaptive reuse project and that original size projections are estimates that often change as development progresses. The owner would like the Board members to consider the decision of NPS to include the third residential building and the nature of adaptive reuse were the contributing factors for changing common and rentable area.

Pursuant to §50.17(d) of the Qualified Allocation Plan and Rules “If a proposed modification would materially alter a Development approved for an allocation of a Housing Tax Credit, or if the Applicant has altered any selection criteria item for which it received points, the Department shall require the Applicant to file a formal, written request for an amendment to the Application... The Board must vote on whether to approve an amendment. The Board by vote may reject an amendment and, if appropriate, rescind a Commitment Notice or terminate the allocation of Housing Tax Credits and reallocate the credits to other Applicants on the Waiting List if the Board determines that the modification proposed in the amendment...would materially alter the Development in a negative manner...Material alteration of a Development includes, but is not limited to...A reduction of 3% or more in the square footage of the units or common areas ...”

Therefore, an amendment to the application is necessary.

Owner:	Historic Lofts of Waco High, Ltd.
General Partner:	Historic Lofts of Waco High GP, LLC
Developer:	Archtypes, LLC
Principals/Interested Parties:	Bill Scantland, Jim Sari, Hollis M. Fitch
Syndicator:	Column Capital, LLC
Construction Lender:	Stearns Bank
Permanent Lender:	Stearns Bank
Other Funding:	City of Waco
City/County:	Waco, McLennan County
Set-Aside:	N/A
Type of Area:	Urban
Region:	8
Type of Development:	Acquisition Rehab
Population Served:	General
Units:	104
2007 Allocation:	\$1,050,888
Allocation per HTC Unit:	\$10,105

Prior Board Actions:  
REA Findings:

7/07 – Approved award of tax credits

The Underwriter's analysis indicates that the requested changes do not significantly alter the underwriting of the transaction. No change to the credit recommendation is recommended prior to the finalization of the cost certification review process.

**MULTIFAMILY FINANCE PRODUCTION DIVISION**

**BOARD ACTION REQUEST**

**December 17, 2010**

**Recommended Action**

Presentation, Discussion, and Possible Action regarding Housing Tax Credit Amendments.

**WHEREAS**, the tax credit award relating to HTC 060202, Beaumont Downtown Lofts, was awarded by the Board based on certain premises, including the rehabilitation of two buildings with 15,500 square feet of common area, and

**WHEREAS**, the common area of Beaumont Downtown Lofts is proposed to be reduced to 8,619 square feet, therefore be it

**RESOLVED**, that staff's recommendations regarding the approval of amendments relating to Application #060202, Beaumont Downtown Lofts be and hereby are approved as presented to this meeting.

**Background**

§2306.6712, Texas Government Code, indicates that the Board should determine the disposition of a requested amendment if the amendment is a "material alteration," would materially alter the development in a negative manner or would have adversely affected the selection of the application in the application round. The statute identifies certain changes as material alterations and the requests presented below include material alterations.

Summary of Request: The owner is requesting approval to reduce the common area of the development from 15,500 square feet reported at application to 8,619 square feet as recently reported by the project architect. The 41% reduction is more than the 3% allowable by program rules without Board approval. The owner stated all development plans remain unchanged, but the variance in common area is attributable to the nature of the development and the measurements provided at application were best estimates very early in the development process. It is not uncommon for adaptive reuse developments, such as this development to miscalculate square footage and the owner has made efforts to maintain the unit square footage at the expense of square footage available for the common area.

Pursuant to §50.17(d) of the Qualified Allocation Plan and Rules "If a proposed modification would materially alter a Development approved for an allocation of a Housing Tax Credit, or if the Applicant has altered any selection criteria item for which it received points, the Department shall require the Applicant to file a formal, written request for an amendment to the

Application... The Board must vote on whether to approve an amendment. The Board by vote may reject an amendment and, if appropriate, rescind a Commitment Notice or terminate the allocation of Housing Tax Credits and reallocate the credits to other Applicants on the Waiting List if the Board determines that the modification proposed in the amendment...would materially alter the Development in a negative manner...Material alteration of a Development includes, but is not limited to...A reduction of 3% or more in the square footage of the units or common areas ...”

Therefore, an amendment to the application is necessary.

Owner:	Beaumont Downtown Lofts, Ltd.
General Partner:	Beaumont downtown Lofts, GP, LLC
Developer:	Sari & Company/Fitch Development Co. /Archtypes, LLC
Principals/Interested Parties:	Bill Scantland
Syndicator:	Alliant Capital, Ltd.
Construction Lender:	Stearns Bank
Permanent Lender:	CBRE Melody & Company
Other Funding:	N/A
City/County:	Beaumont, Jefferson County
Set-Aside:	N/A
Type of Area:	Urban
Region:	5
Type of Development:	Acquisition Rehab
Population Served:	General
Units:	36
2006 Allocation:	\$402,869
Allocation per HTC Unit:	\$11,190
Prior Board Actions:	4/06 – Approved award of tax credits
REA Findings:	The Underwriter’s analysis indicates that the requested change does not significantly alter the underwriting of the transaction. No change to the credit recommendation is recommended prior to the finalization of the cost certification review process.

**MULTIFAMILY FINANCE DIVISION  
BOARD ACTION REQUEST  
December 17, 2010**

Approve the requests for extensions related to one (1) 2006, two (2) 2007, five (5) 2009, and three (3) 2010 Tax Credit Exchange and Housing Tax Credit allocations.

**RECOMMENDED ACTION**

**WHEREAS**, the Board requires compliance with the deadlines it sets through its Qualified Allocation Plan (QAP) and authorizes the Executive Director to approve reasonable extensions of such deadlines when requested with good cause prior to the deadline, and

**WHEREAS**, the Board may consider and approve with good cause or deny extensions of deadlines requested after the deadline, and

**WHEREAS**, eight applicants who have missed deadlines requested extensions after their respective deadline had passed but provided good cause for granting the extensions and paid the required \$2,500 extension request fees as applicable and have been recommended.

It is hereby:

**RESOLVED**, that the extensions presented in this meeting relating to Application No. 060074 (Amarillo Gardens Apartments), Application No. 07149 (Residence at Eastland), Application No. 07621/09726 (Residences at Onion Creek), Application No. 09000/09974, (Courtwood Apartments), Application No. 09001/09777, (Hillwood Apartments), 09165/10507/09999, (Cherrywood Apartments), Application No. 09314/09760, (Taylor Farms), Application No. 09913/08026, (Villas on Raiford), Application No. 10003/09813 (Champion Homes at Marina Landing), Application No. 10178 (Cypress Creek at Fayridge), and Application No. 10143 (Oak Creek Townhomes) are hereby approved as presented to this meeting.

**Background**

Pertinent facts about these requests for extension are following:

**HTC No. 060074, Amarillo Gardens Apartments**  
**(Cost Certification Extension)**

Summary of Request: Pursuant to §50.15(b)(2) of the 2006 Qualified Allocation Plan, "...Required Cost Certification documentation must be received by the Department no later than January 15 following the year the Credit Period begins...". The owner of this development elected to initiate the credit period in 2009 but missed the January 15, 2010 deadline to submit cost certification documentation. The owner in this case submitted the full cost certification documentation approximately seven (7) months after the deadline on July 27, 2010.

The reason given for the delayed submission was that the property was foreclosed by the lender, which required the approval of an ownership transfer by the Department before the Cost Certification documentation could be submitted by the new owner. The ownership transfer was approved on May 26, 2010. The Cost Certification documentation is currently under review by staff and nearly complete.

Should there be any credit that ultimately is unused but is not released by the applicant or cannot be identified as returned by the Department within 180 days of the end of the first year of the credit period, a penalty fee equal to the one year credit amount of the lost credits (10% of the total unused tax credit amount) will be required to be paid by the Owner prior to the issuance of form 8609's.

Owner:	The Gardens of Amarillo, Ltd.
General Partner:	The Gardens of Amarillo Management, LLC
Developer:	Dasadi Holdings, Ltd and GS Holdings, Inc.
Principals/Interested Parties:	Jeff Richards and The Family Housing Foundation
City/County:	Amarillo/Potter
Set-Aside:	At-Risk/Preservation/Nonprofit
Type of Area:	Urban
Type of Development:	Acq/Rehab
Population Served:	Family
Units:	100 HTC units
2006 Allocation:	\$451,788
Allocation per HTC Unit:	\$4,518
Extension Request Fee Paid:	\$2,500
Current Deadline	January 15, 2010
New Deadline Requested:	July 24, 2010
<b>New Deadline Recommended:</b>	<b>July 24, 2010</b>
Previous Extensions:	N/A



January 14, 2010

Texas Department of Housing & Community Affairs  
Real Estate Analysis Division  
Attn: Rosalio Banuelos, Kent Bedell  
P.O. Box 13941  
Austin, Texas 78711-3941

**Re: Amarillo Gardens Apartments, TDHCA #060074 - Cost Certification Extension**

Dear Rosalio,

The purpose of this letter is to request an extension of time to submit the final cost certification of Amarillo Gardens Apartments, TDHCA #060074, which was originally due January 15, 2010.

Happy State Bank acquired Amarillo Gardens Apartments by foreclosure on August 4, 2009. The former owner of the apartments was Amagard, Ltd. During 2010, Happy State Bank coordinated an ownership transfer between the Amagard, Ltd. to The Gardens of Amarillo, Ltd. Due to the circumstances of the foreclosure of the property and the ownership transfer, Happy State Bank respectfully requests an extension of time to submit the final cost certification to July 27, 2010.

The "Multifamily Rental Housing Document and Payment Receipt" form and \$2,500 extension fee will be sent to TDHCA on or before October 1, 2010.

Sincerely,

Kerry Adair  
Executive Vice President

**HTC No. 07149 Residences at Eastland**  
**(Cost Certification Extension)**

Summary of Request: Pursuant to §49.15(b)(2) of the 2007 Qualified Allocation Plan, "...Required Cost Certification documentation must be received by the Department no later than January 15 following the year the Credit Period begins...".The owner of this development elected to initiate the credit period in 2009 but missed the January 15, 2010 deadline to submit cost certification documentation. The owner in this case submitted the full cost certification documentation approximately eight (8) months after the deadline on September 17, 2010. The documentation is currently under review by staff.

The reason given for the delayed submission was that there were some outstanding lien and financing issues that had to be resolved before the cost certification documentation could be submitted to the Department.

Should there be any credit that ultimately is unused but is not released by the applicant or cannot be identified as returned by the Department within 180 days of the end of the first year of the credit period, a penalty fee equal to the one year credit amount of the lost credits (10% of the total unused tax credit amount) will be required to be paid by the Owner prior to the issuance of form 8609's.

Owner:	FW-Eastland Housing Partners, Ltd.
General Partner:	NDG-Eastland, LLC.
Developer:	Rumsey Development, LLC
Principals/Interested Parties:	Robert G. Hoskins and Sandra K. Hoskins
City/County:	Fort Worth/Tarrant
Set-Aside:	N/A
Type of Area:	Urban
Type of Development:	New Construction
Population Served:	Family
Units:	140 HTC units
2007 Allocation:	\$1,200,000
Allocation per HTC Unit:	\$8,571
Extension Request Fee Paid:	\$2,500
Current Deadline:	January 15, 2010
New Deadline Requested:	September 17, 2010
<b>New Deadline Recommended:</b>	<b>September 17, 2010</b>
Previous Extensions:	N/A



# NuRock Companies

580 Decker Drive ♦ Suite 208 ♦ Irving, Texas 75062  
Phone 972-573-3400 ♦ Fax 972-573-3401

November 15, 2010

Mr. Kent Bedell  
TDHCA  
221 East 11<sup>th</sup> Street  
Austin, TX 78701

11-16-2010 PCV1

RE: TDHCA # 07149 Residences at Eastland – Cost Certification Extension

Dear Mr. Bedell,

In the course of reviewing our Cost Certification, Mr. Rosalio Banuelos has identified the following issue:

*15. Cost Certification Extension: The 2007 QAP states that the required Cost Certification documentation must be received by the Department no later than January 15 following the year the Credit Period begins. Due to the fact that the development owner elected to initiate the credit period in 2009, the cost certification package for this development was due on January 15, 2010; however, the cost certification package was received on September 17, 2010. Please indicate if a cost certification extension was granted by the Department and submit supporting documentation. If an extension has not been obtained, please submit a written extension request and the required \$2,500 fee to Kent Bedell in the Multifamily Division. Please be aware that if an extension is necessary, Board approval will be required, and IRS Forms 8609 will not be released until the extension is approved.*

We can find no record of having previously asked for an extension, so, per the above notice, we are formally requesting an extension. Please also find attached a check for \$2,500.

Please let us know of any questions.

Sincerely,



Brad Bell  
NuRock Development  
972-573-3411 (office)  
404-379-1466 (cell)  
[bbell@nurock.com](mailto:bbell@nurock.com)

**From:** [Brad Bell](#)  
**To:** [Kent Bedell](#);  
**cc:** [Rosalio Banuelos](#); [Dan Allgeier](#); [Robert Hoskins](#);  
**Subject:** RE: Cost Cert Extension Request Follow-up for TDHCA #07149  
**Date:** Thursday, November 18, 2010 2:40:54 PM  
**Attachments:** [CC07149 Residences at Eastland CC Recd Ltr.pdf](#)

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Kent,

First, a minor correction – since the deadline was Jan. 15, it was only 8 months late.

Explanation: The project was closed out at the very end of 2009. There were some outstanding lien & financing issues/questions which made it clear that the cost cert would not be submitted on time, and we should have asked for an extension at that time (and saved \$2500!). The cost certification was submitted on 5/20/10 (see attached receipt). Shortly thereafter, we identified that some corrections were needed. TDHCA had not yet started working on it, and we felt that it would be less confusing to simply have TDHCA return the document so that we could make the corrections. The document was returned by TDHCA on 6/11/10. The document was then resubmitted on 9/17/10.

Please let me know of questions/comments.

Regards,

Brad Bell  
NuRock Development  
580 Decker Drive, Suite 208  
Irving, TX 75063

972-573-3412 (office) / 404-379-1466 (cell)

**From:** Kent Bedell [mailto:kent.bedell@tdhca.state.tx.us]  
**Sent:** Thursday, November 18, 2010 11:15 AM  
**To:** Brad Bell  
**Cc:** Rosalio Banuelos  
**Subject:** Cost Cert Extension Request Follow-up for TDHCA #07149

Mr. Bell:

Please provide me with a short explanation of why the Cost Cert Documentation was submitted approximately 9 months after the due date.

Regards,

Kent Bedell

Multifamily Housing Specialist

Texas Dept. of Housing and Community Affairs

(512) 475-3882 (P)

(512) 475-1895 (F)

kent.bedell@tdhca.state.tx.us

**HTC No. 07621/09726 Residences at Onion Creek**  
**(Cost Certification Extension)**

Summary of Request: Pursuant to §49.15(b)(2) of the 2007 Qualified Allocation Plan, "...Required Cost Certification documentation must be received by the Department no later than January 15 following the year the Credit Period begins...".The owner of this development elected to initiate the credit period in 2009 but missed the January 15, 2010 deadline to submit cost certification documentation. The owner in this case submitted the full cost certification documentation approximately five (5) months after the deadline on June 10, 2010. The documentation is currently under review by staff.

The reason given for the delayed submission was that development's swimming pool was not completed until May 2010 due to City of Austin water restrictions. This ultimately delayed the "as built" survey, which is a required cost certification document. The owner has requested a waiver of the \$2500 mandatory extension fee due to the delays caused by City of Austin watering restrictions, which were beyond their control.

As this is a tax exempt bond transaction, no penalty for unused credits will occur.

Owner:	Onion Creek Housing Partners, Ltd.
General Partner:	NDG-Onion Creek, LLC.
Developer:	NuRock Development Group, Inc.
Principals/Interested Parties:	Robert G. Hoskins and Sandra K. Hoskins
City/County:	Austin/Travis
Set-Aside:	N/A
Type of Area:	Urban
Type of Development:	New Construction
Population Served:	Family
Units:	224 HTC units
2007 Allocation:	\$786,789
Allocation per HTC Unit:	\$3,512
Extension Request Fee Paid:	\$2,500
Current Deadline:	January 15, 2010
New Deadline Requested:	June 1, 2010
<b>New Deadline Recommended:</b>	<b>June 1, 2010</b>
Previous Extensions:	N/A

**Staff Recommendation:** **Approve the extension and deny the request for a waiver of the \$2,500 mandatory extension fee.**

# NuRock Companies

580 Decker Drive ♦ Suite 208 ♦ Irving, Texas 75062  
Phone 972-573-3400 ♦ Fax 972-573-3401

December 3, 2010

Mr. Kent Bedell  
TDHCA  
221 East 11<sup>th</sup> Street  
Austin, TX 78701

RE: TDHCA # 07621/09726 Residences at Onion Creek – Cost Certification Extension

Dear Mr. Bedell,


In the course of reviewing our Cost Certification, Mr. Rosalio Banuelos has identified the following issue:

1. **Cost Certification Extension:** Because the owner elected to begin the credit period in 2009, the cost certification documentation was due on January 15, 2010; however, this documentation was received on June 10, 2010. If a cost certification extension to this date has been granted by the Department, please submit supporting documentation. Otherwise, submit a written extension request and the required fee to Kent Bedell in the Multifamily Division. Be aware that the extension request will require Board approval

We can find no record of having previously asked for an extension, so, per the above notice, we are formally requesting an extension. Please also find attached a check for \$2,500.

Please let us know of any questions.

Sincerely,



Dan Allgeier  
NuRock Development  
972-573-3411 (office)  
214-277-4839 (cell)  
[dallgeier@nurock.com](mailto:dallgeier@nurock.com)

**From:** [Dan Allgeier](#)  
**To:** [Kent Bedell](#);  
**cc:** [Rosalio Banuelos](#);  
**Subject:** RE: Onion Creek cost certification extension  
**Date:** Monday, December 06, 2010 9:19:59 AM

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Due to the drought in 2009, the City of Austin wouldn't allow us to fill a new swimming pool with water. As a pool left empty would crack and leak in the soil conditions that exist on the site of the Residences at Onion Creek, we delayed constructing the pool until the City's watering restrictions were lifted. This construction delay meant we couldn't fully comply with the requirements of our TDHCA final inspection because the pool amenity was not available. In addition we didn't know the exact cost of the pool until it was completed because the delay required that we rebid this part of the work and resubmit plans to the City for a building permit. The final costs of this part of construction were also necessary to complete the cost certification audit.

We were not able to complete the pool until May, 2010. Then we had to obtain the final "as built" survey, a cost certification requirement and complete the cost certification audit. As soon as all these items were completed on June 10, 2010 the cost certification was submitted.

As the drought was beyond our control, we request refund of our \$2,500 fee required for the extension of the deadline to submit this cost certification documentation.

Dan Allgeier

**From:** Kent Bedell [mailto:kent.bedell@tdhca.state.tx.us]  
**Sent:** Monday, December 06, 2010 8:32 AM

**To:** Dan Allgeier; Kent Bedell  
**Cc:** Rosalio Banuelos  
**Subject:** RE: Onion Creek cost certification extension

Dan,

Please provide me a short reason of why the cost certification package was submitted past the deadline.

Thanks,

**Kent Bedell**

Multifamily Housing Specialist

Texas Department of Housing and Community Affairs

221 E. 11th Street | Austin, TX 78701

Office: 512.475.3882

Fax: 512.475.1895

**HTC No. 09000/09974, Courtwood Apartments**  
**(10% Test Documentation)**

Summary of Request: Pursuant to §49.14(b) of the 2009 Qualified Allocation Plan and Rules, “No later than eleven months from the date the Carryover Allocation Document is executed by the Department and the Development Owner, more than 10% of the Development Owner’s reasonable expected basis must have been incurred pursuant to §42(h)(1)(E)(i) and (ii) of the Internal Revenue Code. The evidence to support the satisfaction of this requirement must be submitted to the Department no later than December 1 of the year following the execution of the Carryover Allocation Document in a format prescribed by the Department”.

The owner is requesting to extend the deadline to submit documentation fulfilling the 10% requirement from December 1, 2010 to December 31, 2010. The owner in this case did not submit 10% Test documentation or request an extension by the required December 1, 2010 deadline; therefore, TDHCA Board approval is required. The reason given for the request is that there was a misunderstanding about the scope of work being performed by their accounting firm.

Additionally, it should be noted, that the Department may grant an extension to the deadline for submitting the documentation required for the 10% Test; however, the owner is still responsible to meet the 10% expenditure deadline of December 31, 2010 pursuant to §42(h)(1)(E)(i) and (ii) of the Internal Revenue Code.

Owner:	PK Courtwood Apartments, L.P.
General Partner:	Megan & Associated V, LLC
Developer:	Megan & Associates V, LLC
Principals/Interested Parties:	Ronald Potterpin
City/County:	Eagle Lake/Colorado
Set-Aside:	USDA
Type of Area:	Rural
Type of Development:	Acq/Rehab
Population Served:	Elderly
Units:	50 HTC units
2009 Allocation:	\$294,508
Allocation per HTC Unit:	\$5,890
Extension Request Fee Paid:	\$2,500
Current Deadline:	December 1, 2010
<b>New Deadline Requested:</b>	<b>December 31, 2010</b>
Previous Extensions:	N/A



**Locke Lord Bissell & Liddell**<sub>LLP</sub>  
Attorneys & Counselors

100 Congress Avenue, Suite 300  
Austin, Texas 78701-2748  
Telephone: 512-305-4700  
Fax: 512-305-4800  
www.lockelord.com

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

December 3, 2010

Kent Bedell, *Multifamily Housing Specialist*  
Texas Department of Housing & Community Affairs  
221 East 11th Street  
Austin, Texas 78701

12-03-10P12:02 RCVD

Re: Courtwood Apartments (the "**Project**")  
TDHCA No. 09974  
Request for Extension of Deadline for Submission of Ten Percent Test

Dear Mr. Bedell:

On behalf of PK Courtwood, Ltd. (the "**Partnership**"), the Development Owner with respect to the above-referenced Project, we are submitting this letter to request an extension of the deadline for submission of the Ten Percent Test documentation for the Project. A check in the amount of \$2,500 for payment of the extension fee is enclosed.

The original deadline for the Partnership to file its Ten Percent Test documentation with the Department was December 1, 2010. The Partnership missed that deadline, however, due to a misunderstanding about the scope of work being performed by its accounting firm. Consequently, on December 1, 2010, the Partnership submitted a request for an extension in an email to Raquel Morales. We now submit this letter as a follow-up to that email as the Partnership again respectfully requests an extension of the deadline for submission of its Ten Percent Test documentation to **December 31, 2010**.

Please confirm in writing the requested extension. If you need anything further in conjunction with this extension request, please let me know. We appreciate your assistance.

Sincerely,



Cynthia L. Bast

Mr. Bedell  
December 3, 2010

cc: Robbye Meyer  
*TDHCA, Director of Multifamily Finance*

Garry Maddock

Pete Potterpin

**HTC No. 09001/09777, Hillwood Apartments**  
**(10% Test Documentation)**

Summary of Request: Pursuant to §49.14(b) of the 2009 Qualified Allocation Plan and Rules, “No later than eleven months from the date the Carryover Allocation Document is executed by the Department and the Development Owner, more than 10% of the Development Owner’s reasonable expected basis must have been incurred pursuant to §42(h)(1)(E)(i) and (ii) of the Internal Revenue Code. The evidence to support the satisfaction of this requirement must be submitted to the Department no later than December 1 of the year following the execution of the Carryover Allocation Document in a format prescribed by the Department”.

The owner is requesting to extend the deadline to submit documentation fulfilling the 10% requirement from December 1, 2010 to December 31, 2010. The owner in this case did not submit 10% Test documentation or request an extension by the required December 1, 2010 deadline; therefore, TDHCA Board approval is required. The reason given for the request is that there was a misunderstanding about the scope of work being performed by their accounting firm.

Additionally, it should be noted, that the Department may grant an extension to the deadline for submitting the documentation required for the 10% Test; however, the owner is still responsible to meet the 10% expenditure deadline of December 31, 2010 pursuant to §42(h)(1)(E)(i) and (ii) of the Internal Revenue Code.

Owner:	PK Hillwood Apartments, L.P.
General Partner:	Megan & Associated V, LLC
Developer:	Megan & Associates V, LLC
Principals/Interested Parties:	Ronald Potterpin
City/County:	Weimar/Colorado
Set-Aside:	USDA
Type of Area:	Rural
Type of Development:	Acq/Rehab
Population Served:	Elderly
Units:	24 HTC units
2009 Allocation:	\$149,029
Allocation per HTC Unit:	\$6210
Extension Request Fee Paid:	\$2,500
Current Deadline:	December 1, 2010
<b>New Deadline Requested:</b>	<b>December 31, 2010</b>
Previous Extensions:	N/A

**Locke Lord Bissell & Liddell**<sub>LLP</sub>  
Attorneys & Counselors

100 Congress Avenue, Suite 300  
Austin, Texas 78701-2748  
Telephone: 512-305-4700  
Fax: 512-305-4800  
www.lockelord.com

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

December 3, 2010

Kent Bedell, *Multifamily Housing Specialist*  
Texas Department of Housing & Community Affairs  
221 East 11th Street  
Austin, Texas 78701

12-03-10P12:02 RCVD

Re: Hillwood Apartments (the "**Project**")  
TDHCA No. 09777  
Request for Extension of Deadline for Submission of Ten Percent Test

Dear Mr. Bedell:

On behalf of PK Hillwood, LP (the "**Partnership**"), the Development Owner with respect to the above-referenced Project, we are submitting this letter to request an extension of the deadline for submission of the Ten Percent Test documentation for the Project. A check in the amount of \$2,500 for payment of the extension fee is enclosed.

The original deadline for the Partnership to file its Ten Percent Test documentation with the Department was December 1, 2010. The Partnership missed that deadline, however, due to a misunderstanding about the scope of work being performed by its accounting firm. Consequently, on December 1, 2010, the Partnership submitted a request for an extension in an email to Raquel Morales. We now submit this letter as a follow-up to that email as the Partnership again respectfully requests an extension of the deadline for submission of its Ten Percent Test documentation to **December 31, 2010**.

Please confirm in writing the requested extension. If you need anything further in conjunction with this extension request, please let me know. We appreciate your assistance.

Sincerely,



Cynthia L. Bast

Mr. Bedell  
December 3, 2010

cc: Robbye Meyer  
*TDHCA, Director of Multifamily Finance*

Gary Maddock  
Pete Potterpin

**HTC No. 09165/10507/09999, Cherrywood Apartments**  
**(10% Test Documentation)**

Summary of Request: Pursuant to §49.14(b) of the 2009 Qualified Allocation Plan and Rules, “No later than eleven months from the date the Carryover Allocation Document is executed by the Department and the Development Owner, more than 10% of the Development Owner’s reasonable expected basis must have been incurred pursuant to §42(h)(1)(E)(i) and (ii) of the Internal Revenue Code. The evidence to support the satisfaction of this requirement must be submitted to the Department no later than December 1 of the year following the execution of the Carryover Allocation Document in a format prescribed by the Department”.

The owner is requesting to extend the deadline to submit documentation fulfilling the 10% requirement from December 1, 2010 to December 31, 2010. The owner in this case did not submit 10% Test documentation or request an extension by the required December 1, 2010 deadline; therefore, TDHCA Board approval is required. The reason given for the request is that there was a misunderstanding about the scope of work being performed by their accounting firm.

Additionally, it should be noted, that the Department may grant an extension to the deadline for submitting the documentation required for the 10% Test; however, the owner is still responsible to meet the 10% expenditure deadline of December 31, 2010 pursuant to §42(h)(1)(E)(i) and (ii) of the Internal Revenue Code.

Owner:	PK Cherrywood Apartments, L.P.
General Partner:	Megan & Associated V, LLC
Developer:	Megan & Associates V, LLC
Principals/Interested Parties:	Ronald Potterpin
City/County:	West/McLennan
Set-Aside:	N/A
Type of Area:	Rural
Type of Development:	Acq/Rehab
Population Served:	Elderly
Units:	44 HTC units
2009 Allocation:	\$290,139
Allocation per HTC Unit:	\$6,594
Extension Request Fee Paid:	\$2,500
Current Deadline:	December 1, 2010
<b>New Deadline Requested:</b>	<b>December 31, 2010</b>
Previous Extensions:	N/A

**Locke Lord Bissell & Liddell** LLP  
Attorneys & Counselors

100 Congress Avenue, Suite 300  
Austin, Texas 78701-2748  
Telephone: 512-305-4700  
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Cynthia L. Bast  
Direct Telephone: 512-305-4707  
Direct Fax: 512-391-4707  
cbast@lockelord.com

December 3, 2010

Kent Bedell, *Multifamily Housing Specialist*  
Texas Department of Housing & Community Affairs  
221 East 11th Street  
Austin, Texas 78701

12-03-10P12:02 RCVD

Re: Cherrywood Apartments (the "**Project**")  
TDHCA No. 09999  
Request for Extension of Deadline for Submission of Ten Percent Test

Dear Mr. Bedell:

On behalf of PK Cherrywood, Ltd. (the "**Partnership**"), the Development Owner with respect to the above-referenced Project, we are submitting this letter to request an extension of the deadline for submission of the Ten Percent Test documentation for the Project. A check in the amount of \$2,500 for payment of the extension fee is enclosed.

The original deadline for the Partnership to file its Ten Percent Test documentation with the Department was December 1, 2010. The Partnership missed that deadline, however, due to a misunderstanding about the scope of work being performed by its accounting firm. Consequently, on December 1, 2010, the Partnership submitted a request for an extension in an email to Raquel Morales. We now submit this letter as a follow-up to that email as the Partnership again respectfully requests an extension of the deadline for submission of its Ten Percent Test documentation to **December 31, 2010**.

Please confirm in writing the requested extension. If you need anything further in conjunction with this extension request, please let me know. We appreciate your assistance.

Sincerely,



Cynthia L. Bast

Mr. Bedell  
December 3, 2010

cc: Robbye Meyer  
*TDHCA, Director of Multifamily Finance*

Gary Maddock  
Pete Potterpin



**HTC No. 09314/09760, Taylor Farms**  
**(10% Test/Commencement of Substantial Construction Documentation)**

Summary of Request: Pursuant to §49.14(b) of the 2009 Qualified Allocation Plan and Rules, “No later than eleven months from the date the Carryover Allocation Document is executed by the Department and the Development Owner, more than 10% of the Development Owner’s reasonable expected basis must have been incurred pursuant to §42(h)(1)(E)(i) and (ii) of the Internal Revenue Code. The evidence to support the satisfaction of this requirement must be submitted to the Department no later than December 1 of the year following the execution of the Carryover Allocation Document in a format prescribed by the Department”.

The owner is requesting to extend the deadline to submit documentation fulfilling the 10% and Commencement of Substantial Construction (COC) requirements from December 1, 2010 to December 31, 2010 and June 1, 2011. The reason given for the 10% Test extension request was a Development team oversight regarding the deadline to submit the documentation fulfilling the 10% Test requirement. The owner has confirmed that the 10% expenditure requirement has been met; however, they need additional time to submit the documentation fulfilling the 10% requirement.

The reason given for the COC extension was that the development financing did not close until November 10, 2010, which has left insufficient time to fulfill the COC 10% construction contract expenditure requirement for new construction developments by the current deadline. The owner indicated that building permits have been pulled, utilities are available at the site, grading will be completed by February 2011, and the clubhouse foundation, all right of way access, and 10% of the construction contract amount will be expended by March 2011. The owner has also confirmed that the development is still on target to meet its placed in service requirement.

The owner has requested a waiver of the five (5) point penalty associated with the late 10% Test submission. Staff recommends the enforcement of the five (5) point penalty on any applications submitted by the principals of the Applicant under the 2011 application cycle pursuant to §49.9(a)(28)(A).

Additionally, it should be noted, that the Department may grant an extension to the deadline for submitting the documentation required for the 10% Test; however, the owner is still responsible to meet the 10% expenditure deadline of December 31, 2010 pursuant to §42(h)(1)(E)(i) and (ii) of the Internal Revenue Code.

Owner:	TF Development, LP
General Partner:	TF Development GP, LLC
Developer:	GFD Opportunity I, LLC
Principals/Interested Parties:	Alan McDonald, Brandon Bolin, and Jason Hutton
City/County:	Dallas/Dallas
Set-Aside:	N/A
Type of Area:	Urban
Type of Development:	New Construction

Population Served:	Family
Units:	144 HTC units
2009 Allocation:	\$1,879,930
Allocation per HTC Unit:	\$13,055
Extension Request Fee Paid:	\$2,500
Current Deadline:	December 1, 2010
<b>New 10% Test Deadline:</b>	<b>December 31, 2010</b>
<b>New COC Deadline:</b>	<b>June 1, 2011</b>
Previous Extensions:	N/A



December 7, 2010

Mr. Kent Bedell  
Texas Department of Housing and Community Affairs  
P.O. Box 13941  
Austin, TX 78711-3941

Re: TDHCA Application #09314, Taylor Farms 10% Test and  
Commencement of Substantial Construction Deadline Extension Request

Dear Mr. Bedell,

Please accept this letter as a formal request on behalf of TF Development, LP to extend the 10% Test deadline for TDHCA Application #09314 from December 1, 2010 to December 31, 2010. The property met the 10% expenditure requirements at closing on November 10, 2010, which will be evidenced in the 10% Test documentation prepared and certified by Novogradac, LLP.

Additionally, TF Development, LP respectfully requests a six month extension for the provision of Evidence of Substantial Construction Commencement due to the delay in receipt of the FHA 221d4 Loan Commitment, which delayed closing. As a result construction began November 11, 2010. However, Substantial Construction activities are not anticipated to commence until March 31, 2011. Construction completion is scheduled for October 31, 2011, and will be completed prior to the December 31, 2011 Placed in Service Deadline.

The Developer does not foresee any obstacles preventing delivery of all 160 units by December 31, 2011 to receive 8609's for all Housing Tax Credits awarded. The Commencement of Substantial Construction Activities schedule is as follows:

- March 2011 – Completion of the Foundation of the Clubhouse
- February 2011 – All grading will be complete
- March 2011 – All right of way access to the property will be complete
- All infrastructure permits have been received
- Utilities are currently available at the site
- March 2011 - 10% of Construction Completion will be achieved

Due to the oversight in providing the 2009 10% Test documentation, and the inability to provide Evidence of Substantial Construction Commencement prior to the December 1, 2010 deadline as required, the Developer, Principals, Affiliates and Related Parties of TF

Development, LP respectfully request a waiver of any and all applicable penalties that may be assessed in accordance with Section 49.9(a)(28) of the 2011 Qualified Allocation Plan on future applications submitted to the Department. Please contact me at (972) 567-4630 should you have additional questions or concerns.

Respectfully submitted,

A handwritten signature in cursive script, appearing to read "Terri L. Anderson".

Terri L. Anderson  
President, Anderson Capital, LLC

**HTC No. 09913/08026, Villas on Raiford**  
**(10% Test Documentation)**

Summary of Request: Pursuant to §49.14(b) of the 2009 Qualified Allocation Plan and Rules, “No later than eleven months from the date the Carryover Allocation Document is executed by the Department and the Development Owner, more than 10% of the Development Owner’s reasonable expected basis must have been incurred pursuant to §42(h)(1)(E)(i) and (ii) of the Internal Revenue Code. The evidence to support the satisfaction of this requirement must be submitted to the Department no later than December 1 of the year following the execution of the Carryover Allocation Document in a format prescribed by the Department”.

The owner is requesting to extend the deadline to submit documentation fulfilling the 10% and Commencement of Substantial Construction (COC) requirements from December 1, 2010 to December 31, 2010 and June 1, 2011. The reason given for the 10% Test extension request was a Development team oversight regarding the deadline to submit the documentation fulfilling the 10% Test requirement. The owner has confirmed that the 10% expenditure requirement has been met; however, they need additional time to submit the documentation fulfilling the 10% requirement.

The reason given for the COC extension was that the development financing did not close until September 1, 2010, which has left insufficient time to fulfill the COC 10% construction contract expenditure requirement for new construction developments by the current deadline. The owner has indicated that the clubhouse foundation is complete, building permits have been pulled, utilities are available at the site, all right of way access will be completed by the end of December, grading will be completed by January 2011, and 10% of the construction contract has been expended. The owner has also confirmed that the development is still on target to meet its placed in service requirement.

The owner has requested a waiver of the five (5) point penalty associated with the late 10% Test submission. Staff recommends the enforcement of the five (5) point penalty on any applications submitted by the principals of the Applicant under the 2011 application cycle pursuant to §49.9(a)(28)(A).

Additionally, it should be noted, that the Department may grant an extension to the deadline for submitting the documentation required for the 10% Test; however, the owner is still responsible to meet the 10% expenditure deadline of December 31, 2010 pursuant to §42(h)(1)(E)(i) and (ii) of the Internal Revenue Code.

Owner:	Carrolton Senior Housing, LP
General Partner:	Villas on Raiford, LLC
Developer:	Megan & Associates V, LLC
Principals/Interested Parties:	Chan II Pak, Huelon A Harrison, Jang Wook Lee, and Hyo Nam Han
City/County:	Carrolton/Dallas
Set-Aside:	N/A
Type of Area:	Urban

Type of Development:	New Construction
Population Served:	Elderly
Units:	172 HTC units
2009 Allocation:	\$1,369,095
Allocation per HTC Unit:	\$7,960
Extension Request Fee Paid:	\$2,500
Current Deadline:	December 1, 2010
<b>New 10% Test Deadline:</b>	<b>December 31, 2010</b>
<b>New COC Deadline:</b>	<b>June 1, 2011</b>
Previous Extensions:	N/A



December 7, 2010

Mr. Kent Bedell  
Texas Department of Housing and Community Affairs  
P.O. Box 13941  
Austin, TX 78711-3941

Re: TDHCA Application #09913, Villas on Raiford 10% Test and  
Commencement of Substantial Construction Deadline Extension Request

Dear Mr. Bedell,

Please accept this letter as a formal request on behalf of Villas on Raiford Carrollton Senior Housing, LLC to extend the 10% Test deadline for TDHCA Application #09913 from December 1, 2010 to December 15, 2010. The property has met the expenditure requirements, as evidenced by prior submission of the 10% Test for the 2007 and 2008 Housing Tax Credit award. In addition, 30% of Total Development Costs have been accrued exceeding the Tax Credit Exchange 30% Test. Novogradac, LLP has been engaged to provide independent certification of the 10% and 30% Tests prior to December 15, 2010 in compliance with the 30% Test deadline.

Additionally, Villas on Raiford Carrollton Senior Housing, LLC requests herein a six month extension to provide Evidence of Commencement of Substantial Construction Activities due to the delay in receipt of the HUD Commitment for the FHA 221d4 loan, which closed on September 1, 2010. Construction began September 2, 2010 immediately after closing. As of November 27, 2010, construction was 9.94% complete.

However, commencement of all substantial construction activities is not anticipated until January 2011 due to extensive site work allowing no more than a 2% PVR as required by FHA. The Developer does not foresee any obstacles. Construction is ahead of schedule and completion is anticipated in November 2011, exceeding the December 31, 2011 Placed in Service Deadline for all 180 units. The status of all Substantial Construction Activities is as follows:

- The Foundation of the Clubhouse is complete.
- By January 2011, all grading will be complete.
- By December 2011, all right of way access to the property will be complete.
- All infrastructure permits have been received.
- Utilities are currently available at the site.
- 10% Construction Completion has been achieved.

Due to the oversight in providing the 2009 10% Test, and the inability to provide all Evidence of Substantial Construction Commencement prior to the December 1, 2010 deadline as required, the Developer, Principals, Affiliates and Related Parties for Villas on Raiford Carrollton Senior Housing, LLC respectfully request a waiver of any and all penalties associated with Section 49.9(a)(28) of the 2011 Qualified Allocation Plan for any future application submissions.

Please contact me at (972) 567-4630 should you have additional questions or concerns.

Respectfully submitted,

A handwritten signature in cursive script, appearing to read "Terri L. Anderson".

Terri L. Anderson  
President, Anderson Capital, LLC



**HTC No. 10003/09813, Champion Homes at Marina Landing**  
**(Carryover Documentation for 2009 Fwd Commitment)**

Summary of Request: Pursuant to §50.14(a) of the 2010 Qualified Allocation Plan and Rules, “All Developments which received a Commitment Notice, and will not be placed in service and receive IRS Form 8609 in the year the Commitment Notice was issued, must submit the Carryover documentation to the Department no later than November 2 of the year in which the Commitment Notice is issued pursuant to §42(h)(I)(c) IRC”.

The owner in this case submitted the carryover documentation on November 3, 2010 deadline. The reason given for the late submission was that the development owner officer’s were out of the office and unable to sign the carryover agreement by the November 2, 2010 deadline. However, had the owner requested this extension on November 2, 2010, it would not have required Board approval. It was not until staff notified the owner that the carryover was not received that the extension was requested.

Additionally, due to the late carryover submission and pursuant to §49.9(a)(29)(A), the principals of the Applicant will be assessed a five (5) point penalty on any applications submitted by the Applicant under the 2011 application cycle. This rule was also in the 2010 QAP at §50.9(i)(30)(A).

Owner:	Chicory Court I, L.P.
General Partner:	Chicory GP I, LLC
Developer:	Odyssey Residential Holdings, LP
Principals/Interested Parties:	Saleem Jafar and James R Fisher
City/County:	Galveston/Galveston
Set-Aside:	N/A
Type of Area:	Urban
Type of Development:	Acq/Rehab
Population Served:	Family
Units:	256 HTC units
2010 Allocation:	\$1,643,824
Allocation per HTC Unit:	\$6,421
Extension Request Fee Paid:	\$2,500
Current Deadline:	November 2, 2010
<b>New Deadline Requested:</b>	<b>November 3, 2010</b>
Previous Extensions:	N/A

November 3, 2010

Texas Dept of Housing & Community Affairs  
221 East 11<sup>th</sup> Street  
Austin, Texas 78701

RE: APPLICATION #09317, CHAMPION HOMES AT MARINA LANDING

TDHCA:

The Carryover Agreement for Champion Homes at Marina Landing was due November 2, 2010, but due to officers being out of the office, we were not able to sign and send until today, November 3, 2010. Please accept our extension request and check for \$2,500. The Carryover package was uploaded to the Department's server at 4:40 on November 3, 2010.

Please contact me with any questions,

Sincerely,



James R. "Bill" Fisher

ODYSSEY RESIDENTIAL HOLDINGS, LP  
5420 LBJ FREEWAY, STE 1355  
DALLAS, TX 75240  
972.701.5551

**HTC No. 10178, Cypress Creek at Fayridge**  
**(Carryover Documentation)**

Summary of Request: Pursuant to §50.14(a) of the 2010 Qualified Allocation Plan and Rules, “All Developments which received a Commitment Notice, and will not be placed in service and receive IRS Form 8609 in the year the Commitment Notice was issued, must submit the Carryover documentation to the Department no later than November 2 of the year in which the Commitment Notice is issued pursuant to §42(h)(I)(c) IRC”.

The owner in this case submitted the carryover documentation on November 3, 2010 due to a development team oversight. The owner has requested that the five (5) point penalty on future year applications as a result of the late carryover submission be reduced to one (1) point based on the fact that the documentation was submitted one (1) day late of the original deadline.

Staff recommends the enforcement of the five (5) point penalty on any applications submitted by the Applicant under the 2011 application cycle pursuant to §49.9(a)(28)(A). This rule was also in the 2010 QAP at §50.9(i)(30)(A). No partial waiver of the rule was contemplated in either QAP.

Owner:	Cypress Creek Fayridge, L.P.
General Partner:	SSFP CCFD XVII, LLC
Developer:	SSFP CCFD XVII, LLC
Principals/Interested Parties:	Stuart Shaw, Stuart Shaw Family Partnership, LTD, and Stuart Shaw Family Management, LLC
City/County:	Houston/Harris
Set-Aside:	N/A
Type of Area:	Urban
Type of Development:	New Construction
Population Served:	Family
Units:	256 HTC units
2010 Allocation:	\$2,000,000
Allocation per HTC Unit:	\$6,421
Extension Request Fee Paid:	\$2,500
Current Deadline:	November 2, 2010
<b>New Deadline Requested:</b>	<b>November 3, 2010</b>
Previous Extensions:	N/A

11-03-10 10:51 RCVD

November 3, 2010

Ms. Robbye Meyer  
Texas Department of Housing and Community Affairs  
221 East 11<sup>th</sup> Street  
Austin, Texas 78711

RE: Cypress Creek at Fayridge Drive, TDHCA 10178, Carryover Agreement

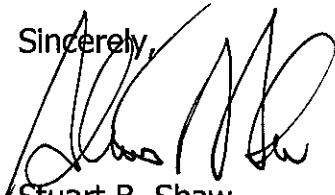
Dear Ms. Meyer,

I am writing you to request a short extension of the November 2, 2010 Carryover Allocation package submission date for Cypress Creek at Fayridge. The Carryover Allocation package was submitted to TDHCA staff on the morning of November 3, 2010.

The late delivery was an oversight by our team and we apologize for any inconvenience this has caused the TDHCA staff. We regret that this has happened and ask for your leniency. We respectfully request that the TDHCA approve an extension to the carryover date and that they consider a lesser penalty than the 5 points detailed in the QAP. Given the extremely short extension, we would suggest a one point penalty for the less than one day extension.

I have included the extension fee and respectfully request your approval and/or positive staff recommendation to the TDHCA board.

Sincerely,



Stuart B. Shaw  
Applicant's Representative and Manager of Its General Partner

Attachment: \$2,500.00 Extension Fee

**HTC No. 10143, Oak Creek Townhomes**  
**(Carryover Documentation)**

Summary of Request: Pursuant to §50.14(a) of the 2010 Qualified Allocation Plan and Rules, “All Developments which received a Commitment Notice, and will not be placed in service and receive IRS Form 8609 in the year the Commitment Notice was issued, must submit the Carryover documentation to the Department no later than November 2 of the year in which the Commitment Notice is issued pursuant to §42(h)(I)(c) IRC”.

The owner in this case submitted the carryover documentation approximately twenty (20) minutes after the 5:00 PM November 2, 2010 deadline. The reason given for the late submission was that the owner was submitting a total of five (5) carryovers and was waiting on some last minute items to complete their carryover documentation for this development.

They indicated that they received the remaining items shortly before the 5:00 PM deadline and attempted to submit the carryover documentation five minutes prior to the deadline on the Department’s FTP site. However, due to the timing of their submission, they incurred some transmission difficulties, which led to the approximately twenty (20) minute late submission. The owner has requested a waiver of the five (5) point penalty associated with the late carryover submission.

Staff recommends a waiver of the five (5) point penalty on any subsequent applications submitted by the Applicant under the 2011 application cycle because the Applicant provided evidence that they had attempted to submit the documentation prior to the deadline on the Department’s FTP site and was able to complete the submission shortly after the deadline. This is in accordance with §50.9(i)(30)(A) of the 2010 Qualified Allocation Plan and Rules

Owner:	THF Marble Falls Redevelopment Ventures, L.P.
General Partner:	THF Housing Development Corporation
Developer:	THF Development Company, LLC and Hamilton Valley Management, Inc.
Principals/Interested Parties:	Mark Mayfield and Dennis Hoover
City/County:	Marble Falls/Burnet
Set-Aside:	N/A
Type of Area:	Rural
Type of Development:	Reconstruction
Population Served:	Family
Units:	80 HTC units
2010 Allocation:	\$996,930
Allocation per HTC Unit:	\$12,462
Extension Request Fee Paid:	\$2,500
Current Deadline:	November 2, 2010
<b>New Deadline Requested:</b>	<b>November 3, 2010</b>
Previous Extensions:	N/A

**THF Marble Falls Redevelopment Ventures, LP**  
Oak Creek Townhomes  
TDHCA #10143

November 23, 2010

TDHCA  
Attention: Kent Bedell  
P. O. Box 13941  
221 East 11<sup>th</sup> Street  
Austin, Texas 78701-2410

Re: Extension Request for Carryover TDHCA #10143  
THF Marble Falls Redevelopment Ventures, LP

Dear Kent,

Please accept this letter as an official request by the owners referenced above to grant the extension of 19 minutes for the Carryover report due on November 2, 2010.

We had prepared, and then submitted, five Carryover's by the due date. We feel that all were submitted in a timely manner and, as soon as physically possible. TDHCA received Oak Creek Townhomes 19 minutes after five. Which technically was late but we would like to have you consider that out of the five Carryover's submitted, four of them were also being prepared for Exchange Applications at the same time. We had a timing difficulty due to some technical problems and physical problems.

We had waited for Mr. Mayfield to come and sign documents for the carryover and were working on trying to get the Ground lease closed in time to send it with the Carryover Documentation. We ended up postponing that until a later date, as everyone involved could not get together in a timely manner to accomplish that by five o'clock.

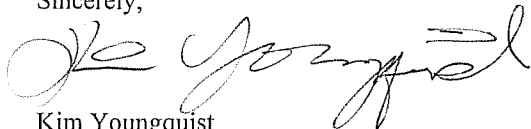
We began transmitting to FTP before five but had some transmission problems. By the time it all transferred it was after 5PM.

Please consider forgiveness of any point penalty pursuant to the QAP for the following year's competitive cycle, and the \$2500.00 fee. We feel that with the time restraints we had on several different projects, we were working on and, the transmission problems, it was almost impossible to get all five in by the cut off time of 5 PM.

Also, please let this letter serve as confirmation that the owner/developers for this property is on target to meet all minimum activity necessary to meet all other deadlines and the Placed in Service date of December 31, 2011.

Thank you in advance for your consideration in this matter.

Sincerely,



Kim Youngquist  
Development Coordinator  
Hamilton Valley Management, Inc.  
(512) 756-6809 Ext. 218



**REQUEST FOR BOARD ACTION  
Multifamily Finance Division**

**Private Activity Bond Program – Waiting List**

**1 Priority 3 Application for 2011 Waiting List**

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**TABLE OF EXHIBITS**

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<b>TAB 1</b>	<b>TDHCA Board Presentation – December 17, 2010</b>
<b>TAB 2</b>	<b>Summary of Applications</b>
<b>TAB 3</b>	<b>Inducement Resolution</b>
<b>TAB 4</b>	<b>Map of Development Site</b>

**MULTIFAMILY FINANCE DIVISION**

**BOARD ACTION REQUEST**

**December 17, 2010**

**Requested Action**

Presentation, Discussion and Possible Action of an Inducement Resolution for Multifamily Housing Revenue Bonds and Authorization for Filing Applications for Private Activity Bond Authority – 2011 Waiting List.

**WHEREAS**, the Board approval of the inducement resolution is the first step for the Board in the application process and,

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

It is hereby:

**RESOLVED**, that the Inducement Resolution to proceed with application submission to the Texas Bond Review Board for possible receipt of State Volume Cap issuance authority from the 2011 Private Activity Bond Program for Chatham Green Apartments is hereby approved as presented at meeting.

**Background**

The Texas Bond Review Board (BRB) administers the state's annual bond authority for the State of Texas. The Department is an issuer of Private Activity Bonds and each issuer's Board is required to induce an application for bonds prior to the submission to the BRB. Approval of the inducement resolution does not constitute approval of the Development, but merely allows the Applicant the opportunity to move into the full application phase of the process. Once the application receives a reservation of allocation, the Applicant has 150 days to close on the private activity bond transaction. During the 150 day process, the Department will review the Applicant's complete application for threshold and compliance with the Department's Rules and is underwritten to determine financial feasibility. The Department will schedule and conduct a public hearing in the community of the proposed location of the development. The complete application including a transcript from the hearing will then be presented before the Board for a decision on the actual issuance of the bonds as well as the determination of housing tax credits.

Each year, the State of Texas is notified of the cap on the amount of private activity tax-exempt revenue bonds that may be issued within the state. Approximately \$440 million is set aside for multifamily until August 15<sup>th</sup> for the 2011 bond program year which includes the TDHCA set aside of approximately \$98 million available for new 2011 applications. If the Board approves the Waiting List application listed below, it will be the first application for the 2011 program year submitted to the BRB.

Inducement Resolution 11-014 includes one (1) application that was received on or before November 10, 2010. The application will reserve approximately \$10 million in 2011 state volume cap. Upon Board approval to proceed, the application will be submitted to the Texas Bond Review Board for placement on the 2011 Waiting List. Board approval of the inducement resolution allows the Department to submit the applications to the Bond Review Board to await a reservation of allocation.



Chatham Green, App. #11600– The proposed acquisition and rehabilitation will consist of 234 units and will target the general population. It is located at 3532 Chatham Green Lane, Arlington, Tarrant County. Demographics for the census tract (1115.25) include AMFI of \$56,202; the total population is 6,079; the percent of the population that is minority is 51.69%; the number of owner occupied units is 1,181; number of renter occupied units is 797; and the number of vacant units is 57 (Census Information from FFIEC Geocoding for 2010).

*Public Comment:* The Department received a letter of support from Mayor Robert Cluck of Arlington and the Department has not received any letters of opposition.

## Texas Department of Housing and Community Affairs

2011 Multifamily Private Activity Bond Program - Waiting List

Application #	Development Information	Units	Bond Amount	Developer Information	Comments
11600	Chatham Green Apartments 3532 Chatham Green Lane	234	\$ 10,000,000	Chatham Renovation, LLC DeAnn Totta	Recommend
Priority 3	City: Arlington County: Tarrant <i>Rehabilitation</i>	General	Score = 83.5	P.O. Box 34729 Kansas City, MO 64116 (816) 303-4500	
<b>Totals for Recommended Applications</b>		<b>234</b>	<b>\$ 10,000,000</b>		

## RESOLUTION NO. 11-014

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

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

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

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

WHEREAS, the Owner has made not more than 60 days prior to the date hereof, payments with respect the Development and expects to make additional payments in the future and desires that it be reimbursed for such payments and other costs associated with the Development from the proceeds of tax-exempt and taxable obligations to be issued by the Department subsequent to the date hereof; and

WHEREAS, the Owner has indicated its willingness to enter into contractual arrangements with the Department providing assurance satisfactory to the Department that 100 percent of the units of the Development will be occupied at all times by eligible tenants, as determined by the Board pursuant to the Act ("Eligible Tenants"), that the other requirements of the Act and the Department will be satisfied and that the Development will satisfy State law, Section 142(d) and other applicable Sections of the Code and Treasury Regulations; and

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

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

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

WHEREAS, the Board has determined to declare its intent to issue its multifamily revenue bonds for the purpose of providing funds to the Owner to finance the Development on the terms and conditions hereinafter set forth; NOW, THEREFORE,

BE IT RESOLVED BY THE BOARD THAT:

Section 1--Certain Findings. The Board finds that:

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

Section 2--Authorization of Issue. The Department declares its intent to issue its Multifamily Housing Revenue Bonds (the "Bonds") in amounts estimated to be sufficient to (a) fund a loan or loans to the Owner to provide financing for its Development in an aggregate principal amount not to exceed those amounts, corresponding to the Development, set forth in Exhibit A; (b) fund a reserve fund with respect to the Bonds if needed; and (c) pay certain costs incurred in connection with the issuance of the Bonds. Such Bonds will be issued as qualified residential rental development bonds. Final approval of the Department to issue the Bonds shall be subject to: (i) the review by the Department's credit underwriters for financial feasibility; (ii) review by the Department's staff and legal counsel of compliance with federal income tax regulations and state law requirements regarding tenancy in each Development; (iii) approval by the Bond Review Board, if required; (iv) approval by the Attorney General of the State of Texas (the "Attorney General"); (v) satisfaction of the Board that each Development meets the Department's public policy criteria; and (vi) the ability of the Department to issue such Bonds in compliance with all federal and state laws applicable to the issuance of such Bonds.

Section 3--Terms of Bonds. The proposed Bonds shall be issuable only as fully registered bonds in authorized denominations to be determined by the Department; shall bear interest at a rate or rates to be determined by the Department; shall mature at a time to be determined by the Department but in no event later than 40 years after the date of issuance; and shall be subject to prior redemption upon such terms and conditions as may be determined by the Department.

Section 4--Reimbursement. The Department reasonably expects to reimburse the Owner for all costs that have been or will be paid subsequent to the date that is 60 days prior to the date hereof in connection with the acquisition of real property and construction of its Development and listed on Exhibit A attached hereto (“Costs of the Development”) from the proceeds of the Bonds, in an amount which is reasonably estimated to be sufficient: (a) to fund a loan to provide financing for the acquisition and construction or rehabilitation of its Development, including reimbursing the Owner for all costs that have been or will be paid subsequent to the date that is 60 days prior to the date hereof in connection with the acquisition and construction or rehabilitation of the Development; (b) to fund any reserves that may be required for the benefit of the holders of the Bonds; and (c) to pay certain costs incurred in connection with the issuance of the Bonds.

Section 5--Principal Amount. Based on representations of the Owner, the Department reasonably expects that the maximum principal amount of debt issued to reimburse the Owner for the costs of the Development will not exceed the amount set forth in Exhibit A which corresponds to the Development.

Section 6--Limited Obligations. The Owner may commence with the acquisition and construction or rehabilitation of the Development, which Development will be in furtherance of the public purposes of the Department as aforesaid. On or prior to the issuance of the Bonds, the Owner will enter into a loan agreement on an installment payment basis with the Department under which the Department will make a loan to the Owner for the purpose of reimbursing the Owner for the costs of the Development and the Owner will make installment payments sufficient to pay the principal of and any premium and interest on the applicable Bonds. The proposed Bonds shall be special, limited obligations of the Department payable solely by the Department from or in connection with its loan or loans to the Owner to provide financing for the Development, and from such other revenues, receipts and resources of the Department as may be expressly pledged by the Department to secure the payment of the Bonds.

Section 7--The Development. Substantially all of the proceeds of the Bonds shall be used to finance the Development, which is to be occupied entirely by Eligible Tenants, as determined by the Department, and which is to be occupied partially by persons and families of low income such that the requirements of Section 142(d) of the Code are met for the period required by the Code.

Section 8--Payment of Bonds. The payment of the principal of and any premium and interest on the Bonds shall be made solely from moneys realized from the loan of the proceeds of the Bonds to reimburse the Owner for costs of its Development.

Section 9--Costs of Development. The Costs of the Development may include any cost of acquiring, constructing, reconstructing, improving, installing and expanding the Development. Without limiting the generality of the foregoing, the Costs of the Development shall specifically include the cost of the acquisition of all land, rights-of-way, property rights, easements and interests, the cost of all machinery and equipment, financing charges, inventory, raw materials and other supplies, research and development costs, interest prior to and during construction and for one year after completion of construction whether or not capitalized, necessary reserve funds, the cost of estimates and of engineering and legal services, plans, specifications, surveys, estimates of cost and of revenue, other expenses necessary or incident to determining the feasibility and practicability of acquiring, constructing, reconstructing, improving and expanding the Development, administrative expenses and such other expenses as may be necessary or incident to the acquisition, construction, reconstruction, improvement and expansion of the Development, the placing of the Development in operation and that satisfy the Code and the Act. The Owner shall be responsible for and pay any costs of its Development incurred by it prior to issuance of the Bonds and will pay all costs of its Development which are not or cannot be paid or reimbursed from the proceeds of the Bonds.

Section 10--No Commitment to Issue Bonds. Neither the Owner nor any other party is entitled to rely on this Resolution as a commitment to issue the Bonds and to loan funds, and the Department reserves the right not to issue the Bonds either with or without cause and with or without notice, and in such event the Department shall not be subject to any liability or damages of any nature. Neither the Owner nor any one claiming by, through or under the Owner shall have any claim against the Department whatsoever as a result of any decision by the Department not to issue the Bonds.

Section 11--No Indebtedness of Certain Entities. The Board hereby finds, determines, recites and declares that the Bonds shall not constitute an indebtedness, liability, general, special or moral obligation or pledge or loan of the faith or credit or taxing power of the State, the Department or any other political subdivision or municipal or political corporation or governmental unit, nor shall the Bonds ever be deemed to be an obligation or agreement of any officer, director, agent or employee of the Department in his or her individual capacity, and none of such persons shall be subject to any personal liability by reason of the issuance of the Bonds.

Section 12--Conditions Precedent. The issuance of the Bonds following final approval by the Board shall be further subject to, among other things: (a) the execution by the Owner and the Department of contractual arrangements providing assurance satisfactory to the Department that 100 percent of the units for each Development will be occupied at all times by Eligible Tenants, that all other requirements of the Act will be satisfied and that each Development will satisfy the requirements of Section 142(d) of the Code (except for portions to be financed with taxable bonds); (b) the receipt of an opinion from Vinson & Elkins L.L.P. or other nationally recognized bond counsel acceptable to the Department, substantially to the effect that the interest on the tax-exempt Bonds is excludable from gross income for federal income tax purposes under existing law; and (c) receipt of the approval of the Bond Review Board, if required, and the Attorney General.

Section 13--Certain Findings. The Board hereby finds, determines, recites and declares that the issuance of the Bonds to provide financing for the Development will promote the public purposes set forth in the Act, including, without limitation, assisting persons and families of low and very low income and families of moderate income to obtain decent, safe and sanitary housing at rentals they can afford.

Section 14--Authorization to Proceed. The Board hereby authorizes staff, Bond Counsel and other consultants to proceed with preparation of the Development's necessary review and legal documentation for the filing of an Application for the 2011 program year and the issuance of the Bonds, subject to satisfaction of the conditions specified in Section 2(i) and (ii) hereof. The Board further authorizes staff, Bond Counsel and other consultants to re-submit an Application that was withdrawn by an Owner so long as the Application is re-submitted within the current or following program year.

Section 15--Related Persons. The Department acknowledges that financing of all or any part of the Development may be undertaken by any company or partnership that is a "related person" to the respective Owner within the meaning of the Code and applicable regulations promulgated pursuant thereto, including any entity controlled by or affiliated with the Owner.

Section 16--Declaration of Official Intent. This Resolution constitutes the Department's official intent for expenditures on Costs of the Development which will be reimbursed out of the issuance of the Bonds within the meaning of Sections 1.142-4(b) and 1.150-2, Title 26, Code of Federal Regulations, as amended, and applicable rulings of the Internal Revenue Service thereunder, to the end that the Bonds issued to reimburse Costs of the Development may qualify for the exemption provisions of Section 142 of the Code, and that the interest on the Bonds (except for any taxable Bonds) will therefore be excludable from the gross incomes of the holders thereof under the provisions of Section 103(a)(1) of the Code.

Section 17--Authorization of Certain Actions. The Department hereby authorizes the filing of and directs the filing of the Application in such form presented to the Board with the Bond Review Board and each director of the Board are hereby severally authorized and directed to execute the Application on behalf of the Department and to cause the same to be filed with the Bond Review Board.

Section 18--Books and Records. The Board hereby directs this Resolution to be made a part of the Department's books and records that are available for inspection by the general public.

Section 19--Notice of Meeting. Written notice of the date, hour and place of the meeting of the Board at which this Resolution was considered and of the subject of this Resolution was furnished to the Secretary of State and posted on the Internet for at least seven (7) days preceding the convening of such meeting; that during regular office hours a computer terminal located in a place convenient to the public in the office of the Secretary of State was provided such that the general public could view such posting; that such meeting was open to the public as required by law at all times during which this Resolution and the subject matter hereof was discussed, considered and formally acted upon, all as required by the Open Meetings Act, Chapter 551, Texas Government Code, as amended; and that written notice of the date, hour and place of the meeting of the Board and of the subject of this Resolution was published in the Texas Register at least seven (7) days preceding the convening of such meeting, as required by the Administrative Procedure and Texas Register Act, Chapters 2001 and 2002, Texas Government Code, as amended. Additionally, all of the materials made available to the Board relevant to the subject of this Resolution were posted on the Department's website not later than the third day before the date of the meeting of the Board at which this Resolution was considered, and any documents made available to the Board by the Department on the day of the meeting were also made available in hard-copy format to the members of the public in attendance at the meeting, as required by Section 2306.032, Texas Government Code, as amended.

Section 20—Effective Date. This Resolution shall be in full force and effect from and upon its adoption.

*[Execution page follows]*

PASSED AND APPROVED this 17<sup>th</sup> day of December, 2010.

[SEAL]

By: \_\_\_\_\_  
Chairman, Governing Board

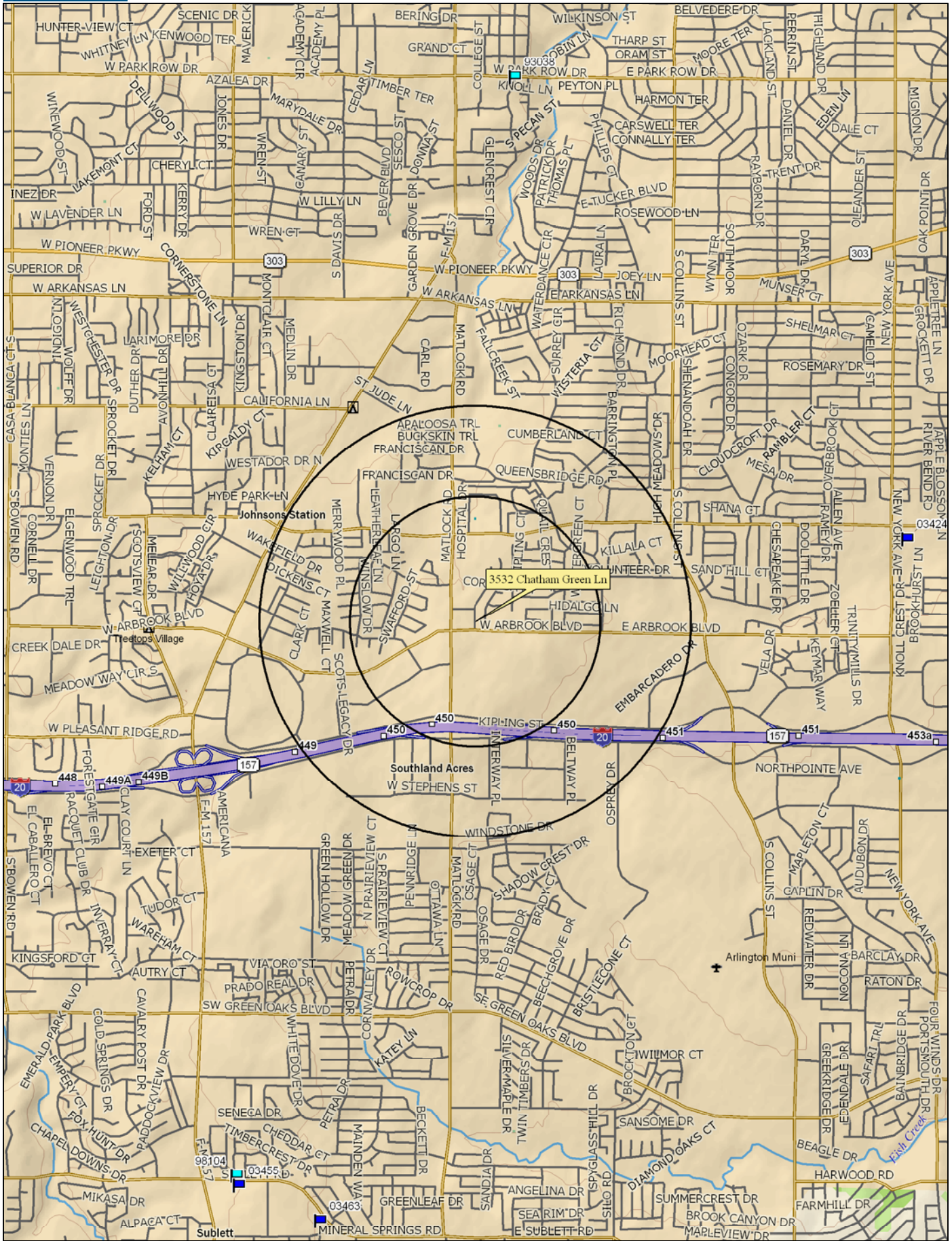
Attest: \_\_\_\_\_  
Secretary to the Governing Board



EXHIBIT "A"

Description of the Owner and the Development

Project Name	Owner	Principals	Amount Not to Exceed
Chatham Green Apartments	Chatham Renovation, L.L.C., a Missouri limited liability company, or other entity	The managing member is SLCas, L.L.C., a Missouri limited liability company, or other entity. McDowell Investments, L.P., or other entity, will own approximately a 99% membership interest in Chatham Renovation, L.L.C.	\$10,000,000
<p>Costs: Acquisition and rehabilitation of a multifamily housing development known as Chatham Green Apartments, located at approximately 3532 Chatham Green Lane, Arlington, Tarrant County, Texas.</p>			



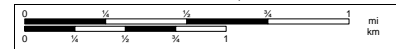
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Scale 1 : 37,500



1" = 3,125.0 ft Data Zoom 12-4



December 8, 2010

Texas Department of Housing and Community Affairs  
Multifamily Finance Division  
P.O. Box 13941  
Austin, Texas 78711-3941

Attention: Raquel Morales, HTC Program Administrator

Re: Chatham Renovation, L.L.C.  
Private Activity Bonds and Low Income Housing Tax Credit application  
3532 Chatham Green Lane, Arlington, TX 76014

Dear Ms. Morales:

This is in reference to the application submitted to the Texas Department of Housing and Community Affairs by Chatham Renovation, L.L.C. for Private Activity Bonds and Low Income Housing Tax Credits to rehabilitate the 234 unit multi-family apartment development known as Chatham Green Apartments located in Arlington, Texas. A representative of the developer, Ms. DeAnn M. Totta notified the City of Arlington about their intentions to apply for low income housing tax credits and we have met and discussed their plans to renovate the Chatham Green Apartments.

Please be advised that I support the applicant's plan to invest over \$3.4 million in the rehabilitation of the Chatham Green Apartments and the developer's application to your agency for private activity bonds and low income housing tax credits to secure the necessary funding to accomplish their plan. The City of Arlington supports the developer's plan to improve the physical condition and livability of the Chatham Green Apartments to benefit their existing and future residents and the surrounding neighborhoods.

If you have questions or require additional information please contact Mr. David Zappasodi, Assistant Director of Community Services at (817) 276-6790.

Sincerely,

Dr. Robert Cluck  
Mayor  
City of Arlington

CC: DeAnn M. Totta, Manager  
SLCas, L.L.C., 104 Armour Road, North Kansas City, Missouri 64116



**MULTIFAMILY FINANCE DIVISION  
BOARD ACTION REQUEST  
December 17, 2010**

**Requested Action**

Approve the Release and Termination Agreement for Multifamily Housing Revenue Bonds Sphinx at Delafield Series 2004.

**WHEREAS**, the Department issued \$11,915,000 in tax-exempt mortgage revenue bonds in 2004 to the Sphinx at Delafield development in Dallas, Texas to construct 204 units of affordable multifamily rental housing, and

**WHEREAS**, the bonds were collateralized with Government National Mortgage Association (GNMA) securities, and

**WHEREAS**, Fannie Mae would like to terminate the bond issue and take ownership of the underlying GNMA securities due to the devaluation of the tax-exemption relating to the bonds and the current market for the GNMA securities.

It is hereby:

**RESOLVED**, that the Release and Termination Agreement and Resolution 11-016 for Sphinx at Delafield is hereby approved as presented to this meeting.

**Summary of the Transaction**

Sphinx at Delafield, a 204 unit Development located in Dallas was issued \$11,915,000 in tax exempt bonds through the Department in 2004 and is a Government National Mortgage Association (GNMA) Collateralized Mortgage Loan. Due to the devaluation of the tax-exemption relating to the bonds and the current market for the GNMA security Fannie Mae would like to terminate the bond issue and take ownership of the underlying GNMA security.

In exchange for the Borrower's consent to the Termination, Fannie Mae has negotiated a fee of 0.75% of the total bonds outstanding, currently at \$10,915,000 and has also agreed to cover bond counsel and issuer expenses in conjunction with the bond termination which is currently estimated at \$52,500. In exchange for the Issuer's consent to the Termination, Fannie Mae indicated they would pay present value of the Issuer's Administration Fee up to the first optional redemption date of 2014. Assuming a 1% discount rate this would result in a payment of approximately \$41,000.

Even though the GNMA is callable in four years, the Department, acting through its Financial Advisor, presented Fannie Mae with a counterproposal calculating the Issuer Fee to the end of the initial compliance period of 2020 since this would be the first opportunity the partnership would have to re-structure given the timely exit of the limited partner. The counterproposal proposed using a present value rate equal to the 5-year Treasury rate. In today's market, the 5-year is in the 1.25% range which would generate approximately \$95,881 in upfront Issuer Fee. Fannie Mae's response was to split the difference whereby the Department would give up three years of Issuer fee and Fannie Mae would take on 3 years of risk on the optional redemption date, up to 2017, resulting in a present value of approximately \$70,000. In evaluating this proposal as well as the anticipated fee negotiated to the Borrower in exchange for their consent, the Department was not comfortable with receiving a lesser fee for its consent in comparison to that of the Borrower. Further negotiations with the Borrower resulted in an equal fee to the Department and the Borrower in the amount of \$80,685.

Additionally, as part of the counterproposal, the Department is requesting compensation for any Rebate Obligation and/or cost of Rebate Analysis to be paid at the time of the settlement. While we expect the Rebate Obligation to be \$0, a Rebate Analyst would still need to be engaged for confirmation; therefore the estimated fee for the Rebate Analyst is included in the estimate above. These computations are required per the Indenture and necessary prior to terminating the Indenture.

It should be noted that even though the bond issue will be terminated, per the Regulatory Agreement the Development is still within the Qualified Project Period. As a result, the annual bond compliance fee of \$25/unit will still be payable to the Department. Such fee is noted in the Release and Termination Agreement.

The anticipated Termination Date is on or before December 31, 2010; however a deadline to execute has not been established.

## RESOLUTION NO. 11-016

### RESOLUTION AUTHORIZING THE EXECUTION AND DELIVERY OF A RELEASE AND TERMINATION AGREEMENT IN CONNECTION WITH MULTIFAMILY HOUSING REVENUE BONDS (GNMA COLLATERALIZED MORTGAGE LOAN—SPHINX AT DELAFIELD) SERIES 2004

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

WHEREAS, the Issuer previously issued its Multifamily Housing Revenue Bonds (GNMA Collateralized Mortgage Loan—Sphinx at Delafield) Series 2004 (the “Bonds”) pursuant to the terms and provisions of that certain Trust Indenture dated as of July 1, 2004 (the “Indenture”), between the Issuer and Wells Fargo Bank, National Association, as trustee (the “Trustee”); and

WHEREAS, the proceeds of the Bonds were loaned by the Issuer to St. Augustine Villas Housing, L.P. (the “Borrower”) for the purpose of financing a multifamily housing development located in Dallas, Texas, pursuant to that certain Loan Agreement dated as of July 1, 2004 among the Issuer, the Borrower, the Trustee and Malone Mortgage Company, America, Ltd., as lender (the “Lender”); and

WHEREAS, the Issuer, Fannie Mae, as owner of 100% in aggregate principal amount of the Bonds, the Borrower and the Trustee now desire to enter into a Release and Termination Agreement in order to provide for the release and discharge of the Indenture and the disposition of the Trust Estate thereunder (the “Termination Agreement”); and

WHEREAS, the Issuer now desires to take certain actions with respect to the Termination Agreement;

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

Section 1. The Termination Agreement, in substantially the form presented at this meeting and approved by counsel to the Issuer, is hereby approved and adopted by the Issuer, and the Chairman of the Board is hereby authorized and empowered to execute and deliver the Termination Agreement on behalf of the Issuer, with such changes as may be approved by the Issuer’s counsel and the officer executing the same, such approval to be evidenced by such officer’s execution thereof.

Section 2. The actions and obligations of the Issuer authorized in Section 1 of this resolution shall be conditioned upon the delivery to the Issuer of evidence satisfactory to it of written consent to the Termination Agreement by Fannie Mae, the Trustee, the Borrower, and KeyCorp Real Estate Capital Markets, as assignee of the Lender (and to the extent of any variance in the terms of the Termination Agreement presented to the Board, evidence of the approval of such variance those parties by their execution of such Termination Agreement).

Section 3. The officers of the Board and the employees and agents of the Issuer, and each of them, shall be and each is expressly authorized, empowered and directed from time to time and at any time to do and perform all acts and things and to execute, acknowledge and deliver in the name and under the corporate seal and on behalf of the Issuer all certificates, financing statements, instruments and other documents, whether or not herein mentioned, as they may determine to be necessary or desirable in order to carry out the terms and provisions of this resolution, as well as the terms and provisions of the Termination Agreement, such determination to be conclusively evidenced by the performance of such acts and things and the execution of any such certificate, financing statement, instrument or other document.

Section 4. Written notice of the date, hour and place of the meeting of the Board at which this Resolution was considered and of the subject of this Resolution was furnished to the Secretary of State and posted on the Internet for at least seven (7) days preceding the convening of such meeting; that during regular office hours a computer terminal located in a place convenient to the public in the office of the Secretary of State was provided such that the general public could view such posting; that such meeting was open to the public as required by law at all times during which this Resolution and the subject matter hereof was discussed, considered and formally acted upon, all as required by the Open Meetings Act, Chapter 551, Texas Government Code, as amended; and that written notice of the date, hour and place of the meeting of the Board and of the subject of this Resolution was published in the Texas Register at least seven (7) days preceding the convening of such meeting, as required by the Administrative Procedure and Texas Register Act, Chapters 2001 and 2002, Texas Government Code, as amended. Additionally, all of the materials made available to the Board relevant to the subject of this Resolution were posted on the Department's website not later than the third day before the date of the meeting of the Board at which this Resolution was considered, and any documents made available to the Board by the Department on the day of the meeting were also made available in hard-copy format to the members of the public in attendance at the meeting, as required by Section 2306.032, Texas Government Code, as amended.

Section 5. This resolution shall be in full force and effect from and upon its adoption.

*(Execution page follows)*

PASSED AND APPROVED this 17<sup>th</sup> day of December, 2010.

---

Chairman, Governing Board

ATTEST:

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Secretary to the Governing Board

(SEAL)



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RELEASE AND TERMINATION AGREEMENT

among

TEXAS DEPARTMENT OF HOUSING AND COMMUNITY AFFAIRS,

FANNIE MAE,

ST. AUGUSTINE VILLAS HOUSING, L.P.

and

WELLS FARGO BANK, NATIONAL ASSOCIATION,  
as Trustee

Relating to

Texas Department of Housing and Community Affairs  
Multifamily Housing Revenue Bonds  
(GNMA Collateralized Mortgage Loan—Sphinx at Delafield)  
Series 2004

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Dated as of

December \_\_, 2010

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THIS RELEASE AND TERMINATION AGREEMENT (this “Termination Agreement”) dated as of December \_\_, 2010, is among TEXAS DEPARTMENT OF HOUSING AND COMMUNITY AFFAIRS (the “Issuer”), FANNIE MAE, as owner of 100% in aggregate principal amount of the Bonds (defined below), ST. AUGUSTINE VILLAS HOUSING, L.P. (the “Borrower”) and WELLS FARGO BANK, NATIONAL ASSOCIATION, as trustee (the “Trustee”) under the Indenture (defined below).

WITNESSETH:

WHEREAS, the Issuer previously issued its Multifamily Housing Revenue Bonds (GNMA Collateralized Mortgage Loan—Sphinx at Delafield) Series 2004 (the “Bonds”) pursuant to the terms and provisions of that certain Trust Indenture dated as of July 1, 2004 (the “Indenture”), between the Issuer and the Trustee; and

WHEREAS, Fannie Mae has surrendered the Bonds to the Trustee for cancellation in order to provide for the satisfaction and discharge of the Indenture and the transfer of the Project Loan Certificate (as defined in the Indenture) to Fannie Mae, all on the terms and conditions set forth herein; and

WHEREAS, there is on deposit with the Trustee funds sufficient to pay the amounts set forth in Exhibit A hereto; and

WHEREAS, the parties hereto have each duly authorized the execution and delivery of this Termination Agreement in order to provide for the release and discharge of the Indenture and the disposition of the Trust Estate thereunder, and all things have been done which are necessary to constitute this Termination Agreement a valid release and discharge of the Indenture;

NOW, THEREFORE, for and in consideration of the premises and the mutual covenants hereinafter contained, and subject to the conditions herein set forth, the parties hereto covenant, agree, and bind themselves as follows:

ARTICLE I

DEFINITIONS AND OTHER  
PROVISIONS OF GENERAL APPLICATION

Section 1.01 Definitions.

For all purposes of this Termination Agreement, except as otherwise expressly provided or unless the context otherwise requires:

(a) The terms defined in the recitals hereto have the meanings assigned to them in such recitals and all such terms include the plural as well as the singular.

(b) All references in this instrument to designated “Articles,” “Sections” and other provisions are to the designated Articles, Sections, and other provisions of this instrument as originally executed.

(c) The words “herein,” “hereof” and “hereunder” and other words of similar import refer to this Termination Agreement as a whole and not to any particular Article, Section, or other subdivision.

(d) Terms used herein with initial letters capitalized and not otherwise defined herein have the meanings assigned to such terms in the Indentures.

Section 1.02 Effect of Headings and Table of Contents.

The Article and Section headings herein and in the Table of Contents are for convenience only and shall not affect the construction hereof.

Section 1.03 Severability.

In case any provision of this Termination Agreement or any application hereof shall be invalid, illegal, or unenforceable, the validity, legality, and enforceability of the remaining provisions and applications shall not in any way be affected or impaired thereby.

Section 1.04 Benefits of Termination Agreement; Assignment.

Nothing in this Termination Agreement, expressed or implied, shall give any benefit or any legal or equitable right, remedy, or claim under this Termination Agreement to any person or entity, other than the parties hereto and their successors hereunder. No party hereto may assign its rights or obligations hereunder to any other person or entity without the written consent of the other parties hereto, except as otherwise provided in the Indenture.

Section 1.05 Governing Law.

THE VALIDITY, CONSTRUCTION, ENFORCEMENT, AND INTERPRETATION OF THIS TERMINATION AGREEMENT AND ANY CLAIM, CONTROVERSY, OR DISPUTE ARISING UNDER OR RELATED TO THIS TERMINATION AGREEMENT OR THE RIGHTS, DUTIES, AND RELATIONSHIP OF THE PARTIES HERETO, SHALL BE GOVERNED BY THE LAWS OF THE STATE OF TEXAS, WITHOUT REGARD TO THE PRINCIPLES THEREOF REGARDING CONFLICT OF LAWS.

## ARTICLE II

### RELEASE AND TERMINATION

Section 2.01 Release and Discharge of Indenture.

The Trustee hereby acknowledges that all sums payable under the Indenture have been paid, and hereby releases and discharges the Indenture, and all liens, security agreements, assignments, mortgages, agreements, and covenants created or incurred by the Issuer thereunder have ceased, determined and become null and void.

Section 2.02 Termination of Loan Agreement.

Pursuant to Section 7.6 of the Loan Agreement, the parties hereto acknowledge the termination of the Loan Agreement, provided that the covenants and provisions relating to the Unassigned Issuer Rights, the obligation of the Borrower to pay the Issuer Compliance Fee, and the covenants relating to the preservation of exclusion from gross income of interest on the Bonds for purposes of federal income taxation set forth under Section 2.4 and any other such covenants set forth in the Loan Agreement shall survive such termination. Except for the reservation of rights under the covenants and provisions referred to in the preceding sentence, neither the Trustee, the Issuer nor Fannie Mae shall have any rights under the Loan Agreement except such rights as may have vested or arisen from the Borrower's obligations under Sections 4.1, 5.10 and 5.11 of the Loan Agreement.

During the State Restrictive Period, the Borrower agrees to pay the Issuer Compliance Fee in the amount of \$25 per unit in the Project per year payable annually in advance on each July 20. The Issuer Compliance Fee shall be paid to Texas Department of Housing and Community Affairs, Attention: Financial Services Division, P.O. Box 13941, Austin, TX 78701.

Section 2.03 No Termination of Regulatory Agreement.

The parties hereto acknowledge and agree that notwithstanding the release and discharge of the Indenture and the termination of the Loan Agreement, the Regulatory Agreement shall remain in full force and effect until it is terminated pursuant to its terms.

Section 2.04 Transfer of Project Loan Certificate and Other Amounts.

(a) The Trustee is hereby directed (i) to transfer ownership of the Project Loan Certificate, and pay to Fannie Mae any amounts it has received with respect thereto since July 20, 2010, or any such amounts it receives hereafter, to Fannie Mae, (ii) to pay the amounts to the Persons indicated in Exhibit A, and (iii) after payment of the amounts described in the preceding clause, to transfer any amounts remaining in the Trust Estate to the Borrower.

(b) The Trustee confirms that the amounts set forth on Exhibit B are all the payments it has received in respect of the Project Loan Certificate since July 20, 2010.

Section 2.05 Further Assurances.

The parties hereto shall, from time to time, execute and deliver such other releases, termination statements and other instruments as reasonably may be requested to evidence the release and discharge of the Indenture, the termination of the Loan Agreement and the release and termination of all liens, security interests, assignments, mortgages, agreements or covenants created under or by the Indenture.

*[The remainder of this page is intentionally left blank.]*

This Termination Agreement may be executed in any number of counterparts, each of which so executed shall be deemed to be an original, but all such counterparts shall together constitute but one and the same instrument.

This written Termination Agreement represents the final agreement between the parties and may not be contradicted by evidence of prior, contemporaneous, or subsequent oral agreements of the parties.

There are no unwritten oral agreements between the parties.

IN WITNESS WHEREOF, the parties hereto have caused this Termination Agreement to be duly executed all as of the date first written above.

TEXAS DEPARTMENT OF HOUSING AND  
COMMUNITY AFFAIRS

By: \_\_\_\_\_  
Authorized Officer

FANNIE MAE

By: \_\_\_\_\_  
Authorized Officer

ST. AUGUSTINE VILLAS HOUSING, L.P.

By: St. Augustine Villas Development, L.L.C., a Texas  
limited liability company, its general partner

By: \_\_\_\_\_  
Jay O. Oji, Manager

WELLS FARGO BANK, NATIONAL ASSOCIATION,  
as Trustee

By: \_\_\_\_\_  
Authorized Officer

KeyCorp Real Estate Capital Markets, Inc., as assignee of Malone Mortgage Company America, Ltd., hereby acknowledges this Termination Agreement and consents to the termination of the Loan Agreement effected hereby.

KEYCORP REAL ESTATE CAPITAL MARKETS, INC.

By: \_\_\_\_\_  
Authorized Officer

*Signature Page to Release and Termination Agreement*

EXHIBIT A

Texas Department of Housing and Community Affairs	\$80,685
Vinson & Elkins L.L.P.	\$22,500
St. Augustine Villas Housing, L.P.	\$80,685
Wells Fargo Bank, National Association	\$5,000
Raymond James & Associates, Inc.	\$20,000
Bond Logistix	\$3,000

EXHIBIT B

<u>Project Loan Certificate Payment Date</u>	<u>Principal Amount Received</u>	<u>Interest Amount Received</u>	<u>Total Payment Amount Received</u>
8/15/2010	\$9,149.05	\$49,434.21	\$58,583.26
9/15/2010	9,192.38	49,392.88	58,585.26
10/15/2010	9,235.82	49,351.36	58,587.18
11/15/2010	9,279.38	49,309.65	58,589.03
12/15/2010	9,323.26	49,267.74	58,591.00
<b>Total:</b>	<b>\$46,179.89</b>	<b>\$246,755.84</b>	<b>\$292,935.73</b>



**HOME PROGRAM DIVISION**

**BOARD ACTION REQUEST**

**December 17, 2010**

**Recommended Action**

Presentation, Discussion, and Possible Action to Ratify HOME Program Reservation System Participants approved by the Executive Director.

**RESOLVED**, that thirteen HOME Program Reservation System Participants, City of Gladewater, City of Corsicana, City of Belton, City of McKinney, City of Jacksonville, City of Midland, City of Wortham, City of Huntsville, San Benito Housing Authority, Buckner Children and Family Services, Inc. dba Buckner Family Place, City of Taylor, City of Waxahachie, and Paris Living Community Development Corporation are hereby ratified and approved as presented to this meeting.

**Background**

On September 9, 2010 the Board approved the HOME Program Rule at 10 TAC Chapter 53 and it was published in the Texas Register on September 24, 2010. The adopted rule includes a provision for a new allocation method for eligible Applicants to access HOME funds through a Reservation System.

In accordance with the applicable provisions, forty Contract Administrators that currently have an active HOME contract submitted requests to become Reservation System Participants (RSPs). The Board ratified twenty one RSPs at the November 10, 2010 Board Meeting. As listed in the chart below, thirteen requests have completed the review process and Reservation System Participant Agreements have been approved by the Department's Executive Director.

<b>RSP Agreement Number</b>	<b>Contract Administrator Name</b>	<b>HOME Program Activity</b>
2010-0022	City of Gladewater	Homeowner Rehabilitation Assistance
2010-0023	City of Corsicana	Homeowner Rehabilitation Assistance
2010-0024	City of Belton	Homeowner Rehabilitation Assistance
2010-0025	City of McKinney	Homeowner Rehabilitation Homebuyer Assistance
2010-0026	City of Jacksonville	Homeowner Rehabilitation Assistance
2010-0027	City of Midland	Homeowner Rehabilitation

		Homebuyer Assistance
2010-0028	City of Wortham	Homeowner Rehabilitation Assistance
2010-0029	City of Huntsville	Homeowner Rehabilitation Assistance
2010-0030	San Benito Housing Authority	Homeowner Rehabilitation Homebuyer Assistance
2010-0031	Buckner Children and Family Services, Inc., dba Buckner Family Place	Tenant-Based Rental Assistance
2010-0032	City of Taylor	Homeowner Rehabilitation Assistance
2010-0033	City of Waxahachie	Homeowner Rehabilitation Assistance Homebuyer Assistance
2010-0034	Paris Living Community Development Corporation	Homeowner Rehabilitation Assistance Homebuyer Assistance

The RSP approvals being presented for ratification are currently being reviewed by the Compliance and Asset Oversight Division for issues of material non-compliance, unresolved audit findings, or questioned or disallowed costs. After clearance is received, the RSP Agreements will be sent to the RSP for execution.

**HOME PROGRAM DIVISION**

**BOARD ACTION REQUEST**

**December 17, 2010**

**Recommended Action**

Presentation, Discussion, and Possible Action on HOME Program Multifamily Development Award Recommendations.

**WHEREAS**, the Board approved forward commitments of tax credits to transactions also requesting HOME funds which are now eligible for such HOME funds, be it hereby:

**RESOLVED**, that the award of contracts for development of Ashton Senior Village and Las Brisas Manor, totaling \$3,293,888 in project funds and \$50,000 in CHDO operating expense funds, subject to the conditions of the underwriting report, is hereby approved as presented to this meeting.

**Background**

On September 9, 2010, the Board approved a revised HOME MFD NOFA, making \$18,218,765 available for the development of affordable multifamily rental housing. The Board concurrently awarded \$1,000,000 from this NOFA to two applications under the Persons with Disabilities Set-Aside which had previously received 9% tax credit allocations.

The applications recommended for award today were transferred from the previous RHD NOFA. Las Brisas Manor is requesting funding under the General Set-Aside, while Ashton Senior Village is requesting funding under the CHDO Set-Aside. Las Brisas Manor received a 9% tax credit allocation in the 2010 round, and Ashton Senior Village received a forward commitment for a 9% tax credit allocation at the September Board meeting. HOME funds are being requested to fill gaps in financing.

2010 funding made available under the General and CHDO Set-Asides in this NOFA was subject to the Regional Allocation Formula (RAF) until November 30, 2010. The Department received no applications for HOME MFD funds during this time period, and funds are now available statewide.

Staff recommends these applications are awarded using funds available under the General Set-Aside and the CHDO Set-Aside. The award recommendations have been reviewed by the Compliance and Asset Oversight Division, and no issues of material non-compliance, unresolved audit findings or questioned or disallowed costs have been identified. In addition, the Real Estate Analysis Division has completed underwriting for both projects, and Ashton Senior Village has completed the Department's CHDO certification process.

If the recommended applications are awarded, \$6,414,104 will remain available under the General Set-Aside, with \$4,539,074 available under the CHDO Set-Aside and \$179,691 available under PWD Set-Aside. The application acceptance period ends on April 29, 2011.

Attached are the Application and Award Recommendations Logs and the underwriting reports.

## 2010 HOME Multifamily Development Program - Application Log

Thursday, December 02, 2010

Application Acceptance Period: 9/10/2010 to 4/29/2011

Total Funding Amount: \$18,218,765

Total Set-Aside Funding Level \$10,500,000

Available Balance: \$7,707,992

### General Set-Aside

File #	Reg.	Received By Date	Development Name	City	Housing Actvty(1)	Reqstd HOME Units	Total Units	Target(2) Population	Layering (3)			Requested Project Funds	Awarded / Recommended Project Funds	CHDO	Requested CHDO Funds	Awarded / Recommended CHDO Funds	Status	
									9%	4%	HTF							
10039	4	2/23/2010	Paris Retirement Village II	Paris	NC	19	80	Elderly	Yes	No	No	\$1,850,000		N	\$0		Under Review	
10223	11	2/25/2010	Sunset Terrace Senior Village	Pharr	NC	22	80	Elderly	Yes	No	No	\$2,000,000		N	\$0		Under Review	
10033	4	2/26/2010	Sulphur Springs Pioneer Crossing for Seniors	Sulphur Springs	NC	20	80	Elderly	Yes	No	No	\$2,000,000	\$2,000,000	N	\$0	\$0	Awarded 11/10/2010	
10262	11	3/1/2010	Las Brisas Manor	Del Rio	NC	15	48	Elderly	Yes	No	No	\$1,293,888	\$1,293,888	N	\$0	\$0	Pending Award 12/17/2010	
10257	3	3/1/2010	The Colony at Lake Granbury	Granbury	NC	16	80	Elderly	Yes	No	No	\$990,000		N	\$0		Under Review	
10151	11	3/2/2010	Sunflower Estates	La Feria	NC	16	80	General	Yes	No	No	\$792,008	\$792,008	N	\$0	\$0	Awarded 11/10/2010	
10121	9	3/16/2010	Mesquite Place	Pearsall	NC	16	80	General	Yes	No	No	\$1,300,000		N	\$0		Under Review	
10132	10	3/22/2010	Seaside Manor	Ingleside	NC	20	100	Elderly	Yes	No	No	\$550,000		N	\$0		Under Review	
10023	2	3/26/2010	Burkburnett Pioneer Crossing for Seniors	Burkburnett	NC	20	80	Elderly	Yes	No	No	\$2,000,000		N	\$0		Under Review	
10235	7	4/1/2010	Villas of Giddings	Giddings	NC	22	36	General	Yes	No	No	\$2,000,000		N	\$0		Under Review	
<b>Total HOME Applications</b>						<b>10</b>	<b>Unit Totals:</b>		<b>186</b>	<b>744</b>	<b>Fund Totals:</b>			<b>\$14,775,896</b>	<b>\$4,085,896</b>	<b>\$0</b>	<b>\$0</b>	

Total Set-Aside Funding Level: \$6,539,074

Available Balance: \$6,539,074

### CHDO Set-Aside

File #	Reg.	Received By Date	Development Name	City	Housing Actvty(1)	Reqstd HOME Units	Total Units	Target(2) Population	Layering (3)			Requested Project Funds	Awarded / Recommended Project Funds	CHDO	Requested CHDO Funds	Awarded / Recommended CHDO Funds	Status
									9%	4%	HTF						
10137	3	1/29/2010	Evergreen at Wylie	Wylie	NC	32	160	Elderly	Yes	No	No	\$2,000,000		Y	\$50,000		Under Review

Sorted by Date and Time Received

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

2 = Target Population Abbreviation: Intergenerational=Intg

3 = Layering of Other Department Active Applications: 9%=9% Competitive Tax Credits, 4%=4% Tax Credit Program, HTF = Housing Trust Fund

File #	Reg.	Received By Date	Development Name	City	Housing Actvty(1)	Reqstd HOME Units	Total Units	Target(2) Population	Layering (3)			Requested Project Funds	Awarded / Recommended Project Funds	CHDO	Requested CHDO Funds	Awarded / Recommended CHDO Funds	Status	
									9%	4%	HTF							
10040	9	2/22/2010	Ashton Senior Village	Schertz	NC	36	176	Elderly	Yes	No	No	\$2,000,000	\$2,000,000	Y	\$50,000	\$50,000	Pending Award 12/17/2010	
10059	3	3/1/2010	Westway Place	Corsicana	NC		40	General	Yes	No	No	\$1,200,000		Y	\$0		Under Review	
10050	3	3/1/2010	West Park Senior Housing	Corsicana	NC	25	48	Elderly	Yes	No	No	\$1,025,000		Y	\$50,000		Under Review	
10241	5	3/10/2010	Timberland Trails Apts	Lufkin	R	31	80	General	Yes	No	No	\$2,000,000		Y	\$0		Under Review	
<b>Total HOME Applications</b>						<b>5</b>	<b>Unit Totals:</b>		<b>124</b>	<b>504</b>	<b>Fund Totals:</b>			<b>\$8,225,000</b>	<b>\$2,000,000</b>	<b>\$150,000</b>	<b>\$50,000</b>	

**Total Set-Aside Funding Level: \$1,179,691**

**Available Balance: \$179,691**

**PWD Set-Aside**

File #	Reg.	Received By Date	Development Name	City	Housing Actvty(1)	Reqstd HOME Units	Total Units	Target(2) Population	Layering (3)			Requested Project Funds	Awarded / Recommended Project Funds	CHDO	Requested CHDO Funds	Awarded / Recommended CHDO Funds	Status	
									9%	4%	HTF							
10093	3	3/1/2010	Greenhaus at East Side Apts	Dallas	NC	13	24	General	Yes	No	No	\$500,000		N	\$0		Under Review	
10126	5	3/11/2010	Auburn Square	Vidor	NC	8	80	General	Yes	No	No	\$500,000	\$500,000	N	\$0	\$0	Awarded 9/9/2010	
10153	3	3/31/2010	Britain Way	Irving	R	17	168	General	Yes	No	No	\$500,000	\$500,000	N	\$0	\$0	Awarded 9/9/2010	
<b>Total HOME Applications</b>						<b>3</b>	<b>Unit Totals:</b>		<b>38</b>	<b>272</b>	<b>Fund Totals:</b>			<b>\$1,500,000</b>	<b>\$1,000,000</b>	<b>\$0</b>	<b>\$0</b>	

Sorted by Date and Time Received

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

2 = Target Population Abbreviation: Intergenerational=Intg

3 = Layering of Other Department Active Applications: 9%=9% Competitive Tax Credits, 4%=4% Tax Credit Program, HTF = Housing Trust Fund

## 2010 HOME Multifamily Development Program - Award Recommendations

Friday, December 03, 2010

Application Acceptance Period: 9/10/2010 to 4/29/2011

Total NOFA Amount: \$18,218,765

Total Set-Aside Funding Level: **\$10,500,000**

Available Balance: **\$7,707,992**

### General Set-Aside

File #	Reg.	Received By Date	Development Name	City	Housing Actvty(1)	Reqstd HOME Units	Total Units	Target(2) Population	Layering (3)			Requested Project Funds	Awarded / Recommended Project Funds	CHDO	Requested CHDO Funds	Awarded / Recommended CHDO Funds	Status
									9%	4%	HTF						
10262	11	3/1/2010	Las Brisas Manor	Del Rio	NC	15	48	Elderly	Yes	No	No	\$1,293,888	\$1,293,888	N	\$0	\$0	Pending Award 12/17/2010
<b>Total HOME Applications</b>						<b>1</b>	<b>Unit Totals:</b>		<b>15</b>	<b>48</b>	<b>Fund Totals:</b>		<b>\$1,293,888</b>	<b>\$1,293,888</b>	<b>\$0</b>	<b>\$0</b>	

Total Set-Aside Funding Level: **\$6,539,074**

Available Balance: **\$6,539,074**

### CHDO Set-Aside

File #	Reg.	Received By Date	Development Name	City	Housing Actvty(1)	Reqstd HOME Units	Total Units	Target(2) Population	Layering (3)			Requested Project Funds	Awarded / Recommended Project Funds	CHDO	Requested CHDO Funds	Awarded / Recommended CHDO Funds	Status
									9%	4%	HTF						
10040	9	2/22/2010	Ashton Senior Village	Schertz	NC	36	176	Elderly	Yes	No	No	\$2,000,000	\$2,000,000	Y	\$50,000	\$50,000	Pending Award 12/17/2010
<b>Total HOME Applications</b>						<b>1</b>	<b>Unit Totals:</b>		<b>36</b>	<b>176</b>	<b>Fund Totals:</b>		<b>\$2,000,000</b>	<b>\$2,000,000</b>	<b>\$50,000</b>	<b>\$50,000</b>	

Sorted by Date and Time Received

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

2 = Target Population Abbreviation: Intergenerational=Intg

3 = Layering of Other Department Active Applications: 9%=9% Competitive Tax Credits, 4%=4% Tax Credit Program, HTF = Housing Trust Fund



REPORT DATE: 06/14/10 PROGRAM: HTC 9%/HOME FILE NUMBER: 10040

**DEVELOPMENT**

Ashton Senior Village

Location: SE corner of Borgfeld Rd & FM 3009 (Roy Richard Dr.) Region: 9  
 City: Schertz County: Guadalupe Zip: 78154  OCT  DDA  
 Key Attributes: Elderly, New Construction, Urban, CHDO

**ALLOCATION**

TDHCA Program	REQUEST			RECOMMENDATION			
	Amount	Interest	Amort/Term	Amount	Interest	Amort/Term	Lien Position
HOME Activity Funds	\$2,000,000	0.00%	35/18	\$2,000,000	0.00%	35/18	2nd
HOME CHDO Operating Expenses	\$50,000			\$50,000			
Housing Tax Credit (Annual)	\$2,000,000			\$2,000,000			

**CONDITIONS**

- 1 Receipt, review, and acceptance by commitment of evidence of the appropriate zoning change or a variance for the proposed development from the City.
- 2 Receipt, review, and acceptance, before the 10% Test, of documentation that a comprehensive noise assessment has been completed to determine the requirements for the proposed development to satisfy HUD guidelines, and that any subsequent recommendations have been incorporated into the development plans.
- 3 Receipt, review and acceptance by commitment that the use of the HUD Utility model for the Subject has been approved by the Department, with allowances between \$77 and \$102 for 1BR units and between \$94 and \$131 for 2BR units, or alternatively confirmation that the Schertz Housing Authority utility allowances will be used.
- 4 Receipt, review, and acceptance, by Cost Certification, of documentation that all noise assessment recommendations were implemented.
- 5 Should the terms and rates of the proposed debt or syndication change, the transaction should be re-evaluated and an adjustment to the credit allocation amount may be warranted.

**SALIENT ISSUES**

TDHCA SET-ASIDES for LURA		
Income Limit	Rent Limit	Number of Units
30% of AMI	30% of AMI	27
50% of AMI	50% of AMI	62
60% of AMI	60% of AMI	87



**STRENGTHS/MITIGATING FACTORS**

**WEAKNESSES/RISKS**

- The three nearest senior HTC properties report occupancies of 100%, 95%, and 90%.
- The principals of the Applicant have experience developing and owning 776 Housing Tax Credit units.
- Proposed rents are on average 37% lower than market rents.
- Unit capture rates for all unit types are 17% or lower.

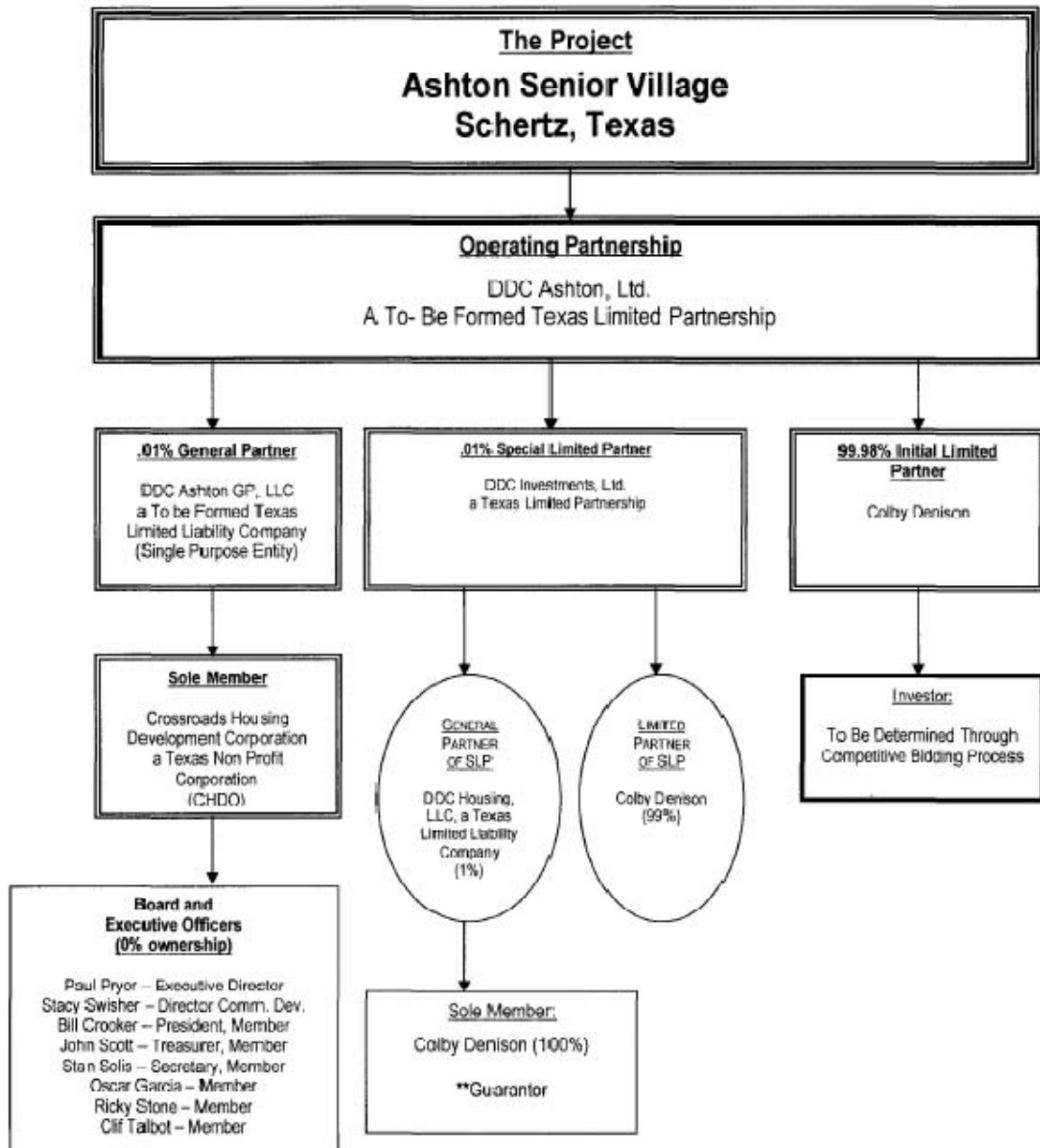
- The overall occupancy in the PMA is 89%.
- 64% of the units are 2BR. Of the 15 vacant units at the three nearest senior HTC properties, 12 (or 80%) are 2BR units.

**PREVIOUS UNDERWRITING REPORTS**

No previous reports.

**DEVELOPMENT TEAM**

**OWNERSHIP STRUCTURE**



**CONTACT**

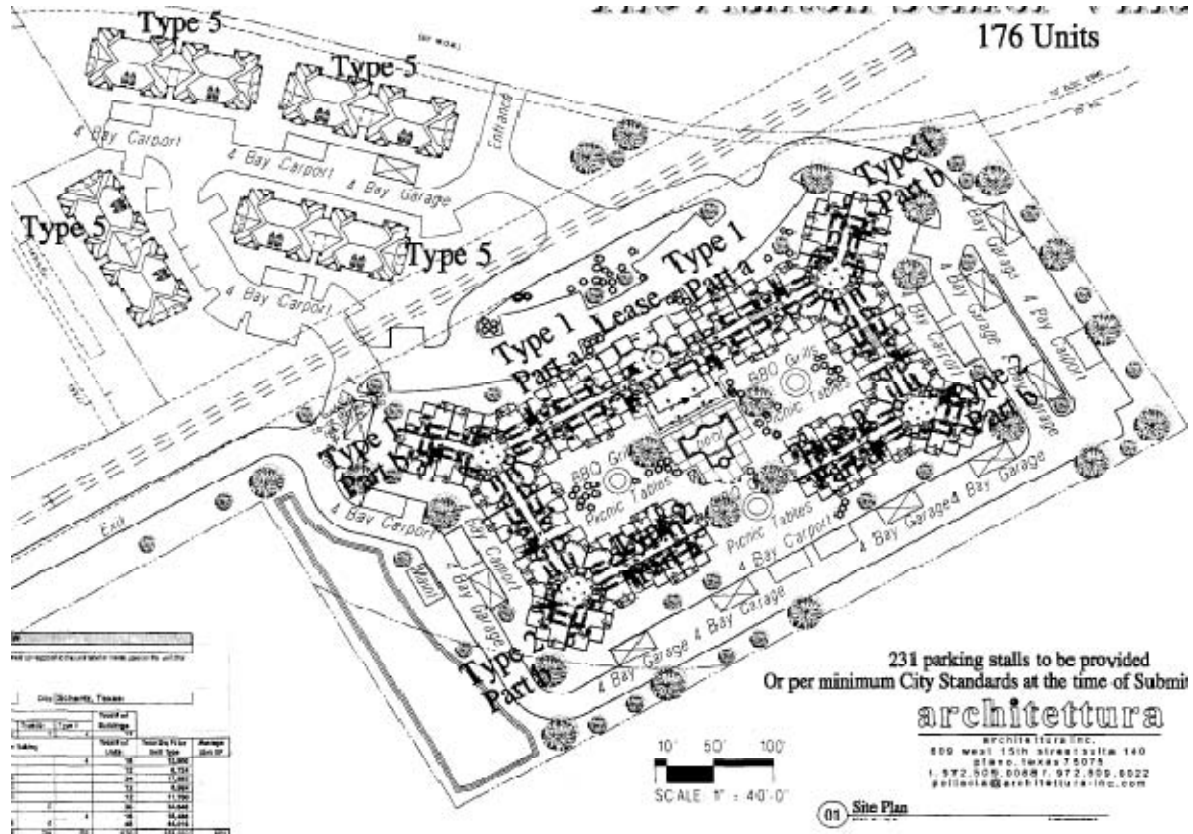
Contact: Colby Denison Phone: (512) 732-1226 Fax: (512) 732-1276  
 Email: colby@denisondevelopment.com

**IDENTITIES of INTEREST**

- The Applicant and Developer are related entities. This is a common relationship for HTC-funded developments.

**PROPOSED SITE**

**SITE PLAN**



**BUILDING CONFIGURATION**

Building Type	A	B	C	D	E						Total Buildings
Floors/Stories	3	3	3	3	1						
Number	2	2	2	2	4						<b>12</b>

BR/BA	SF	Units								Total Units	Total SF
1	727		6							12	8,724
1	733		6	6						24	17,592
1	747		3	3						12	8,964
1	750					4				16	12,000
2	917	6	6	6	6					48	44,016
2	968	6	6		6	4				52	50,336
2	975		3	3						12	11,700
<b>Units per Building</b>		<b>12</b>	<b>30</b>	<b>18</b>	<b>12</b>	<b>8</b>				<b>176</b>	<b>153,332</b>

### SITE ISSUES

Total Size:	<u>10.629 acres</u>	Scattered site?	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No
Flood Zone:	<u>Zone X</u>	Within 100-yr floodplain?	<input checked="" type="checkbox"/> Yes	<input type="checkbox"/> No
Zoning:	<u>Neighborhood Services</u>	Needs to be re-zoned?	<input checked="" type="checkbox"/> Yes	<input type="checkbox"/> No <input type="checkbox"/> N/A

**Comments:**

The subject property is currently zoned Neighborhood Services. The Applicant has made application to the city for a zoning change to R-4 Multifamily, which allows for the proposed property. Receipt, review, and acceptance by commitment of evidence of the appropriate zoning change or a variance for the proposed development from the City is a condition of this report.

### TDHCA SITE INSPECTION

Inspector: <u>Manufactured Housing Staff</u>	Date: <u>5/27/2010</u>
Overall Assessment:	
<input type="checkbox"/> Excellent <input checked="" type="checkbox"/> Acceptable <input type="checkbox"/> Questionable <input type="checkbox"/> Poor <input type="checkbox"/> Unacceptable	
Surrounding Uses:	
North: <u>Borgfeld Rd, commercial &amp; residential</u>	East: <u>Borgfeld Rd &amp; commercial &amp; vacant land</u>
South: <u>Vacant/undeveloped land</u>	West: <u>Roy Richard Dr, commercial &amp; residential</u>

### HIGHLIGHTS of ENVIRONMENTAL REPORTS

Provider: <u>ECS, LLP</u>	Date: <u>1/29/2010</u>
---------------------------	------------------------

**Recognized Environmental Concerns (RECs) and Other Concerns:**

- "ECS considers Bradzoil Ten-Minute Oil Change to be a potential contamination source and a recognized environmental conditions (REC) of the site." (p. 1)
- "Quix was identified at ... approximately 200 feet northwest and topographically cross-gradient of the site. According to the EDR On Demand report, the property contains three 10,000-gallon gasoline USTs and one 10,000-gallon diesel UST ... and are currently active. There are no reported releases associated with the property. However, based on the surface topography, potential exists for an undocumented release to impact the site. ECS considers the property to be a potential contamination source and a REC of the site." (p. 2)
- "With respect to the off-site RECs, additional assessment could determine if the site has been adversely impacted. Additional assessment is recommended if groundwater is anticipated to be encountered during or used for redevelopment of the site ... Based on the standard policy towards contaminated aquifers from an off-site source and the fact that city water and sewer services are available for the site and surrounding areas, additional assessment is not recommended." (p. 2)
- "The subject site is located within 15 miles of a military airfield, Randolph Air Force Base, and within 3,000 feet of a railroad. Based on the site location, a noise study is recommended for this property if the proposed development is deemed to be noise sensitive." (addendum letter 2/19/10)

**Any funding recommendation will be subject to the following conditions:**

- Receipt, review, and acceptance, before the 10% Test, of documentation that a comprehensive noise assessment has been completed to determine the requirements for the proposed development to satisfy HUD guidelines, and that any subsequent recommendations have been incorporated into the development plans.
- Receipt, review, and acceptance, by Cost Certification, of documentation that all noise assessment recommendations were implemented.

**MARKET ANALYSIS**

Provider: O'Connor & Associates Date: 2/12/2010  
 Contact: Robert Coe Phone: (713) 375-4279  
 Number of Revisions: 1 Date of Last Applicant Revision: 3/26/2010

Primary Market Area (PMA): 450 sq. miles 12 mile equivalent radius  
 The Primary Market Area is defined by fourteen census tracts northeast of San Antonio, straddling Bexar, Comal, and Guadalupe Counties.

Secondary Market Area (SMA): 31 sq. miles 3 mile equivalent radius  
 The market study defines a Secondary Market Area just to the southeast of the PMA, but offers no analysis of

ELIGIBLE HOUSEHOLDS BY INCOME								
Guadalupe County Income Limits								
HH size	30% of AMI		40% of AMI		50% of AMI		60% of AMI	
	min	max	min	max	min	max	min	max
1	\$7,704	\$12,000	---	---	\$12,864	\$20,000	\$15,432	\$24,000
2	\$7,704	\$13,700	---	---	\$12,864	\$22,900	\$15,432	\$27,480
3	\$9,264	\$15,450	---	---	\$15,432	\$25,750	\$18,528	\$30,900
4	---	---	---	---	---	---	---	---
5	---	---	---	---	---	---	---	---
6	---	---	---	---	---	---	---	---

AFFORDABLE HOUSING INVENTORY in PRIMARY MARKET AREA					
File #	Development	Type	Target Population	Comp Units	Total Units
Proposed, Under Construction, and Unstabilized Comparable Developments					
none					
Other Affordable Developments in PMA since 2006					
none					
Stabilized Affordable Developments in PMA ( pre-2006 )					
Total Properties ( pre-2006 )		1		Total Units	24

COMPARABLE SUPPLY in EXTENDED MARKET AREA					
10160	Creekside Place	new	senior	n/a	176
10120	Montabella Senior	new	senior	n/a	90
060007	Landa Place	new	senior	n/a	100
Other Affordable Developments in Extended Market since 2006					
none					
09198	Montabella Pointe	new	family	n/a	144
08150	Oak Manor/Oak Village	rehab	family	n/a	229
08190	Sutton Homes	recon	family	n/a	194
060416	The Landing	rehab	family	n/a	216
060417	Artisan at Salado Heights	new	family	n/a	252
060426	Costa Almadena	new	family	n/a	176
Stabilized Affordable Developments in Extended Market ( pre-2006 )					
Total Properties ( pre-2006 )		13		Total Units	2,454

Proposed, Under Construction, and Unstabilized Comparable Supply:

There are no proposed, under construction, or unstabilized comparable properties inside the Primary Market Area. It is noted that there are two additional 2010 applications for senior developments in an extended area around the PMA. Creekside Place (#10160) is located 15 miles northeast of the subject. Three census tracts are common between the subject PMA and the PMA defined for Creekside, accounting for 19% of the senior population in the subject PMA. The underwriting analysis considers the demand for the subject with an without this common population.

Montabella Senior (#10120) is located nine miles southwest of the subject. The PMA defined for Montabella Senior does not intersect the subject PMA. Also Landa Place (#060007) is a 2006 senior development located 12 miles northeast of the subject. Landa Place has achieved stabilized operation and is not considered in the demand calculations.

<b>OVERALL DEMAND ANALYSIS</b>			
	Market Analyst	Underwriter	
	PMA	PMA	Reduced Market
Total Households in the Primary Market Area	38,118	38,118	31,866
Target Households in the Primary Market Area	11,805	14,481	11,806
Potential Demand from the Primary Market Area	2,721	2,916	2,373
Potential Demand from Other Sources	0	0	0
<b>GROSS DEMAND</b>	<b>2,721</b>	<b>2,916</b>	<b>2,373</b>
Subject Affordable Units	176	176	176
Unstabilized Comparable Units	0	0	0
<b>RELEVANT SUPPLY</b>	<b>176</b>	<b>176</b>	<b>176</b>
<b>Relevant Supply / Gross Demand = GROSS CAPTURE RATE</b>	<b>6.5%</b>	<b>6.0%</b>	<b>7.4%</b>

Demand Analysis:

The 2010 Real Estate Analysis Rules state that "the Market Analyst should use demographic data specific to the elderly population for an elderly Development, if available, and should avoid making adjustments from more general demographic data". The market study disregards this guideline. The senior household population is estimated indirectly as the proportion of seniors to adults, and the senior household growth rate is determined based on a general national trend by doubling the overall household growth rate for the PMA. The underwriting analysis has relied on available demographic data specific to the senior households in the PMA.

The Market Analyst identifies Gross Demand for 2,721 senior units in the PMA, indicating a Gross Capture Rate of 6.5% for the subject's 176 proposed units. The Underwriter identifies Gross Demand for 2,916 units based on senior-specific demographics data for the PMA, indicating a Gross Capture Rate of 6.0% for the subject's 176 units.

As stated above, Creekside Place is a proposed senior development located northeast of the subject. Three census tracts, containing 19% of the senior population in the subject PMA, are shared by the PMA for Creekside Place. In order to eliminate the conflicting demand for this population, the Underwriter has calculated demand from a reduced market area, excluding the common census tracts. This analysis identifies Gross Demand for 2,373 units, and a Gross Capture Rate of 7.4%.

The maximum Gross Capture Rate for urban developments targeting senior households is 10%; this indicates sufficient demand to support the proposed development.

UNDERWRITING ANALYSIS of PMA DEMAND by UNIT TYPE								
Unit Type	Market Analyst				Underwriter			
	Demand	Subject Units	Comp Units	Unit Capture Rate	Demand	Subject Units	Comp Units	Unit Capture Rate
1 BR/30%	363	10	0	1%	351	10	0	3%
1 BR/50%	187	16	0	8%	673	23	0	3%
1 BR/60%	791	38	0	2%	294	31	0	11%
2 BR/30%	331	17	0	2%	183	17	0	9%
2 BR/50%	171	39	0	25%	373	39	0	10%
2 BR/60%	983	56	0	6%	331	56	0	17%

footnote: The Market Analyst's data reflects an incorrect mix of 50% and 60% one-bedroom units.

**Primary Market Occupancy Rates:**

The Market Analyst reports quarterly averages for overall occupancy in the PMA that ranged between 88% and 91% during 2009, up from a range of 83% to 89% during 2008. The Market Analyst states the average is reduced by what is reported to be the nearest HTC project in the PMA, Stratton Oaks, which has recently been in transition due to management issues. Stratton Oaks is one of the nearest HTC developments, but it is actually located outside the PMA in Seguin.

There is one HTC project inside the PMA: Cibolo Plaza, a 1992 project with 24 units, all one- and two-bedrooms, is located less than two miles from the subject. Department data indicates that it is 100% occupied. The Underwriter identified a senior development in Seguin, Eden Place (#01088) with 60 units, which currently reports 90% occupancy. Two additional senior developments were noted west and southwest of the subject toward San Antonio. Legacy on O'Connor Road, with 150 units, is 8 miles west of the subject and reports 100% occupancy. Midcrown Senior Pavilion (#05453), with 196 units, is 9 miles southwest of the subject and reports 95% occupancy.

**Absorption Projections:**

"The most recent Seniors HTC projects which have come on-line in the San Antonio MSA were Landa Place, which ... attained stabilized occupancy in May 2008, (with) an average absorption of approximately 49 units per month from completion. Midcrown Senior Pavilion is a 196-unit Seniors HTC ... completed in May 2007, and attained stabilized occupancy in December 2008, (with) an average absorption of approximately 10 units per month. Primrose at Mission Hills ... reported attaining stabilized occupancy in January 2009, (with) an average absorption of approximately 19 units per month. We estimate absorption at 10 to 20 units a month and the property should stabilize within 9 to 18 months of opening." (p. 12)

**Market Impact:**

"The HTC properties we were able to contact all reported a waiting list. As previously indicated, there is one existing Family HTC project within the subject's primary market area, and no existing Seniors HTC complexes. With average rental rates in all projects at \$0.910 PSF, and occupancy rates averaging 89.88% overall, it is reasonable to project that a new affordable housing project with competitive amenities and an average rent of \$0.618 per square foot per month, such as the subject property, would perform favorably in this market." (p. 41)

**Comments:**

The market analysis, based on the market study and additional information gathered by the Underwriter, indicates sufficient demand to support a funding recommendation for the subject.

## OPERATING PROFORMA ANALYSIS

Income:            Number of Revisions:        2            Date of Last Applicant Revision:        6/2/2010

The Underwriter's projected rents collected per unit were calculated by subtracting tenant-paid utility allowances based on the HUD Utility Model (which has not yet been approved by the Department), from the 2009 program gross rent limits. It should be noted, subsequent to a request from the Underwriter, the Applicant chose to update the program gross rents to incorporate the newly published 2010 rent limits. While rents for each unit type increased slightly (\$4 to \$9), for consistency with the analyses published earlier this year, the Underwriter has continued to utilize the 2009 program, in accordance with §1.32(d)(1)(iii) of the 2010 REA rules. Tenants will be required to pay electric utility costs only.

Because the utility allowances used in the analysis have not been approved by the Department, the Underwriter evaluated the range of utility allowances which would not cause a change in the recommendation or the feasibility conclusion of the analysis. This range is between \$77 and \$102 for 1BR units and between \$94 and \$131 for 2BR units. Of note, the Schertz Housing Authority's utility allowances fall within these ranges. This report is conditioned on receipt, review and acceptance by commitment that the use of the HUD Utility model for the Subject has been approved by the Department, with allowances between \$77 and \$102 for 1BR units and between \$94 and \$131 for 2BR units, or alternatively confirmation that the Schertz Housing Authority utility allowances will be used.

The Applicant's vacancy and collection loss assumptions are in line with current TDHCA underwriting guidelines; however, secondary income assumptions are not, as the Applicant included an additional \$7.91 per unit over the \$20 guideline. The Applicant indicated that \$15.91 of the total \$27.91 per unit per month in secondary income being claimed would be from garage and carport income but provided limited support that these additional amounts are achievable in this market. Moreover, the market study provided no support for such additional income. The Underwriter's secondary income estimate is equal to the maximum \$20 per unit per month guideline.

Despite the use of the lower 2009 gross program rents, effective gross income is within 5% of the Underwriter's estimate.

Expense:            Number of Revisions:        1            Date of Last Applicant Revision:        6/2/2010

The Applicant's total annual operating expense projection at \$3,751 per unit is within 5% of the Underwriter's estimate of \$3,634, derived from the TDHCA database, and third-party data sources. Of note, the Underwriter adjusted management fees from the typical 5% to 3.5% of EGI, as evidenced in the Management Agreement contract provided by the Applicant. Also of note, the Applicant's estimate of property tax is 25% lower than the Underwriter's estimate. The Underwriter's estimate of \$21K/unit is based on a 10% cap rate and the Underwriter's NOI; however, the Subject qualifies as a CHDO, and as such, the Applicant's lower property tax estimate is reasonable.

The Applicant's estimate of water, sewer, and trash expense is 27% higher than the Underwriter's estimate; however, the Applicant's estimate is in line with the TDHCA database and as such is considered reasonable. Also of note, the lender requirement for reserve for replacement is \$200/unit/year; however, the Underwriter and Applicant have utilized the standard \$250/unit/year per REA rules. All other expense line items vary slightly; however, the Applicant's estimates are in line with the TDHCA database and as such are considered reasonable.

### Conclusion:

The Applicant's effective gross income, operating expenses, and net operating income are within 5% of the Underwriter's estimates; therefore, the Applicant's year one pro forma will be used to determine the development's debt capacity. The proposed permanent financing structure results in an initial year's debt coverage ratio (DCR) of 1.31, which is within the Department's DCR guideline of 1.15 to 1.35.

Feasibility:

The underwriting 30-year pro forma utilizes a 2% annual growth factor for income and a 3% annual growth factor for expenses in accordance with current TDHCA guidelines. As noted above, the Applicant's base year effective gross income, expense and net operating income were utilized resulting in a debt coverage ratio that remains above 1.15 and continued positive cashflow. Therefore, the development can be characterized as feasible for the long-term.

**ACQUISITION INFORMATION**

**ASSESSED VALUE**

Land Only: 10.623 acres \$555,285 Tax Year: 2010  
Valuation by: Guadalupe CAD  
Tax Rate: 2.2437

**EVIDENCE of PROPERTY CONTROL**

Type: Unimproved Commercial Property Contract Acreage: 10.629  
Contract Expiration: 10/31/2010 Valid Through Board Date?  Yes  No  
Acquisition Cost: \$1,388,214 Other:  
Seller: Oryx Development, LLC Related to Development Team?  Yes  No

**CONSTRUCTION COST ESTIMATE EVALUATION**

*COST SCHEDULE* Number of Revisions: None Date of Last Applicant Revision: N/A

Acquisition Value:

The site cost of \$130,606 per acre or \$7,888 per unit is assumed to be reasonable since the acquisition is an arm's-length transaction. Of note, the seller is providing an interim loan in the amount of \$450K. This is discussed further in the Proposed Financing Structure section below.

Sitework Cost:

The Applicant claimed sitework costs over the Departments maximum guideline of \$9,000 per unit largely due to on-site paving & utility extension across the site. The Applicant provided sufficient third party certification through a detailed certified cost estimate by an Engineer to justify these costs. In addition, these costs have been reviewed by the Applicant's CPA, Thomas Stephen & Company, LLC, to preliminarily opine that all of the total \$2,058,303 will be considered eligible. The CPA has indicated that this opinion of eligibility has taken into account the effect of the recent IRS Technical Advisory Memorandums on the eligibility of sitework costs.

Direct Construction Cost:

The Applicant's direct construction cost estimate is \$145K or 2% higher than the Underwriter's Marshall & Swift Residential Cost Handbook-derived estimate. Of note, garages and carports are being provided for a fee, and as a result the both the Applicant and Underwriter have excluded the cost of these amenities from eligible basis.

Ineligible Costs:

The Applicant included \$70K in bridge loan interest and fees as an eligible cost. These costs are generally regarded to be ineligible since the submitted commitment letters do not explicitly document the loan. Therefore, the Underwriter reduced the Applicant's eligible basis by an equivalent amount. Also of note, the Underwriter's ineligible cost is adjusted for carport and garages. Specifically, the Underwriter determined carports & garages to be \$148,756 based on Marshall & Swift; however, the Applicant has included \$432K for these costs.

Interim Interest Expense:

The Underwriter reduced the Applicant's eligible interim financing fees by \$132,250 to bring the eligible interest expense down to one year of fully drawn interest expense. This results in an equivalent reduction to the Applicant's eligible basis estimate.



**Contingency & Fees:**

The Applicant's contractor's fees for general requirements, general and administrative expenses, and profit are all within the maximums allowed by TDHCA guidelines. However, the Applicant's developer fee exceeds 15% of the Applicant's adjusted eligible basis by \$30,338 and therefore the eligible portion of the Applicant's developer fee must be reduced by the same amount.

**30% Increase to Eligible Basis**

The development qualifies for a 30% increase in eligible basis because it is located in an eligible QCT with less than 40% HTC units per households in the tract.

**Conclusion:**

The Applicant's total development cost is within 5% of the Underwriter's estimate; therefore, the Applicant's cost schedule will be used to determine the development's need for permanent funds and to calculate eligible basis. An eligible basis of \$17,858,615 supports annual tax credits of \$2,089,458. This figure will be compared to the Applicant's request and the tax credits calculated based on the gap in need for permanent funds to determine the recommended allocation.

**PROPOSED FINANCING STRUCTURE**

*SOURCES & USES*      Number of Revisions: None      Date of Last Applicant Revision: N/A

Source: Oryx Development, LLC      Type: Interim Financing

Principal: \$450,000      Interest Rate: Prime + 1%       Fixed      Term: 6 months

Comments:

Oryx Development, the seller of the Subject site, will provide a loan in the amount of \$450K to cover predevelopment costs. The loan will be fixed at 1% over Prime and carry a 6 month term.

Source: TDHCA - HOME      Type: Interim to Permanent Financing

Principal: \$2,000,000      Interest Rate: 0.0%       Fixed      Amort: 420 months

Comments:

The Applicant has requested this interim-to-permanent HOME loan that will be in a second lien position. The permanent component is requested to have an 18 year term and 35 year amortization, consistent with the first lien.

Source: CitiBank      Type: Interim to Permanent Financing

Interim: \$11,500,000      Interest Rate: 4.85%       Fixed      Term: 30 months

Permanent: \$3,200,000      Interest Rate: 8.50%       Fixed      Amort: 420 months

Comments:

The Interim Rate Index is LIBOR + 450 bps; underwritten at 6%. The Permanent Rate Index will be fixed at 8.5%. The term on the permanent loan will be 18 years from the date of conversion.

Source: NEF      Type: Syndication

Proceeds: \$14,797,040      Syndication Rate: 74%      Anticipated HTC: \$ 2,000,000

Amount: \$620,737      Type: Deferred Developer Fees

## CONCLUSIONS

### Recommended Financing Structure:

The Applicant's total development cost estimate less the permanent loan of \$3.2M and requested \$2M in TDHCA HOME funds indicates the need for \$15,417,776 in gap funds. Based on the submitted syndication terms, a tax credit allocation of \$2,083,900 annually would be required to fill this gap in financing. The three possible tax credit allocations are:

Allocation determined by eligible basis:	\$2,089,458
Allocation determined by gap in financing:	\$2,083,900
<b>Allocation requested by the Applicant:</b>	<b>\$2,000,000</b>

The allocation amount determined by the Applicant's request is recommended. A tax credit allocation of \$2M per year for 10 years results in total equity proceeds of \$14,797,040 at a syndication rate of \$0.74 per tax credit dollar.

The Underwriter recommends a HOME loan not to exceed \$2M structured as a fully repayable mortgage with an interest rate of 0% and with an amortization and term to mirror the Citibank mortgage or replacement source of financing (currently with 18 year term and 35 year amortization). If the HOME award is ultimately not received the substantial resulting gap in financing would render this transaction infeasible. CHDO Operating Funds in the amount of \$50K is also recommended.

The Underwriter's recommended financing structure indicates the need for \$620,736 in additional permanent funds. Deferred developer and contractor fees in this amount appear to be repayable from development cashflow within 10 years of stabilized operation.

The HOME award amount is below the 221(d)(3) limit for this project. In addition, the HOME award is below the prorata share of development cost based on the number HOME units to total units.

Underwriter:	_____	Date:	_____
	<i>Diamond Unique Thompson</i>		June 14, 2010
Manager of Real Estate Analysis:	_____	Date:	_____
	<i>Audrey Martin</i>		June 14, 2010
Director of Real Estate Analysis:	_____	Date:	_____
	<i>Brent Stewart</i>		June 14, 2010

## UNIT MIX/RENT SCHEDULE

*Ashton Senior Village, Schertz, HTC 9%/HOME #10040*

LOCATION DATA		UNIT DISTRIBUTION			Other Unit Designation						OTHER ASSUMPTIONS			
CITY:	Schertz	# Beds	# Units	% Total	PROGRAMS:			HOME			DEVELOPMENT ACTIVITY:	New		
COUNTY:	Guadalupe	Eff			Rent Limit	Eff	1	2	3	4	Total Units	REVENUE GROWTH:	2.00%	
SUB-MARKET:		1	64	36.4%	LH	\$500	\$536	\$643	\$743	\$830	11	EXPENSE GROWTH:	3.00%	
PROGRAM REGION:	9	2	112	63.6%	HH	\$577	\$642	\$792	\$934	\$1,021	25	HIGH COST ADJUSTMENT:	130%	
RURAL RENT USED:	No	3										APPLICABLE FRACTION:	100.00%	
IREM REGION:	NA	4										APP % - ACQUISITION:	N/A	
		<b>TOTAL</b>	<b>176</b>	<b>100.0%</b>								APP % - CONSTRUCTION:	9.00%	

## UNIT MIX / MONTHLY RENT SCHEDULE

UNIT DESCRIPTION					PROGRAM RENT LIMITS			APPLICANT RENTS					TDHCA RENTS					OTHER UNIT DESIGNATION	MARKET RENTS	
Type	Other Designation	# Units	# Beds	# Baths	NRA	Gross Rent	Tenant Paid Utilities (Verified)	Max Net Program Rent	Delta to Max Program	Rent per NRA	Net Rent per Unit	Total Monthly Rent	Total Monthly Rent	Rent per Unit	Rent per NRA	Delta to Max Program	HOME	Market Rent	TDHCA Savings to Market	
TC 30%	LH / 30% AMI	4	1	1	727	\$321	\$80	\$241	\$4	\$0.34	\$245	\$980	\$964	\$241	\$0.33	\$0	\$321	\$775	\$534	
TC 30%	HH / 60% AMI	6	1	1	727	\$321	\$80	\$241	\$4	\$0.34	\$245	\$1,470	\$1,446	\$241	\$0.33	\$0	\$642	\$775	\$534	
TC 50%		2	1	1	727	\$536	\$80	\$456	\$6	\$0.64	\$462	\$924	\$912	\$456	\$0.63	\$0		\$775	\$319	
TC 50%		18	1	1	733	\$536	\$80	\$456	\$6	\$0.63	\$462	\$8,316	\$8,208	\$456	\$0.62	\$0		\$775	\$319	
TC 50%	HH / 60% AMI	3	1	1	733	\$536	\$80	\$456	\$6	\$0.63	\$462	\$1,386	\$1,368	\$456	\$0.62	\$0	\$642	\$775	\$319	
TC 60%		3	1	1	733	\$643	\$80	\$563	\$8	\$0.78	\$571	\$1,713	\$1,689	\$563	\$0.77	\$0		\$775	\$212	
TC 60%		12	1	1	747	\$643	\$80	\$563	\$8	\$0.76	\$571	\$6,852	\$6,756	\$563	\$0.75	\$0		\$750	\$187	
TC 60%		16	1	1	750	\$643	\$80	\$563	\$8	\$0.76	\$571	\$9,136	\$9,008	\$563	\$0.75	\$0		\$750	\$187	
TC 30%	LH / 30% AMI	3	2	1	917	\$386	\$102	\$284	\$4	\$0.31	\$288	\$864	\$852	\$284	\$0.31	\$0	\$386	\$855	\$571	
TC 30%	HH / 60% AMI	4	2	1	917	\$386	\$102	\$284	\$4	\$0.31	\$288	\$1,152	\$1,136	\$284	\$0.31	\$0	\$792	\$855	\$571	
TC 50%		14	2	1	917	\$643	\$102	\$541	\$8	\$0.60	\$549	\$7,686	\$7,574	\$541	\$0.59	\$0		\$855	\$314	
TC 50%	HH / 60% AMI	3	2	1	917	\$643	\$102	\$541	\$8	\$0.60	\$549	\$1,647	\$1,623	\$541	\$0.59	\$0	\$792	\$855	\$314	
TC 60%		24	2	1	917	\$772	\$102	\$670	\$9	\$0.74	\$679	\$16,296	\$16,080	\$670	\$0.73	\$0		\$855	\$185	
TC 30%	LH / 30% AMI	4	2	2	968	\$386	\$102	\$284	\$4	\$0.30	\$288	\$1,152	\$1,136	\$284	\$0.29	\$0	\$386	\$905	\$621	
TC 30%	HH / 60% AMI	6	2	2	968	\$386	\$102	\$284	\$4	\$0.30	\$288	\$1,728	\$1,704	\$284	\$0.29	\$0	\$792	\$905	\$621	
TC 50%		19	2	2	968	\$643	\$102	\$541	\$8	\$0.57	\$549	\$10,431	\$10,279	\$541	\$0.56	\$0		\$905	\$364	
TC 50%	HH / 60% AMI	3	2	2	968	\$643	\$102	\$541	\$8	\$0.57	\$549	\$1,647	\$1,623	\$541	\$0.56	\$0	\$792	\$905	\$364	
TC 60%		20	2	2	968	\$772	\$102	\$670	\$9	\$0.70	\$679	\$13,580	\$13,400	\$670	\$0.69	\$0		\$905	\$235	
TC 60%		12	2	2	975	\$772	\$102	\$670	\$9	\$0.70	\$679	\$8,148	\$8,040	\$670	\$0.69	\$0		\$905	\$235	
<b>TOTAL:</b>		<b>176</b>				<b>153,332</b>						<b>\$95,108</b>	<b>\$93,798</b>							
<b>AVG:</b>						<b>871</b>				<b>\$7</b>	<b>\$0.62</b>	<b>\$540</b>		<b>\$533</b>	<b>\$0.61</b>	<b>\$0</b>	<b>\$127</b>	<b>\$840</b>	<b>(\$307)</b>	
<b>ANNUAL:</b>												<b>\$1,141,296</b>	<b>\$1,125,576</b>							

**PROFORMA ANALYSIS & DEVELOPMENT COSTS**

**Ashton Senior Village, Schertz, HTC 9%/HOME #10040**

**INCOME**

Total Net Rentable Sq Ft:

**POTENTIAL GROSS RENT**

Secondary Income	Per Unit Per Month:	\$20.00
Other Support Income: Carports (40) & Garages (40)		

**POTENTIAL GROSS INCOME**

Vacancy & Collection Loss	% of Potential Gross Income:	-7.50%
Employee or Other Non-Rental Units or Concessions		

**EFFECTIVE GROSS INCOME**

**EXPENSES**

	% OF EGI	PER UNIT	PER SQ FT	TDHCA	APPLICANT	PER SQ FT	PER UNIT	% OF EGI
General & Administrative	5.73%	\$351	0.40	\$61,859	\$53,000	\$0.35	\$301	4.77%
Management	3.50%	\$215	0.25	37,808	44,408	0.29	252	4.00%
Payroll & Payroll Tax	15.23%	\$934	1.07	164,469	179,800	1.17	1,022	16.20%
Repairs & Maintenance	7.66%	\$470	0.54	82,760	90,000	0.59	511	8.11%
Utilities	4.35%	\$267	0.31	47,025	50,000	0.33	284	4.50%
Water, Sewer, & Trash	6.12%	\$376	0.43	66,092	84,000	0.55	477	7.57%
Property Insurance	3.38%	\$208	0.24	36,557	36,960	0.24	210	3.33%
Property Tax 2.2437	7.68%	\$471	0.54	82,927	62,000	0.40	352	5.58%
Reserve for Replacements	4.07%	\$250	0.29	44,000	44,000	0.29	250	3.96%
TDHCA Compliance Fees	0.65%	\$40	0.05	7,040	7,040	0.05	40	0.63%
Other: Supportive Services, Security	0.84%	\$51	0.06	9,040	9,040	0.06	51	0.81%
<b>TOTAL EXPENSES</b>	<b>59.21%</b>	<b>\$3,634</b>	<b>\$4.17</b>	<b>\$639,577</b>	<b>\$660,248</b>	<b>\$4.31</b>	<b>\$3,751</b>	<b>59.47%</b>
<b>NET OPERATING INC</b>	<b>40.79%</b>	<b>\$2,504</b>	<b>\$2.87</b>	<b>\$440,653</b>	<b>\$449,968</b>	<b>\$2.93</b>	<b>\$2,557</b>	<b>40.53%</b>

**DEBT SERVICE**

CitiBank	\$286,794	\$286,794
TDHCA - HOME	\$57,143	\$57,143
Additional Financing	\$0	
<b>TOTAL DEBT SERVICE</b>	<b>343,937</b>	<b>343,937</b>
<b>NET CASH FLOW</b>	<b>\$96,715</b>	<b>\$106,031</b>
<b>AGGREGATE DEBT COVERAGE RATIO</b>	<b>1.28</b>	<b>1.31</b>
<b>RECOMMENDED DEBT COVERAGE RATIO</b>		<b>1.31</b>

**CONSTRUCTION COST**

Description	Factor	% of TOTAL	PER UNIT	PER SQ FT	TDHCA	APPLICANT	PER SQ FT	PER UNIT	% of TOTAL
Acquisition Cost (site or bldg)		7.02%	\$8,030	\$9.22	\$1,413,214	\$1,413,214	\$9.22	\$8,030	6.85%
Off-Sites		0.00%	\$0	\$0.00	0	0	0.00	0	0.00%
Sitework		10.22%	\$11,695	\$13.42	2,058,303	2,058,303	13.42	11,695	9.98%
Direct Construction		44.67%	\$51,109	\$58.67	8,995,233	9,140,000	59.61	51,932	44.33%
Contingency	5.07%	2.78%	\$3,181	\$3.65	559,915	559,915	3.65	3,181	2.72%
Contractor's Fees	14.00%	7.79%	\$8,908	\$10.22	1,567,762	1,567,762	10.22	8,908	7.60%
Indirect Construction		6.77%	\$7,747	\$8.89	1,363,500	1,363,500	8.89	7,747	6.61%
Ineligible Costs		3.14%	\$3,593	\$4.12	632,366	915,610	5.97	5,202	4.44%
Developer's Fees	15.00%	11.46%	\$13,112	\$15.05	2,307,669	2,359,722	15.39	13,408	11.45%
Interim Financing		4.17%	\$4,771	\$5.48	839,750	839,750	5.48	4,771	4.07%
Reserves		1.99%	\$2,273	\$2.61	400,000	400,000	2.61	2,273	1.94%
<b>TOTAL COST</b>		<b>100.00%</b>	<b>\$114,418.82</b>	<b>\$131.33</b>	<b>\$20,137,712</b>	<b>\$20,617,776</b>	<b>\$134.46</b>	<b>\$117,146</b>	<b>100.00%</b>
<b>Construction Cost Recap</b>		<b>65.46%</b>	<b>\$74,893</b>	<b>\$85.97</b>	<b>\$13,181,213</b>	<b>\$13,325,980</b>	<b>\$86.91</b>	<b>\$75,716</b>	<b>64.63%</b>

**SOURCES OF FUNDS**

				TDHCA	APPLICANT	RECOMMENDED	
CitiBank	15.89%	\$18,182	\$20.87	\$3,200,000	\$3,200,000	\$3,200,000	Developer Fee Available
TDHCA - HOME	9.93%	\$11,364	\$13.04	2,000,000	2,000,000	2,000,000	\$2,329,385
NEF	73.48%	\$84,074	\$96.50	14,797,040	14,797,040	14,797,040	% of Dev. Fee Deferred
Deferred Developer Fees	3.08%	\$3,527	\$4.05	620,737	620,737	620,736	27%
Additional (Excess) Funds Req'd	-2.38%	(\$2,728)	(\$3.13)	(480,065)	(1)	0	15-Yr Cumulative Cash Flow
<b>TOTAL SOURCES</b>				<b>\$20,137,712</b>	<b>\$20,617,776</b>	<b>\$20,617,776</b>	<b>\$1,818,541</b>

**MULTIFAMILY COMPARATIVE ANALYSIS (continued)**

*Ashton Senior Village, Schertz, HTC 9%/HOME #10040*

**DIRECT CONSTRUCTION COST ESTIMATE**

*Marshall & Swift Residential Cost Handbook  
Average Quality Multiple Residence Basis*

CATEGORY	FACTOR	UNITS/SQ FT	PER SF	AMOUNT
Base Cost			\$56.24	\$8,623,150
<b>Adjustments</b>				
Exterior Wall Finish	0.80%		\$0.45	\$68,985
Elderly	3.00%		1.69	258,694
9-Ft. Ceilings	3.10%		1.74	267,318
Roofing			0.00	0
Subfloor			1.10	168,227
Floor Cover			2.41	369,530
Breezeways	\$26.77		0.00	0
Balconies	\$26.77	14,580	2.55	390,327
Plumbing Fixtures	\$871	192	1.09	167,290
Rough-ins	\$424	176	0.49	74,601
Built-In Appliances	\$1,954	176	2.24	343,982
Exterior Stairs	\$1,900	28	0.35	53,200
Enclosed Corridors	\$46.32	24,318	7.35	1,126,371
<b>Elevators:</b>	\$81,175	5	2.65	405,875
Carports	\$9.70	8,000	0.51	77,600
Heating/Cooling			1.85	283,664
Garages	\$18.16	8,000	0.95	145,280
Comm &/or Aux Bldgs	\$65.64	8,527	3.65	559,693
Other: fire sprinkler	\$2.25	153,332	2.25	344,997
<b>SUBTOTAL</b>			<b>89.54</b>	<b>13,728,785</b>
Current Cost Multiplier	0.99		(0.90)	(137,288)
Local Multiplier	0.83		(15.22)	(2,333,894)
<b>TOTAL DIRECT CONSTRUCTION COSTS</b>			<b>\$73.42</b>	<b>\$11,257,604</b>
Plans, specs, survy, bid prm	3.90%		(\$2.86)	(\$439,047)
Interim Construction Interest	3.38%		(2.48)	(379,944)
Contractor's OH & Profit	11.50%		(8.44)	(1,294,624)
<b>NET DIRECT CONSTRUCTION COSTS</b>			<b>\$59.64</b>	<b>\$9,143,989</b>

**PROPOSED PAYMENT COMPUTATION**

CitiBank	\$3,200,000	Amort	420
Int Rate	8.50%	DCR	1.54

<b>TDHCA - HOME</b>	\$2,000,000	Amort	420
Int Rate	0.00%	Subtotal DCR	1.28

<b>Additional Financing</b>	\$0	Amort	
Int Rate		Aggregate DCR	1.28

<b>Additional Financing</b>	\$0	Amort	
Int Rate		Subtotal DCR	1.28

<b>Additional Financing</b>	\$0	Amort	
Int Rate		Aggregate DCR	1.28

**RECOMMENDED FINANCING STRUCTURE APPLICANT'S**

**NO:**

CitiBank	\$286,794
TDHCA - HOME	57,143
Additional Financing	0
Additional Financing	0
Additional Financing	0
<b>TOTAL DEBT SERVICE</b>	<b>\$343,937</b>

CitiBank	\$3,200,000	Amort	420
Int Rate	8.50%	DCR	1.57

<b>TDHCA - HOME</b>	\$2,000,000	Amort	420
Int Rate	0.00%	Subtotal DCR	1.31

<b>Additional Financing</b>	\$0	Amort	0
Int Rate	0.00%	Aggregate DCR	1.31

<b>Additional Financing</b>	\$0	Amort	0
Int Rate	0.00%	Subtotal DCR	1.31

<b>Additional Financing</b>	\$0	Amort	0
Int Rate	0.00%	Aggregate DCR	1.31

**OPERATING INCOME & EXPENSE PROFORMA: RECOMMENDED FINANCING STRUCTURE (APPLICANT'S NO)**

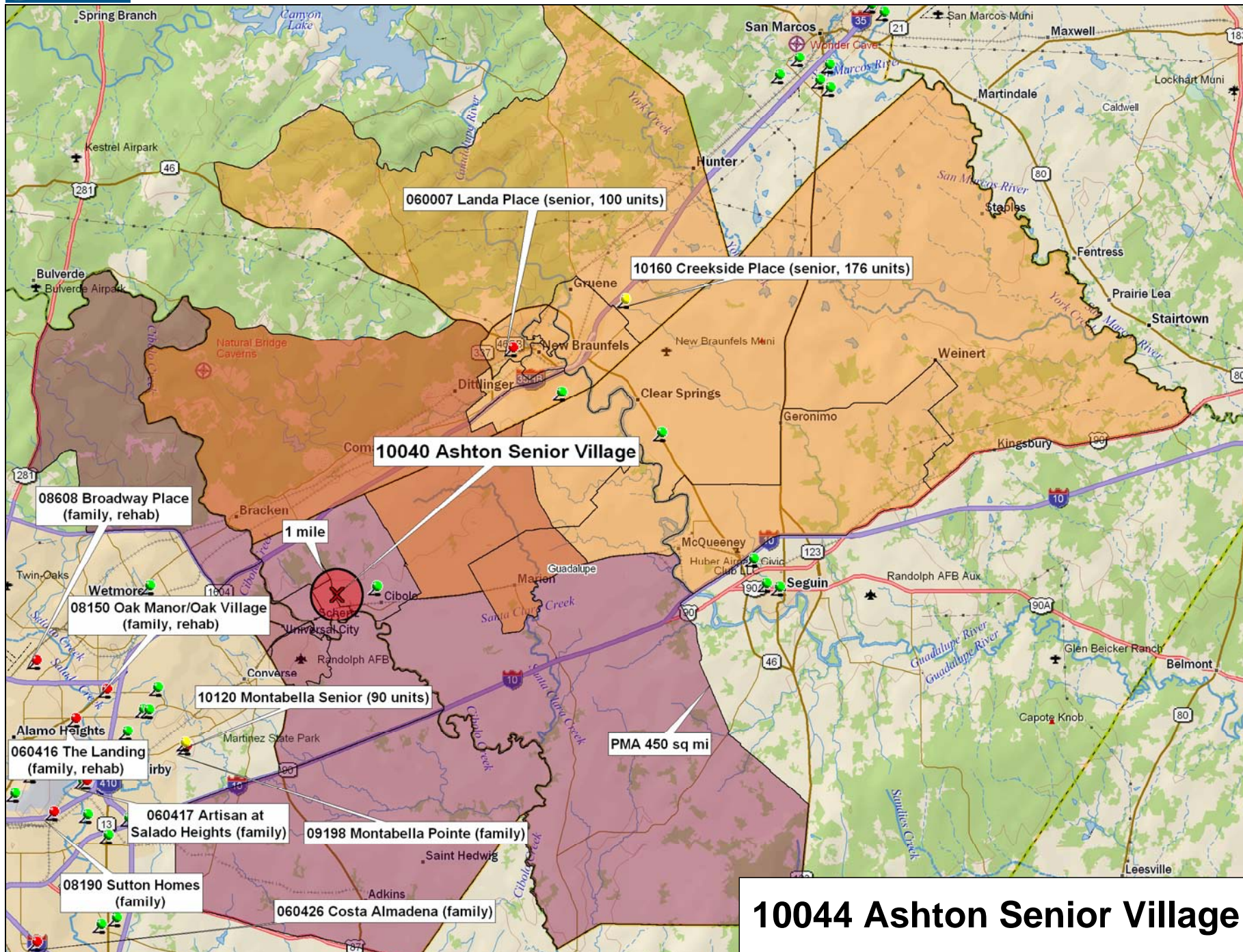
INCOME at 2.00%	YEAR 1	YEAR 2	YEAR 3	YEAR 4	YEAR 5	YEAR 10	YEAR 15	YEAR 20	YEAR 30
POTENTIAL GROSS RENT	\$1,141,296	\$1,164,122	\$1,187,404	\$1,211,152	\$1,235,375	\$1,363,954	\$1,505,916	\$1,662,653	\$2,026,764
Secondary Income	25,344	25,851	26,368	26,895	27,433	30,288	33,441	36,921	45,007
Other Support Income: Carports	33,600	34,272	34,957	35,657	36,370	40,155	44,334	48,949	59,668
Other Support Income:	0	0	0	0	0	0	0	0	0
<b>POTENTIAL GROSS INCOME</b>	<b>1,200,240</b>	<b>1,224,245</b>	<b>1,248,730</b>	<b>1,273,704</b>	<b>1,299,178</b>	<b>1,434,398</b>	<b>1,583,691</b>	<b>1,748,523</b>	<b>2,131,440</b>
Vacancy & Collection Loss	(90,024)	(91,818)	(93,655)	(95,528)	(97,438)	(107,580)	(118,777)	(131,139)	(159,858)
Employee or Other Non-Rental L	0	0	0	0	0	0	0	0	0
<b>EFFECTIVE GROSS INCOME</b>	<b>\$1,110,216</b>	<b>\$1,132,426</b>	<b>\$1,155,075</b>	<b>\$1,178,176</b>	<b>\$1,201,740</b>	<b>\$1,326,818</b>	<b>\$1,464,914</b>	<b>\$1,617,384</b>	<b>\$1,971,582</b>
EXPENSES at 3.00%									
General & Administrative	\$53,000	\$54,590	\$56,228	\$57,915	\$59,652	\$69,153	\$80,167	\$92,936	\$124,898
Management	44,408	45,296,4048	46,202	47,126	48,069	53,072	58,596	64,694	78,862
Payroll & Payroll Tax	179,800	185,194	190,750	196,472	202,366	234,598	271,964	315,280	423,710
Repairs & Maintenance	90,000	92,700	95,481	98,345	101,296	117,430	136,133	157,816	212,091
Utilities	50,000	51,500	53,045	54,636	56,275	65,239	75,629	87,675	117,828
Water, Sewer & Trash	84,000	86,520	89,116	91,789	94,543	109,601	127,058	147,295	197,952
Insurance	36,960	38,069	39,211	40,387	41,599	48,224	55,905	64,810	87,099
Property Tax	62,000	63,860	65,776	67,749	69,782	80,896	93,781	108,717	146,107
Reserve for Replacements	44,000	45,320	46,680	48,080	49,522	57,410	66,554	77,154	103,689
TDHCA Compliance Fee	7,040	7,251	7,469	7,693	7,924	9,186	10,649	12,345	16,590
Other	9,040	9,311	9,591	9,878	10,175	11,795	13,674	15,852	21,303
<b>TOTAL EXPENSES</b>	<b>\$660,248</b>	<b>\$679,612</b>	<b>\$699,547</b>	<b>\$720,071</b>	<b>\$741,202</b>	<b>\$856,603</b>	<b>\$990,109</b>	<b>\$1,144,574</b>	<b>\$1,530,129</b>
<b>NET OPERATING INCOME</b>	<b>\$449,968</b>	<b>\$452,815</b>	<b>\$455,528</b>	<b>\$458,105</b>	<b>\$460,538</b>	<b>\$470,215</b>	<b>\$474,805</b>	<b>\$472,810</b>	<b>\$441,452</b>
DEBT SERVICE									
First Lien Financing	\$286,794	\$286,794	\$286,794	\$286,794	\$286,794	\$286,794	\$286,794	\$286,794	\$286,794
Second Lien	57,143	57,143	57,143	57,143	57,143	57,143	57,143	57,143	57,143
Other Financing	0	0	0	0	0	0	0	0	0
Other Financing	0	0	0	0	0	0	0	0	0
Other Financing	0	0	0	0	0	0	0	0	0
<b>NET CASH FLOW</b>	<b>\$106,031</b>	<b>\$108,878</b>	<b>\$111,591</b>	<b>\$114,168</b>	<b>\$116,600</b>	<b>\$126,277</b>	<b>\$130,868</b>	<b>\$128,873</b>	<b>\$97,515</b>
<b>DEBT COVERAGE RATIO</b>	<b>1.31</b>	<b>1.32</b>	<b>1.32</b>	<b>1.33</b>	<b>1.34</b>	<b>1.37</b>	<b>1.38</b>	<b>1.37</b>	<b>1.28</b>

**HTC ALLOCATION ANALYSIS -Ashton Senior Village, Schertz, HTC 9%/HOME #10040**

CATEGORY	APPLICANT'S TOTAL AMOUNTS	TDHCA TOTAL AMOUNTS	APPLICANT'S REHAB/NEW ELIGIBLE BASIS	TDHCA REHAB/NEW ELIGIBLE BASIS
<b>Acquisition Cost</b>				
Purchase of land	\$1,413,214	\$1,413,214		
Purchase of buildings				
<b>Off-Site Improvements</b>				
<b>Sitework</b>	\$2,058,303	\$2,058,303	\$2,058,303	\$2,058,303
<b>Construction Hard Costs</b>	\$9,140,000	\$8,995,233	\$9,140,000	\$8,995,233
<b>Contractor Fees</b>	\$1,567,762	\$1,567,762	\$1,567,762	\$1,567,762
<b>Contingencies</b>	\$559,915	\$559,915	\$559,915	\$559,915
<b>Eligible Indirect Fees</b>	\$1,363,500	\$1,363,500	\$1,363,500	\$1,363,500
<b>Eligible Financing Fees</b>	\$839,750	\$839,750	\$839,750	\$839,750
<b>All Ineligible Costs</b>	\$915,610	\$632,366		
<b>Developer Fees</b>			\$2,329,385	
Developer Fees	\$2,359,722	\$2,307,669		\$2,307,669
<b>Development Reserves</b>	\$400,000	\$400,000		
<b>TOTAL DEVELOPMENT COSTS</b>	\$20,617,776	\$20,137,712	\$17,858,615	\$17,692,132

<b>Deduct from Basis:</b>			
All grant proceeds used to finance costs in eligible basis			
B.M.R. loans used to finance cost in eligible basis			
Non-qualified non-recourse financing			
Non-qualified portion of higher quality units [42(d)(3)]			
Historic Credits (on residential portion only)			
<b>TOTAL ELIGIBLE BASIS</b>		\$17,858,615	\$17,692,132
High Cost Area Adjustment		130%	130%
<b>TOTAL ADJUSTED BASIS</b>		\$23,216,199	\$22,999,772
Applicable Fraction		100%	100%
<b>TOTAL QUALIFIED BASIS</b>		\$23,216,199	\$22,999,772
Applicable Percentage		9.00%	9.00%
<b>TOTAL AMOUNT OF TAX CREDITS</b>		\$2,089,458	\$2,069,979

<b>Syndication Proceeds</b>	<b>0.7399</b>	<b>\$15,458,896</b>	<b>\$15,314,785</b>
<b>Total Tax Credits (Eligible Basis Method)</b>		<b>\$2,089,458</b>	<b>\$2,069,979</b>
<b>Syndication Proceeds</b>		<b>\$15,458,896</b>	<b>\$15,314,785</b>
<b>Requested Tax Credits</b>		<b>\$2,000,000</b>	
<b>Syndication Proceeds</b>		<b>\$14,797,040</b>	
<b>Gap of Syndication Proceeds Needed</b>		<b>\$15,417,776</b>	
<b>Total Tax Credits (Gap Method)</b>		<b>\$2,083,900</b>	
<b>Recommended Tax Credits</b>		<b>2,000,000</b>	
<b>Syndication Proceeds</b>		<b>\$14,797,040</b>	



# 10044 Ashton Senior Village

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www.delorme.com



REPORT DATE: 11/30/10 PROGRAM: HTC 9% FILE NUMBER: 10262

**DEVELOPMENT**

Las Brisas Manor

Location: 1970 US Highway 277 South Region: 11

City: Del Rio County: Val Verde Zip: 78840  OCT  DDA

Key Attributes: Seniors; New Construction; Rural

**ALLOCATION**

	REQUEST*			RECOMMENDATION		
	Amount	Interest	Amort/Term	Amount	Interest	Amort/Term
TDHCA Program						
HOME Activity Funds	\$1,293,888	2.10%	30/30	<b>\$1,293,888</b>	<b>2.10%</b>	<b>30/30</b>
Housing Tax Credit (Annual)	\$656,403			<b>\$646,120</b>		

\*The Applicant's original HOME loan request was \$1,907,548 and the original HTC request was \$698,724. Through the underwriting process in response to various information requests, the Applicant revised the request downward to the amounts indicated above.

**CONDITIONS**

- 1 Receipt, review, and acceptance, by the 10% Test, of a legal opinion or evidence from the local taxing jurisdiction confirming that a 50% property tax exemption will be available to the development.
- 2 Receipt, review, and acceptance by the 10% test of an attorney opinion letter stating that the property as proposed will not violate fair housing laws. The letter must specifically address the fact there is no direct access to these proposed buildings; access is through an existing family development.
- 3 Receipt, review and acceptance by commitment of documentation from a certified public accountant itemizing which site-work costs are includable in eligible basis.
- 4 Receipt, review and acceptance by the 10% test of documentation from FHLB of Dallas stipulating final terms and conditions of the \$500K grant funds.
- 5 Receipt, review and acceptance, by 10% Test, of evidence that title is appropriately vested in the name of the Applicant and that the conveyance was from Chastain Development Corp.
- 6 Should the terms and rates of the proposed debt or syndication change, the transaction should be re-evaluated and an adjustment to the credit allocation amount may be warranted.

**SALIENT ISSUES**

TDHCA SET-ASIDES for LURA		
Income Limit	Rent Limit	Number of Units
30% of AMI	30% of AMI	3
50% of AMI	50% of AMI	22
60% of AMI	60% of AMI	23



**STRENGTHS/MITIGATING FACTORS**

- Applicant is experienced with 15 LIHTC properties in Georgia and South Carolina.
- No affordable senior properties in sub-market.
- Overall 2.2% Gross Capture Rate and only the 60% two-bedroom units show capture rates above 4%.
- Proposed rents are on average 47% lower than market rents.

**WEAKNESSES/RISKS**

- Applicant has only one other LIHTC deal in Texas.
- Site has no visibility. Access is shared with an adjacent multifamily property fronting the roadway.
- 69% of the units are two-bedroom units which have historically proven more difficult to lease on senior properties.
- Subject is dependent on adjacent family property (operations and physical attributes). Should the family deal default under its financing or be foreclosed upon, a potential detrimental impact on the subject's operations could occur.

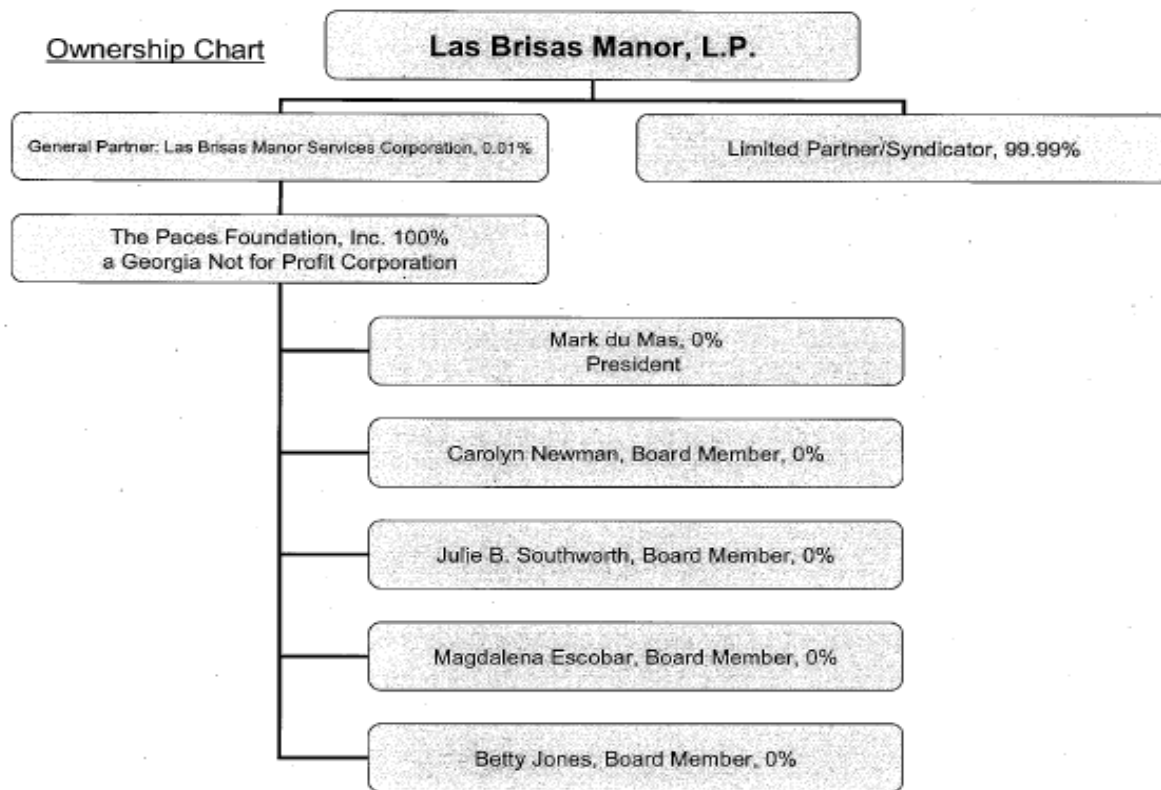
**PREVIOUS UNDERWRITING REPORTS**

No previous reports.

**DEVELOPMENT TEAM**

**OWNERSHIP STRUCTURE**

**Ownership Chart**



**CONTACT**

Contact: Mark du Mas Phone: (770) 431-9696 Fax: (770) 431-9699  
 Email: mark@pacesfoundation.org

IDENTITIES of INTEREST

- The Applicant and Developer is a related entity. These is a common relationship for HTC-funded developments.
- The seller is also regarded as a related party to the General Partner. The acquisition price will be based upon the lesser of the declared price, the appraised value, and the original acquisition and holding cost. This is discussed at greater length in the construction cost section of this report.

PROPOSED SITE

SITE PLAN



BUILDING CONFIGURATION

Building Type	A									Total Buildings
Floors/Stories	3									
Number	1									<b>1</b>

BR/BA	SF	Units								Total Units	Total SF
1	1	709	15							15	10,635
2	2	1,073	33							33	35,409
Units per Building		48								<b>48</b>	<b>46,044</b>

**SITE ISSUES**

Total Size: 4.01 acres      Scattered site?       Yes       No  
 Flood Zone: Zone X      Within 100-yr floodplain?       Yes       No  
 Zoning: R-M      Needs to be re-zoned?       Yes       No       N/A

**TDHCA SITE INSPECTION**

Inspector: TDHCA Staff      Date: 4/12/2010  
 Overall Assessment:  
 Excellent       Acceptable       Questionable       Poor       Unacceptable  
 Surrounding Uses:  
 North: residential & vacant land      East: vacant land & residential  
 South: residential      West: US 277 & residential

**HIGHLIGHTS of ENVIRONMENTAL REPORTS**

Provider: Enviro-Tech Services, Inc.      Date: 1/30/2010  
 Recognized Environmental Concerns (RECs) and Other Concerns:  
 • "This assessment has revealed no evidence of recognized environmental conditions in connection with the Site."  
 (p. 4)

**MARKET ANALYSIS**

Provider: Apartment MarketData      Date: 2/19/2010  
 Contact: Darrell Jack      Phone: (201) 530-0040  
 Number of Revisions: none      Date of Last Applicant Revision: N / A  
 Primary Market Area (PMA):      216 sq. miles      8 mile equivalent radius  
 The Primary Market Area is defined by eight census tracts that include the city of Del Rio and the surrounding area.

ELIGIBLE HOUSEHOLDS BY INCOME								
Val Verde County Income Limits								
HH size	30% of AMI		40% of AMI		50% of AMI		60% of AMI	
	min	max	min	max	min	max	min	max
1	\$6,144	\$9,600	---	---	\$10,248	\$15,950	\$12,312	\$19,140
2	\$6,144	\$10,950	---	---	\$10,248	\$18,250	\$12,312	\$21,900
3	\$7,392	\$12,350	---	---	\$12,288	\$20,500	\$14,760	\$24,600
4	---	---	---	---	---	---	---	---
5	---	---	---	---	---	---	---	---
6	---	---	---	---	---	---	---	---

AFFORDABLE HOUSING INVENTORY in PRIMARY MARKET AREA					
File #	Development	Type	Target Population	Comp Units	Total Units
Proposed, Under Construction, and Unstabilized Comparable Developments					
	none				
Other Affordable Developments in PMA since 2006					
	none				
Stabilized Affordable Developments in PMA ( pre-2006 )					
	Total Properties ( pre-2006 )	2	Total Units	152	

Proposed, Under Construction, and Unstabilized Comparable Supply:  
 There are no unstabilized comparable units located within the PMA.

OVERALL DEMAND ANALYSIS		
	Market Analyst	Underwriter
Total Households in the Primary Market Area	15,229	15,229
Target Households in the Primary Market Area	5,839	6,759
Potential Demand from the Primary Market Area	2,165	2,146
Potential Demand from Other Sources	0	0
<b>GROSS DEMAND</b>	<b>2,165</b>	<b>2,146</b>
Subject Affordable Units	48	48
Unstabilized Comparable Units	0	0
<b>RELEVANT SUPPLY</b>	<b>48</b>	<b>48</b>
<b>Relevant Supply ÷ Gross Demand = GROSS CAPTURE RATE</b>	<b>2.2%</b>	<b>2.2%</b>

Demand Analysis:

The Market Analyst included all senior renter households, but only included senior homeowner households with 1-3 persons. And the Market Analyst determined income eligibility using the 2009 HTC program rent and income limits for rural counties. Based on this, the Market Analyst identified Gross Demand for 2,165 units, and an Gross Capture Rate of 2.2%.

The underwriting analysis includes all senior households, and uses the 2009 HTC program rent and income limits for Del Rio. The Underwriter determined Gross Demand for 2,146 units, and a Gross Capture Rate of 2.2%.

The maximum Gross Capture Rate for developments targeting senior households is 10%; the analysis indicates sufficient demand to support the proposed development.

UNDERWRITING ANALYSIS of PMA DEMAND by UNIT TYPE								
Unit Type	Market Analyst				Underwriter			
	Demand	Subject Units	Comp Units	Unit Capture Rate	Demand	Subject Units	Comp Units	Unit Capture Rate
1 BR/30%	191	1	0	1%	319	1	0	0%
1 BR/50%	271	7	0	3%	370	7	0	2%
1 BR/60%	244	7	0	3%	185	7	0	4%
2 BR/30%	192	2	0	1%	189	2	0	1%
2 BR/50%	139	15	0	11%	389	15	0	4%
2 BR/60%	138	16	0	12%	174	16	0	9%

Primary Market Occupancy Rates:

The Market study reports overall occupancy of 98% based on 1,012 units at surveyed properties in the PMA. (p. 46)

Absorption Projections:

"There are no affordable senior projects in the PMA. However, market rate projects and family tax credit projects have been easily absorbed." (p. 50) "We estimate that the project would achieve a lease rate of approximately 7% to 10% of its units per month as they come on line for occupancy from construction." (p. 48)

Market Impact:

"The proposed project is not likely to have a dramatically detrimental effect on the balance of supply and demand in this market. Affordable family units have been easily absorbed. Today, affordable projects are 100% occupied." (p. 54)

Comments:

The market study provides sufficient information on which to base a funding recommendation.

**OPERATING PROFORMA ANALYSIS**

Income:      Number of Revisions:      2      Date of Last Applicant Revision:      9/24/2010

The Applicant's projected rents collected per unit were calculated by subtracting tenant-paid utility allowances as of April 6, 2009, maintained by the Del Rio Housing Authority, from the 2009 program gross rent limits. Of note, although 2010 rent limits have been released, for consistency with the analyses published earlier this year, the Underwriter has continued to utilize the 2009 program, in accordance with §1.32(d)(1)(iii) of the 2010 REA rules. The use of 2010 rent limits by both the Underwriter and Applicant would increase DCR above a 1.35, which could result in a material change to the analysis and could require an adjustment to the recommended tax credits. Tenants will be required to pay electric costs only.

The Applicant's vacancy and collection loss assumptions are in line with current TDHCA underwriting guidelines; however, secondary income assumptions are not, as the Applicant included an additional \$10 per unit over the \$20 guideline. The Underwriter's assumptions are consistent with the actual of the adjacent family property, provided by the Applicant. Despite the differences in secondary income, effective gross income is within 5% of the Underwriter's estimate.

Expense:      Number of Revisions:      3      Date of Last Applicant Revision:      11/2/2010

The Applicant's EGI exceeds the Underwriter's by \$6K due to higher other income assumptions. Total operating expenses vary by \$3K. Combined with the EGI variance, NOI estimates are 13.62% apart. The Applicant's and REA's line-item expense assumptions vary little from database figures except for Payroll (\$12K variance). According to the Applicant, employees will be shared with the adjacent family property (76 units) creating payroll efficiency for each property. The historical annual payroll costs on the adjacent property is \$1,005 per unit or \$76.4K total (exceeding the database number for 76 units by \$237 per unit or \$18K annually).

This suggests that excess staff capacity could be utilized on the subject. The Applicant provided a staffing plan for the subject at \$30K (\$621 per unit) showing shared manager and maintenance staff. To determine an appropriate payroll assumption, the Underwriter compared the database payroll number on a 124-unit property (\$95K total) to the Applicant's combined operating projections for the subject and adjacent property (\$106K). This comparison concludes that the Applicant's combined payroll number is actually higher than the database estimate. As a result, the Applicant's proforma for payroll is considered reasonable and is the estimate used in the underwriting analysis.

Finally, the sole owner of the GP, The Paces Foundation, Inc. is a 501(c)(3) non-profit organization and as such qualifies for a property tax exemption. Accordingly, the Underwriter has applied a 50% tax exemption to the standard property tax assumption bases on a 10% cap rate & NOI. The adjusted tax estimate is 15% higher than the Applicant's estimate; however, The Underwriter's base estimate of \$15K/unit (before the 50% exemption) is based on a 10% cap rate and the Underwriter's NOI. This report is conditioned on receipt, review, and acceptance, by the 10% Test, of evidence from the local taxing jurisdiction confirming that a 50% property tax exemption will be available to the development.

Conclusion:

The Applicant's effective gross income, operating expenses, and net operating income are within 5% of the Underwriter's estimates; therefore, the Applicant's year one proforma will be used to determine the development's debt capacity. The proposed permanent financing structure results in an initial year's debt coverage ratio (DCR) of **1.33**, which is within the Department's DCR guideline of 1.15 to 1.35.

Of note, the Applicant should be aware that operating the property as proposed could be a fair housing issue. Families with children are protected under the fair housing act. A member of a protected category may not be assigned to a particular section of a community, neighborhood or development, or to a particular floor of a building because of being a member of a particular category. Staff is concerned that a prospective applicant could view the site as one property in which case, the entire development should be housing for older persons or the entire development should be available for families with children.

TDHCA takes no responsibility for the owner's compliance with fair housing laws. However, given the potential violation, prior to the 10% test, Applicant is to provide an attorney opinion letter stating that the property as proposed will not violate fair housing laws. The letter must specifically address the fact there is no direct access to these proposed buildings; access is through an existing family development.

Feasibility:

The underwriting 30-year proforma utilizes a 2% annual growth factor for income and a 3% annual growth factor for expenses in accordance with current TDHCA guidelines. As noted above, the Applicant's base year effective gross income, expense and net operating income were utilized resulting in a debt coverage ratio that remains above 1.15 and continued positive cashflow. Therefore, the development can be characterized as feasible for the long-term.

**ACQUISITION INFORMATION**

APPRAISED VALUE

Provider: The Powers Group Date: 2/24/2010  
 Number of Revisions: None Date of Last Applicant Revision: N/A  
 Land Only: 4.01 acres \$152,000 As of: 2/17/2010

ASSESSED VALUE

Land Only: 12.1 acres \$180,900 Tax Year: 2010  
 Existing Buildings: \$1,924,300 Valuation by: Val Verde CAD  
 1 acre: \$15,000 Tax Rate: 2.331065  
 Total Prorata: 4.01 acres \$1,984,450

Comments:

The 2010 tax assessment (as of 11/5/2010) reflects Georgia Las Brisas, LP as current owner of the entire 12.06-acre tract. In response to this discrepancy, the Applicant indicated that the parcel of land (~8 acres) located next to the Subject 4.01 acres was originally purchased by Chastain Development Corp, then donated to Las Brisas, LP. with Chastain maintaining title to the subject parcel. However, the appraisal district erroneously reflected the entire 12.06 acres having been sold. Receipt, review and acceptance, by 10% Test, of evidence that title is appropriately vested in the name of the Applicant and that the conveyance was from Chastain Development Corp.

EVIDENCE of PROPERTY CONTROL

Type: Purchase and Sale Agreement Acreage: 4.01  
 Contract Expiration: 12/1/2010 Valid Through Board Date?  Yes  No  
 Acquisition Cost: \$152,000 Other: \_\_\_\_\_  
 Seller: Chastain Development Corporation Related to Development Team?  Yes  No

Comments:

The Purchase and Sale Agreement provided in the Application reflects a contract between Chastain Development Corp. and the Applicant effective on January 6, 2010. As mentioned previously, the 2010 tax assessment (as of 11/5/2010) reflects Georgia Las Brisas, LP as the current owners of the entire 12.06-acre tract, which includes the Subject 4.01 acre tract.

## CONSTRUCTION COST ESTIMATE EVALUATION

*COST SCHEDULE* Number of Revisions: 2 Date of Last Applicant Revision: 11/12/2010

### Acquisition Value:

The Applicant provided a contract for the purchase of the subject site for \$152K, which equates to \$38K per acre or \$3K per unit. The property is a 4.01 acre portion of a larger 12.06 acre tract. Members of the owner of the General Partner are also members of the assumed current owner of the property, Chastain Development Corp. Chastain Development Corp. purchased the property from Mirador, Inc. in September 2001 at a price of \$68,500 as evidenced by the settlement statement. The parcel is currently tax exempt and the Applicant has confirmed that there have not been any associated holding costs. As such, the adjusted purchase price calculated by the Underwriter (between Chastain and Applicant) in the Department's analysis is \$55,168 which is the amount of the original purchase price by Chastain Development Corporation, plus a 10% return on equity. If the Applicant's costs are used in the final analysis, the sources and uses of funds will be adjusted by the difference in acquisition costs to ensure that tax credit proceeds are not used to fund a potential excess of profit on the identity of interest transfer to the partnership.

As noted above, there have been some discrepancies in the site control documentation which have been verbally clarified by the Applicant. However, formal documentation is being requested to confirm those clarifications.

### Sitework Cost:

The Applicant claimed sitework costs over the Department's benchmark of \$9K per unit, largely due to extensive rough grading & landscaping. The Applicant did not provide all of the third party certification required to substantiate sitework costs exceeding \$9K/unit. Therefore, receipt, review and acceptance by commitment of documentation from a certified public accountant stating which costs are includable in eligible basis, is a condition of this report.

### Direct Construction Cost:

The Applicant's direct construction cost estimate is \$117K or 4% lower than the Underwriter's Marshall & Swift Residential Cost Handbook-derived estimate. Of note, the uniqueness of the Subject's development plans coupled with the remote rural location of the site, facilitate the need to import labor & materials, essentially resulting in additional costs to the project. In order to account for these additional costs, the Underwriter has made several adjustments to the standard M&S cost estimate. These adjustments account for a 4/12 roof pitch as confirmed by the Architect, a 5% adjustor for "Senior Citizens" buildings (M&S allows for up to 9%; however, REA typically uses 3% in standard underwriting practices), and the current statewide local multiplier of 0.87 (San Antonio's current local multiplier is .85). These adjustments are consistent with methods used in previous underwriting analyses published during the 2010 cycle.

### Reserves:

The Applicant provided documentation to support \$24,695 in lease-up reserves in addition to the standard operating reserves allowed pursuant to REA rules. Therefore, the Underwriter has included this amount in addition to standard operating reserves.

### Contingency & Fees:

The Applicant's contractor's and developer fees for general requirements, general and administrative expenses, and profit are all within the maximums allowed by TDHCA guidelines.

### 30% Increase to Eligible Basis

The development qualifies for a 30% increase in eligible basis because it is located in a rural area.

### Conclusion:

The Applicant's total development cost is within 5% of the Underwriter's estimate; therefore, the Applicant's cost schedule will be used to determine the development's need for permanent funds and to calculate eligible basis. An eligible basis of \$5,655,280 supports annual tax credits of \$661,668. This figure will be compared to the Applicant's request and the tax credits calculated based on the gap in need for permanent funds to determine the recommended allocation.

**PROPOSED FINANCING STRUCTURE**

*SOURCES & USES* Number of Revisions: 2 Date of Last Applicant Revision: 10/12/2010

Source: Wells Fargo Type: Interim Financing

Principal: \$1,850,000 Interest Rate: 6.0%  Fixed Term: 24 months

Comments:

Wells Fargo will provide an interim loan in the amount of \$1,850,000 . The loan will be based on LIBOR + 500 bps, with a 6% floor, and carry a 24 month term.

Source: TDHCA - HOME Type: Interim to Permanent Financing

Principal: \$1,293,888 Interest Rate: 2.10%  Fixed Amort: 360 months

Comments:

The Applicant has requested this interim-to-permanent HOME loan that will have a 2nd lien during construction and first lien during the permanent period.

Source: FHLB Type: Grant

Principal: \$500,000 Conditions: \_\_\_\_\_

Comments:

The Applicant anticipates the FHLB of Dallas will provide a performance-based loan in the amount of \$500K. However, information presented in the application indicate that these funds will be granted. The exact terms of the funds are not yet known, however, the Applicant does not anticipate any debt service payments as long as the project is in compliance. These funds are not federally sourced. Receipt, review and acceptance by 10% test of documentation from FHLB of Dallas, clearly outlining the terms of the funds is a condition of this report.

Source: Wells Fargo Type: Syndication

Proceeds: \$4,541,252 Syndication Rate: 65% Anticipated HTC: \$ 698,724

Amount: \$0 Type: Deferred Developer Fees

**CONCLUSIONS**

Recommended Financing Structure:

The Underwriter's/Applicant's total development cost estimate less the permanent HOME loan of \$1,293,888 and \$500K FHLB loan indicates the need for **\$3,970,402** in gap funds. Based on the submitted syndication terms, a tax credit allocation of **\$610,892** annually would be required to fill this gap in financing. The three possible tax credit allocations are:

Allocation determined by eligible basis:	\$661,668
<b>Allocation determined by gap in financing:</b>	<b>\$646,120</b>
Allocation requested by the Applicant:	\$656,403

The allocation amount determined by the gap calculation of the credits is recommended. A tax credit allocation of **\$646,120** per year for 10 years results in total equity proceeds of **\$4,199,360** at a syndication rate of \$0.65 per tax credit dollar.

The Underwriter's recommended financing structure indicates no need for deferred developer fees. The Underwriter recommends approval of the HOME loan on the terms requested.

The HOME award amount is below the 221(d)(3) limit for this project. In addition, the HOME award is below the prorata share of development cost based on the number HOME units to total units.

Underwriter:	_____ <i>Diamond Unique Thompson</i>	Date:	_____ November 30, 2010
Manager of Real Estate Analysis:	_____ <i>Audrey Martin</i>	Date:	_____ November 30, 2010
Director of Real Estate Analysis:	_____ <i>Brent Stewart</i>	Date:	_____ November 30, 2010



## UNIT MIX/RENT SCHEDULE

*Las Brisas Manor, Del Rio, HTC 9% #10262*

LOCATION DATA		UNIT DISTRIBUTION			Other Unit Designation							OTHER ASSUMPTIONS		
CITY:	Del Rio	# Beds	# Units	% Total	PROGRAMS:				HOME			DEVELOPMENT ACTIVITY:		
COUNTY:	Val Verde	Eff			Rent Limit	Eff	1	2	3	4	Total Units	REVENUE GROWTH:	2.00%	
SUB-MARKET:		1	15	31.3%	LH	\$398	\$427	\$512	\$592	\$661	3	EXPENSE GROWTH:	3.00%	
PROGRAM REGION:	11	2	33	68.8%	HH	\$410	\$490	\$579	\$720	\$803	12	HIGH COST ADJUSTMENT:		
RURAL RENT USED:	No	3										APPLICABLE FRACTION:	100.00%	
IREM REGION:	NA	4										APP % - ACQUISITION:		
		<b>TOTAL</b>	<b>48</b>	<b>100.0%</b>								APP % - CONSTRUCTION:		

## UNIT MIX / MONTHLY RENT SCHEDULE

UNIT DESCRIPTION						PROGRAM RENT LIMITS			APPLICANT RENTS				TDHCA RENTS				OTHER UNIT DESIGNATION	MARKET RENTS	
Type	Other Designation	# Units	# Beds	# Baths	NRA	Gross Rent	Tenant Paid Utilities (Verified)	Max Net Program Rent	Delta to Max Program	Rent per NRA	Net Rent per Unit	Total Monthly Rent	Total Monthly Rent	Rent per Unit	Rent per NRA	Delta to Max Program	HOME	Market Rent	TDHCA Savings to Market
TC 30%	LH	1	1	1	709	\$256	\$111	\$145	\$0	\$0.20	\$145	\$145	\$145	\$145	\$0.20	\$0	\$427	\$570	\$425
TC 50%	HH	7	1	1	709	\$427	\$111	\$316	\$0	\$0.45	\$316	\$2,212	\$2,212	\$316	\$0.45	\$0	\$490	\$570	\$254
TC 60%		7	1	1	709	\$513	\$111	\$402	\$0	\$0.57	\$402	\$2,814	\$2,814	\$402	\$0.57	\$0		\$570	\$168
TC 30%	LH	2	2	2	1,073	\$308	\$147	\$161	(\$1)	\$0.15	\$160	\$320	\$322	\$161	\$0.15	\$0	\$512	\$790	\$629
TC 50%	HH	5	2	2	1,073	\$512	\$147	\$365	\$0	\$0.34	\$365	\$1,825	\$1,825	\$365	\$0.34	\$0	\$579	\$790	\$425
TC 50%		10	2	2	1,073	\$512	\$147	\$365	\$0	\$0.34	\$365	\$3,650	\$3,650	\$365	\$0.34	\$0		\$790	\$425
TC 60%		7	2	2	1,073	\$615	\$147	\$468	\$0	\$0.44	\$468	\$3,276	\$3,276	\$468	\$0.44	\$0		\$790	\$322
TC 60%		9	2	2	1,073	\$615	\$147	\$468	\$0	\$0.44	\$468	\$4,212	\$4,212	\$468	\$0.44	\$0		\$790	\$322
<b>TOTAL:</b>		<b>48</b>				<b>46,044</b>						<b>\$18,454</b>	<b>\$18,456</b>						
<b>AVG:</b>						<b>959</b>			<b>(\$0)</b>	<b>\$0.40</b>	<b>\$384</b>			<b>\$385</b>	<b>\$0.40</b>	<b>\$0</b>	<b>\$162</b>	<b>\$721</b>	<b>(\$337)</b>
<b>ANNUAL:</b>												<b>\$221,448</b>	<b>\$221,472</b>						

**PROFORMA ANALYSIS & DEVELOPMENT COSTS**

**Las Brisas Manor, Del Rio, HTC 9% #10262**

**INCOME**

				<b>TDHCA</b>	<b>APPLICANT</b>			
POTENTIAL GROSS RENT				\$221,472	\$221,448			
Secondary Income	Per Unit Per Month:	\$20.00		11,520	17,796	\$30.90	Per Unit Per Month	
Other Support Income:						\$0.00	Per Unit Per Month	
POTENTIAL GROSS INCOME				\$232,992	\$239,244			
Vacancy & Collection Loss	% of Potential Gross Income:	-7.50%		(17,474)	(17,940)	-7.50%	of Potential Gross Income	
Employee or Other Non-Rental Units or Concessions				0				
EFFECTIVE GROSS INCOME				\$215,518	\$221,304			
<b>EXPENSES</b>	<b>% OF EGI</b>	<b>PER UNIT</b>	<b>PER SQ FT</b>			<b>PER SQ FT</b>	<b>PER UNIT</b>	<b>% OF EGI</b>
General & Administrative	7.11%	\$319	0.33	\$15,328	\$11,255	\$0.24	\$234	5.09%
Management	5.00%	\$224	0.23	10,776	11,658	0.25	243	5.27%
Payroll & Payroll Tax	13.84%	\$621	0.65	29,828	29,828	0.65	621	13.48%
Repairs & Maintenance	9.37%	\$421	0.44	20,202	26,970	0.59	562	12.19%
Utilities	4.90%	\$220	0.23	10,560	8,400	0.18	175	3.80%
Water, Sewer, & Trash	8.80%	\$395	0.41	18,976	21,600	0.47	450	9.76%
Property Insurance	5.35%	\$240	0.25	11,520	11,520	0.25	240	5.21%
Property Tax 2.331065	3.89%	\$175	0.18	8,392	7,387	0.16	154	3.34%
Reserve for Replacements	5.57%	\$250	0.26	12,000	12,000	0.26	250	5.42%
TDHCA Compliance Fees	0.89%	\$40	0.04	1,920	1,920	0.04	40	0.87%
Other:	0.00%	\$0	0.00			0.00	0	0.00%
<b>TOTAL EXPENSES</b>	<b>64.73%</b>	<b>\$2,906</b>	<b>\$3.03</b>	<b>\$139,502</b>	<b>\$142,538</b>	<b>\$3.10</b>	<b>\$2,970</b>	<b>64.41%</b>
<b>NET OPERATING INC</b>	<b>35.27%</b>	<b>\$1,584</b>	<b>\$1.65</b>	<b>\$76,016</b>	<b>\$78,767</b>	<b>\$1.71</b>	<b>\$1,641</b>	<b>35.59%</b>

**DEBT SERVICE**

TDHCA - HOME	\$58,169	\$58,341
FHLB	\$0	
Additional Financing	\$0	
Additional Financing	0	
Additional Financing	0	
<b>TOTAL DEBT SERVICE</b>	<b>58,169</b>	<b>58,341</b>
<b>NET CASH FLOW</b>	<b>\$17,846</b>	<b>\$20,426</b>
<b>AGGREGATE DEBT COVERAGE RATIO</b>	<b>1.31</b>	<b>1.35</b>
<b>RECOMMENDED DEBT COVERAGE RATIO</b>		<b>1.35</b>

**CONSTRUCTION COST**

Description	Factor	% of TOTAL	PER UNIT	PER SQ FT	TDHCA	APPLICANT	PER SQ FT	PER UNIT	% of TOTAL
Acquisition Cost (site or bldg)		0.95%	\$1,149	\$1.20	\$55,168	\$167,000	\$3.63	\$3,479	2.74%
Off-Sites		0.00%	\$0	\$0.00		0	0.00	0	0.00%
Sitework		9.38%	\$11,366	\$11.85	545,575	545,575	11.85	11,366	8.94%
Direct Construction		47.83%	\$57,982	\$60.45	2,783,155	2,899,906	62.98	60,415	47.50%
Contingency	6.53%	3.73%	\$4,525	\$4.72	217,214	217,214	4.72	4,525	3.56%
Contractor's Fees	13.60%	8.29%	\$10,048	\$10.47	482,305	482,305	10.47	10,048	7.90%
Indirect Construction		7.86%	\$9,531	\$9.94	457,500	457,500	9.94	9,531	7.49%
Ineligible Costs		2.20%	\$2,663	\$2.78	127,800	127,800	2.78	2,663	2.09%
Developer's Fees	20.00%	15.82%	\$19,181	\$20.00	920,690	935,080	20.31	19,481	15.32%
Interim Financing		2.02%	\$2,452	\$2.56	117,700	117,700	2.56	2,452	1.93%
Reserves		1.91%	\$2,316	\$2.41	111,183	155,000	3.37	3,229	2.54%
<b>TOTAL COST</b>		<b>100.00%</b>	<b>\$121,214.36</b>	<b>\$126.36</b>	<b>\$5,818,290</b>	<b>\$6,105,080</b>	<b>\$132.59</b>	<b>\$127,189</b>	<b>100.00%</b>
<b>Construction Cost Recap</b>		<b>69.23%</b>	<b>\$83,922</b>	<b>\$87.49</b>	<b>\$4,028,249</b>	<b>\$4,145,000</b>	<b>\$90.02</b>	<b>\$86,354</b>	<b>67.89%</b>

**SOURCES OF FUNDS**

						RECOMMENDED	
TDHCA - HOME	22.24%	\$26,956	\$28.10	\$1,293,888	\$1,293,888	\$1,293,888	Developer Fee Available
FHLB	8.59%	\$10,417	\$10.86	500,000	500,000	500,000	\$935,080
Wells Fargo	78.05%	\$94,609	\$98.63	4,541,252	4,266,192	4,199,360	% of Dev. Fee Deferred
Deferred Developer Fees	0.00%	\$0	\$0.00	0		0	0%
Additional (Excess) Funds Req'd	-8.88%	(\$10,768)	(\$11.23)	(516,850)	45,000	0	15-Yr Cumulative Cash Flow
<b>TOTAL SOURCES</b>				<b>\$5,818,290</b>	<b>\$6,105,080</b>	<b>\$5,993,248</b>	<b>\$318,692</b>

**MULTIFAMILY COMPARATIVE ANALYSIS (continued)**

*Las Brisas Manor, Del Rio, HTC 9% #10262*

**DIRECT CONSTRUCTION COST ESTIMATE**

*Marshall & Swift Residential Cost Handbook  
Average Quality Multiple Residence Basis*

CATEGORY	FACTOR	UNITS/SQ FT	PER SF	AMOUNT
Base Cost			\$54.26	\$2,498,257
<b>Adjustments</b>				
Exterior Wall Finish	6.40%		\$3.47	\$159,888
Elderly	5.00%		2.71	124,913
9-Ft. Ceilings	3.80%		2.06	94,934
Roofing			0.00	0
Subfloor			1.33	61,392
Floor Cover			2.41	110,966
Breezeways	\$23.05		0.00	0
Balconies	\$23.05	3,597	1.80	82,899
Plumbing Fixtures	\$845	99	1.82	83,655
Rough-ins	\$420	96	0.88	40,320
Built-In Appliances	\$2,250	48	2.35	108,000
Exterior Stairs	\$1,900	0	0.00	0
Enclosed Corridors	\$47.48	4,603	4.75	218,541
<b>Elevator</b>	\$81,175	1	1.76	81,175
Carports	\$9.70	0	0.00	0
Heating/Cooling			1.85	85,181
Garages	\$30.00	0	0.00	0
Comm &/or Aux Bldgs	\$81.69	1,432	2.54	116,974
Other: fire sprinkler	\$2.25	52,079	2.54	117,178
<b>SUBTOTAL</b>			<b>86.53</b>	<b>3,984,274</b>
Current Cost Multiplier	0.99		(0.87)	(39,843)
Local Multiplier	0.87		(11.25)	(517,956)
<b>TOTAL DIRECT CONSTRUCTION COSTS</b>			<b>\$74.42</b>	<b>\$3,426,475</b>
Plans, specs, survy, bid prm	3.90%		(\$2.90)	(\$133,633)
Interim Construction Interest	3.38%		(2.51)	(115,644)
Contractor's OH & Profit	11.50%		(8.56)	(394,045)
<b>NET DIRECT CONSTRUCTION COSTS</b>			<b>\$60.45</b>	<b>\$2,783,155</b>

**PROPOSED PAYMENT COMPUTATION**

<b>TDHCA - HOME</b>	\$1,293,888	Amort	360
Int Rate	2.10%	DCR	1.31

<b>FHLB</b>	\$500,000	Amort	
Int Rate		Subtotal DCR	1.31

<b>Additional Financing</b>	\$0	Amort	
Int Rate		Aggregate DCR	1.31

<b>Additional Financing</b>	\$0	Amort	
Int Rate		Subtotal DCR	1.31

<b>Additional Financing</b>	\$0	Amort	
Int Rate		Aggregate DCR	1.31

**RECOMMENDED FINANCING STRUCTURE APPLICANT'S**

	<b>NOI:</b>
TDHCA - HOME	\$58,169
FHLB	0
Additional Financing	0
Additional Financing	0
Additional Financing	0
<b>TOTAL DEBT SERVICE</b>	<b>\$58,169</b>

<b>TDHCA - HOME</b>	\$1,293,888	Amort	360
Int Rate	2.10%	DCR	1.35

<b>FHLB</b>	\$500,000	Amort	0
Int Rate	0.00%	Subtotal DCR	1.35

<b>Additional Financing</b>	\$0	Amort	0
Int Rate	0.00%	Aggregate DCR	1.35

**OPERATING INCOME & EXPENSE PROFORMA: RECOMMENDED FINANCING STRUCTURE (APPLICANT'S NOI)**

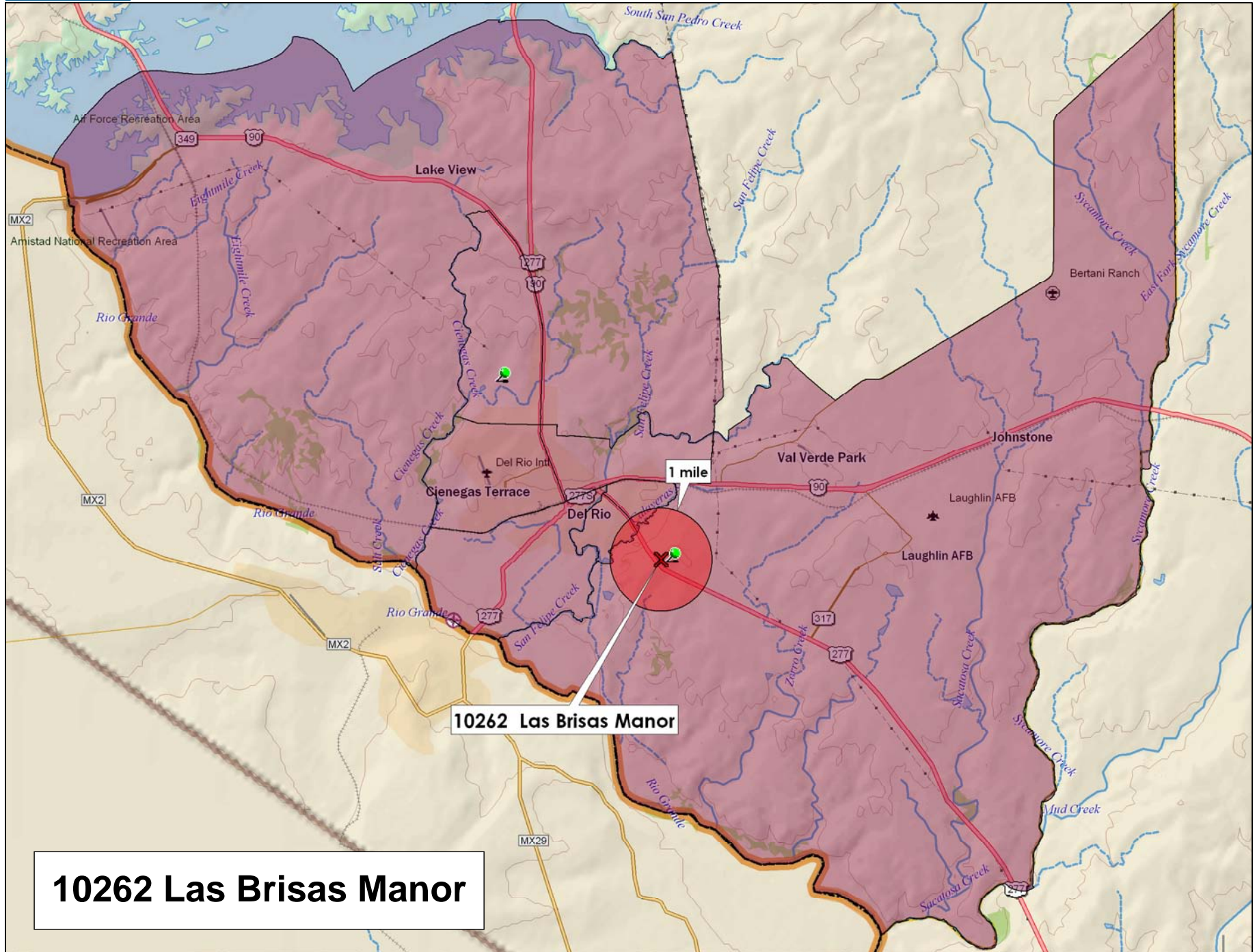
INCOME at 2.00%	YEAR 1	YEAR 2	YEAR 3	YEAR 4	YEAR 5	YEAR 10	YEAR 15	YEAR 20	YEAR 30
POTENTIAL GROSS RENT	\$221,448	\$225,877	\$230,394	\$235,002	\$239,702	\$264,651	\$292,196	\$322,608	\$393,257
Secondary Income	17,796	18,152	18,515	18,885	19,263	21,268	23,481	25,925	31,603
Other Support Income:	0	0	0	0	0	0	0	0	0
Other Support Income:	0	0	0	0	0	0	0	0	0
POTENTIAL GROSS INCOME	239,244	244,029	248,909	253,888	258,965	285,919	315,677	348,533	424,860
Vacancy & Collection Loss	(17,940)	(18,302)	(18,668)	(19,042)	(19,422)	(21,444)	(23,676)	(26,140)	(31,865)
Employee or Other Non-Rental	0	0	0	0	0	0	0	0	0
<b>EFFECTIVE GROSS INCOME</b>	<b>\$221,304</b>	<b>\$225,727</b>	<b>\$230,241</b>	<b>\$234,846</b>	<b>\$239,543</b>	<b>\$264,475</b>	<b>\$292,002</b>	<b>\$322,393</b>	<b>\$392,996</b>
EXPENSES at 3.00%	YEAR 1	YEAR 2	YEAR 3	YEAR 4	YEAR 5	YEAR 10	YEAR 15	YEAR 20	YEAR 30
General & Administrative	\$11,255	\$11,593	\$11,940	\$12,299	\$12,668	\$14,685	\$17,024	\$19,736	\$26,523
Management	11,658	11890.98268	12,129	12,371	12,619	13,932	15,382	16,983	20,702
Payroll & Payroll Tax	29,828	30,723	31,645	32,594	33,572	38,919	45,118	52,304	70,292
Repairs & Maintenance	26,970	27,779	28,612	29,471	30,355	35,190	40,795	47,292	63,557
Utilities	8,400	8,652	8,912	9,179	9,454	10,960	12,706	14,729	19,795
Water, Sewer & Trash	21,600	22,248	22,915	23,603	24,311	28,183	32,672	37,876	50,902
Insurance	11,520	11,866	12,222	12,588	12,966	15,031	17,425	20,200	27,148
Property Tax	7,387	7,608	7,836	8,071	8,314	9,638	11,173	12,952	17,407
Reserve for Replacements	12,000	12,360	12,731	13,113	13,506	16,657	18,151	21,042	28,279
TDHCA Compliance Fee	1,920	1,978	2,037	2,098	2,161	2,505	2,904	3,367	4,525
Other	0	0	0	0	0	0	0	0	0
<b>TOTAL EXPENSES</b>	<b>\$142,538</b>	<b>\$146,697</b>	<b>\$150,979</b>	<b>\$155,387</b>	<b>\$159,925</b>	<b>\$184,700</b>	<b>\$213,349</b>	<b>\$246,481</b>	<b>\$329,129</b>
<b>NET OPERATING INCOME</b>	<b>\$78,767</b>	<b>\$79,030</b>	<b>\$79,262</b>	<b>\$79,459</b>	<b>\$79,618</b>	<b>\$79,775</b>	<b>\$78,652</b>	<b>\$75,912</b>	<b>\$63,867</b>
<b>DEBT SERVICE</b>									
First Lien Financing	\$58,169	\$58,169	\$58,169	\$58,169	\$58,169	\$58,169	\$58,169	\$58,169	\$58,169
Second Lien	0	0	0	0	0	0	0	0	0
Other Financing	0	0	0	0	0	0	0	0	0
<b>NET CASH FLOW</b>	<b>\$20,597</b>	<b>\$20,861</b>	<b>\$21,093</b>	<b>\$21,290</b>	<b>\$21,449</b>	<b>\$21,605</b>	<b>\$20,483</b>	<b>\$17,743</b>	<b>\$5,698</b>
<b>DEBT COVERAGE RATIO</b>	<b>1.35</b>	<b>1.36</b>	<b>1.36</b>	<b>1.37</b>	<b>1.37</b>	<b>1.37</b>	<b>1.35</b>	<b>1.31</b>	<b>1.10</b>

**HTC ALLOCATION ANALYSIS -Las Brisas Manor, Del Rio, HTC 9% #10262**

CATEGORY	APPLICANT'S TOTAL AMOUNTS	TDHCA TOTAL AMOUNTS	APPLICANT'S REHAB/NEW ELIGIBLE BASIS	TDHCA REHAB/NEW ELIGIBLE BASIS
<b>Acquisition Cost</b>				
Purchase of land	\$167,000	\$55,168		
Purchase of buildings				
<b>Off-Site Improvements</b>				
<b>Sitework</b>	\$545,575	\$545,575	\$545,575	\$545,575
<b>Construction Hard Costs</b>	\$2,899,906	\$2,783,155	\$2,899,906	\$2,783,155
<b>Contractor Fees</b>	\$482,305	\$466,022	\$482,305	\$466,022
<b>Contingencies</b>	\$217,214	\$217,214	\$217,214	\$217,214
<b>Eligible Indirect Fees</b>	\$457,500	\$457,500	\$457,500	\$457,500
<b>Eligible Financing Fees</b>	\$117,700	\$117,700	\$117,700	\$117,700
<b>All Ineligible Costs</b>	\$127,800	\$127,800		
<b>Developer Fees</b>				\$917,433
Developer Fees	\$935,080	\$920,690	\$935,080	
<b>Development Reserves</b>	\$155,000	\$111,183		
<b>TOTAL DEVELOPMENT COSTS</b>	<b>\$6,105,080</b>	<b>\$5,802,007</b>	<b>\$5,655,280</b>	<b>\$5,504,599</b>

<b>Deduct from Basis:</b>			
All grant proceeds used to finance costs in eligible basis			
B.M.R. loans used to finance cost in eligible basis			
Non-qualified non-recourse financing			
Non-qualified portion of higher quality units [42(d)(3)]			
Historic Credits (on residential portion only)			
<b>TOTAL ELIGIBLE BASIS</b>		\$5,655,280	\$5,504,599
High Cost Area Adjustment		130%	130%
<b>TOTAL ADJUSTED BASIS</b>		\$7,351,864	\$7,155,979
Applicable Fraction		100%	100%
<b>TOTAL QUALIFIED BASIS</b>		\$7,351,864	\$7,155,979
Applicable Percentage		9.00%	9.00%
<b>TOTAL AMOUNT OF TAX CREDITS</b>		\$661,668	\$644,038

<b>Syndication Proceeds</b>	<b>0.6499</b>	<b>\$4,300,411</b>	<b>\$4,185,829</b>
<b>Total Tax Credits (Eligible Basis Method)</b>		<b>\$661,668</b>	<b>\$644,038</b>
<b>Syndication Proceeds</b>		<b>\$4,300,411</b>	<b>\$4,185,829</b>
<b>Requested Tax Credits</b>		<b>\$656,403</b>	
<b>Syndication Proceeds</b>		<b>\$4,266,193</b>	
<b>Gap of Syndication Proceeds Needed</b>		<b>\$4,199,360</b>	
<b>Total Tax Credits (Gap Method)</b>		<b>\$646,120</b>	
<b>Recommended Tax Credits</b>		<b>646,120</b>	
<b>Syndication Proceeds</b>		<b>\$4,199,360</b>	



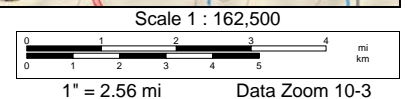
**10262 Las Brisas Manor**

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**HOME PROGRAM DIVISION**

**BOARD ACTION REQUEST**

**December 17, 2010**

**Recommended Action**

Presentation, Discussion and Possible Action to Approve for publication in the *Texas Register* final order adopting amendments to the HOME Program Rule, 10 Texas Administrative Code Chapter 53, Subchapters B, C, D, and H.

**RESOLVED**, that the amendments to 10 TAC Chapter 53, Subchapters B, C, D, and H, together with preamble, in the form presented to this meeting is hereby ordered adopted, and

**FURTHER RESOLVED**, that the Executive Director and his designees be and each them hereby are authorized, empowered, and directed, for and on behalf of the Department, to cause the amendments to the HOME Program Rule, in the form presented to this meeting, to be published in the *Texas Register* for final adoption, and in connection therewith, make such non-substantive technical corrections as they may deem necessary to effectuate the foregoing.

**Background**

The proposed amendments to the rule were published in the November 26, 2010 issue of the *Texas Register* to allow for public comment. Public comments were accepted through December 9, 2010 with comments received from (1) Delia Chavez, Executive Director, El Paso Collaborative and (2) Joann Guillen, El Paso Collaborative. Since the comments were supportive of staff recommendations, no additional changes are proposed.

The amendments were proposed to address several parts of the rule. HUD released the list of Federal fiscal year match reductions and the Department was included with a 100% match reduction. Staff proposed an amendment to temporarily suspend match requirements for HOME subrecipients, which is expected to facilitate the award of funds to previously unserved areas or subrecipients that previously experienced difficulty meeting the match requirements. Additionally, the amendments include an update to QAP rule references to now reference the newly adopted QAP, which will provide for more consistency in requirements across the Department's multifamily programs. Lastly, the amendments include a technical correction to the Multifamily Development section of the rule which will allow for consistency in the treatment of HOME units for all HOME funded developments and simplify compliance monitoring.

Attachment is the order preamble and the amendments to 10 TAC Chapter 53.

## **Attachment A: Preamble and Chapter 53**

The Texas Department of Housing and Community Affairs (the “Department”) adopts amendments to 10 TAC Chapter 53, Subchapter B, §53.26(d), Subchapter C, §53.30(1), Subchapter D, §53.40(1), Subchapter H, §53.80(2) and §53.81(i). These amendments are adopted without change and will not be republished.

These amendments were adopted in order to temporarily suspend match requirements for the Homeowner Rehabilitation Assistance and Homebuyer Assistance Program Activities, update references to the Qualified Action Plan, and clarify “fixed” versus “floating” units requirement for Multifamily Developments.

The Texas Department of Housing and Community Affairs accepted comments to the proposed amendments in writing and by email.

Public comments were accepted through December 9, 2010 and with comments received from (1) Delia Chavez, Executive Director, El Paso Collaborative and (2) Joann Guillen, El Paso Collaborative.

The Board approved the final order adopting the new sections on December 17, 2010.

The amendments are adopted pursuant to the authority Chapter 2306 of the Texas Government Code, which provides the Department with the authority to adopt rules governing the administration of the Department and its programs.

### **REASONED RESPONSE TO PUBLIC COMMENT AND STAFF RECOMMENDATIONS ON THE PROPOSED ADOPTION OF 10 TAC CHAPTER 53, SUBCHAPTER B, C, and D.**

#### **§53.26(d), §53.30(1), and §53.40(1)**

**Public Comment:** The two commenters supported the temporary match suspension.

**Staff Response:** No change is necessary.

#### ***§53.26. Reservation System Participant (RSP) Agreements.***

(a) Terms of agreement. RSP agreements will have a twenty-four (24) month term for all Program Activities. Execution of an RSP agreement does not guarantee the availability of funds under a reservation system.

(b) Limits on Number of Reservations. The number of Homeowner Rehabilitation, Homebuyer Assistance or Single Family Development reservations for an RSP is limited to five (5) per county within the RSP's Service Area at any given time. The number of Tenant-Based Rental Assistance reservations for an RSP is limited to thirty (30) at any given time.

(c) Extremely Low-Income Households. Except for Households served with HBA or SFD funds, each RSP will be required to serve at least one (1) Household at or below 30% of AMFI out of every four (4) Households submitted and approved for assistance.

(d) Match. The requirements of this subsection are waived until August 31, 2011. An RSP must meet the tiered Match requirements per Program Activity for at least every fourth Household submitted and approved for assistance. For example, if Match is not provided for the first three (3) Households assisted by an RSP, the Match provided to the fourth Household must meet the Match requirement for all four (4) Households. (e) Completion of Construction. For Activities involving construction, an RSP must complete construction and submit all requests for disbursement within nine (9) months from the Commitment of Funds for the Activity.

(f) Extensions. The Division Director may approve one three (3) month time extension to the Commitment of Funds to allow for the completion of construction and submission of requests for disbursement.

(g) An RSP must remain in good standing with the Department, the State of Texas, and HUD. If an RSP is not in good standing, participation in the reservation system will be suspended and may result in termination of the RSP agreement.

***§53.30. Homeowner Rehabilitation Assistance (HRA) Program Threshold and Selection Criteria.***

All Applicants and Applications must submit or comply with the following:

(1) The requirements of this subsection are waived until August 31, 2011. An itemized schedule of the proposed Match and evidence to support the Applicant's ability to provide the required Match. For Applications submitted to become an RSP, the Department may withhold disbursements if after every four reservations sufficient Match documentation has not been provided. The Department shall use population figures from the most recently available U.S. Census to determine the applicable tier for an Application. The Department may incentivize or provide preference to Applicants committing to provide additional Match above the requirement of this subsection. Such incentives may be established in the form of a threshold or selection criteria and may be different for each Program Activity. Except for Applications for disaster relief, Match shall be required based on the following tiers:

(A) zero percent of Project funds if serving a city of less than 3,000 Persons or an unincorporated area of a county with less than 20,000 Persons;

(B) ten percent of Project funds if serving a city of between 3,001 and 5,000 Persons or an unincorporated area of a county of between than 20,001 and 75,000 Persons; and



(C) twelve and one-half percent of Project funds for all other applications.

(2) Documentation of a commitment of at least \$80,000 or for a Contract award 80% of the award amount, whichever is less, in cash reserves to facilitate administration of the program and to ensure the capacity to cover costs prior to reimbursement or costs determined to be ineligible for reimbursement. Evidence of this commitment and the amount of the commitment must be included in the Applicant's resolution. To meet this requirement, Applicants must submit:

(A) Financial statements indicating adequate local unrestricted cash or cash equivalents to utilize as cash reserves and a letter from the Applicant's bank(s) or financial institution(s) indicating that current account balances are sufficient; or

(B) Evidence of an available line of credit or equivalent in an amount equal to or exceeding the above requirement; or

(C) The CPA opinion letter from the most recent audit and a statement from the CPA that indicates, based on past experience with grant programs and past audits, the applicant has in place the best practices and financial capacity necessary in order to effectively administer a HOME Program award.

(3) Housing construction plans must be certified by a licensed architect. The Department may procure and make architect certified plans available.

(A) The Department will reimburse only for the first time a set of architectural plans are used unless any subsequent site specific fees are paid to a Third Party architect, or a licensed engineer; and

(B) A NOFA may include incentives or otherwise require architectural plans to incorporate "green building" elements.

***§53.40. Homebuyer Assistance (HBA) Threshold and Selection Criteria.***

All Applicants and Applications must submit or comply with the following:

(1) The requirements of this subsection are waived until August 31, 2011. An itemized schedule of the proposed Match and evidence to support the Applicant's ability to provide the required Match. The Department may not require such support at the time an Application is submitted when the funds are made available under a reservation system. Except for Applications for disaster relief and Persons with Disabilities set-asides, the amount of Match required must be at least 5% of Project funds requested. The Department may incentivize or provide preference to Applicants committing to provide additional Match above the requirement of this subsection. Such incentives may be established in the form of a threshold or selection criteria and may be different for each Program Activity.

(2) Documentation of a commitment of at least \$80,000 or for a Contract award 100% of the award amount, whichever is less, in cash reserves to facilitate administration of the

program and to ensure the capacity to cover costs prior to reimbursement or costs determined to be ineligible for reimbursement. Evidence of this commitment and the amount of the commitment must be included in the Applicant's resolution. To meet this requirement, Applicants must submit:

- (A) Financial statements indicating adequate local unrestricted cash or cash equivalents to utilize as cash reserves and a letter from the Applicant's bank(s) or financial institution(s) indicating that current account balances are sufficient; or
- (B) Evidence of an available line of credit or equivalent in an amount equal to or exceeding the above requirement; or
- (C) The CPA opinion letter from the most recent audit and a statement from the CPA that indicates, based on past experience with grant programs and past audits, the applicant has in place the best practices and financial capacity necessary in order to effectively administer a HOME Program award.

***§53.80. Multifamily (Rental Housing) Development (MFD) Threshold and Selection Criteria.***

All Applicants and Applications must submit or comply with the following:

(1) If the total of Department loans equals more than 50% of the total development cost, except for developments also financed with USDA funds, the Applicant must provide:

- (A) Evidence of a line of credit or equivalent financing equal to at least 10% of the total development cost from a financial institution that is available for use during the proposed development activities; or
- (B) A letter from a third party CPA verifying the capacity of the owner or developer to provide at least 10% of the total development cost as a short term loan for development; and
- (C) A letter from the developer's or owner's bank(s) confirming funds amounting to 10% of the total development cost are available.

(2) Applications must comply with all of the current Qualified Allocation Plan in effect at the time of Application's submission at §49.8 or §50.8 of this title except as follows for Applications not also seeking an allocation of housing tax credits or tax-exempt bonds:

- (A) The "Application Acceptance Period," "Resolutions Delivery Date," and "Third Party Reports Delivery Date" shall be replaced with the date that the Application for HOME funds is submitted to the Department;
- (B) The date of "Commitment" and shall mean the date the HOME "Contract" is executed;

(C) The date of “10% Test Certification” and “Cost Certification” shall mean prior to release of retainage;

(D) The threshold requirement for Site Control in (8)(A) must be valid for 120 days from the date that the Application is submitted with an option to extend at least ninety (90) days.

(3) Except for applications awarded under the Persons with Disabilities set-aside or USDA §515 applications, Match equal to 2% of the HOME award must be provided. Documentation of the Applicant's ability to meet this requirement shall be required in the Application in the form of a commitment from the organization providing the Match. The Department may incentivize or provide preference to Applicants committing to provide additional Match above the requirement of this subsection. Such incentive may be established in the form of a Threshold or Selection scoring criterion. Match in the form of a property tax abatement will only be accepted if a letter from the applicable appraisal district is provided and such letter documents a cash value and duration for such exemption sufficient to meet the HUD requirements for documentation of Match.

(4) The maximum HOME award may not exceed 90% of the total development costs ("TDC") unless a resolution of support for the development is made by the local unit of government in which the proposed development resides and/or the proposed development is located in an area where the HUD Fair Market Rents are equal to the respective HOME Rent Limit for a one-bedroom unit but will be limited as reflected in Figure: 10 TAC §53.80(4). The remaining percentage of total development cost must be in the form of permanent loans with a maturity of at least twenty (20) years, in-kind contributions or grants from third-party private or public entities. Developments with USDA or other government-sponsored loans that will remain as permanent financing may be used to satisfy this requirement from a public or private entity. Loans or grants from the Department will not satisfy this requirement.

Figure: 10 TAC §53.80(4)

<b>Rent</b>	<b>Resolution from Local Government</b>	<b>Maximum Award as % of TDC</b>	<b>% of TDC from other sources</b>
FMR greater than High Home	No	90%	10%
FMR greater than High Home	Yes	92%	8%
FMR equal to High Home	No	93%	7%
FMR equal to High Home	Yes	95%	5%
FMR equal to Low Home	No	96%	4%
FMR equal to Low Home	Yes	98%	2%

(5) For Applications proposing New Construction, documentation sufficient to meet the Site and Neighborhood Standards required in 24 CFR §92.202

**§53.81. Multifamily (Rental Housing) Development (MFD) Program Requirements.**

(a) Eligible activities include the acquisition or refinancing and New Construction or Rehabilitation of multifamily housing Developments. Housing assisted with HOME funds must meet all applicable codes and standards. Additionally, the Development must meet or exceed the requirements of the Texas Property Code relating to security devices and other applicable requirements for residential tenancies, and will adhere to local building codes or if no local building codes are in place then to the most recent version of the International Building Code.

(b) Developments involving New Construction will be limited to no more than 252 total units. This maximum unit limitation also applies to those Developments which involve a combination of Rehabilitation and New Construction. Developments that consist solely of acquisition and Rehabilitation or Reconstruction only may exceed the maximum unit restrictions. The minimum number of units shall be 8 units.

(c) This Program Activity is a CHDO-eligible activity.

(d) A Development receiving funds under this section shall have a LURA filed and recorded at the time of Loan closing and prior to any disbursement of HOME funds. The Department may require that a second LURA be filed and recorded if the restrictions to be placed on the Development exceed those of the federal requirements. Such second LURA shall include all of the requirements that exceed the federally required restrictions.

(e) In addition to the federal restrictions, Developments receiving funds under this section must meet the following rent and income restrictions:

(1) At least 20% of the total number of units in the Development must be restricted as HOME units;

(2) At least 5% of the total number of units in the Development must be set-aside for households at or below 30% of AMFI and must have rent restrictions at 30% of AMFI; and

(3) Developments receiving funds under the Persons with Disabilities set-aside are not required to meet the requirements under paragraph (1) or (2) of this subsection but must restrict all HOME units at 50% of AMFI or below and at least 5% of the HOME units at 30% of AMFI or below.

(f) Project funds awarded to Developments under this section shall be structured in the form of a loan or loans as follows:

(1) The interest rate may be as low as 2% provided all requirements of this chapter and §1.32 of this title are met. To the extent that Match in an amount of 5% or more of the HOME funds is provided, an interest rate as low as 0% may be requested;

(2) Unless structured only as an interim construction or bridge loan, the loan term shall be no less than fifteen (15) years and no greater than forty (40) years and the amortization schedule shall be no less than twenty (20) years and no greater than forty (40) years;

(3) The loan shall be structured with a regular monthly payment beginning at the end of the construction period and continuing for the loan term. If the first lien mortgage is a federally insured HUD or FHA mortgage, the Department may approve a loan structure with annual payments payable from surplus cashflow provided that the debt coverage ratio, inclusive of the loan, continues to meet the requirements in §1.32 of this title. The Board may also approve, on a case-by-case basis, a cashflow loan structure provided it determines that the financial risk is outweighed by the need for the proposed housing; and

(4) The loan shall have a deed of trust with a lien position consistent with the principal amount of the loan in relation to the principal amounts of the other sources of financing. Notwithstanding the foregoing, the loan shall have a lien position that is superior to any other sources of financing that have soft repayment structures, non-amortizing balloon notes, are deferred forgivable loans or in which the lender has an Identity of Interest with any member of the development team. The Board may also approve, on a case-by-case basis, an alternative lien priority provided it determines that the financial risk is outweighed by the need for the proposed housing.

(g) Closing on the Loan shall be conditioned upon the occurrence of closing with any superior lien holders or any other sources of funds determined to be necessary for the long-term financial feasibility of the Development and all due diligence determined by the Department to be prudent and necessary to meet the Department's rules, the HOME Final Rule, and to secure the interests of the Department.

(h) When Department funds have a first lien position, assurance of completion of the development in the form of payment and performance bonds in the full amount of the construction contract will be required or equivalent guarantee in the sole determination of the Department. Such assurance of completion will run to the Department as obligee. Development Owners also utilizing the USDA §515 program are exempt from this requirement but must meet the alternative requirements set forth by USDA.

(i) All HOME units required under this section shall be restricted as "floating" HOME units in accordance with the meaning ascribed by HUD. Development Owner must use its best efforts to distribute units reserved for Low Income Families, Very Low Income Families and Extremely Low Income Families among unit sizes in proportion to the distribution of unit sizes in the Property and to avoid concentration of Low Income Families, Very Low Income Families and Extremely Low Income Families in any area or areas of the Property.

**OFFICE OF COLONIA INITIATIVES**

**BOARD ACTION REQUEST**

**December 17, 2010**

**Recommended Action**

Presentation, Discussion and Possible Action on the appointment of new Colonia Resident Advisory Committee (C-RAC) members for Val Verde County.

**RESOLVED**, that Juan Lopez is hereby appointed as the primary representative of Val Verde County on the Colonia Resident Advisory Committee and Lupita Galindo is hereby appointed as the secondary representative on that committee for Val Verde County.

**Background**

The Texas Department of Housing and Community Affairs (the “Department”) is required to establish Colonia Self-Help Centers under Chapter 2306, Subchapter Z of the Texas Government Code to provide on-site technical assistance to improve the quality of life for colonia residents located in five counties (El Paso, Webb, Starr, Hidalgo, and Cameron/Willacy). Additionally, the Department is authorized to establish other Colonia Self-Help Centers if it determines it is necessary and appropriate. Since the creation of the program in 1995, two additional Colonia Self-Help Centers have been established in Maverick and Val Verde Counties. Five colonias within each county are selected to receive concentrated technical assistance in the areas of housing rehabilitation, new construction, surveying and platting, construction skills training, tool library access for self-help, housing, finance, credit and debt counseling, grant preparation, infrastructure constructions, contract-for-deed conversions, and capital access for mortgages and other improvements. To date, the Department oversees seven Colonia Self-Help Centers along the Texas-Mexico border region located in El Paso, Webb, Hidalgo, Starr, Cameron/Willacy, Maverick and Val Verde Counties.

The Legislature also mandated that 2.5% of the Texas Community Development Block Grant (CDBG) annual allocation be set aside for this program. The Department’s Governing Board is required under Section 2306.584 of the Texas Government Code to appoint at least five persons who are residents of colonias to serve on a Colonia Resident Advisory Committee. These members must reside in a colonia in the county the member represents, and may not be a board member, contractor, or employee of, or have any ownership interest in an entity that is awarded a contract under the Colonia Self-Help Center Program. The individuals recommended were provided by the county with input from local nonprofit organizations.

The Colonia Resident Advisory Committee is required to advise the Department’s Governing Board and evaluate the needs of colonia residents, review programs that are proposed or operated through the Colonia Self-Help Centers and activities that may be undertaken through the Colonia Self-Help

Centers to better serve the needs of colonia residents. The Colonia Resident Advisory Committee is required to meet 30 days before the Colonia Self Help Center contract is scheduled to be award by the Department's Governing Board and may meet at other times. The Colonia Resident Advisory Committee will be composed of two persons from each county designated to have a Colonia Self-Help Center. The term of service on the Colonia Resident Advisory Committee shall be for four (4) years.

Current C-RAC members and their term limits:

Primary	Secondary
Cameron County – Terms end 4/23/2013	
Jose Luis Almazan 9301 Alaska Brownsville, Texas 78521 (956) 639-1958	Rosa Bodden P.O. Box 644 Port Isabel, Texas 78578 (956) 943-8594
Willacy County – Terms end 4/23/2013	
Manuel Carlos Valles 1589 N. Monterrey Street Raymondville, Texas 78580 (843) 398-7428	Raul Ramirez 1604 N. Monterrey Street Raymondville, Texas 78580 (956) 398-7050
Hidalgo County – Terms end 4/23/2013	
Yolanda Hernandez P.O. Box 8112 Alamo, Texas 78516 (956) 782-4929	Juan Pena 4521 Jerry St. Mission, Texas 78573 (956) 907-0861
Webb County – Terms end 4/23/2013	
Amelia R. Juarez Rt 3 Box 27H San Enrique HWY 359 Laredo, Texas 78043 (956) 220-1661	Amelia M. Rodríguez Rt 3 Box 27H San Enrique 359 Laredo, Texas 78043 (956) 220-1194
Starr County – Terms end 4/23/2013	
DeWitt Jones 6163 FM 1430 Rio Grande City, Texas 78582 No Number	Rosabel Alvarez 51 Ladrillera Rd Rio Grande City, Texas 78582 (956) 487-5925
El Paso County – Terms end 5/12/2014	
Margarita Jáuregui 108 Kila El Paso, Texas 79928 (915) 852-5003	Maria Vargas 645 Agua Clara El Paso, Texas 79928 (915) 852-8031

Maverick County – Terms end 4/23/2013	
Jerry Chacon 1721 Coyunda Street Eagle Pass, Texas 78852 (830) 752-1874	Dora Lucia Contreras 2030 Boulder Ridge St. Eagle Pass, Texas 78852 (830) 757-3652
Val Verde County	

Approval of the following recommendations will allow the Department to carry out the requirements of the Colonia Self Help Center Program and Colonia Resident Advisory Committee.

**Val Verde County**

**Primary**

Juan Lopez  
110 Bauer Avenue  
Del Rio, Texas 78840  
(30) 774-1313

**Secondary**

Lupita Galindo  
233 Dennis Drive  
Del Rio, Texas 78840  
(830) 719-2551



**PROGRAM SERVICES DIVISION  
BOARD ACTION REQUEST  
December 17, 2010**

**Recommended Action**

Approve HUD Section 3 policy for Texas Department of Housing & Community Affairs to comply with U.S. Department of Housing and Urban Development (HUD) rule 24 CFR Part 135.

**WHEREAS**, The Department receives funds from HUD; and,

**WHEREAS**, the purpose of Section 3 of the Housing and Urban Development Act of 1968 (12 U.S.C. 1701u) “is to ensure that employment and other economic opportunities generated by certain HUD financial assistance shall, to the greatest extent feasible, and consistent with existing Federal, State and local laws and regulations, be directed to low- and very low-income persons, particularly those who are recipients of government assistance for housing, and to business concerns which provide economic opportunities to low- and very low-income persons”;

**WHEREAS**, HUD has reaffirmed its commitment to ensuring compliance with Section 3 of the Housing & Urban Development Act of 1968;

**WHEREAS**, The Department intends to comply with all applicable legal requirements, including Section 3;

**THEREFORE**, it is hereby resolved that the Department’s Section 3 Policy, in the form presented to this meeting, is hereby adopted.

**Background**

The “Section 3” requirement has been in statute since 1968 and HUD’s rules on Section 3, 24 CFR 135, were first adopted in 1994; however, HUD’s approach to requiring compliance has varied over the years. With the creation of the Neighborhood Stabilization Program and subsequent stimulus era programs, the current administration has expressed a renewed commitment to ensuring Section 3 compliance. A recent HUD monitoring visit requested that the Department document its policy for ensuring that subrecipient contracting fulfills Section 3 obligations. The Department’s Section 3 Policy has not previously been formalized, reviewed, and approved by the Texas Department of Housing and Community Affairs Governing Board.

HUD has also recently revised its Section 3 web pages which can be found at <http://www.hud.gov/offices/fheo/section3/section3.cfm>.

### **TDHCA Section 3 Policy**

The Department will direct employment and other economic opportunities associated with certain HUD financial assistance to low- and very low-income persons, particularly those who are recipients of government assistance for housing, and to business concerns which provide economic opportunities to low- and very low-income persons, in a manner consistent with existing Federal, State and local laws and regulations. To achieve this objective, the Department will employ several strategies described below.

The Department will post all external job listings with the Texas Work Force Commission and the Work-in-Texas website. The Department will also continue to utilize Goodwill Industries (or other similar targeted agency) for the procurement of temporary contract workers.

The Department will maintain a web page, "Employment Opportunities For Low-Income People: HUD Section 3" (<http://www-stage/program-services/hud-section-3/>), to communicate Department policies and procedures to the public in general and potential awardees of Section 3-covered funds in particular. The TDHCA HUD Section 3 web page will link potential and actual HUD-funded subrecipients and contractors to state and federal policy guidance intended to provide guidance and facilitate compliance with Section 3 requirements. The publication of the Department's Section 3 policy and internet pages fulfill important HUD recipient responsibilities described in 24 CFR §135.32.

The Department will require **all** subrecipients, contractors and subcontractors accessing HUD Section 3-covered funds to submit Section 3 reports and satisfy all other recipient responsibilities, irrespective of the federal minimum \$100,000 contractor threshold. These responsibilities include: public notification of economic opportunities associated with the contract, facilitating training and employment of Section 3 residents, documenting actions taken to comply with HUD Section 3 rule, and documenting the results of those actions. Awardees and contractors will perform these actions pursuant to meeting Department's Section 3 obligations, enumerated in 24 CFR §135.32 and elsewhere in 24 CFR 135. The requirement that all subrecipients report is in consideration that programs that use a reservation system to distribute assistance awards may make multiple awards to the same entity in a given year causing them to exceed the minimum federal threshold for receiving funds in a program year.

All contractors and subcontractors using Section 3 covered funds will submit reports to the entity issuing their contract to enable subrecipients to compile and convey hiring and contracting data to TDHCA. In turn, the Department will complete the appropriate HUD reporting for all Section 3 covered funds it administers and transmit that required report to HUD.

The Department will monitor subrecipients of Section 3-covered funds for compliance with 24 CFR 135 to ensure the Department meets its requirements.

Department solicitations for bids or proposals to use Section 3 covered funds will refer to the Department's Section 3 web pages as a means of meeting federal requirements for informing potential subrecipients and contractors about Section 3 requirements and obligations (24 CFR §135.32 Responsibilities of the recipient and §135.38 Section 3 clause).

In the event that a TDHCA program using Section 3-covered funds does not customarily award assistance in contracts that exceed \$100,000, that program itself must assume responsibility to meet Section 3 obligations in its process of selecting subrecipients or awardees. In such case, the Department program area will incorporate evaluation of Subrecipient Section 3 plans into its proposal or bid selection criteria, in order to meet its Section 3 obligations to HUD (24 CFR §135.32 (f)).

**Housing Resource Center**  
**BOARD ACTION REQUEST**  
**December 17, 2010**

**Recommended Action**

Presentation, Discussion and Possible Action on the 2011 State of Texas Low Income Housing Plan and Annual Report (Draft for Public Comment).

RESOLVED, that staff is hereby directed to cause the Draft 2011 State of Texas Low Income Housing Plan and Annual Report, in the form presented to this meeting, to be published online for public comment, a notice of which will be published in the *Texas Register*, and in connection therewith, to make such non-substantive grammatical and technical changes as they deem necessary or advisable.

**Background**

The Texas Department of Housing and Community Affairs is required to submit the State of Texas Low Income Housing Plan and Annual Report (SLIHP) annually to the governor, lieutenant governor, speaker of the house, and legislative oversight committee members not later than 30 days after the TDHCA Board receives the final SLIHP. The document offers a comprehensive reference on statewide housing needs, housing resources, and strategies for funding allocations. It reviews TDHCA's housing programs, current and future policies, resource allocation plans to meet state housing needs, and reports on 2010 performance during the preceding fiscal year (September 1<sup>st</sup>, 2009 through August 31<sup>st</sup>, 2010).

The SLIHP will be made available for public comment on January 10<sup>th</sup> through February 8<sup>th</sup>, 2011. The SLIHP will be presented to the Board for final approval on March 3<sup>rd</sup>, 2011.

The following attachments are provided:

- Attachment A - Summary of Substantive Changes from the 2010 SLIHP
- Attachment B - 2011 SLIHP (Draft for Public Comment)

## **Attachment A**

### **Summary of Substantial Changes from the 2010 SLIHP**

- Housing Analysis chapter: added special need population estimates and more detail in the housing assessment on the state and regional level.
- Annual Report chapter: updated numbers to reflect FY 2010 program performance by households/individuals and income group for the state and each region. Updated performance measure information for goals and strategies reflecting FY 2010 performance, including updated targets for FY 2011. Added the Homeless Housing and Services Program to the reporting data.
- Action Plan: updated program descriptions to reflect programmatic changes. Some programs funded through the American Recovery and Reinvestment Act (ARRA) of 2009 were completed or are in the process of completion and were removed from the Action Plan, such as Community Service Block Grant ARRA and 90-Day Down Payment Assistance Program and Mortgage Advantage Program.
- Stimulus Programs chapter: changed the name from Recovery Act chapter to Stimulus Programs chapter to include all programs created to address housing issues arising from the current economy, such as the National Foreclosure Mitigation Counseling Program and the Neighborhood Stabilization Program. Added report data for stimulus programs based on their multiyear cycles instead of state fiscal year cycles.
- Disaster Recovery chapter: added new chapter for the Disaster Recovery division which focuses on its Community Development Block Grant Disaster Recovery fund allocation, activities and reporting on a multiyear cycle.
- Updated Regional Allocation Formula reflecting updated data and updated Colonia Action Plan.

**Attachment B**

*2011 State of Texas Low Income Housing Plan and Annual Report*

*(Draft for Public Comment)*

# 2011 State of Texas Low Income Housing Plan & Annual Report

## DRAFT FOR PUBLIC COMMENT



Cover – (left to right): (1) A family participating in the Bootstrap Loan Program through the Lower Valley Housing Corporation at an early stage of building their home, (2) Habitat for Humanity of San Antonio volunteers setting up a house frame, (3) The completed home of John Casto and family, (4) The Casto family in their new home.



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## **SECTION 1: INTRODUCTION**

The Texas Department of Housing and Community Affairs (TDHCA, Department) is the State of Texas' lead agency responsible for affordable housing. TDHCA offers a Housing Support Continuum for low- to moderate-income Texans with services ranging from poverty and homelessness prevention to homeownership to disaster recovery.

### *INSTITUTIONAL STRUCTURE*

In 1991, the 72nd Texas Legislature created the Department. The Department's enabling legislation, Texas Government Code Chapter 2306, 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.

On September 1, 1992, two programs were transferred to TDHCA from the Texas Department of Human Services: the Low Income Home Energy Assistance Program (LIHEAP) and the Emergency Nutrition and Temporary Emergency Relief Program (ENTERP). Effective September 1, 1995, in accordance with House Bill 785, regulation of manufactured housing was transferred to the Department. In accordance with House Bill 7, effective September 1, 2002, The Community Development Block Grant (CDBG) and Local Government Services programs were transferred to the newly-created Office of Rural Community Affairs, now called the Texas Department of Rural Affairs (TDRA). However, TDHCA, through an interagency contract with TDRA, administers 2.5 percent of the CDBG funds used for Self-Help Centers along the Texas-Mexico border and collaborates with TDRA on disaster recovery and Neighborhood Stabilization program administration. Effective September 1, 2002, in accordance with Senate Bill 322, the Manufactured Housing Division became an independent entity administratively attached to TDHCA.

### *AGENCY MISSION AND CHARGE*

TDHCA's mission is "to help Texans achieve an improved quality of life through the development of better communities."

TDHCA accomplishes this mission by administering a variety of housing and community affairs programs primarily for households whose incomes are low to moderate as determined by the Area Median Income (AMI) or the poverty level. A primary function of TDHCA is to act as a conduit for federal grant funds for housing and community services. Additionally, because several major housing programs require the participation of private investors and private lenders, TDHCA also operates as a housing finance agency.

More specific policy guidelines are provided in §2306.002 of TDHCA's enabling legislation:

*(a) The legislature finds that:*

*(1) every resident of this state should have a decent, safe and affordable living environment;*

*(2) government at all levels should be involved in assisting individuals and families of low income in obtaining a decent, safe and affordable living environment; and*

*(3) the development and diversification of the economy, the elimination of unemployment or underemployment and the development or expansion of commerce in this state should be encouraged.*

*(b) The highest priority of the department is to provide assistance to individuals and families of low and very low income who are not assisted by private enterprise or other governmental programs so that they may obtain affordable housing or other services and programs offered by the department.*

Funding sources to meet the legislative goals include the U.S. Department of Housing and Urban Development, U.S. Treasury Department, U.S. Department of Health and Human Services, U.S. Department of Energy and State of Texas general revenue funds. With this funding, TDHCA strives to promote sound housing policies; promote leveraging of state and local resources; prevent discrimination; and ensure the stability and continuity of services through a fair, nondiscriminatory and open process. Because of the great amount of need in proportion to the federal and state funding available, the Department strives to provide the most benefit by managing these limited resources to have the greatest impact.

TDHCA is one organization in a network of housing and community services providers located throughout the state. This document focuses on programs within TDHCA's jurisdiction, which are intended to either work in cooperation with or as complements to the services provided by other organizations.

#### *HOUSING SUPPORT CONTINUUM ACTIVITIES CHART*

TDHCA's Housing Support Continuum can be divided into six categories. It should be noted that, with the exception of the Section 8 Housing Choice Voucher Program, TDHCA administers its programs and services through a network of organizations across Texas and does not fund individuals directly.

The TDHCA Housing Support Continuum includes (1) Poverty and Homelessness Prevention, (2) Rental Assistance and Multifamily Development, (3) Homebuyer Assistance and Single-Family Development, (4) Rehabilitations and Weatherization, (5) Foreclosure Relief and (6) Disaster Recovery and Relief.

The following table outlines TDHCA's programs. When a program has "Stimulus Program" after its name, it has been created as a result of the Housing and Economic Recovery Act (HERA) of 2008, American Recovery and Reinvestment Act (ARRA) of 2009, or some other federal act or regulation establishing a temporary program meant to address current economic issues. For more detailed program information, please see "TDHCA Programs" in *Section 4: Action Plan and Section 5: Stimulus Programs*.

Continuum		Program/Activities	Description	Eligible Households
(1) Poverty and Homelessness Prevention	(A) Poverty Prevention	Community Services Block Grant	Funds local community action agencies to provide essential services and poverty programs	<125% poverty
		Comprehensive Energy Assistance Program	Funds local agencies to offer energy education, financial assistance and Heating, Ventilating and Air Conditioning (HVAC) replacement	<200% poverty
	(B) Homelessness Prevention	Emergency Solutions Grant Program	Fund entities to provide shelter and related services to the homeless	<30% AMFI (Homeless)
		Homeless Housing and Services Program	Funds the eight largest Texas cities to provide services or facilities to homeless individuals and families	<50% AMFI (Homeless)
		Homeless Prevention and Rapid Re-Housing Program (Stimulus Program)	Funds qualifying entities to provide homelessness prevention assistance and rapidly re-house person who are homeless	<50% AMFI (Homeless)
(2) Rental Assistance and Multifamily Development	(A) Rental Assistance	Section 8 Housing Choice Vouchers	Acts as a public housing authority to offer tenant-based rental assistance vouchers in certain rural areas	<50% AMFI
		Tenant-Based Rental Assistance (HOME Program)	Grants for entities to provide tenant-based rental assistance for up to two years	<80% AMFI
		TX Veterans Housing Support Program (Housing Trust Fund)	Provides rental subsidies for Veterans for a maximum of two years	<80% AMFI
	(B) Multifamily Development	Affordable Housing Match Program (Housing Trust Fund)	Provides funding to Nonprofit Organization to attract or meet requirements for affordable housing grants or government programs	<80% AMFI
		Housing Tax Credit Program	Tax credits to developers for the creation or preservation of affordable rental housing	<60% AMFI
		Multifamily Bond Program	Loans to develop or preserve affordable rental housing	<60% AMFI
		Multifamily Rental Housing Development (HOME Program)	Loans or grants to develop or preserve affordable rental housing and are available to Community Housing Development Organization (CHDO)	<80 % AMFI
		Rural Housing Expansion Program (Housing Trust Fund)	Awards eligible applicants for enhancing capacity and preserving rural affordable housing	<80% AMFI
		Texas Tax Credit Exchange Program (Stimulus Program)	Allows developments affected by the housing tax credit devaluation to return their credits and potentially receive a cash grant in its place	<60% AMFI

Continuum		Program/Activities	Description	Eligible Households
<b>(3) Homebuyer Education, Assistance and Single-Family Development</b>	(A) Homebuyer	Colonia Self-Help Center Program	Homebuyer education offered through Colonia Self-Help Centers and Office of Colonia Initiatives (OCI) field offices	<115% AMFI (All)
		Texas Statewide Homebuyer Education	Training for nonprofits to provide homebuyer education	<115% AMFI (All)
	(B) Homebuyer Assistance	Affordable Housing Match Program (Housing Trust Fund)	Provides funding to Nonprofit Organizations to attract or meet requirements for affordable housing grants or governments programs	<80% AMFI
		Contract For Deed Conversion Program (HOME Program)	Stabilizes colonia resident ownership by converting contract for deeds into traditional mortgages	<60% AMFI
		First Time Homebuyer Program – Non-targeted funds	Low-interest loans and/or down payment and closing costs for the first time homebuyers	<115% AMFI
		First Time Homebuyer Program – Targeted funds	Low-interest loans and/or down payment and closing costs for the first time homebuyers in areas of chronic economic distress	<140% AMFI
		Homebuyer Assistance Program (HOME Program)	Loans and grants for entities to offer down payment and closing cost assistance	<80% AMFI
		Homeownership Program (Housing Trust Fund)	Loans and grants for entities to offer down payment and closing cost assistance	<80% AMFI
		Mortgage Credit Certificate Program	Annual tax credit for qualified homebuyers based on the interest paid on the homebuyer's mortgage loan	<115% AMFI
		Rural Housing Expansion Program (Housing Trust Fund)	Awards eligible applicants for enhancing capacity and preserving rural affordable housing	<80% AMFI
	(C) Single-family Development	Rural Housing Expansion Program (Housing Trust Fund)	Awards eligible applicants to enhance capacity and preserving rural affordable housing	<80% AMFI
		Single Family Development (HOME Program)	Community Housing Development Organization (CHDOs) can apply for loans to acquire, rehabilitate, or reconstruct single family housing. CHDOs can also apply for homebuyer assistance if their organization is the owner or developer of the single family housing project	<60% AMFI
		Texas Bootstrap Loan Program	Funds entities to offer owner-builder loans programs	<60% AMFI

Continuum		Program/Activities	Description	Eligible Households
(4) Rehabilitation and Weatherization	(A) Rehabilitation	Amy Young Barrier Removal Program (Housing Trust Fund)	Grants for entities to provide home modifications needed for accessibility for person with disabilities	<80% AMFI
		Homeowner Rehabilitation Assistance Program (HOME Program)	Loans and grants for entities to provide home repair assistance	<80% AMFI
	(B) Weatherization	Weatherization Assistance Program and Weatherization Assistance Program ARRA (Stimulus Program)	Funds local agencies to provide minor home repairs to increase energy efficiency	<200% poverty
(5) Foreclosure Relief	(A) Foreclosure Prevention	National Foreclosure Mitigation Counseling (Stimulus Program)	Fund Foreclosure Counselors to assist households avoid foreclosure	No AMFI limits
	(B) Post-Foreclosure Mitigation	Neighborhood Stabilization Program 1 (Stimulus Program)	Purchase foreclosed properties to demolish or create affordable housing and stabilize existing neighborhoods	<120% AMFI
		Neighborhood Stabilization Program 3 (Stimulus Program)	Not yet awarded-application to second round of funding. Purchase foreclosed properties to demolish or create affordable housing and stabilize existing neighborhoods	<120% AMFI
(6) Disaster Recovery and Relief		Community Development Block Grant Program – Hurricane Rita Round One	Targeted disaster recovery funding to provide home repair assistance and preserve affordable rental housing	<80% AMFI
		Community Development Block Grant Program – Hurricane Rita Round Two	Targeted disaster recovery funding to provide home repair assistance and preserve affordable rental housing, provide infrastructure repairs and provide community services for areas with evacuees	<80-150% AMFI
		Community Development Block Grant Program – Hurricanes Dolly and Ike Round One	Targeted disaster recovery funding to provide home repair assistance and preserve affordable rental housing	50% of the funds used for <80% AMFI
		Community Development Block Grant Program – Hurricanes Dolly and Ike Round Two	Targeted disaster recovery funding to provide homeowner repair, rehabilitation and replacement; rental repair, rehabilitation and replacement; down payment assistance; relocation activities; activities to address blighted areas; and activities to address environmental hazards	55% of the funds used for <80% AMFI

Continuum		Program/Activities	Description	Eligible Households
		Disaster Recovery Gap Assistance Program (Housing Trust Fund)	Assists households who are lacking only a small portion of funds to fulfill their full cost of construction	<80% AMFI
		Disaster Relief (HOME Program)	Deobligated HOME funds may be used in non-Participant Jurisdiction to assist with home repair, rehabilitation, reconstruction, homebuyer assistance and tenant-based rental assistance of homes affected by a disaster	<80% AMFI
		Texas First Time Homebuyer – Targeted Funds	Assist those affected by natural disasters by improving existing residential housing through self-help construction	<60% AMFI



## **ADMINISTRATIVE STRUCTURE**

Agency programs are grouped into the following divisions: Community Affairs, Disaster Recovery, HOME, Housing Trust Fund, Multifamily Finance, Neighborhood Stabilization Program, Office of Colonia Initiatives and Texas Homeownership. The Manufactured Housing Division is administratively attached to TDHCA, though it is an independent entity with its own governing board.

Additionally, there are several Divisions within TDHCA which are involved in the administration of the agency as a whole but do not administer specific programs. The Program Services Division is responsible for adherence, processing and completion of cross-cutting federal and departmental requirements for housing programs administered by the Department, including the processing and issuance of environmental clearances, labor standards requirements, loan closings and the commitment and disbursement of federal funds. The Office of Recovery Act Accountability and Oversight is responsible for identifying and mitigating risk in program development and operation and for issues that cut across all Recovery Act programs, such as reporting and federal guidance. The Department of Policy and Public Affairs disseminates information and is a liaison between TDHCA and industry stakeholders, advocacy groups and the executive and legislative branches of state and Federal government. The Housing Resource Center acts as a central clearinghouse for information and research regarding TDHCA programs and general housing-related issues. The Real Estate Analysis Division provides TDHCA with analytical reports necessary to make well-informed financial decisions about funding affordable housing developments. The Compliance and Asset Oversight Division ensures housing program and financial compliance with federal and state regulations by using various oversight measures including onsite monitoring visits and desk reviews. Other divisions that are involved in TDHCA's internal management include Administrative Support, Bond Finance, Financial Administration, Information Systems, Internal Audit and Legal Services.

## **2011 STATE OF TEXAS LOW INCOME HOUSING PLAN AND ANNUAL REPORT**

The *2011 State of Texas Low Income Housing Plan and Annual Report* (SLIHP, Plan) is prepared annually in accordance with §2306.072-2306.0724 of the Texas Government Code, which requires that TDHCA provide a comprehensive statement of activities in the preceding year, an overview of statewide housing needs and a resource allocation plan to meet the state's housing needs. It offers policy makers, affordable housing providers and local communities a comprehensive reference on statewide housing need, housing resources and performance-based funding allocations. The format is intended to help these entities measure housing needs, understand general housing issues, formulate policies and identify available resources. As such, the Plan is a working document and its annual changes reflect changes in programs or funding amounts, policy changes, statutory guidance and input received throughout the year.

The Plan is organized into nine sections:

- *Section 1: Introduction* - An overview of TDHCA and the Plan
- *Section 2: Housing Analysis* - An analysis of statewide and regional demographic information, housing characteristics and housing needs
- *Section 3: Annual Report* - A comprehensive statement of activities for 2010, including performance measures, actual numbers served and a discussion of TDHCA's Strategic Plan goals
- *Section 4: Action Plan* - A description of TDHCA's program descriptions, initiatives, resource allocation plans and goals

- *Section 5: Stimulus Programs* - A program description, implementation and allocation and additional resources for the programs offered through TDHCA created as a result of the Housing and Economic Recovery Act (HERA) of 2008, American Recovery and Reinvestment Act of 2009 (ARRA) and other temporary programs created to address current economic issues.
- *Section 6: Disaster Recovery* - A program description and reporting of the multiyear Disaster Recovery efforts for Hurricanes Rita and Hurricanes Ike.
- *Section 7: Public Participation* - Information on the Plan preparation and a summary of public comment
- *Section 8: Colonia Action Plan* - A revised biennial plan for 2010-2011, which discusses housing and community development needs in the colonia, describes TDHCA's policy goals, summarizes the strategies and programs designed to meet these goals and describes projected outcomes to support the improvement of living conditions of colonia residents
- *Section 9: Texas State Affordable Housing Corporation (TSAHC) Plan* - This section outlines TSAHC's plans and programs for 2010 and is included in accordance with legislation
- *Appendix*: Includes TDHCA's enabling legislation

Because the Plan's legislative requirements are rather extensive, TDHCA has prepared a collection of publications in order to fulfill these requirements. TDHCA produces the following publication in compliance with §2306.072-2306.0724 of the Texas Government Code:

- *State of Texas Low Income Housing Plan and Annual Report* (this document)
- *Basic Financial Statements and Operating Budget*: Produced by TDHCA's Financial Administration Division, which fulfills §2306.072(c)(1)
- *TDHCA Program Guide*: A description of TDHCA's housing programs and other state and federal housing and housing-related programs, which fulfills §2306.0721(c)(4) and §2306.0721(c)(10)
- *TDHCA Housing Sponsor Report*: A report that provides property and occupant profiles of developments that have received assistance from TDHCA, which fulfills §2306.072(c)(6), §2306.072(c)(8), and §2306.0724.

## **SECTION 2: HOUSING ANALYSIS**

This section of the Plan contains an overview of the affordable housing needs in the state and an estimate and analysis of the housing need in each region.

### ***DATA SOURCES AND LIMITATIONS***

The information provided in this section should be considered within the context of its limitations. The Department recognizes that the truest assessment of housing need can best be found only at the local level based on the direct experience of local households. Alternative methods, such as detailed on-location assessments by professionals skilled at reviewing such matters and local surveys might be utilized, but the Department lacks the resources to obtain such data through third parties or, confronted with a state covering over 268,000 square miles, to compile it directly. The following issues should be considered when reviewing the information contained in this report:

- Many nuances of housing need are lost when data is aggregated into regional, county and statewide totals. For example, housing needs in rural communities are often distorted when reported at the county level because housing needs are often very different in rural and urban areas. The large population of urban metropolitan areas can skew the data and mask the needs of the rural areas. Whenever possible, rural data is considered separately than urban data.
- Reliable data available on the condition of the housing stock, the homeless population and the housing needs of special needs populations is very limited.

Major data sources include the 2000 Census, 2000 Comprehensive Housing Affordability Strategy (CHAS), 2005-07 CHAS, American Community Survey data and the State of Texas Demographer. Other sources and studies were used to fill gaps in data availability.

Data presented for 2010 was calculated by applying the percentage population change from HISTA data to the 2000 CHAS data. HISTA data is a four-way cross tabulation of household data build by a demographic data provider and made available for purchase from Ribbon Demographics. The Department purchased 2010 population projections from Ribbon Demographics during the summer of 2010. The 2005-07 CHAS data was released in 2009 and is based on 2005-07 American Community Survey estimates. However, the 2005-07 CHAS data was released with only a statewide total and urban counties. Therefore, regional, rural and urban analysis of the 2005-07 CHAS data was not possible.

The content and format of the Census-based tables, graphs and maps provided in this section were derived, in part, from a methodology for housing needs assessment in the *National Analysis of Housing Affordability, Adequacy and Availability: A Framework for Local Housing Strategies*. The Urban Institute prepared this document for the U.S. Department of Housing and Urban Development (HUD). It provides a methodology with which to describe and analyze local housing markets in order to develop strategies for addressing housing problems and needs. The document served as a guide for the preparation of CHAS reports. As such, it provides a systematic framework for housing market analysis. HUD collaborated with the U.S. Census Bureau to develop special tabulations of the 2000 Census data.

The CHAS database classifies households into five relative income categories based on reported household income, the number of people in the household and geographic location. These income categories are used to reflect income limits that define eligibility for HUD's major assistance

programs, as well as for other housing programs such as the Housing Tax Credit Program. Households are classified into income groups by comparing reported household income to HUD-Adjusted Median Family Income (HAMFI). For the 2000 CHAS data, the income limits are calculated by household size for each metropolitan and non-metropolitan county in the United States and its territories. The 2005-07 CHAS was released only with the statewide total and metropolitan areas in the state. The 2005-07 non-metropolitan areas are estimated to be available in December of 2010 and were unavailable for this analysis.

The CHAS income limits are based on HUD estimates of median family income with several adjustments as required by statute. The income classifications are 0-30 percent of HAMFI (extremely low income), 31-50 percent of HAMFI (very low income), 51-80 percent (low income), 81-95 percent of HAMFI (moderate income) and about 95 percent of HAMFI. The income limits for metropolitan areas may not be less than limits based on the state non-metropolitan median family income level and must be adjusted accordingly. Income limits must also be adjusted for family size and may be adjusted for areas with unusually high or low family income or housing-cost-to-income relationships.

Unit affordability compares housing cost to local area HAMFI. Affordable units are defined as units for which a household would pay not more than 30 percent of its income for rent and no more than two and one-half times its annual income to purchase. Since HUD's adjusted median family incomes are estimated for a family of four, affordability levels are also adjusted to control for various-sized units based on the number of people that could occupy a unit without overcrowding. This adjustment is made by multiplying the threshold described about by 75 percent for a zero-to-one-bedroom unit, 90 percent for a two-bedroom unit and 104 percent for a three-or-more-bedroom unit.

Homeless figures were purchased from Ribbon Demographics and are projections of the 2000 Census group quarters population and type tables, contained in Census 2000 Summary File 1. Group quarters type designations include institutional quarters, such as correctional facilities, hospitals and juvenile institutions, as well as non-institutional quarters, such as military quarters, group homes, dormitories and other situations. Based on the Definitions of Subject Characteristics contained in the Technical Documentation for Summary file 1: 2000 Census of Population and Housing published by the U.S. Census Bureau, this report uses "other non-institutional group quarters" and "other non-household living situations" census figures to represent the homeless population in each region. "Other non-institutional group quarters" counts individuals in shelters for abused women, soup kitchen mobile food vans and other targeted non-shelter outdoor locations where there is evidence of human occupation. "Other non-household living situations" counts individuals with no usual home residing in hostels and YMCAs who were not counted in other tabulations. It must be emphasized that the regional estimates of the homeless populations are not comprehensive. The various definitions of homelessness and methods in counting the homeless make definitive tabulations difficult.

A "rural area" is defined in 2306.003 as "an area that is located:

- (A) outside the boundaries of a primary metropolitan statistical area or a metropolitan statistical area;
- (B) within the boundaries of a primary metropolitan statistical area or a metropolitan statistical area, if the statistical area has a population of 25,000 or less and does not share a boundary with an urban area; or
- (C) in an area that is eligible for funding by the Texas Rural Development Office of the United States Department of Agriculture, other than an area that is located in a municipality with a population of more than 50,000."

However, for the purposes of this report, a rural area will be defined as not located within a Metropolitan Statistical Area. This definition allows analysis to occur at the county level. County-level analysis is necessary for several of the special needs population estimates, which do not include place-level estimates. In addition, county-level analysis allows the needs factors in the *Housing Analysis* chapter to be compared accurately to the *Annual Report* chapter analysis. The *Annual Report* chapter is based on county-level data because of the reporting requirements of the programs.

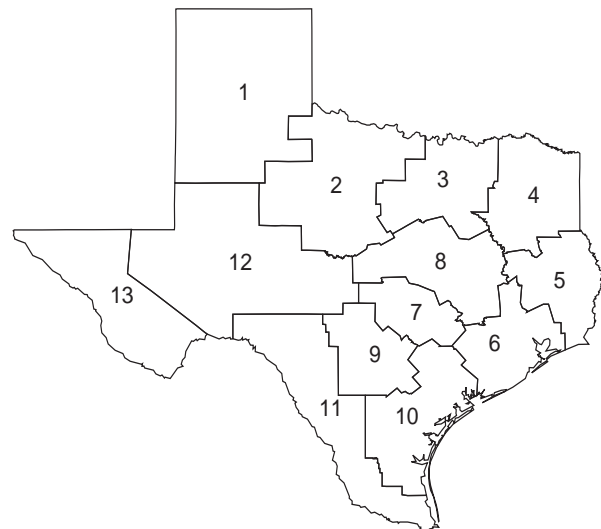
The U.S. Office of Management and Budget (OMB) determines which counties are within each MSA. For this document, the OMB MSAs from 2009 are used. Between the 2000 and 2009 MSA designations, 22 counties changed from not being in an MSA to being in an MSA and 3 counties (Harrison, Henderson and Hood) were changed from being in an MSA to not being in an MSA.

The needs assessment data is augmented with additional information from the perspective of local Texans, when available.

## STATE OF TEXAS

The state-level housing analysis includes information on demographics, special-needs populations and affordable-housing need indicators. In order for the information to be more applicable on a local level, analysis is also conducted by region. The regions adopted by TDHCA mirror State Comptroller's regions, as depicted on the right.

The Department's plans reflect this statewide information as well as the consideration of affordable housing assistance from various sources.



State Service Regions

### DEMOGRAPHIC CHARACTERISTICS

Texas has grown in population faster than the national average. Between 2002 and 2009, Texas' population increased approximately 16.8 percent, compared to 9.4 percent nationwide. Approximately 3,566,808 people were added to Texas during this time. More than one of every seven persons added to the population of the United States from 2002 to 2009 was added in Texas. This growth estimate is according to the American Community Survey 1-Year Estimate for 2002<sup>1</sup> (the first year nation-wide data was available) and 2009 (the most recent year for the survey). Total population estimate for 2009 according to American Community Survey is 24,782,302.<sup>2</sup>

### PROJECTED POPULATION CHANGE AND IMPLICATIONS FOR HOUSING NEED\*

- Demand for affordable and subsidized housing will increase in the coming years: Long-term demographic projections show growth in total population and minority and older populations, indicating an increase in total need.
- The state's total population will grow: State population is projected to increase to 35.7 million by 2040.
- The Anglo percentage of the total population will decrease: The Anglo population makes up approximately 47.4 percent of the total population in 2010 and is projected to make up 32.2 percent of the total population in 2040.
- The Anglo population will not increase as fast as other races or ethnicities: Anglo population is projected to decrease by 0.08 percent between 2010 and 2040, while Blacks are expected to increase by 23.5 percent and Hispanics will more than double (107.1 percent).
- The population is becoming older: the percentage of the population that was 65 or older was 10.6 percent in 2010 but will increase to 18.0 percent by 2040. In contrast, the percentage

<sup>1</sup>U.S. Census Bureau, 2002 American Community Survey. (n.d.) Subject tables. Retrieved from <http://factfinder.census.gov>

<sup>2</sup>U.S. Census Bureau, 2009 American Community Survey. (n.d.) Subject tables. Retrieved from <http://factfinder.census.gov>

of the population that was 18 or younger was 27.0 percent in 2010 but will decrease to 22.0 percent by 2040.<sup>3</sup>

\*These projections assume the One-Half 1990-2000 Migration (0.5) Scenario. According to the State Demographer:

This scenario has been prepared as an approximate average of the zero (0.0) and 1990-2000 (1.0) scenarios. It assumes rates of net migration one-half of those of the 1990s. The reason for including this scenario is that many counties in the State are unlikely to continue to experience the overall levels of relative extensive growth of the 1990s. A scenario which projects rates of population growth that are approximately an average of the zero and the 1990-2000 scenarios is one that suggest slower than 1990-2000 but steady growth.<sup>4</sup>

Expected housing demand is directly linked to projected changes in population characteristics. The current racial and ethnic shift is significant because of the substantial differences between the race and ethnicities in terms of income level. According to American Community Survey 3-Year Estimates, the difference in median household income between Anglos and Blacks was \$17,621 during 2006 and 2008; and the Anglo-Hispanic difference was \$16,521 during 2006 and 2008. Generally Anglos made more than both these populations during this time period. Similarly, the poverty rates of 24.7 percent for Blacks and 21.2 percent for Hispanics was still more than two times as high as the 10.5 percent of persons in poverty among Anglos from 2006 to 2008. Because of these disparities, households in Texas will become poorer over the coming decades unless the relationship between ethnicity and income changes.<sup>5</sup>

The population on the table below shows that the rural population has been decreasing while the urban population has been increasing over the last ten years. In 2000, the rural population was approximately 15% of the total Texas population. In 2009, the census estimates that approximately 12% of the total Texas population is rural.

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<sup>3</sup> Texas State Data Center and Office of the State Demographer. (2009, November4). Texas Population Projections Program. Retrieved from <http://txsdc.utsa.edu/tpepp/2008projections/>

<sup>4</sup>Ibid.

<sup>5</sup>Murdock, S.H. Et al., (2002, December), Texas challenge in the twenty-first century: Implications of population change for the future of Texas. Retried from <http://tsdc.utsa.edu/download/pdf/TxChall2002.pdf>.

**Urban and Rural Population by Region**

Region	Largest City within Region for Geographic Reference	2000 Rural 196 Non-MSA Counties	2000 Urban 58 MSA counties	2000 Total	2009 Rural 177 Non-MSA Counties	2009 Urban 77 MSA counties	2009 Total
1	Lubbock	320,247	460,486	780,733	290,078	523,133	813,211
2	Abilene	282,194	267,073	549,267	227,318	307,491	534,809
3	Dallas/Fort Worth	228,358	5,259,119	5,487,477	244,333	6,562,235	6,806,568
4	Tyler	469,579	546,069	1,015,648	581,223	510,913	1,092,136
5	Beaumont	355,862	385,090	740,952	344,769	403,379	748,148
6	Houston	184,883	4,669,571	4,854,454	162,747	5,842,587	6,005,334
7	Austin/Round Rock	97,070	1,249,763	1,346,833	111,743	1,705,075	1,816,818
8	Waco	284,255	678,884	963,139	244,626	824,877	1,069,503
9	San Antonio	215,485	1,592,383	1,807,868	103,746	2,072,128	2,175,874
10	Corpus Christi	268,046	464,871	732,917	215,108	531,491	746,599
11	Brownsville/Harlingen	245,523	1,097,807	1,343,330	265,507	1,378,961	1,644,468
12	San Angelo	183,742	341,142	524,884	175,854	377,060	552,914
13	El Paso	24,696	679,622	704,318	24,624	751,296	775,920
State Total		3,159,940	17,691,880	20,851,820	2,991,676	21,790,626	24,782,302

Source: US Census 2000, US Census population estimates. Metropolitan Statistical areas defined by Office of Management and Budget.



## SPECIAL NEEDS

Section 2306.0721 requires the Department to include the housing needs of individuals with special needs. The Department identifies special needs as homeless persons, persons with disabilities, elderly persons, persons with alcohol and drug abuse, public housing residents, colonia residents and migrant farmworkers. Additional discussion of how the Department meets these needs is located in the *Action Plan* chapter of this document.

Throughout the Housing Analysis chapter, each special need population in each region is broken down by the proportion of the population residing in urban areas, defined in this document as metropolitan statistical area (MSA) counties, and the population residing in rural areas, defined as non-MSA counties.

### *HOMELESS PERSONS*

The National Alliance to End Homelessness estimates that for Texas in 2007, there were approximately 39,761 homeless people using a point-in-time estimate in January. The number of homeless in 2007 decreased from 2005 by 8.87 percent.<sup>6</sup> However, estimates of homeless populations vary widely; the migratory nature of the homeless population, the stigma associated with homelessness and the fact that many homeless individuals lack basic documentation all contribute to the difficulty of making an accurate count. 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 Texas Interagency Council for the Homeless estimates that approximately 200,000 people in Texas, or about 1 percent of the population, are homeless, which is higher than the National Alliances to End Homelessness’ Point in Time estimate.<sup>7</sup> Furthermore, the homeless population can be classified into three categories: literally homeless, which describes those who have no permanent residence and stay in shelters or public places; marginally homeless, which includes those who live temporarily with other people and have no prospects for housing; and people at risk of homelessness. People at risk of homelessness generally have incomes below the poverty level, rely on utility and rental assistance and may be unable to absorb unexpected events such as the loss of a job or serious illness.

The homeless population is not homogenous: there are homeless families with children, homeless youth, homeless minorities, homeless in rural areas, homeless victims of domestic violence, homeless persons with mental illness and disabilities, elderly persons, homeless veterans and chronically homeless people. Though these subpopulations may have different characteristics, the two main trends significant in the rise of homelessness can be connected to poverty (characterized by the decline in employment opportunities and public assistance programs) and a shortage of affordable housing.<sup>8</sup>

Given the great public costs associated with homelessness, a shift has occurred nationally to emphasize the re-housing of homeless individuals instead of experiencing waiting periods in temporary shelters. The American Recovery and Reinvestment Act of 2009 created the

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<sup>6</sup> National Alliance to End Homelessness, Homeless Research Institute. (2009, January). Homeless counts: Changes in homelessness from 2005 to 2007. Retrieved from <http://www.endhomelessness.org/content/article/detail/2158>.

<sup>7</sup> Texas Interagency Council for the Homeless. (2000). Key facts. Retrieved from <http://www.tich.state.tx.us/facts.htm>

<sup>8</sup> National Coalition for the Homeless. (2008, June). Why are people homeless? NCH Fact Sheet #1. Retrieved from <http://www.nationalhomeless.org/factsheets/who.html>

Homelessness Prevention and Rapid Re-housing Program which focuses on re-housing those in danger of homelessness. The Emergency Shelter Grant Program was renamed to Emergency Solutions Grant Program redesigned with an emphasis on re-housing persons that are homeless and preventing homelessness, while still providing a limited amount of funding for the support of homeless shelter operations.

According to the chart below, Regions 3 and 6, which represent Dallas-Fort Worth and Houston respectively, have the highest number of persons in group quarters, including shelters.

### Homeless, group quarters population by region – Texas, 2010

Region	Large City within Region for Geographic Reference	Rural	Urban	Total
1	Lubbock	480	2,016	2,496
2	Abilene	375	1,837	2,212
3	Dallas/Fort Worth	930	12,763	13,693
4	Tyler	877	2,075	2,952
5	Beaumont	534	993	1,527
6	Houston	933	17,383	18,316
7	Austin/Round Rock	197	8,015	8,212
8	Waco	506	1,704	2,210
9	San Antonio	324	6,924	7,248
10	Corpus Christi	345	2,714	3,059
11	Brownsville/Harlingen	309	2,083	2,392
12	San Angelo	226	1,084	1,310
13	El Paso	15	2,056	2,071
<b>State Total</b>		<b>6,051</b>	<b>61,647</b>	<b>67,698</b>

Source: Nielsen Claritas, Ribbon Demographics, 2010.

### PERSONS WITH DISABILITIES

In the past, public-program spending for long-term services and supports for persons with disabilities in Texas was allocated in large part to institutional facilities such as nursing homes. However, over the last two decades, with the advent of Medicaid waivers, home- and community-based service alternatives have become an increasingly significant option and choice, as witnessed through recent federal and state legislation. With these services and supports provided in a residential setting, Texas has witnessed a large drop in its institutionalized population, from over 12,000 in 1977 to 4,789 in 2008.<sup>9</sup>

A significant number of persons with disabilities face extreme housing needs. Research conducted by the national Housing Task Force of the Consortium for Citizens with Disabilities found that as many as 2.4 million households with disabilities have “worst-case housing needs,” defined by HUD as unassisted renters with income below 50% of their area’s median income who pay more than half of

<sup>9</sup> Research and Training Center on Community Living, (2009) Residential Services for Persons with Developmental Disabilities: Status and Trends Through 2008: Profiles of Trends in State Residential Services by State, Retrieved from <http://rtc.umn.edu/docs/risp2008.pdf>

their income for housing or live in severely substandard housing, or both.<sup>10</sup> This is in line with the finding that the incidence of poverty is much higher for persons ages 25 to 64 with a severe disability (27%) or non-severe disability (12%) as compared to no disability (9%).<sup>11</sup> In fact, HUD's Office of Policy Development and Research reported that almost two-thirds of unassisted very low-income renter households with disabilities have worst-case housing needs.<sup>12</sup>

According to the US Census 2009 population estimates, Texas has a slightly lower proportion of persons with disabilities (14.5 percent) compared to the national average of 16.2 percent of the total population. According to the chart below, of those Texans with disabilities, approximately 83.7 percent live in urban areas. Persons with disabilities are more likely to be living in urban areas due to the ability to access transportation and the close proximity to health related and other services and supports.<sup>13</sup>

### Persons with disabilities – Texas, 2000

Region	Large City within Region for Geographic Reference	Rural	Urban	Total
1	Lubbock	55,332	83,188	138,520
2	Abilene	50,225	55,100	105,325
3	Dallas/Fort Worth	43,659	844,558	888,217
4	Tyler	120,014	93,739	213,753
5	Beaumont	70,681	79,848	150,529
6	Houston	26,390	775,046	801,436
7	Austin/Round Rock	19,633	170,593	190,226
8	Waco	47,346	113,397	160,743
9	San Antonio	19,857	317,684	337,541
10	Corpus Christi	44,148	97,444	141,592
11	Brownsville/Harlingen	51,933	205,905	257,838
12	San Angelo	34,035	57,765	91,800
13	El Paso	5,455	122,545	128,000
State Total		588,708	3,016,812	3,605,520

Source: Census 2000.

### ELDERLY PERSONS

A correlation also exists among age, income and home modifications. A 2008 survey of older Texans for Aging Texas Well, an advisory committee headed by the Texas Department of Aging and Disability Services, found that 56 percent of older Texas respondents spend more than 30 percent of their

<sup>10</sup> Technical Assistance Collaborative Inc., Housing Task Force of the Consortium for Citizens with Disabilities, (2008) *The Hidden Housing Crisis: Worst Case Housing Needs Among Adults With Disabilities*, <http://www.tacinc.org/downloads/HiddenHousCrisis.pdf>

<sup>11</sup> National Council on Disability, (January 2010) *The State of Housing in America in the 21st Century: A Disability Perspective*

<sup>12</sup> US Department of Housing and Urban Development, Office of Policy Development and Research, (May 2010) *Worst Case Housing Needs 2007: A Report to Congress*

<sup>13</sup> Housing & Health Services Coordination Council, Testimony of Theresa Cruz, Director of the State Office of Rural Health, Texas Department of Rural Affairs: HHSCC Public Forums, 8 February 2010.

income on housing.<sup>14</sup> Furthermore, disability rates are often related to age, necessitating home modifications. The 2005 to 2007 American Community Survey finds that 45.3 percent of the population 65 years and older had a disability during this time period. This is compared with 6.6 percent of the population aged 5 to 15 years and 11.8 percent of the population aged 16 to 64 years during the same time period.<sup>15</sup> The survey for Aging Texas Well survey found that 14 percent of older Texans reported that their home's doorways, hallways, kitchen, bathroom and closets needed substantial accessibility modifications. In addition, 15 percent of older Texans reported that their home's structure, heating and cooling systems, or electricity or plumbing needed substantial repair.<sup>16</sup> These needed accessibility modifications or repairs may prevent elderly households from aging in place, necessitating an earlier move to costly nursing homes or other supportive housing.

According to the chart below, of elderly Texans, approximately 77.1 percent live in urban areas. Persons who are elderly are more likely to be living in urban areas due to the close proximity to health related and other services and supports.<sup>17</sup>

### Elderly Persons – Texas, 2000

Region	Large City within Region for Geographic Reference	Rural	Urban	Total
1	Lubbock	44,084	55,001	99,085
2	Abilene	44,437	40,531	84,968
3	Dallas/Fort Worth	34,043	477,876	511,919
4	Tyler	108,447	65,076	173,523
5	Beaumont	51,874	54,455	106,329
6	Houston	17,140	363,803	380,943
7	Austin/Round Rock	19,808	90,644	110,452
8	Waco	40,388	46,119	86,507
9	San Antonio	20,105	184,941	205,046
10	Corpus Christi	35,688	60,490	96,178
11	Brownsville/Harlingen	30,301	107,305	137,606
12	San Angelo	25,403	40,949	66,352
13	El Paso	3,338	10,286	13,624
State Total		475,056	1,597,476	2,072,532

Source: Census 2000.

### *PERSONS WITH ALCOHOL AND SUBSTANCE ABUSE DISORDERS*

Persons with alcohol and substance abuse issues face additional obstacles in securing housing. Currently, persons with substance abuse disorders are ineligible for many housing subsidies and

<sup>14</sup>Texas Department of Aging and Disability Services. (2009, April). Aging Texas well: Indicators survey overview report 2009. Retrieved from [http://www.dads.state.tx.us/news\\_info/publications/studies/ATWIndicators2009.pdf](http://www.dads.state.tx.us/news_info/publications/studies/ATWIndicators2009.pdf).

<sup>15</sup>U.S. Census bureau, 2005-2007 American Community Survey. (n.d.). Subject table. Retrieved from <http://factfinder.census.gov>.

<sup>16</sup>Texas Department of Aging and Disability Services. (2009, April). Aging Texas well: Indicators survey overview report 2009. Retrieved from [http://www.dads.state.tx.us/news\\_info/publications/studies/ATWIndicators2009.pdf](http://www.dads.state.tx.us/news_info/publications/studies/ATWIndicators2009.pdf).

<sup>17</sup> Housing & Health Services Coordination Council, Testimony of Theresa Cruz, Director of the State Office of Rural Health, Texas Department of Rural Affairs: HHSC Public Forums, 8 February 2010.

supportive housing options. HUD's tenant criterion allows for the prohibition of individuals who have engaged in drug-related criminal behavior or individuals whose abuse pattern or abuse of alcohol "interferes with the health, safety, or right to peaceful enjoyment of the premises by other residents."<sup>18</sup> These prohibitions combined with restrictions from property owners make it difficult for persons with a criminal background, and thus some individuals with substance abuse disorders, to find public or private housing.

Estimates from the *2007-08 National Survey on Drug Use and Health* show slightly lower rates of illicit drug use and abuse in Texas than the nation as a whole with 2.71 percent of Texans as compared with 2.78 percent nationwide. This report estimates that in Texas from 2007-2008 514,000, approximately people were dependent or abusive of illicit drugs and 1,357,000 people were dependent or abusive on alcohol.<sup>19</sup>

### *PUBLIC HOUSING RESIDENTS*

Beginning in the 1930s, local public housing authorities (PHA) built and managed properties for low-income residents primarily through funding provided by the U.S. Department of Housing and Community Affairs (HUD). Most of the public housing developments were completed in the 1970s. By 1993, HUD created HOPE VI to replace deteriorating public housing stock with mixed-income developments. Nationwide as assessed in the mid-1990s, 61 percent of public housing was located in the central city, 19 percent in the suburbs, and 20 percent in non-metropolitan areas. From 1999-2005, the median length of stay in public housing was 4.7 years and families with children stayed a median of 3.2 years.<sup>20</sup>

A study entitled *Federal Programs for Addressing Low-Income Housing Needs: A Policy Primer* (2002) found that a majority of public housing residents were employed or searching for employment. However, most residents worked part-time, low-paying jobs offering no fringe benefits.<sup>21</sup> Public housing residents may have educational barriers or transportation barriers that further challenge them from transitioning to market-rate housing.<sup>22</sup>

According to HUD, there are 63,416 public housing units in Texas as of 2010. As the chart below describes, 53% of public housing units are found in rural areas of the state, with Regions 9 and 13 holding the highest number of rural public housing units.

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<sup>18</sup> HUD Occupancy Handbook (4350.3 REV-1), Chapter 4.

<sup>19</sup> Maxwell, Jane C. Substance Abuse Trends in Texas. (2010, June). Retrieved from <http://www.utexas.edu/research/cswr/gcattc/documents/Texas2010TrendsReport.pdf>

<sup>20</sup> Turner, M. A. & Kingsley, G. T. (2008, December). Federal programs for addressing low-income housing needs: A policy primer. The Urban Institute. Retrieved from [http://www.urban.org/uploadedPDF/411798\\_low-income\\_housing.pdf](http://www.urban.org/uploadedPDF/411798_low-income_housing.pdf).

<sup>21</sup> Martinez, J. M. (2002, September). The employment experiences of public housing residents: Findings from the jobs-plus baseline survey. Retrieved from <http://www.mdrc.org/publications/25/overview.html>.

<sup>22</sup> Turner, M. A. & Kingsley, G. T. (2008, December). Federal programs for addressing low-income housing needs: A policy primer. The Urban Institute. Retrieved from [http://www.urban.org/uploadedPDF/411798\\_low-income\\_housing.pdf](http://www.urban.org/uploadedPDF/411798_low-income_housing.pdf).

## PHA Units – Texas, 2010

Region	Large City within Region for Geographic Reference	Rural	Urban	Total PHA Units
1	Lubbock	304	1,270	1,574
2	Abilene	1,551	2,369	3,920
3	Dallas/Fort Worth	4,716	5,595	10,311
4	Tyler	1,061	2,324	3,385
5	Beaumont	705	2,546	3,251
6	Houston	1,465	4,297	5,762
7	Austin/Round Rock	1,158	2,366	3,524
8	Waco	3,264	924	4,188
9	San Antonio	7,953	268	8,221
10	Corpus Christi	1,389	3,188	4,577
11	Brownsville/Harlingen	3,548	3,867	7,415
12	San Angelo	580	673	1,253
13	El Paso	5,985	50	6,035
<b>State Total</b>		<b>33,679</b>	<b>29,737</b>	<b>63,416</b>

Source: US Department of Housing and Urban Development.

### *PERSONS LIVING WITH HIV/AIDS*

According to the Texas Department of State Health Services' *2010 Texas Integrated Epidemiologic Profile for HIV/AIDS Prevention and Services Planning*, HIV/AIDS cases are not evenly distributed across Texas. In 2008, Persons Living with HIV/AIDS (PLWHA) were concentrated in metropolitan areas, with over half residing in the Houston and Dallas metropolitan areas. In contrast, South and West Texas had the lowest rates of PLWHA in 2008. The highest rates of living cases were in the 45-54 age groups.<sup>23</sup>

As seen in the chart below, Regions 3 and 6 have the highest number of PLWHA in the state. Over 95 percent of PLWHA live in urban areas. The reason behind such a large urban concentration, as found in the SCSN, is a lack of available health care choices in non-urban service areas and the effect on access to care, especially for specialty services and the availability of affordable housing.<sup>24</sup> See chart below for more details on persons living with HIV/AIDS in Texas.

<sup>23</sup> Texas Department of State Health Services, (April 2010) 2010 Texas Integrated Epidemiologic Profile for HIV/AIDS Prevention and Services Planning, <http://www.dshs.state.tx.us/hivstd/reports/HIVandAIDSinTexas.pdf>

<sup>24</sup> Texas Department of State Health Services, (June 2008), 2008 – 2010 Texas Statewide Coordinated Statement of Need, [http://www.dshs.state.tx.us/hivstd/planning/docs/SCSN\\_2008-2010.pdf](http://www.dshs.state.tx.us/hivstd/planning/docs/SCSN_2008-2010.pdf)

## Persons with HIV/AIDS – Texas, 2008

Region	Large City within Region for Geographic Reference	Rural	Urban	Total
1	Lubbock	435	643	1,078
2	Abilene	143	286	429
3	Dallas/Fort Worth	167	19,319	19,486
4	Tyler	564	823	1,387
5	Beaumont	438	896	1,334
6	Houston	186	20,732	20,918
7	Austin/Round Rock	68	4,296	4,361
8	Waco	209	962	1,171
9	San Antonio	45	4,451	4,496
10	Corpus Christi	112	665	777
11	Brownsville/Harlingen	164	1,685	1,849
12	San Angelo	111	351	462
13	El Paso	7	1,562	1,569
State Total		2,649	56,668	59,317

Source: Texas Department of State Health Services, 2010 Texas Integrated Epidemiologic Profile for HIV/AIDS Prevention and Services Planning

Note: Figures do not include those unaware of their HIV infection of those who tested HIV positive solely through an anonymous HIV test. Cases diagnosed at the Texas Department of Criminal Justice System are not attributed to a geographic area.

In looking at how client services funds were allocated by service category, the *2008-2010 Texas Statewide Coordinate Statement of Need (SCSN)* found that housing was the second largest allocation category, with \$14,765,131 in Ryan White, HOPWA, and State Services and Medication funding provided to PLWHA in 2007.<sup>25</sup> However, SCSN also reported affordable housing as one of the two most frequent gaps in services identified by clients in six of the seven HIV Service Delivery Areas (HSDAs) assessed in Texas. For certain PLWHA, specifically for single women and single men without children, the availability of Ryan White & Housing Opportunities for Persons with AIDS (HOPWA) funded housing is a particular problem. Also, many HIV positive women with children who have had access to stable housing through Ryan White funds will lose this benefit once their children turn 18 and leave the home. Finally, through informant interviews, the SCSN found that reimbursement rates for housing are below fair market rates, which place clients into housing in high crime/low income areas which may lead to substance abuse issues, crime and other factors that are known to affect access and maintenance in care.

### COLONIA RESIDENTS

According to Section 2306.581 of the Texas Government Code:

“Colonia” means a geographic area located in a country some part of which is within 150 miles of the international border of this state, consists of 11 or more dwellings that are located in close proximity to each other in an area that may be described as a community or neighborhood and

<sup>25</sup> Texas Department of State Health Services (June 2008), 2008 – 2010 Texas Statewide Coordinated Statement of Need, [http://www.dshs.state.tx.us/hivstd/planning/docs/SCSN\\_2008-2010.pdf](http://www.dshs.state.tx.us/hivstd/planning/docs/SCSN_2008-2010.pdf)

- has a majority population composed of individuals and families of low income and very low income, based on the federal Office of Management and Budget poverty index and meets the qualifications of an economically distressed area under Section 17.921, Water Code; or
- has the physical and economic characteristics of a colonia, as determined by the department.

Major issues affecting colonias include high rates of unemployment, extremely low-incomes, lack of sufficient infrastructure for water and sewer service, higher rates of certain diseases, lack of educational resources, substandard housing and extensive use of contracts for deed. The latter two issues are directly related to housing. Housing in colonias is often constructed by residents using only available materials; professional builders are not often used.<sup>26</sup> According to 2000 Census data, colonias have a 75 percent homeownership rate. Despite this rate, colonia homes are inadequate: 4.9 percent of colonia dwellings lack kitchen facilities and 5.3 percent lack plumbing facilities. It is estimated that 50 percent of colonia residents lack basic water and sewage systems: 51 percent use septic tanks, 36 percent use cesspools, 7 percent use outhouses and 6 percent use other wastewater systems.<sup>27</sup>

Furthermore, properties in colonias are often purchased with contracts for deed, which are seller-financed transactions that do not transfer the title and ownership of the property to the buyer until the purchase price is paid in full. Contracts for deeds are often used in colonias because many residents do not have a credit history or qualification for a loan from a financial institution. Because of a lack of other options, contracts for deed often have high interest rates and are subject to abusive financial practices.<sup>28</sup>

Colonia residents have several needs that include increased affordable housing opportunities, such as down payment assistance and low-interest-rate loans, homeowner education, construction education and assistance, owner-occupied home repair, access to adequate infrastructure and the conversion of remaining contracts for deed to conventional mortgages. According to the Office of Attorney General's colonia estimates accessed in 2010, the number of colonia residents for Texas is 418,406.

As seen in the charts below, colonias are only found in five of the state's 13 service regions, with Region 11 holding the largest portion of colonia residents (72.8%). Additionally, over 70% of colonia residents reside in urban areas.

#### Colonia Residents – Texas, estimated in 2010<sup>29</sup>

Region	County	Rural	Urban	Total
9	Frio	2,212	-	2,212
Region 9 Total		2,212	-	2,212

<sup>26</sup> Federal Reserve Bank of Dallas. (n.d.). Texas colonias. Retrieved from <http://www.dallasfed.org/ca/pubs/colonias.html>.

<sup>27</sup> Moncada, N. (2001). A Colonias Primer. A briefing presented to the US Department of Housing and Urban Development. Retrieved from <http://www.nationalmortgagenews.com/nmn/plus93.htm>.

<sup>28</sup> Federal Reserve Bank of Dallas. (n.d.). Texas colonias. Retrieved from <http://www.dallasfed.org/ca/pubs/colonias.html>.

<sup>29</sup> In each region, counties without colonia residents were not included in this chart.



Region	County	Rural	Urban	Total
10	Brooks	1,610	-	1,610
10	Duval	2,621	-	2,621
10	Jim Wells	6,403	-	6,403
10	San Patricio	-	13,808	13,808
Region 10 Total		15,058	13,808	28,866

Region	County	Rural	Urban	Total
11	Cameron	-	46,869	46,869
11	Dimmit	3,720	-	3,720
11	Hidalgo	-	138,458	138,458
11	Jim Hogg	4,782	-	4,782
11	Kinney	1,942	-	1,942
11	La Salle	832	-	832
11	Maverick	22,320	-	22,320
11	Starr	34,458	-	34,458
11	Uvalde	3,964	-	3,964
11	Val Verde	7,603	-	7,603
11	Webb	-	19,916	19,916
11	Willacy	3,465	-	3,465
11	Zapata	13,814	-	13,814
11	Zavala	4,071	-	4,071
Region 11 Total		100,971	205,243	306,214

Region	County	Rural	Urban	Total
12	Pecos	3,495	-	3,495
12	Reeves	500	-	500
12	Terrell	1,135	-	1,135
Region 12 Total		5,130	-	5,130

Region	County	Rural	Urban	Total
13	Brewster	891	-	891
13	El Paso	-	77,169	77,169
13	Hudspeth	1,752	-	1,752
13	Jeff Davis	187	-	187
13	Presidio	409	-	409
Region 13 Total		3,239	77,169	80,408
<b>State Total</b>		<b>124,398</b>	<b>296,220</b>	<b>420,618</b>

Source: Texas Office of the Attorney General, Border Colonia Geographic Database.

Note: The database includes only border counties.

### *MIGRANT SEASONAL FARMWORKERS*

Texas leads the nation in the quantity and size of farms and ranches with 247,500 properties covering 130.4 million acres. The economic impact of the food and fiber sector totals more than \$100 billion; cash receipts from the agriculture and ranching industries total \$19.8 billion.<sup>30</sup> One of

<sup>30</sup> Texas Department of Agriculture, Texas Ag Stats, Retrieved from:  
[http://www.agr.state.tx.us/agr/main\\_render/0,1968,1848\\_37142\\_0\\_0,00.html?channelId=37142](http://www.agr.state.tx.us/agr/main_render/0,1968,1848_37142_0_0,00.html?channelId=37142)

every seven working Texans (14%) is in an agriculture-related job and many employed in this sector are migrant and seasonal farmworkers.

Migrant farmworkers have a particularly difficult time finding available, affordable housing because of extremely low and sporadic incomes and the fact that they will reside in a given location only a short time. Many of the small, rural communities in which migrant workers may seek employment do not have the rental units available for the seasonal influx. While TDHCA-licensed facilities are inspected annually and are required to meet health and safety standards, they do not provide enough units to address the need. Substandard conditions and overcrowding are believed to be widespread in other migrant labor housing situations. In addition, migrant workers may not be able to afford security deposits, pass credit checks, or commit to long-term leases.<sup>31</sup>

As seen in the chart below, Regions 1 and 11 have the highest number of migrant farmworkers, together accounting for over 56% of the state's total migrant farmworker population. Additionally, approximately 54.7% of migrant farmworkers reside in rural areas of the state.

#### Migrant Seasonal Farmworker Population Estimates – Texas, 2000

Region	Large City within Region for Geographic Reference	Rural	Urban	Total
1	Lubbock	65,767	14,695	80,462
2	Abilene	18,089	2,938	21,027
3	Dallas/Fort Worth	2,988	11,690	14,678
4	Tyler	8,011	2,419	10,430
5	Beaumont	2,738	321	3,059
6	Houston	3,239	6,357	9,596
7	Austin/Round Rock	928	3,418	4,346
8	Waco	3,817	2,241	6,058
9	San Antonio	7,395	11,562	18,957
10	Corpus Christi	10,435	11,474	21,909
11	Brownsville/Harlingen	35,022	87,925	122,947
12	San Angelo	32,958	4,041	36,999
13	El Paso	6,201	4,745	10,946
<b>State Total</b>		<b>197,588</b>	<b>163,826</b>	<b>361,414</b>

Source: MSFW Enumeration Profiles Study – TX, Larson, Alice, 2000.

<sup>31</sup> Texas Department of Housing & Community Affairs, (September 2006), *Migrant Labor Housing Facilities in Texas: A Report on the Quantity, Availability, Need, and Quality of Migrant Labor Housing in the State*

## POVERTY AND INCOME

According to Ribbon Demographics update on Census, approximately 789,021 families in Texas lived below the poverty line in 2010, with approximately 85 percent residing in urban areas.<sup>32</sup> Poverty conditions along the Texas-Mexico border warrant special attention. Parts of the region, like McAllen-Edinburg-Mission, suffered from unemployment rates higher than the State's (12.3 percent vs. 8.2 percent in July 2010<sup>33</sup>) and its residents made approximately 62 percent of the State's median income.<sup>34</sup> Conditions are particularly acute in the colonias, unincorporated areas along the

### Families below Poverty – Texas, 2010

	Total Families	Families below poverty	% Families below poverty
Rural	805,519	118,921	14.8%
Urban	5,466,222	670,100	12.3%
Texas	6,271,741	789,021	12.6%

Source: Nielsen Claritas, Ribbon Demographics, 2010.

The total number of families in poverty, elderly and non-elderly, is one of the need indicators for some of the Department's community service activities. According to Ribbon Demographics' update on Census data, 789,021 families are living below the poverty line and 646,038 of those families include children. Regions 3 and 6 have the highest numbers of families in poverty.

### Families below Poverty – Texas, 2010

Region	Families at or above poverty	Families at or above poverty with children	Families below poverty	Families below poverty with children
1	187,643	93,176	26,464	21,455
2	127,667	57,533	16,772	13,195
3	1,657,013	898,475	208,654	174,972
4	300,289	138,969	41,815	33,478
5	172,224	76,510	30,061	23,736
6	1,326,999	714,149	164,065	136,420
7	398,072	209,963	36,386	29,496
8	185,311	91,430	26,405	21,387
9	491,102	246,759	66,868	54,513
10	177,372	86,813	33,012	26,104
11	288,934	160,439	116,756	93,612
12	127,632	63,974	16,959	13,572
13	42,462	22,555	4,804	4,098
<b>Total</b>	<b>5,482,720</b>	<b>2,860,745</b>	<b>789,021</b>	<b>646,038</b>

Source: Nielsen Claritas, Ribbon Demographics, 2010.

<sup>32</sup> Nielsen Claritas, Ribbon Demographics (2010) Custom PopFacts Report – Selected Data Variables.

<sup>33</sup> U.S. Bureau of Labor Statistics. (2010, September 27). Economy at a glance. Retrieved from <http://www.bls.gov/eag/eag.tx.htm>.

<sup>34</sup> U.S. Census Bureau, 2006-2008 American Community Survey. (n.d.). Subject tables. Retrieved from <http://factfinder.census.gov>.

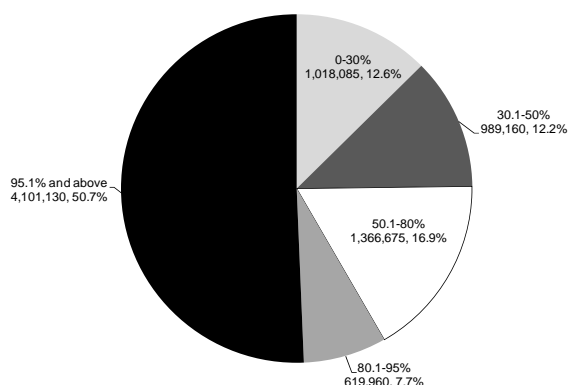
Many families who rely on low-wage occupations for a living find it difficult to cover all essential expenses. According to a study by the Center for Public Policy Priorities, “a significant proportion of families throughout the state struggle paycheck-to-paycheck to make ends meet.” The study examined a typical family’s fundamental expenses, such as housing, food, child care, medical costs, transportation, taxes, etc. and compared the total bill to typical wages earned in the 27 Texas Metropolitan Statistical Areas. The study asserts that a family of four in Texas requires a household hourly income of \$18 to \$22 per hour (depending on the metro area in which the family lives) to simply meet its most basic needs. In a majority of Texas metro areas, however, half of the total employment is in occupations with a median wage under \$10 per hour.<sup>35</sup>

In addition, expected economic growth will not necessarily positively impact the lowest-income groups. The Texas Comptroller’s Biennial Revenue Estimate predicts that the fastest growing sector of the state economy for 2010-2011 will be the professional and business services. This industry’s employment growth is expected to remain solid, averaging 3.1 percent per year in 2010 and 2011, with most of the job gains in fiscal 2011.<sup>36</sup> While this growth may buoy the state economy, it may not raise many low-income families, who may not have the necessary education or training, from their current positions.

To provide a more detailed breakdown of the population by income level, this report will use the five income groups designated by HUD. Households are classified into these groups by comparing reported households incomes to HUD-Adjusted Median Family Incomes (HAMFI). The income level definitions are as follows:

- Extremely Low Income: At or below 30 percent of HAMFI
- Very Low Income: Between 31 percent and 50 percent of HAMFI
- Low Income: between 51 percent and 80 percent of HAMFI
- Moderate Income: Between 81 percent and 95 percent of HAMFI
- Above 95 percent of HAMFI

**Households by Income Group – Texas, 2005-2007**



Income Group	Households	Percent
0-30%	1,018,085	12.6%
30.1-50%	989,160	12.2%
50.1-80%	1,366,675	16.9%
80.1-95%	619,960	7.7%
95.1% & above	4,101,130	50.7%

Source: CHAS 2005-07 statewide figures.

<sup>35</sup>Center for Public Policy Priorities. (2002, September 1). Making it: what it really takes to live in Texas. Retrieved from <http://cppp.org/research.php?aid=120>.

<sup>36</sup>Texas Comptroller of Public Accounts. (2009, January). Biennial revenue estimate: 2010-2011. Retrieved from <http://www.window.state.tx.us/taxbud/bre2010/outlook.html>.

The pie chart above indicates the projected distribution of households by income group across Texas by number and percentage. A total of 41.7 percent of all households are in the low-income range (0 to 80 percent of HAMFI). Meeting the needs of this large portion of the State's households is TDHCA's primary focus.

The table below provides information on the income breakdowns of households in each region. Regions 3 and 6 had the highest number of people with incomes over 80% AMFI. Regions 12 and 13 had the lowest number of people with incomes over 80% AMFI.

### Households and Income – Texas, 2000

Service Region	Total Households	Extremely Low Income (0% to 30% AMFI)	Very Low Income (31% to 50% AMFI)	Low Income (51% to 80% AMFI)	Moderate Income (81% to 95% AMFI)	Higher Income (over 95% AMFI)
1	288,273	36,433	34,684	53,087	20,604	143,475
2	206,459	23,690	26,096	37,041	15,491	104,169
3	1,988,135	216,675	207,946	361,581	165,946	1,043,156
4	380,765	47,359	45,345	64,823	28,943	194,299
5	274,543	38,575	32,704	45,851	19,222	138,364
6	1,691,811	209,127	186,994	284,820	131,907	881,944
7	509,798	60,766	54,465	92,250	44,650	257,667
8	343,856	46,423	39,537	59,780	26,911	171,721
9	635,280	73,161	69,347	109,133	49,283	334,532
10	255,493	33,862	30,725	42,309	16,854	131,811
11	377,276	73,326	62,736	71,481	199	169,566
12	188,921	22,798	23,084	33,409	13,680	95,995
13	216,861	29,207	28,546	38,430	7,373	114,009
State	7,357,471	911,402	842,209	1,293,995	541,063	3,780,708

Source: 2000 CHAS Database

## AFFORDABLE HOUSING NEED

When analyzing local housing markets and developing strategies for meeting housing problems, HUD suggests the consideration of several factors. These factors include how much a household spends on housing costs (also called Housing Cost Burden), the physical condition of the housing and whether or not the unit is overcrowded. The following table reveals the number and percentage of households with at least one housing need by income category and household type.

**Households with One or More Housing Problems – Texas, 2005-2007**

	Renter			Owner			Total Households
	At least one problem	Total Households	Percent with at least once problem	At least one problem	Total Households	Percent with at least once problem	
0-30% AMI	510,775	645,370	79.1%	291,625	372,720	78.2%	1,018,090
31-50% AMI	419,550	515,885	81.3%	289,945	473,275	61.3%	989,160
51-80% AMI	282,865	603,425	46.9%	355,265	763,245	46.5%	1,366,670
81-95% AMI	48,395	230,325	21.0%	138,800	389,640	35.6%	619,965
More than 95% AMI	64,650	821,110	7.9%	373,475	3,280,040	11.4%	4,101,150
<b>Total</b>	<b>1,326,235</b>	<b>2,816,115</b>	<b>47.1%</b>	<b>1,449,110</b>	<b>5,278,920</b>	<b>27.5%</b>	<b>8,095,035</b>

Source: CHAS 2005-07 statewide figures.

Of renter households, those at 31-50% AMI are the most likely to have at least one housing problem. Of owner households, those at 0-30% AMI are the most likely to have at least one housing problem.

**PHYSICAL INADEQUACY (LACK OF KITCHEN AND PLUMBING FACILITIES)**

The measure of physical inadequacy available from the CHAS database tabulation is the number of units lacking complete kitchen and/or plumbing facilities. While this is not a complete measure of physical inadequacy, the lack of plumbing and/or kitchen facilities can serve as a strong indication of one type of housing inadequacy. The following table demonstrates that among the physically inadequate housing units, 29.3 percent are occupied by extremely low-income households.

**Number of Units Lacking Kitchen and/or Plumbing by Affordability Category – Texas, 2005-2007**

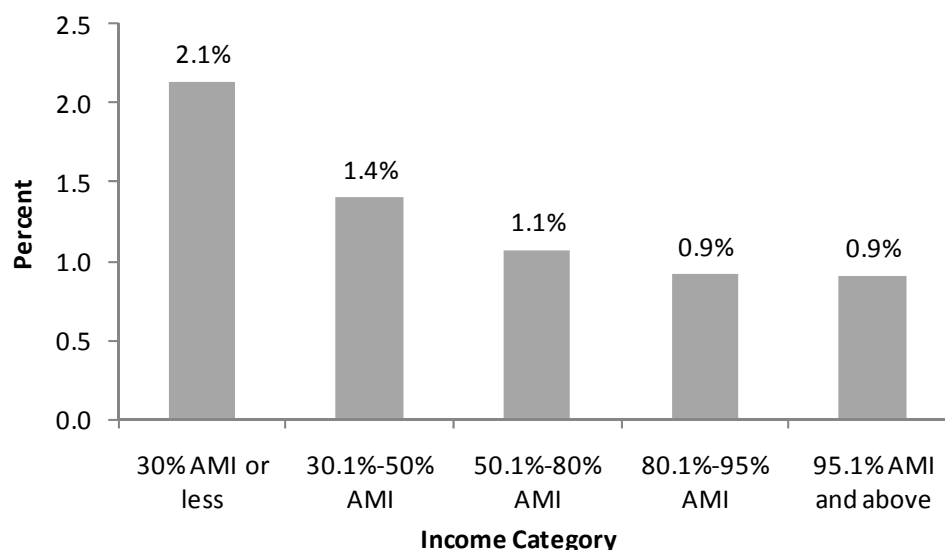
Income Group	Units	Percent
0% to 30%	20,635	29.3
31% to 50%	11,335	16.1
51% to 80%	13,195	18.8
80% to 95%	4,535	6.5
Over 95%	20,610	29.3
Total	70,310	

Source: CHAS 2005-07 statewide figures.

The state defines “standard condition” of housing as properties that meet the federal Housing Quality Standards, or the state Colonia Housing Standards, as applicable. “Substandard condition but suitable for rehabilitation” refers to properties that do not meet the above standards but are not sufficiently deteriorated to justify demolition or replacement. These definitions refer to the condition of properties prior to the receipt of assistance.

The following bar chart shows the distribution of substandard housing by income group. Households in the lowest income group earning 30 percent AMFI or less have the highest percentage of physically inadequate rental housing. The chart shows the percentage of households with housing problems in each income category compared to households in the corresponding income category.

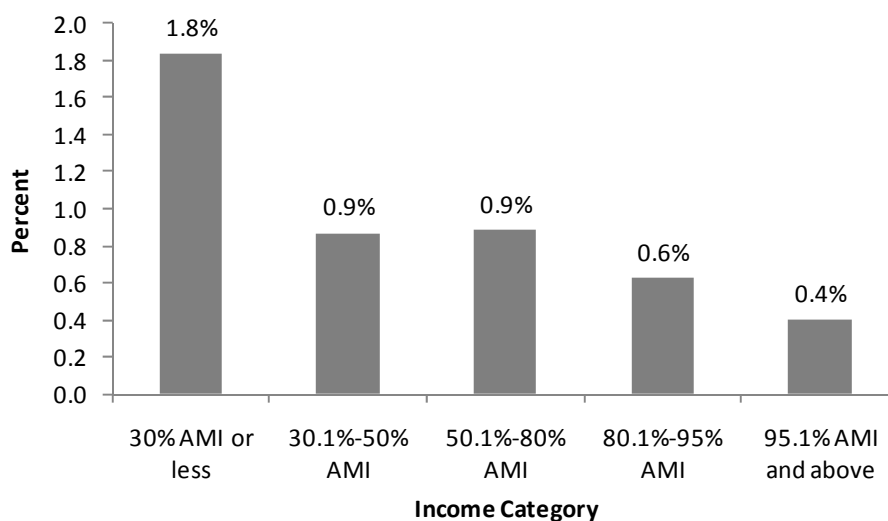
**Renter Households with Substandard Housing by Income Category – Texas, 2005-2007**



Source: CHAS 2005-07 statewide figures.

The same trend holds true for owner households. The chart shows the percentage of households with housing problems in each income category compared to households in the corresponding income category.

Owner Households with Substandard Housing by Income Category – Texas, 2005-2007



Source: CHAS 2005-07 statewide figures.

As seen in the chart below, Regions 3, 6 and 11 have the highest number of units lacking facilities for households earning 0 to 80 percent AMFI. Regions 3 and 6 also have the highest number of units lacking facilities for households earning 80 percent AMFI and above. These are also the two regions with the highest numbers of households in poverty in the state. In contrast, Regions 1, 2, and 12 have the lowest number of units lacking facilities for households earning 0 to 80 percent AMFI.

Number of Units Lacking Kitchen and/or Plumbing by Affordability Category – Texas, 2009

Service Region	All Incomes	0% to 30%	31% to 50%	51% to 80%	80% and Above
1	3,211	898	558	604	199
2	2,161	670	367	459	151
3	18,571	4,988	3,378	3,940	1,336
4	5,578	1,724	994	1,002	370
5	3,836	1,270	633	733	191
6	18,712	5,594	3,306	3,787	1,037
7	5,598	1,938	981	1,125	339
8	4,173	1,240	805	789	235
9	7,521	2,128	1,319	1,581	607
10	3,763	1,266	737	771	147
11	14,614	6,312	3,577	2,527	0
12	2,577	713	547	538	101
13	4,076	950	1,093	938	124
State	94,391	29,690	18,293	18,792	4,838

Source: 2000 CHAS Database with projections based on HISTA data

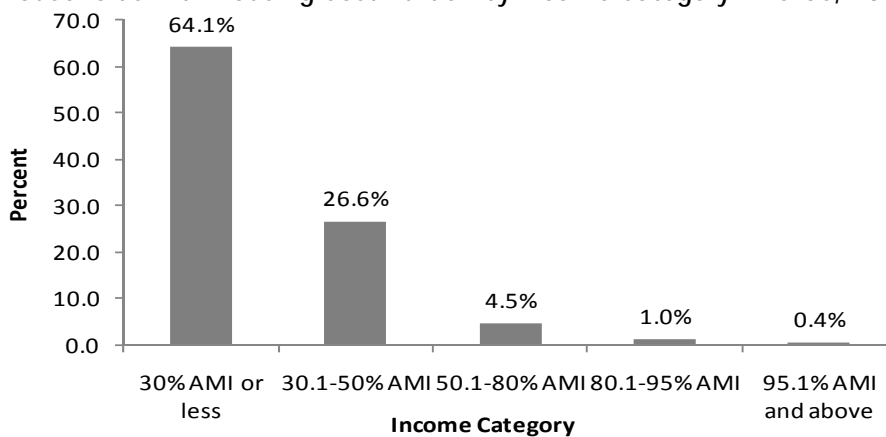
### HOUSING COST BURDEN

A cost burden is identified when a household pays more than 30 percent of its gross income for housing costs. When so much is spent on housing, other basic household needs may suffer. As the



following graph shows, a majority of renter households in the lowest two income categories, totaling more than 551,000 households, is burdened by paying an excess portion of income toward housing. This is much greater than in the highest income category, above 95 percent AMFI, where only 0.4 percent of households, or 3,480 households, experience the problem. The chart shows the percentage of households with cost burden in each income category compared to households in the corresponding income category.

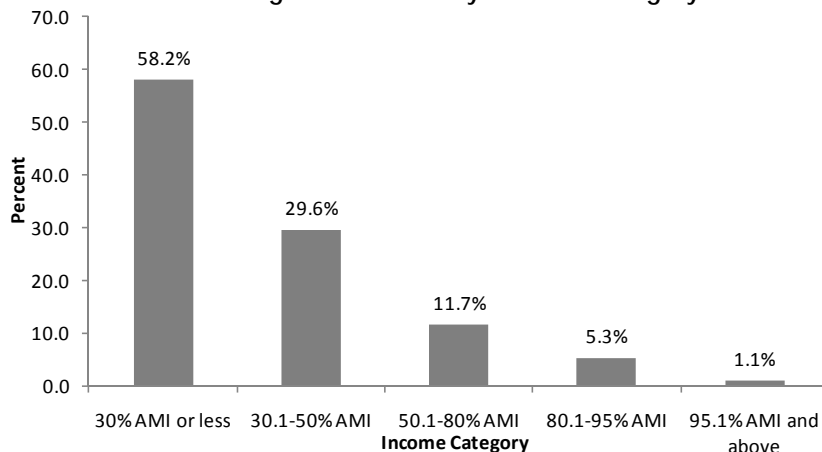
Renter Households with Housing Cost Burden by Income Category – Texas, 2005-2007



Source: CHAS 2005-07 statewide figures.

As shown in the following graph, housing cost burden affects 217,070, or 58.2 percent of owner households in the lowest income category. This figure, representing a majority, is much higher than the 1.1 percent of households affected in the highest income category. The graph illustrates the direct correlation between an owner household's income category and an owner household's likelihood of experiencing this problem. The chart shows the percentage of households with cost burden in each income category compared to households in the corresponding income category.

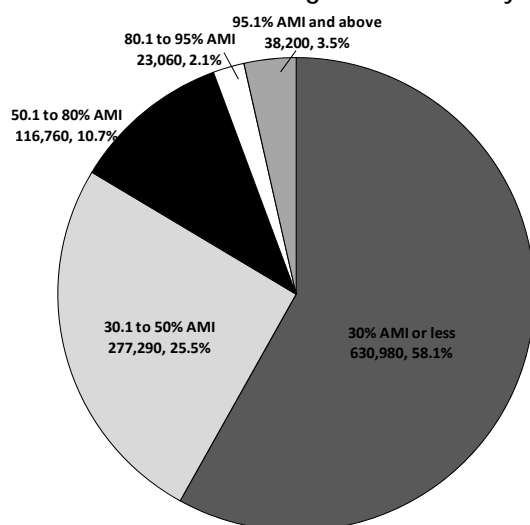
Owner Households with Housing Cost Burden by Income Category – Texas 2005-2007



Source: CHAS 2005-07 statewide figures.

Finally, the pie chart below shows the total number and percentage of all households with housing cost burden by income group.

Total Housing Cost Burden by Income Group – Texas, 2005-2007



Income Group	Households	Percent
0-30%	630,980	58.1%
30.1-50%	277,290	25.5%
50.1-80%	116,760	10.7%
80.1-95%	23,060	2.1%
95.1% & above	38,200	3.5%

Source: CHAS 2005-07 statewide figures.

The chart below shows the number of households with cost burden greater than 30 percent by income group. Regions 3 and 6 have the highest number of households experiencing extreme cost burden for all the income groups. In addition, Regions 7 and 9 have the third and fourth highest numbers of households experiencing extreme cost burden for all income groups. These regions represent the four largest Major Metropolitan Areas in Texas: Dallas-Fort Worth-Arlington, Houston-Sugar Land-Baytown, San Antonio and Austin-Round Rock.

Number of Households with Cost Burden by Income Group – Texas, 2009

Service Region	All Incomes	0% to 30%	31% to 50%	51% to 80%	81% to 95%	95% and Above
1	67,156	25,939	18,689	13,818	2,730	5,982
2	44,820	16,401	13,389	8,732	2,075	4,223
3	483,443	148,173	124,704	118,320	29,094	63,152
4	87,846	31,977	23,560	18,322	4,865	9,123
5	62,016	25,949	16,662	11,413	2,581	5,412
6	392,181	133,623	104,552	83,584	20,976	49,445
7	143,360	44,925	36,217	36,747	8,972	16,499
8	90,612	34,211	23,462	19,895	4,810	8,233
9	153,507	47,556	38,733	36,371	9,494	21,352
10	59,191	20,620	15,872	12,697	2,988	7,014
11	78,562	33,079	20,702	14,090	72	10,619
12	40,053	14,994	11,375	7,894	1,849	3,942
13	55,856	17,463	14,981	13,699	1,587	8,126
State	1,758,605	594,909	462,899	395,582	92,093	213,123

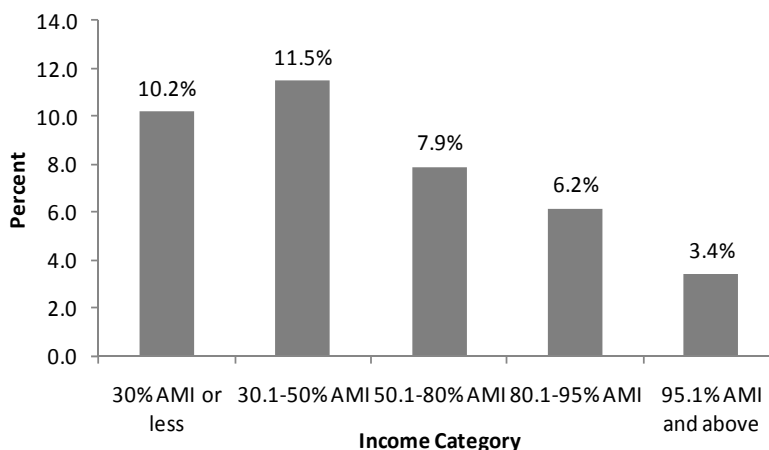
Source: 2000 CHAS Database with projections based on HISTA data

### OVERCROWDING

Overcrowded housing conditions occur when a residence accommodates more than one person per each room in the dwelling. Overcrowding may indicate a general lack of affordable housing in a community where households have been forced to share space, either because other housing units are not available or because the units available are too expensive.

Lower income renter households experience overcrowded conditions more frequently than higher income households. Over 10.2 percent of renter households in the extremely low income category and 11.5 percent of renter households in the very low income category are afflicted by overcrowding. The chart shows the percentage of households experiencing overcrowding in each income category compared to households in the corresponding income category.

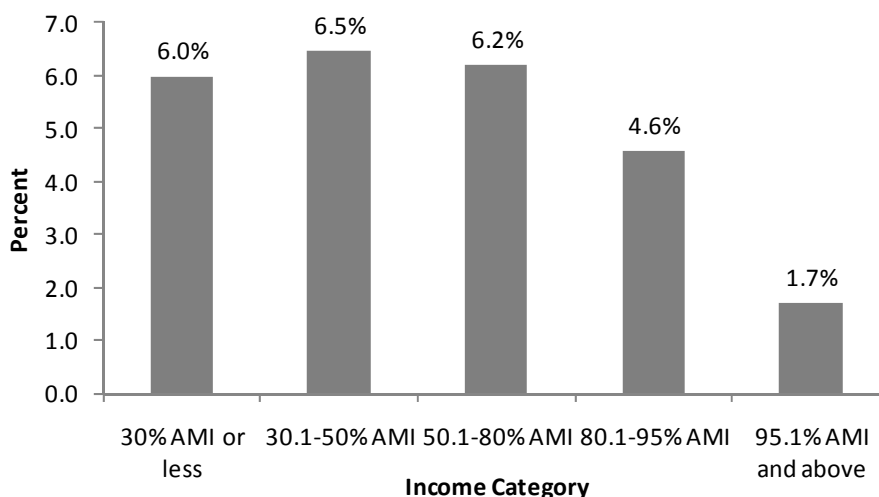
Renter Households with Incidence of Overcrowding by Income Group – Texas, 2005-2007



Source: CHAS 2005-07 statewide figures.

Lower income owner households also experience overcrowded conditions more frequently than higher income owner households. More than 6.5 percent of owner households earning less than 50 percent HAMFI live in overcrowded conditions compared to 4.6 percent of owner households over 80 percent HAMFI. The chart shows the percentage of households experiencing overcrowding in each income category compared to households in the corresponding income category.

Owner Households with Incidence of Overcrowding by Income Group – Texas, 2005-2007



Source: CHAS 2005-07 statewide figures.

The table below shows the number of overcrowded owner households by income group. Regions 3, 6, 11 and 9, in that order, have the highest number of overcrowded households for income levels 0 to

80 percent AMFI. With two exceptions, the most populous regions in the state have the highest number of overcrowded households. Those exceptions are Region 10, which is the seventh most populated region, has the eighth highest number of overcrowded households and Region 8, which is the eighth most populated regions, has the seventh highest number of overcrowded households.

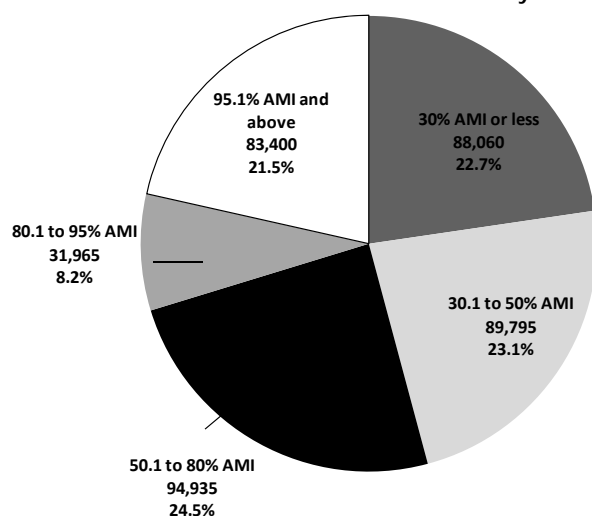
Number of Overcrowded Owner Household by Income Group – Texas, 2009

Service Region	All Incomes	0% to 30%	31% to 50%	51% to 80%	81% to 95%	95% and Above
1	21,299	3,374	3,735	5,747	1,834	6,609
2	9,466	1,470	1,440	2,691	835	3,030
3	197,622	36,717	39,975	53,458	18,337	49,135
4	21,963	3,657	3,640	5,408	2,289	6,969
5	17,638	3,350	2,548	3,968	1,701	6,071
6	211,054	42,404	43,848	55,539	18,379	50,883
7	40,130	7,442	8,194	10,520	3,857	10,118
8	24,473	4,191	3,775	6,648	2,324	7,535
9	62,420	11,431	11,807	15,974	5,975	17,233
10	24,509	4,937	4,226	5,396	1,885	8,065
11	91,741	22,709	19,440	21,140	12	28,441
12	14,556	2,466	2,483	4,119	1,347	4,141
13	33,316	6,337	6,630	7,773	1,356	11,221
State	770,185	150,483	151,741	198,381	60,130	209,450

Source: 2000 CHAS Database with projections based on HISTA data

The pie chart below shows the total incidence of all overcrowded households by income group.

Overcrowded Household by Income Group – Texas, 2005-2007



Income Group	Households	Percent
0-30%	88,060	22.7%
30.1-50%	89,795	23.1%
50.1-80%	94,935	24.5%
80.1-95%	31,965	8.2%
95.1% & above	83,400	21.5%

Source: CHAS 2005-07 statewide figures.

## HOUSING AVAILABILITY AND AFFORDABILITY

### HOUSING SUPPLY

Ribbon Demographics reported that approximately 68.4 percent of units in Texas were single-family occupied. Approximately 23.9 percent of housing units were within multifamily structures: 2.1 percent were in developments up to 2 units; 3.2 percent were in developments with 3 or 4 units; 11.7 percent were within 5 to 19 units; and 6.7 percent were in developments of over 20 units. The remaining 7.7 percent of units were manufactured homes and other units such as boats. Additionally, over 86% of all occupied housing units in Texas are located in urban areas.

### Physical Housing Characteristics for Occupied Units – Texas, 2010

	Rural Total Occupied Units	Urban Total Occupied Units	Total Occupied Units	Percent of Total
1, detached	987,335	5,457,046	6,444,381	65.8%
1, attached	16,509	235,695	252,204	2.6%
2 apartments	30,511	176,904	207,415	2.1%
3 or 4 apartments	32,538	282,068	314,606	3.2%
5 to 19 apartments	40,089	1,109,346	1,149,435	11.7%
20 to 49 apartments	8,857	294,955	303,812	3.1%
50 apartments or more	8,750	351,865	360,615	3.7%
Mobile home	227,991	516,187	744,178	7.6%
Other type of housing	3,032	12,803	15,835	0.2%
<b>Totals</b>	<b>1,335,612</b>	<b>8,436,869</b>	<b>9,792,481</b>	<b>100.0%</b>

Source: Nielsen Claritas, Ribbon Demographics, 2010.

Of the state's housing stock, those Regions with the highest proportion of one-unit homes are Regions 1 and 2 (75.2 percent and 78.2 percent respectively), while those Regions with the highest proportion of multifamily housing are Regions 3, 6 and 7 (32 percent, 33.3 percent and 34.9 percent). Additionally, those Regions with the highest proportion of manufactured homes are Regions 4 and 5 have (16.7% and 17.4% of housing units, respectively).

### Housing Stock by Region, 2010

Service Region	Housing Units	One Unit	2 to 19 Units	Over 20 Units	Mobile Homes	Housing Units, Other*
1	364,013	273,806 75.2%	45,264 12.4%	15,626 4.3%	28,873 7.9%	444 0.1%
2	250,322	195,662 78.2%	25,307 10.1%	6,185 2.5%	22,652 9.0%	516 0.2%
3	2,641,833	1,777,240 67.3%	515,417 19.5%	221,824 8.4%	125,027 4.7%	2,325 0.1%
4	449,126	323,100 71.9%	39,838 8.9%	7,849 1.7%	77,315 17.2%	1,024 0.2%
5	340,876	240,884 70.7%	31,560 9.3%	8,325 2.4%	59,385 17.4%	722 0.2%
6	2,316,536	1,523,626 65.8%	456,449 19.7%	207,666 9.0%	126,595 5.5%	2,200 0.1%
7	732,684	472,984 64.6%	135,078 18.4%	78,011 10.6%	45,620 6.2%	991 0.1%
8	439,300	296,111	85,708	13,030	43,923	528

Service Region	Housing Units	One Unit	2 to 19 Units	Over 20 Units	Mobile Homes	Housing Units, Other*
		67.4%	19.5%	3.0%	10.0%	0.1%
9	840,315	592,898 70.6%	141,026 16.8%	42,924 5.1%	62,437 7.4%	1,030 0.1%
10	320,071	229,566 71.7%	48,629 15.2%	11,356 3.5%	29,416 9.2%	1,104 0.3%
11	588,820	404,386 68.7%	80,984 13.8%	18,894 3.2%	80,257 13.6%	4,299 0.7%
12	235,268	172,578 73.4%	28,657 12.2%	9,066 3.9%	24,569 10.4%	398 0.2%
13	273,317	193,744 70.9%	37,539 13.7%	23,671 8.7%	18,109 6.6%	254 0.1%
State	9,792,481	6,696,585	1,671,456	644,427	744,178	15,835

Source: Nielsen Claritas, Ribbon Demographics, 2010.

\*The "Housing Units, Other" category is for any living quarters occupied as a housing unit that do not fit in the other categories. Examples that fit in the "other" category are houseboats, railroad cars, campers and vans.

The chart below shows occupied and vacant housing by region. In all regions rural areas experienced higher levels of vacancy than urban areas. Regions 2, 5 and 11 experienced the highest overall vacancy rates, with total vacancy rates above 16 percent. Nationwide the vacancy rate was approximately 14.4% in the second quarter of 2010.<sup>37</sup> The regions with the largest MSAs have the lowest vacancy rates, possibly because of the large population and increased need for housing in the area.

<sup>37</sup> U.S. Census Bureau news. (2010, July 27). Residential vacancies and homeownership in the second quarter 2010. Retrieved from <http://www.census.gov/hhes/www/housing/hvs/qtr210/files/q210press.pdf>.

**Housing Occupancy by Region**

Region	Rural			Urban			Urban and Rural % of housing units vacant
	Occupied Housing Units	Vacant Housing Units	% of housing units Vacant	Occupied Housing Units	Vacant Housing Units	% of housing units Vacant	
1	105,096	22,281	17.5%	198,888	21,579	9.8%	12.6%
2	90,674	27,256	23.1%	116,938	15,454	11.7%	17.1%
3	94,365	13,037	12.1%	2,364,328	170,103	6.7%	6.9%
4	222,403	37,466	14.4%	191,945	17,122	8.2%	11.6%
5	131,454	34,740	20.9%	152,653	22,029	12.6%	16.7%
6	56,263	13,015	18.8%	2,031,277	215,981	9.6%	9.9%
7	45,845	13,107	22.2%	629,606	44,126	6.5%	7.8%
8	91,797	20,596	18.3%	294,617	34,950	10.6%	12.6%
9	40,152	5,466	12.0%	733,645	61,052	7.7%	7.9%
10	75,748	18,092	19.3%	194,209	32,022	14.2%	15.7%
11	82,242	16,597	16.8%	400,384	83,296	17.2%	17.1%
12	62,698	19,406	23.6%	138,601	14,563	9.5%	14.4%
13	9,790	3,366	25.6%	240,413	19,748	7.6%	8.5%
<b>State Total</b>	<b>1,108,527</b>	<b>244,425</b>	<b>18.1%</b>	<b>7,687,504</b>	<b>752,025</b>	<b>8.9%</b>	<b>10.2%</b>

Source: Nielsen Claritas, Ribbon Demographics, 2010.

**ASSISTED HOUSING INVENTORY**

The following table shows the number of multifamily units in the state financed through state and federal sources, including TDHCA, the U.S. Department of Housing and Urban Development (HUD), public housing authorities (PHAs), Section 8 Housing Choice Vouchers and the United States Department of Agriculture (USDA). The table also includes local housing finance corporations (HFCs), a category which encompasses the Texas State Affordable Housing Corporation (TSAHC). Please note that because some developments layer funding from multiple sources, there may be double counting.

Because this is a count of subsidized units, the unit total only includes those units that have income restrictions and does not include market-rate units that may have affordable rents available in some developments. TDHCA units represent the active multifamily units as taken from TDHCA's internal Central Database. Section 8 Housing Choice Vouchers and PHA data was obtained from HUD's Housing Authority website: <https://pic.hud.gov/pic/haprofiles/haprofilelist.asp>. HUD unit data was obtained from HUD's Multifamily Assistance and Section 8 Contracts database available at <http://www.hud.gov/offices/hsg/mfh/exp/mfhdiscl.cfm>. The USDA subsidized units was taken from its online database at [http://rdmfhrentals.sc.egov.usda.gov/RDMFHRentals/select\\_state.jsp](http://rdmfhrentals.sc.egov.usda.gov/RDMFHRentals/select_state.jsp).

HFC data, including TSAHC data, was obtained from the Housing Finance Corporation Annual Report that HFCs are required to submit to TDHCA annually. The figure below describes the total units financed by the HFCs through June 2010 and does not specify assisted units, so these unit totals will also include market-rate units in the area. Because the majority of HFC-financed developments also receive housing tax credits from TDHCA, these units are not included in the final state total.

**Subsidized Multifamily Units, Texas 2010**

	State Total	Percent of State Inventory
THDCA Units	200,489	42.3%
HUD Units	39,685	8.4%
PHA Units	63,416	13.4%
Section 8 Vouchers	155,770	32.8%
USDA Units	14,981	3.2%
HFC Units*	97,722	
Total	474,341	100.0%

\*Because HFC developments report total units and do not specify assisted units and that the majority of HFC-financed developments also receive housing tax credits from TDHCA, these units are not included in the final total.

The following table shows the number of multifamily units in the state financed through state and federal sources according to region. Regions 3 and 6 have the largest number of subsidized multifamily units in the state, accounting for 47.4% of all assisted units.



### Subsidized Multifamily Units by Region

Region	TDHCA Units	HUD Units	PHA Units	Section 8 Vouchers	USDA Units	HFC Units*	Total Assisted Units
1	5,058	1,234	1,574	5,523	1,095	1,607	14,484
2	3,457	773	3,920	3,224	1,161	280	12,535
3	56,478	8,476	10,323	47,120	2,359	20,907	124,756
4	6,321	2,292	3,385	7,036	1,841	1,170	20,875
5	6,804	1,940	3,251	8,430	927	1,278	21,352
6	56,674	9,780	5,762	26,254	1,477	39,495	99,947
7	18,134	2,123	3,524	7,016	643	8,281	31,440
8	6,461	1,816	4,188	7,934	1,636	305	22,035
9	16,423	3,839	8,221	15,738	462	22,392	44,683
10	5,634	2,222	4,577	3,989	778	971	17,200
11	10,379	2,701	7,415	14,260	1,966	322	36,721
12	2,896	974	1,241	3,121	432	24	8,664
13	5,770	1,515	6,035	6,125	204	690	19,649
State	200,489	39,685	63,416	155,770	14,981	97,722	474,341

\*Because HFC developments report total units and do not specify assisted units and that the majority of HFC-financed developments also receive housing tax credits from TDHCA, these units are not included in the final total.

#### HOUSING AFFORDABILITY

The following figures compare demand and supply of affordable housing by looking at the number of households and housing units in different affordability categories. Because higher income households often reside in units that could be affordable to the lowest income households, there are fewer units available at a cost that is affordable to lower income households. For example, 1.27 million households that have income greater than 80 percent AMFI occupy units that would be affordable to households at 0-50 percent AMFI (see table below). Households in this category can afford units in any of the defined affordability categories. Therefore, households that are not low-income often limit the supply of affordable housing units available to low-income households.

The table below describes the housing market interaction of various income groups and housing costs. The table shows the income classifications of the occupants of housing units. The table also illustrates the housing market mismatch between housing units and income groups. For example, very low-income owner households (0-50 percent of AMFI) account for only about 5.8 percent of all the owner occupants of housing that is affordable to them.

The table also illustrates an implicit excessive cost burden for those households that are residing in units beyond their affordability category. For example, over one-third of low-income renter households (0-80 percent AMFI) are residing in homes affordable to renter households that have income greater than 80 percent AMFI.

Occupied Affordable Housing Units by Income Group of Occupant, 2005-07,  
by percentage of HAMFI

Renter Households	Total	50% or less	50.1-80%	Above 80%
Affordable 0-50% AMFI	980,915	573,060	198,215	209,640
Affordable to 51-80% AMFI	1,417,280	493,375	344,155	579,750
Affordable to > 80% AMFI	380,890	73,805	54,595	252,490
Total	2,779,085	1,140,240	596,965	1,041,880

Percent of Renter Households	Total	50% or less	50.1-80%	Above 80%
Affordable 0-50% AMFI	100.0%	58.4%	20.2%	21.4%
Affordable to 51-80% AMFI	100.0%	34.8%	24.3%	40.9%
Affordable to > 80% AMFI	100.0%	19.4%	14.3%	66.3%

Source: CHAS 2005-07, Table 15C.

Owner Households	Total	50% or less	50.1-80%	Above 80%
Affordable to 0-50% AMFI	2,090,080	567,775	459,015	1,063,290
Affordable to 51-80% AMFI	1,731,355	179,145	211,000	1,341,210
Affordable to > 80% AMFI	1,424,185	88,115	86,490	1,249,580
Total	5,245,620	835,035	756,505	3,654,080

Percent of Owner Households	Total	50% or less	50.1-80%	Above 80%
Affordable to 0-50% AMFI	100.0%	5.8%	5.5%	88.7%
Affordable to 51-80% AMFI	100.0%	7.0%	7.2%	85.8%
Affordable to > 80% AMFI	100.0%	6.2%	6.1%	87.7%

Number of Total Units	Total	50% or less	50.1-80%	Above 80%
Affordable to 0-50% AMFI	3,070,995	1,140,835	657,230	1,272,930
Affordable to 51-80% AMFI	3,148,635	672,520	555,155	1,920,960
Affordable to > 80% AMFI	1,805,075	161,920	141,085	1,502,070

Percent of Total Units	Total	50% or less	50.1-80%	Above 80%
Affordable to 0-50% AMFI	100.0%	37.1%	21.4%	41.5%
Affordable to 51-80% AMFI	100.0%	21.4%	17.6%	61.0%
Affordable to > 80% AMFI	100.0%	9.0%	7.8%	83.2%
	Total units:		8,024,705	

Source: CHAS 2005-07, Table 15 A, 15 B.

## LOCAL ASSESSMENT OF NEED

TDHCA acknowledges that the greatest understanding of housing needs is found at the local level. TDHCA continuously strives to improve the methods used to identify regional affordable housing needs.

### *PUBLIC ASSISTANCE REQUEST INVENTORY*

TDHCA compiled an annual Public Assistance Request Inventory, which consists of communication from public and private sector organizations and members of the general public using the following contact methods:

- calls made to TDHCA's Automated Call Distribution line (800-525-0657);
- website searches on TDHCA's Help for Texans (<http://www.tdhca.state.tx.us/texans.htm>);
- emails sent to TDHCA's general mailbox ([info@tdhca.state.tx.us](mailto:info@tdhca.state.tx.us)); and
- and letters mailed to the agency's mailing address (PO Box 13941, Austin, TX 78711).

If a geographic location was not specified by the individual seeking assistance, it could not be included in the Inventory. In state fiscal year (SFY) 2010, TDHCA received a total of 210,458 public assistance requests. As seen in the table below, Regions 3 and 6 were areas that most often requested assistance. These regions include the two of the State's most populated metropolitan areas: Dallas/Fort Worth and Houston/Galveston. Additionally, regions with higher urban concentrations were more likely to yield requests for emergency and utility assistance.

PUBLIC ASSISTANCE REQUEST INVENTORY TABLE, SFY 2010

	Emergency Assistance	Utility Assistance	Rental Assistance	Repair & Weatherization	Homebuyer Assistance	Legal Assistance	Foreclosure	Disaster Assistance	Other Housing-Related Assistance	Total
Region 1	661	346	1,349	1,206	699	3	-	-	2	4,266
Region 2	814	2,743	839	1,234	523	4	-	-	1	6,158
Region 3	10,381	11,459	22,852	9,758	9,616	17	8	-	1	64,092
Region 4	1,525	1,373	3,163	2,711	1,210	12	-	-	1	9,995
Region 5	956	826	2,168	1,779	1,130	2	1	16	2	6,880
Region 6	6,333	10,000	13,625	7,161	11,329	19	6	9	6	48,488
Region 7	2,602	1,288	6,083	2,096	3,771	14	3	-	4	15,861
Region 8	1,465	1,779	2,675	1,892	1,087	11	3	-	-	8,912
Region 9	1,693	1,304	3,118	2,495	2,189	3	6	-	1	10,809
Region 10	605	5,984	1,106	1,410	622	6	-	1	2	9,736
Region 11	888	13,192	1,453	2,152	1,131	3	1	1	-	18,821
Region 12	431	1,986	728	830	457	4	-	-	1	4,437
Region 13	227	207	552	460	555	1	1	-	-	2,003
<b>Total</b>	<b>28,581</b>	<b>52,487</b>	<b>59,711</b>	<b>35,184</b>	<b>34,319</b>	<b>99</b>	<b>29</b>	<b>27</b>	<b>21</b>	<b>210,458</b>

Legal Assistance requests include questions about landlord/tenant issues, contract for deeds issuances and other legal matters. Other Housing-Related Assistance includes questions that reference realtors, sewers connections, homeowners associations and other general questions about housing.

### *RURAL HOUSING SURVEY*

The Department requested data from TSAHC's Rural Housing Survey, conducted over the summer of 2010. The survey was sent to 1,400 city and county government officials. The response rate was approximately 9.5% with 133 respondents. The vast majority of respondents (77%) worked for cities with populations under 5,000 persons.

Single-family housing was the dominant existing housing type in the rural communities that responded; 91.5% of owner respondents lived in single-family homes and 74.6% of renter respondents lived in single-family homes. Furthermore, most respondents stated that the type of affordable housing most needed in their community is single-family homes. However, very few of the rural communities represented have a local housing finance corporation (7.7%), city or county housing department (6.9% and 3.8% respectively), or non-profit housing developers (6.2%). Additionally, almost one-third of respondents stated that no organizations in their community address or create affordable housing.

Of the state and federal affordable housing funding sources available in rural communities, respondents were most familiar with the Community Development Block Grant (CDBG) Program and the USDA Rural Development Programs. However, the obstacles which respondents felt their communities encountered the most when attempting to create affordable housing were a lack of funding available to rural Texas for this purpose (62.6%) and limited knowledge about available housing programs (50.7%).

Because the Rural Housing Survey's response rate was low in Regions 5, 6, 7, 10, 11 and 13, the sample would not accurately represent the region. Therefore regional analysis of the survey was not possible.

### TSAHC'S RURAL HOUSING SURVEY RESPONSES BY REGION, 2010

Region	Large City within Region for Geographic Reference	Survey Responses
1	Lubbock	24
2	Abilene	24
3	Dallas/Fort Worth	8
4	Tyler	21
5	Beaumont	3
6	Houston	5
8	Waco	13
9	San Antonio	9
10	Corpus Christi	6
11	Brownsville/Harlingen	2
12	San Angelo	12
13	El Paso	2
Total		129

*COMMUNITY OUTLOOK SURVEY*

The Federal Reserve Bank of Dallas launched a Community Outlook Survey in July 2010, to assess community and economic development in Texas, northern Louisiana and southern New Mexico.<sup>38</sup> Service providers reported that the availability of affordable housing from the first to second quarters of 2010 remained low, but had a positive outlook for the third quarter of 2010. Respondents found that the factors most affecting availability of affordable housing were lack of capital (25% of respondents), costs (20%) and competition for funding (18%). When providers were asked about the financial well-being and access to credit for low- and moderate-income households, most said these households' situations remained the same or worsened from the first to second quarter of 2010. Factors most affecting access to credit included the tightening of underwriting standards/credit ratings (34% of respondents) and a clients' lack of cash flow (31%).

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<sup>38</sup> Federal Reserve Bank of Dallas, "Community Outlook Survey (COS)," July 2010. <http://www.dallasfed.org/ca/cos/>

## REGION 1

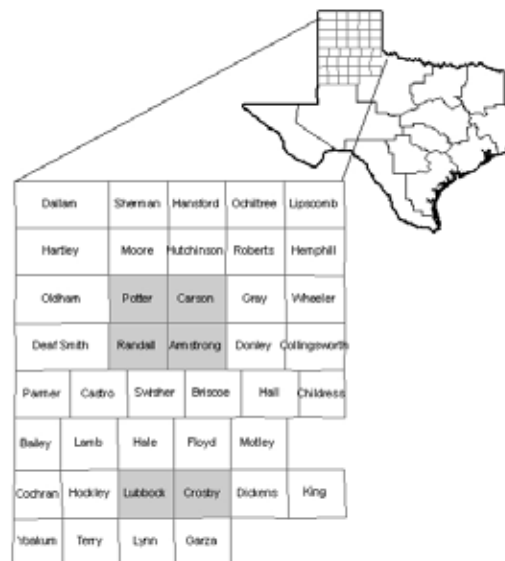
This 41-county region in the northwest corner of Texas encompasses over 39,500 square miles of the Panhandle. HISTA data projects that in 2009 the total population in Region 1 is 813,211, which represents approximately 3.3 percent of the state's total population.

### Region 1 Population Figures

	2000 Population	% Change	2009 Population Estimate
Rural	320,247	-10.4%	290,078
Urban	460,486	12.0%	523,133
Region 1 Total	780,733	4.0%	813,211

Source: 2000 Census, Census population estimates July 1, 2009.

### Region 1



Approximately 64.3 percent of the Region 1 families live in the urban areas, including Amarillo and Lubbock, and the rest live in rural areas of the region. In the map of Region 1 (right), the shaded counties are MSAs as defined by the U.S. Census. The table below depicts the number of families living below the poverty line in Region 1. Of the 26,521 families living below poverty, approximately 57 percent are living in urban areas, with the remaining 43 percent in rural areas. However, the percentage of total rural families that are below poverty is higher than the percentage of total urban families. This may be due to the region's rural counties lagging behind the Amarillo and Lubbock MSAs in recent and expected job creation.<sup>39</sup>

### Region 1 Poverty Figures, 2010

	At or above poverty		Below poverty	
	Families	Percent	Families	Percent
Rural	67,144	85.5%	11,347	14.5%
Urban	118,205	88.6%	15,174	11.4%
Region 1 Total	185,349	87.5%	26,521	12.5%

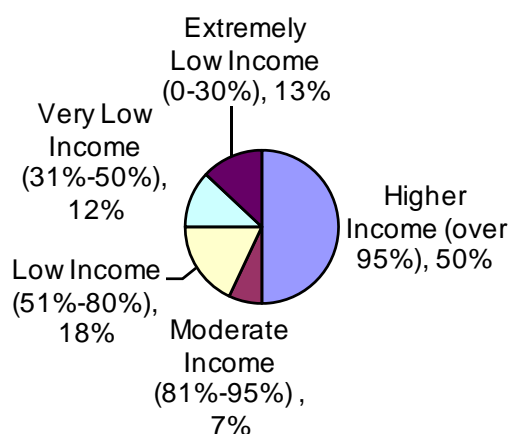
Source: Nielsen Claritas, Ribbon Demographics, 2010.

The pie chart below depicts the income breakdown of the households in the region. Approximately 43 percent of households are low income. The most recent Census poverty estimate data for 2009 shows that there are 141,440 individuals living in poverty in the region which makes up 16.0 percent of the regional population. According to the Texas Comptroller's *Texas In Focus* report, the majority of occupations with high job growth in Region 1 are low paying (regional average annual wage of \$32,740) and do not require a post-secondary education.<sup>40</sup>

<sup>39</sup> Texas Comptroller of Public Accounts, "Texas in Focus: High Plains," April 2008. <http://www.window.state.tx.us/specialrpt/tif/highplains/> (accessed October 6, 2010).

<sup>40</sup> Texas Comptroller of Public Accounts, "Texas in Focus: High Plains," April 2008. <http://www.window.state.tx.us/specialrpt/tif/highplains/> (accessed October 6, 2010).

**Region 1 Household Incomes**



Income Group	Percent
0-30%	13%
31-50%	12%
51-80%	18%
81-95%	7%
95% & above	50%

**REGION 1 SPECIAL NEEDS POPULATIONS**

Some data for persons with special needs is only available at the state level. For example, numbers of persons with alcohol and substance abuse is not available at the county level, so analysis could only be done at the state level. In addition, the regional number of public housing units, in which public housing residents live, is not included in the Special Needs Population section of each regional analysis because it is included in the Assisted Housing Inventory at the end of each regional analysis. Finally, colonia residents are only included in Regions 9 to 13 because colonia residents only live in those areas.

**HOMELESS PERSONS**

According to 2010 population projections by Ribbon Demographics, this region has approximately 3.7% of the statewide total of people in non-institutional group quarters, including shelters. For a sample urban county, Potter, and a sample rural county, Armstrong, there is an estimated 632 people and 0 people, respectively, in non-institutional group quarters.

**Region 1 persons in other group quarters, 2010**

	Homeless Persons	% of State Total	Statewide Homeless Population
Rural	480	7.9%	6,051
Urban	2,016	3.3%	61,647
Total	2,496	3.7%	67,698

Source: Nielsen Claritas, Ribbon Demographics, 2010.

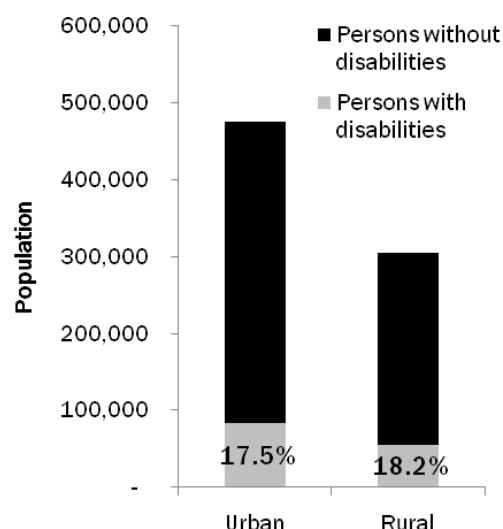
**PERSONS WITH DISABILITIES**

According to the most recent US Census, of the total population in Region 1, persons with disabilities account for approximately 18 percent of the population. Of this total, approximately 60 percent are residing in urban areas, with the remaining 40 percent in rural areas.

**Region 1 Persons With and Without Disabilities, 2000**

	Persons with disabilities	Persons without disabilities	Total
Rural	55,332	249,179	304,511
Urban	83,188	393,034	476,222
Total	138,520	642,213	780,733

Source: Census 2000, Urban defined by presence of an MSA.



**ELDERLY PERSONS**

According to the most recent US Census, elderly persons in Region 1 make up 4.8% of the statewide total elderly population.

**Region 1 Elderly Persons -- Texas 2000**

	Elderly Persons	Percent of State Total	Statewide Elderly Persons
Rural	44,084	9.3%	475,056
Urban	55,001	3.4%	1,597,476
Total	99,085	4.8%	2,072,532

Source: 2000 Census.

**PERSONS WITH HIV/AIDS**

According to the Texas Department of State Health Services' *2010 Texas Integrated Epidemiologic Profile for HIV/AIDS Prevention and Services Planning*, there are 1,078 persons living with HIV/AIDS in Region 1. Approximately 60 percent of this population is living in urban areas, with the remaining 40 percent in rural areas. Region 1 has a fairly low rate of persons living with HIV/AIDS compared to the state as a whole, with the Panhandle accounting for just 1.3 percent of the total, and a rate of 96 persons per 100,000.

**Region 1 Persons living with HIV/AIDS, 2008**

	Persons with HIV/AIDS, 2008	Population 2008
Rural	435	289,125
Urban	643	515,264
Total	1,078	804,389

**MIGRANT FARMWORKERS**

In a study prepared for the US Health Resources and Services Administration, Region 1 was found to have a high proportion of the state's Migrant and Seasonal Farmworker (MSFW) population, accounting for over one-fifth of the 361,414 MSFWs in the state of Texas. The high farmworker population correlates with a dominant agriculture industry in Region 1, as the state's leading cattle



region and major producer of the nation's cotton, corn for grain and wheat. Furthermore, the crop and animal production sectors provided 28,000 jobs to Region 1 in 2006.<sup>41</sup>

### Region 1 Migrant and Seasonal Farmworker Population, 2000<sup>42</sup>

	MSFW Estimate	Percent of statewide MSFW population	MSFW Statewide Estimate
Rural	65,767	33.3%	197,588
Urban	14,695	9.0%	163,827
Total	80,462	22.3%	361,414

### LOCAL INPUT ON HOUSING ASSISTANCE

According to the TDHCA Public Request Assistance Inventory for SFY2010, the agency received 4,266 public assistance requests from Region 1, which accounted for 2.0 percent of total annual requests. Of requests from Region 1, the three most requested categories of assistance were, in order: Rental Assistance, Repair and Weatherization and Homebuyer Assistance.

### Region 1 Public Assistance Request Inventory, SFY 2010

	Emergency Assistance	Utility Assistance	Rental Assistance	Repair & Weatherization	Homebuyer Assistance	Legal Assistance	Foreclosure	Disaster Assistance	Other Housing-Related Assistance	Total
Region 1	661	346	1,349	1,206	699	3	-	-	2	4,266
Total	28,581	52,487	59,711	35,184	34,319	99	29	27	21	210,458

### REGION 1 HOUSING ASSESSMENT

A housing assessment includes the current housing supply, a sample of market-rate housing costs, the housing needs and the availability of subsidized housing.

#### HOUSING SUPPLY

According to 2010 projections, 87.6 percent of the housing units in the region are occupied. Of the total housing stock, approximately 75.2 percent are one unit; 3.2 percent are two units; 13.5 percent are three or more units; 7.9 percent are manufactured homes; and the rest are boats and RVs.

<sup>41</sup> Texas Comptroller of Public Accounts, "Texas in Focus: High Plains," April 2008. <http://www.window.state.tx.us/specialrpt/tif/highplains/> (accessed October 6, 2010).

<sup>42</sup> Migrant and Seasonal Farmworker Enumeration Profiles Study – Texas, Larson, Alice, 2000.

## Region 1 Housing Supply – 2010

	Rural	Urban	Total
Total housing units	127,377	220,467	347,844
Vacant housing units	22,281	21,579	43,860
Housing units, 1 unit	104,262	157,253	261,515
Housing units, 2 units	2,915	8,380	11,295
Housing units, 3 to 4 units	3,051	6,864	9,915
Housing units, 5 to 19 units	3,981	18,040	22,021
Housing units, 20 to 49 units	500	6,912	7,412
Housing units, 50+ units	576	7,044	7,620
Housing units, mobile home	11,995	15,639	27,637
Housing units, other	97	335	432

Source: Nielsen Claritas, Ribbon Demographics, 2010.

**ASSISTED HOUSING INVENTORY**

The following table shows the number of total multifamily units in the region financed through state and federal sources. For information on the data sources, see “Assisted Housing Inventory” under “State of Texas” in this section.

## Region 1 Assisted Multifamily Units

	Region Total	Percent in Region	Percent of State Total
TDHCA Units	5,058	34.9%	2.5%
HUD Units	1,234	8.5%	3.1%
PHA Units	1,574	10.9%	2.5%
Section 8 Vouchers	5,523	38.1%	3.5%
USDA Units	1,095	7.6%	7.3%
HFC Units*	1,607		
<b>Total</b>	<b>14,484</b>	<b>3.1%</b>	<b>3.1%</b>

\*HFC units are not included in the final total, because HFC developments report total units rather than specifying assisted units and because the majority of HFC-financed developments also receive housing tax credits from TDHCA.

**SAMPLE OF MARKET HOUSING COSTS**

According to the Multiple Listing Service records for August 2010, the median home prices for Amarillo and Lubbock are \$130,300 and \$111,700, respectively.<sup>43</sup> In addition, the fair market rent for a two bedroom unit in Amarillo MSA is \$671, requiring an annual income of approximately \$26,840, and in Lubbock MSA is \$722, which requires an annual income of approximately \$28,880. In a sample rural county, Armstrong, fair market rent on a two-bedroom apartment is \$671, which requires an annual income of approximately \$26,840.<sup>44</sup>

<sup>43</sup> Real Estate Center at Texas A&M University, “MLS Residential Housing Activity,” <http://recenter.tamu.edu/data/hs/hs120b.htm> (accessed September 24, 2010).

<sup>44</sup> National Low Income Housing Coalition. (2010). Out of reach 2010. Retrieved from <http://www.nlihc.org/oor/oor2010/>

**HOUSING NEED**

The housing need indicators analyzed in this section include housing cost burden, substandard housing conditions and housing overcrowding for renter and owner households. The following information comes from the 2000 CHAS database updated with HISTA population projections. There were approximately 91,669 owners and renters with housing problems in 2009.

**Region 1 Households with Housing Problems, 2009**

Households	Region Total	Extremely Low Income (0-30%)	Very Low Income (31-50%)	Low Income (51-80%)	Higher Incomes (81% and up)
Extreme Cost Burden	67,159	25,939	18,689	13,818	8,712
Lacking Kitchen and/or Plumbing	3,211	898	558	604	1,151
Overcrowding	21,299	3,374	3,735	5,747	8,443
<b>Total</b>	<b>91,669</b>	<b>30,211</b>	<b>22,982</b>	<b>20,169</b>	<b>18,306</b>

Source: 2000 CHAS Database with projections based on HISTA data.

## REGION 2

Region 2 surrounds the metropolitan areas of Wichita Falls and Abilene. HISTA data projects that in 2009 the total population in Region 2 is 534,809, which represents approximately 2.2 percent of the state's total population.

Region 2



Region 2 Population Figures

	2000 Population	% Change	2009 Population Estimate
Rural	282,194	-24.1%	227,318
Urban	267,073	13.1%	307,491
Region 2 Total	549,267	-2.7%	534,809

Source: 2000 Census, Census population estimates July 1, 2009.

Approximately 57.5 percent of Region 2 families live in urban areas. In the map of Region 2 (right), the shaded counties are MSAs as defined by the U.S. Census. The table below depicts the number of families living below the poverty line in Region 2. Of the 16,772 families living below poverty, approximately 52.5 percent are living in urban areas, with the remaining 47.5 percent in rural areas. Additionally, the percentage of total rural families that are below poverty is slightly higher than the percentage of total urban families.

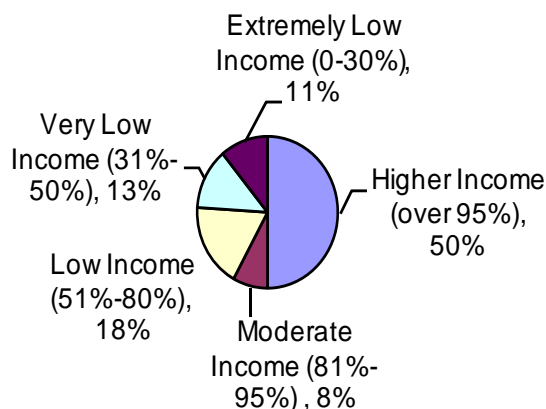
Region 2 Poverty Figures, 2010

	At or above poverty		Below poverty	
	Families	Percent	Families	Percent
Rural	55,472	87.4%	7,961	12.6%
Urban	72,195	89.1%	8,811	10.9%
Region 2 Total	127,667	88.4%	16,772	11.6%

Source: Nielsen Claritas, Ribbon Demographics, 2010.

The pie chart below depicts the income breakdown of the 206,459 households in the region. Approximately 42 percent of households are low income. There are 89,294 individuals living in poverty in the region which makes up 14.4 percent of the regional population.

**Region 2 Household Incomes**



Income Group	Percent
0-30%	11%
31-50%	13%
51-80%	18%
81-95%	8%
95% & above	50%

**REGION 2 SPECIAL NEEDS POPULATIONS**

Some data for persons with special needs is only available at the state level. For example, numbers of persons with alcohol and substance abuse is not available at the county level, so analysis could only be done at the state level. In addition, the regional number of public housing units, in which public housing residents live, is not included in the Special Needs Population section of each regional analysis because it is included in the Assisted Housing Inventory at the end of each regional analysis. Finally, colonia residents are only included in Regions 9-13 because colonia residents only live in those areas.

**HOMELESS PERSONS**

According to 2010 population projections by Ribbon Demographics, this region has approximately 3.3% of the statewide total of people in non-institutional group homes, including shelters. For a sample urban county, Taylor, and a sample rural county, Comanche, there is an estimated 1,387 people and 8 people, respectively, in non-institutional group quarters.

**Region 2 persons in other group quarters, 2010**

	Homeless persons	% of State Total	Statewide Homeless Population
Rural	375	6.2%	6,051
Urban	1,837	3.0%	61,647
Total	2,212	3.3%	67,698

Source: Nielsen Claritas, Ribbon Demographics, 2010.

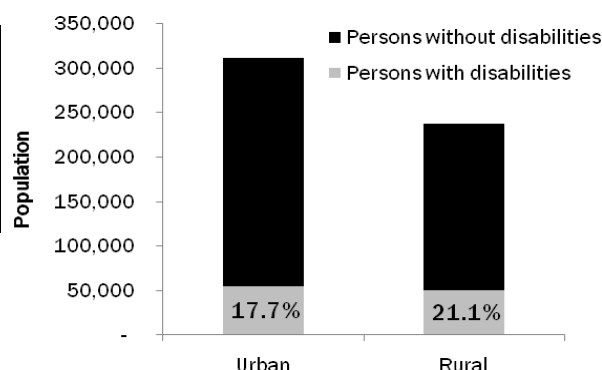
**PERSONS WITH DISABILITIES**

According to the US Census, of the total population in Region 2, persons with disabilities account for approximately 19.2 percent of the population. Of this total, approximately 52.3 percent are residing in urban areas, with the remaining 47.7 percent in rural areas.

**Region 2 Persons with, without disabilities, 2000**

	Persons with disabilities	Persons without disabilities	Total
Rural	50,225	187,273	237,498
Urban	55,100	256,669	311,769
Total	105,325	443,942	549,267

Source: Census 2000, Urban defined by presence of an MSA.



**ELDERLY PERSONS**

According to the most recent US Census, elderly persons in Region 2 make up 4.1% of the statewide total elderly population.

**Region 2 Elderly Persons, 2000**

	Elderly Persons	Percent of State Total	Statewide Elderly Persons
Rural	44,437	9.4%	475,056
Urban	40,531	2.5%	1,579,476
Total	84,968	4.1%	2,072,532

Source: 2000 Census.

**PERSONS WITH HIV/AIDS**

According to the Texas Department of State Health Services' *2010 Texas Integrated Epidemiologic Profile for HIV/AIDS Prevention and Services Planning*, there are 429 persons living with HIV/AIDS in Region 2. Approximately 66.7 percent of this population is living in urban areas, with the remaining 33.3 percent in rural areas. Region 2 has a fairly low rate of persons living with HIV/AIDS compared to the state as a whole, with North & Central Texas accounting for just 3.1 percent of the total, and a rate of 91 persons per 100,000.

**Region 2 Persons living with HIV/AIDS, 2008**

	Persons with HIV/AIDS, 2008	Population 2008
Rural	143	227,436
Urban	286	306,666
Total	429	534,102

**MIGRANT FARMWORKERS**

In a study prepared for the US Health Resources and Services Administration, Region 2 was found to have a low proportion of the state's Migrant and Seasonal Farmworker (MSFW) population, accounting for just 5.8 percent of the 361,414 MSFWs in the state of Texas.<sup>45</sup>

<sup>45</sup> Migrant and Seasonal Farmworker Enumeration Profiles Study – TX, Larson, Alice, 2000.

**Region 2 Migrant and Seasonal Farmworker Population, 2000**

	MSFW Estimate	Percent of statewide MSFW population	MSFW Statewide Estimate
Rural	18,089	9.2%	197,588
Urban	2,938	1.8%	163,826
Total	21,027	5.8%	361,414

**LOCAL INPUT ON HOUSING ASSISTANCE**

According to the TDHCA Public Request Assistance Inventory for SFY2010, the agency received 6,158 public assistance requests from Region 2, which accounted for 2.9 percent of total annual requests. Of requests from Region 2, the three most requested categories of assistance were, in order: Utility Assistance, Repair and Weatherization and Rental Assistance.

**Region 2 Public Assistance Request Inventory, SFY 2010**

	Emergency Assistance	Utility Assistance	Rental Assistance	Repair & Weatherization	Homebuyer Assistance	Legal Assistance	Foreclosure	Disaster Assistance	Other Housing-Related Assistance	Total
Region 2	814	2,743	839	1,234	523	4	-	-	1	6,158
Total	28,581	52,487	59,711	35,184	34,319	99	29	27	21	210,458

**REGION 2 HOUSING ASSESSMENT**

A housing assessment includes the current housing supply, a sample of market-rate housing costs, the housing needs and the availability of subsidized housing.

**HOUSING SUPPLY**

According to the 2010 projections, 82.9 percent of the housing units in the region are occupied. Of the total housing stock, approximately 78.2 percent are one unit; 2.7 percent are two units; 9.9 percent are three or more units; 9.0 percent are manufactured homes; and the rest are boats and RVs.

**Region 2 Housing Supply, 2010**

	Rural	Urban	Total
Total housing units	117,930	132,392	250,322
Vacant housing units	27,256	15,454	42,710
Housing units, 1 unit	94,177	101,485	195,662
Housing units, 2 units	3,254	3,428	6,682
Housing units, 3 to 4 units	2,395	4,496	6,891
Housing units, 5 to 19 units	2,464	9,270	11,734
Housing units, 20 to 49 units	860	1,881	2,741
Housing units, 50+ units	707	2,737	3,444
Housing units, mobile home	13,868	8,784	22,652
Housing units, other	205	311	516

Source: Nielsen Claritas, Ribbon Demographics, 2010.

**ASSISTED HOUSING INVENTORY**

The following table shows the number of total multifamily units in the region financed through state and federal sources. For information on the data sources, see "Assisted Housing Inventory" under "State of Texas" in this section.

**Region 2 Assisted Multifamily Units**

	Region Total	Percent in Region	Percent of State Total
TDHCA Units	3,457	27.6%	1.7%
HUD Units	773	6.2%	1.9%
PHA Units	3,920	31.3%	6.2%
Section 8 Vouchers	3,224	25.7%	2.1%
USDA Units	1,161	9.3%	7.7%
HFC Units*	280		
<b>Total</b>	<b>12,535</b>	<b>100.0%</b>	<b>2.6%</b>

\*HFC units are not included in the final total, because HFC developments report total units rather than specifying assisted units and because the majority of HFC-financed developments also receive housing tax credits from TDHCA.

**SAMPLE OF MARKET HOUSING COSTS**

According to the Multiple Listing service records for August 2010, the median home prices for Wichita Falls and Abilene are \$96,000 and \$123,200, respectively.<sup>46</sup> In addition, the fair market rent for a two bedroom unit in Wichita Falls is \$667, requiring an annual income of approximately \$26,680, and in Abilene MSA is \$645, which requires an annual income of approximately \$25,800. In a sample rural county, Comanche, fair market rent on a two-bedroom apartment is \$607, which requires an annual income of approximately \$24,280.<sup>47</sup>

**HOUSING NEED**

The housing need indicators analyzed in this section include housing cost burden, substandard housing conditions and housing overcrowding for renter and owner households. The following information comes from the 2000 CHAS database updated with HISTA population projections. There were approximately 56,447 owners and renters with housing problems in 2009.

**Region 2 Households with Housing Problems, 2009**

Households	Region Total	Extremely Low Income (0-30%)	Very Low Income (31-50%)	Low Income (51-80%)	Higher Incomes (81% and up)
Extreme Cost Burden	44,820	16,401	13,389	8,732	6,298
Lacking Kitchen and/or Plumbing	2,161	607	367	459	665
Overcrowding	9,466	1,470	1,440	2,691	3,865
<b>Total</b>	<b>56,447</b>	<b>18,541</b>	<b>15,196</b>	<b>11,882</b>	<b>10,828</b>

Source: CHAS Database with projections based on HISTA data.

<sup>46</sup> Real Estate Center at Texas A&M University, "Texas Residential MLS Activity," <http://recenter.tamu.edu/data/hs/hs110b.htm> (accessed September 24, 2010).

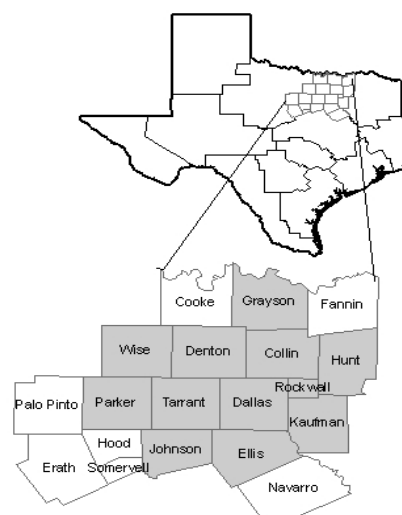
<sup>47</sup> National Low Income Housing Coalition. (2010). Out of reach 2010. Retrieved from <http://www.nlihc.org/oor/oor2010/>



### REGION 3

Region 3, which encompasses the metropolitan areas of Dallas, Fort Worth, Arlington, Sherman and Denison, is the state's most populous region. HISTA data projects that in 2009 the total population in Region 3 is 6,806,568, which represents 27.5 percent of the state's total population.

Region 3



Region 3 Population Figures

	2000 Population	% Change	2009 Population Estimate
Rural	228,358	6.5%	244,333
Urban	5,259,119	19.9%	6,562,235
Region 3 Total	5,487,477	19.4%	6,806,568

Source: 2000 Census, Census population estimates July 1, 2009.

Approximately 96 percent of Region 3 families reside in urban areas. In the map of Region 3 (right), the shaded counties are MSAs as defined by the U.S. Census. The table below depicts the number of families living below the poverty line in Region 3. Of the 168,039 families living below poverty, approximately 95 percent are living in urban areas, with the remaining 5 percent in rural areas. However, the percentage of total rural families that are below poverty is slightly higher than the percentage of total urban families.

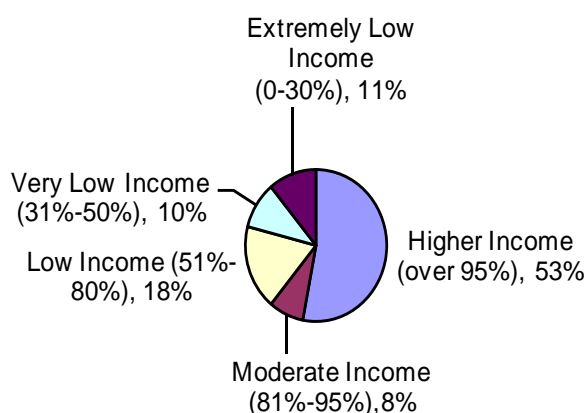
Region 3 Poverty Figures, 2010

	At or above poverty		Below poverty	
	Families	Percent	Families	Percent
Rural	59,763	88.4%	7,843	11.6%
Urban	1,488,761	90.3%	160,196	9.7%
Region 3 Total	1,548,524	90.2%	168,039	9.8%

Source: Nielsen Claritas, Ribbon Demographics, 2010.

The pie chart below depicts the income breakdown of the 1,988,135 households in the region. Approximately 39 percent of the households are low income. There are 676,991 individuals living in poverty in the region which makes up 18.9 percent of the regional population.

**Region 3 Household Incomes, 2000**



Income Group	Percent
0-30%	11%
31-50%	10%
51-80%	18%
81-95%	8%
95% & above	53%

**REGION 3 SPECIAL NEEDS POPULATIONS**

Some data for persons with special needs is only available at the state level. For example, numbers of persons with alcohol and substance abuse is not available at the county level, so analysis could only be done at the state level. In addition, the regional number of public housing units, in which public housing residents live, is not included in the Special Needs Population section of each regional analysis because it is included in the Assisted Housing Inventory at the end of each regional analysis. Finally, colonia residents are only included in Regions 9-13 because colonia residents only live in those areas.

**HOMELESS PERSONS**

According to 2010 population projections by Ribbon Demographics, this region has approximately 20.2% of the statewide total of people in non-institutional group quarters, including shelters. For a sample urban county, Collin, and a sample rural county, Wise, there is an estimated 1,384 people and 55 people, respectively, in non-institutional group quarters.

**Region 3 persons in group quarters, 2010**

	Homeless persons	% of State Total	Statewide Homeless Population
Rural	930	15.4%	6,051
Urban	12,763	20.7%	61,647
Total	13,693	20.2%	67,698

Source: Nielsen Claritas, Ribbon Demographics, 2010.

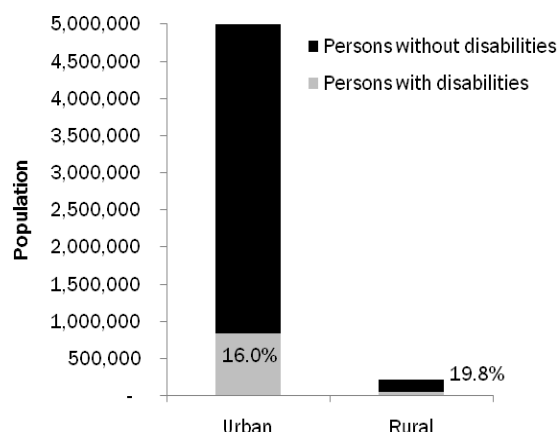
**PERSONS WITH DISABILITIES**

According to the US Census, of the total population in Region 3, persons with disabilities account for approximately 16.2 percent of the population. Of this total, approximately 95 percent are residing in urban areas, with the remaining 5 percent in rural areas.

**Region 3 persons with, without disabilities, 2000**

	Persons with disabilities	Persons without disabilities	Total
Rural	43,659	177,006	220,665
Urban	844,558	4,422,254	5,266,812
Total	888,217	4,599,260	5,487,477

Source: Census 2000, Urban defined by presence of an MSA.



**ELDERLY PERSONS**

According to the most recent US Census, elderly persons in Region 3 make up 24.7% of the statewide total elderly population.

**Region 3 Elderly Persons, 2000**

	Elderly Persons	Percent of State Total	Statewide Elderly Persons
Rural	34,043	7.2%	475,056
Urban	477,876	29.9%	1,597,476
Total	511,919	24.7%	2,072,532

Source: 2000 Census.

**PERSONS WITH HIV/AIDS**

According to the Texas Department of State Health Services' *2010 Texas Integrated Epidemiologic Profile for HIV/AIDS Prevention and Services Planning*, there are 19,486 persons living with HIV/AIDS in Region 3. Approximately 99 percent of this population is living in urban areas, with the remaining 1 percent in rural areas. Region 3 has a very high rate of persons living with HIV/AIDS compared to the state as a whole, with the Dallas and Fort Worth metropolitan areas accounting for 30.6 percent of the total. The Dallas metropolitan area has a rate of 358 persons per 100,000 and the Fort Worth metropolitan area has a rate of 192 persons per 100,000.

**Region 3 Persons living with HIV/AIDS, 2008**

	Persons with HIV/AIDS, 2008	Population 2008
Rural	167	242,437
Urban	19,319	6,414,416
Total	19,486	6,656,853

**MIGRANT FARMWORKERS**

In a study prepared for the US Health Resources and Services Administration, Region 3 was found to have a low proportion of the state's Migrant and Seasonal Farmworker (MSFW) population, accounting for just 4.1 percent of the 361,414 MSFWs in the state of Texas.<sup>48</sup>

**Region 3 Migrant and Seasonal Farmworker Population, 2000**

	MSFW Estimate	Percent of statewide MSFW population	MSFW Statewide Estimate
Rural	2,988	1.5%	197,588
Urban	11,690	7.1%	163,826
Total	14,678	4.1%	361,414

**LOCAL INPUT ON HOUSING ASSISTANCE**

According to the TDHCA Public Request Assistance Request Inventory for SFY2010, the agency received 64,092 public assistance requests from Region 3, which accounted for 30.5 percent of total annual requests. Of requests from Region 3, the three most requested categories of assistance were, in order: Rental Assistance, Utility Assistance and Emergency Assistance.

**Region 3 Public Assistance Request Inventory, SFY 2010**

	Emergency Assistance	Utility Assistance	Rental Assistance	Repair & Weatherization	Homebuyer Assistance	Legal Assistance	Foreclosure	Disaster Assistance	Other Housing-Related Assistance	Total
Region 3	10,381	11,459	22,852	9,758	9,616	17	8	-	1	64,092
<b>Total</b>	<b>28,581</b>	<b>52,487</b>	<b>59,711</b>	<b>35,184</b>	<b>34,319</b>	<b>99</b>	<b>29</b>	<b>27</b>	<b>21</b>	<b>210,458</b>

**REGION 3 HOUSING ASSESSMENT**

A housing assessment includes the current housing supply, a sample of market-rate housing costs, the housing needs and the availability of subsidized housing.

**HOUSING SUPPLY**

According to the 2010 projections, 93.1 percent of the housing units in the region are occupied; this is the highest occupancy rate among all of the regions. Of the total housing stock, 67.3 percent are one unit; 1.5 percent are two units; 26.4 percent are three or more units; 4.7 are manufactured homes; and the rest are boats and RVs.

<sup>48</sup> Migrant and Seasonal Farmworker Enumeration Profiles Study – TX, Larson, Alice, 2000.

### Region 3 Housing Supply, 2010

	Rural	Urban	Total
Total housing units	107,402	2,534,431	2,641,833
Vacant housing units	13,037	170,103	183,140
Housing units, 1 unit	76,511	1,700,729	1,777,240
Housing units, 2 units	2,152	37,507	39,659
Housing units, 3 to 4 units	2,035	82,184	84,219
Housing units, 5 to 19 units	3,107	388,432	391,539
Housing units, 20 to 49 units	1,309	112,402	113,711
Housing units, 50+ units	1,196	106,917	108,113
Housing units, mobile home	20,812	104,215	125,027
Housing units, other	280	2,045	2,325

Source: Nielsen Claritas, Ribbon Demographics, 2010.

#### ASSISTED HOUSING INVENTORY

The following table shows the number of total multifamily units in the region financed through state and federal sources. For information on the data sources, see "Assisted Housing Inventory" under "State of Texas" in this section.

#### Region 3 Assisted Multifamily Units

	Region Total	Percent in Region	Percent of State Total
TDHCA Units	56,478	45.3%	28.2%
HUD Units	8,476	6.8%	21.4%
PHA Units	10,323	8.3%	16.3%
Section 8 Vouchers	47,120	37.8%	30.2%
USDA Units	2,359	1.9%	15.7%
HFC Units**	20,907		
Total	124,756	100.0%	26.3%

\*HFC units are not included in the final total, because HFC developments report total units rather than specifying assisted units and because the majority of HFC-financed developments also receive housing tax credits from TDHCA.

#### SAMPLE OF MARKET HOUSING COSTS

According to the Multiple Listing Service records for August 2010, the highest median home price is in Collin County at \$222,100, while the lowest is in Sherman-Denison at \$73,600.<sup>49</sup> In addition, the fair market rent for a two bedroom unit in Collin County is \$894, requiring an annual income of approximately \$35,760, and in Sherman-Denison MSA is \$738, which requires an annual income of approximately \$29,520. In a sample rural county, Wise fair market rent on a two-bedroom apartment is \$660, which requires an annual income of approximately \$26,400.<sup>50</sup>

<sup>49</sup> Real Estate Center at Texas A&M University, "Texas Residential MLS Activity," <http://recenter.tamu.edu/data/hs/hs480b.htm> (accessed September 24, 2010).

<sup>50</sup> National Low Income Housing Coalition. (2010). Out of reach 2010. Retrieved from <http://www.nlihc.org/oor/oor2010/>

**HOUSING NEED**

The housing need indicators analyzed in this section include housing cost burden, substandard housing conditions and housing overcrowding for renter and owner households. The following information comes from the 2000 CHAS database updated with HISTA population projections. There were approximately 699,636 owners and renters with housing problems in 2009.

**Region 3 Households with Housing Problems, 2009**

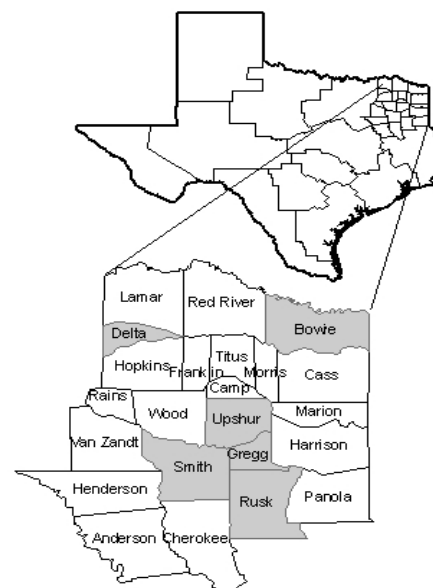
Households	Region Total	Extremely Low Income (0-30%)	Very Low Income (31-50%)	Low Income (51-80%)	Higher Incomes (81% and up)
Extreme Cost Burden	483,443	148,173	124,704	118,320	92,246
Lacking Kitchen and/or Plumbing	18,571	4,988	3,378	3,940	6,266
Overcrowding	197,622	36,717	39,975	53,458	67,472
<b>Total</b>	<b>699,636</b>	<b>189,878</b>	<b>168,057</b>	<b>175,718</b>	<b>165,984</b>

Source: 2000 CHAS Database with projections based on HISTA data.

## REGION 4

Region 4, located in the northeast corner of the state, surrounds the urban areas of Texarkana, Longview-Marshall and Tyler. HISTA data projects that in 2009 the total population in Region 4 is 1,092,136, which represents 4.4 percent of the state's total population.

Region 4



Region 4 Population Figures

	2000 Population	% Change	2009 Population Estimate
Rural	469,579	19.2%	581,223
Urban	546,069	-6.9%	510,913
Region 4 Total	1,015,648	7.0%	1,092,136

Source: 2000 Census, Census population estimates July 1, 2009.

Approximately 46.8 percent of Region 4 families live in urban areas. In the map of Region 4 (right), the shaded counties are MSAs as defined by the U.S. Census. The table below depicts the number of families living below the poverty line in Region 4. Of the 35,634 families living below poverty, approximately 43 percent are living in urban areas, with the remaining 57 percent in rural areas. Additionally, the percentage of total rural families that are below poverty is slightly higher than the percentage of total urban families. This may be due to the region's rural counties lagging behind the Longview and Tyler MSAs in recent and expected job creation.<sup>51</sup>

Region 4 Poverty Figures, 2010

	At or above poverty		Below poverty	
	Families	Percent	Families	Percent
Rural	141,154	87.4%	20,316	12.6%
Urban	121,629	88.8%	15,318	11.2%
Region 4 Total	262,783	88.1%	35,634	11.9%

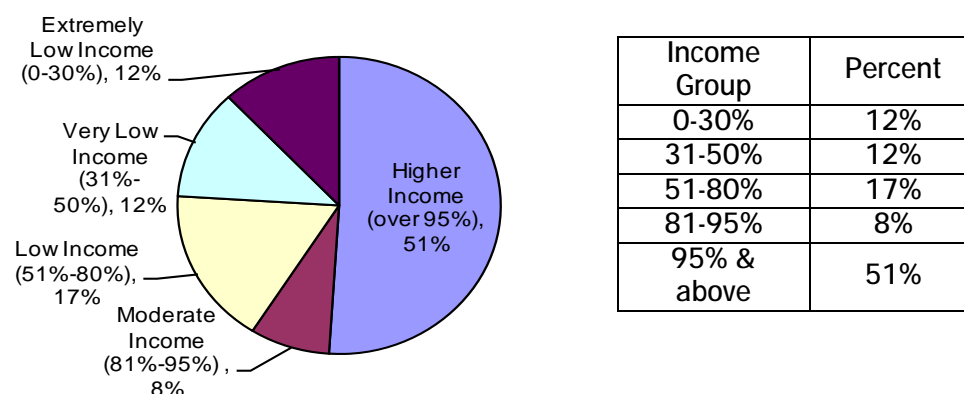
Source: Nielsen Claritas, Ribbon Demographics, 2010.

The pie chart to the left depicts the income breakdown of the 380,765 households in the region. Approximately 41 percent of households are low income. There are 174,841 individuals living in poverty in the region, which makes up 15.3 percent of the regional population. According to the Texas Comptroller's *Texas In Focus* report, Region 4 exceeds the state's per capita income level of \$37,187, with 171 occupations paying more than this amount.<sup>52</sup>

<sup>51</sup> Texas Comptroller of Public Accounts, "Texas in Focus: Upper East Texas," October 2008. <http://www.window.state.tx.us/specialrpt/tif/uppereast/> (accessed October 6, 2010).

<sup>52</sup> Texas Comptroller of Public Accounts, "Texas in Focus: Upper East Texas," October 2008. <http://www.window.state.tx.us/specialrpt/tif/uppereast/> (accessed October 6, 2010).

### Region 4 Household Incomes



### REGION 4 SPECIAL NEEDS POPULATIONS

Some data for persons with special needs is only available at the state level. For example, numbers of persons with alcohol and substance abuse is not available at the county level, so analysis could only be done at the state level. In addition, the regional number of public housing units, in which public housing residents live, is not included in the Special Needs Population section of each regional analysis because it is included in the Assisted Housing Inventory at the end of each regional analysis. Finally, colonia residents are only included in Regions 9-13 because colonia residents only live in those areas.

#### HOMELESS PERSONS

According to 2010 population projections by Ribbon Demographics, this region has approximately 4.4 percent of the statewide total of people in non-institutional group quarters, including shelters. For a sample urban county, Gregg, and a sample rural county, Hopkins, there is an estimated 296 people and 33 people, respectively, in non-institutional group quarters.

Region 4 also experienced damage from Hurricane Rita, which hit the southeast Texas area in September 2005, and Hurricane Ike in September 2008. According to FEMA, \$1.04 billion worth of damage was reported after Hurricane Rita and \$29.4 billion after the 2008 hurricane season.

#### Region 4 persons in other group quarters, 2010

	Homeless persons	% of State Total	Statewide Homeless Population
Rural	877	14.5%	6,051
Urban	2,075	3.4%	61,647
Total	2,952	4.4%	67,698

Source: Nielsen Claritas, Ribbon Demographics, 2010.

#### PERSONS WITH DISABILITIES

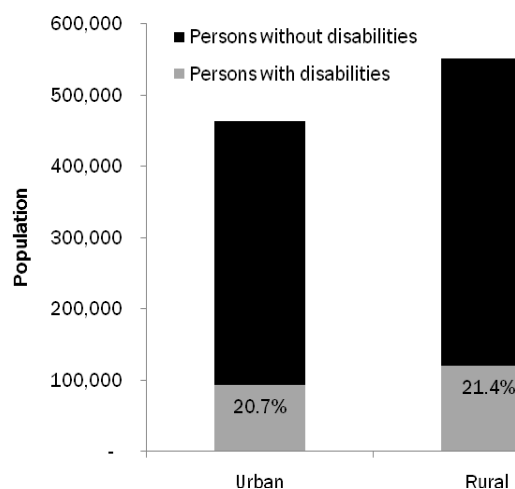
According to the US Census, of the total population in Region 4, persons with disabilities account for approximately 21 percent of the population. Of this total, approximately 43.9 percent are residing in urban areas, with the remaining 56.1 percent in rural areas.



**Region 4 Persons With and Without Disabilities, 2000**

	Persons with disabilities	Persons without disabilities	Total
Rural	120,014	432,253	552,267
Urban	93,739	369,642	463,381
Total	213,753	801,895	1,015,648

Source: Census 2000, Urban defined by presence of an MSA



**ELDERLY PERSONS**

According to the most recent US Census, elderly persons in Region 4 make up 8.4% of the statewide total elderly population.

**Region 4 Elderly Persons, 2000**

	Elderly Persons	Percent of State Total	Statewide Elderly Persons
Rural	108,447	22.8%	475,056
Urban	65,076	4.1%	1,597,476
Total	173,523	8.4%	2,072,532

Source: 2000 Census.

**PERSONS WITH HIV/AIDS**

According to the Texas Department of State Health Services' *2010 Texas Integrated Epidemiologic Profile for HIV/AIDS Prevention and Services Planning*, there are 1,253 persons living with HIV/AIDS in Region 4. Approximately 59 percent of this population is living in urban areas, with the remaining 41 percent in rural areas. Region 4 has a low rate of persons living with HIV/AIDS compared to the state as a whole, with the East Texas area accounting for only 6 percent of the total. The East Texas area has a rate of 147 persons per 100,000.

**Region 4 Persons living with HIV/AIDS, 2008**

	Persons with HIV/AIDS, 2008	Population 2008
Rural	562	578,487
Urban	823	503,766
Total	1,387	1,082,253

**MIGRANT FARMWORKERS**

In a study prepared for the US Health Resources and Services Administration, Region 4 was found to have a very low proportion of the state's Migrant and Seasonal Farmworker (MSFW) population, accounting for just 2.9 percent of the 361,414 MSFWs in the state of Texas.<sup>53</sup>

<sup>53</sup> Migrant and Seasonal Farmworker Enumeration Profiles Study – TX, Larson, Alice, 2000.

**Region 4 Migrant and Seasonal Farmworker Population, 2000**

	MSFW Estimate	Percent of statewide MSFW population	MSFW Statewide Estimate
Rural	8,011	4.1%	197,588
Urban	2,419	1.5%	163,826
Total	10,430	2.9%	361,414

**LOCAL INPUT ON HOUSING ASSISTANCE**

According to the TDHCA Public Request Assistance Inventory for SFY2010, the agency received 9,995 public assistance requests from Region 4, which accounted for 4.7 percent of total annual requests. Of requests from Region 4, the three most requested categories of assistance were, in order: Rental Assistance, Repair and Weatherization and Emergency Assistance.

**Region 4 Public Assistance Request Inventory, SFY 2010**

	Emergency Assistance	Utility Assistance	Rental Assistance	Repair & Weatherization	Homebuyer Assistance	Legal Assistance	Foreclosure	Disaster Assistance	Other Housing-Related Assistance	Total
Region 4	1,525	1,373	3,163	2,711	1,210	12	-	-	1	9,995
Total	28,581	52,487	59,711	35,184	34,319	99	29	27	21	210,458

**REGION 4 HOUSING ASSESSMENT**

A housing assessment includes the current housing supply, a sample of market-rate housing costs, the housing needs and the availability of subsidized housing.

**HOUSING SUPPLY**

According to the 2010 projections, 88.4 percent of the housing units in the region are occupied. Of the total housing stock, 72.3 percent are one unit; 2.2 percent are two units; 11 percent are three or more units; 16.7 are manufactured homes; and the rest are boats and RVs.

**Region 4 Housing Supply, 2010**

	Rural	Urban	Total
Total housing units	259,869	209,067	468,936
Vacant housing units	37,466	17,122	54,588
Housing units, 1 unit	188,224	150,792	339,016
Housing units, 2 units	4,571	5,627	10,198
Housing units, 3 to 4 units	5,607	6,269	11,876

	Rural	Urban	Total
Housing units, 5 to 19 units	6,439	13,518	19,957
Housing units, 20 to 49 units	1,509	2,175	3,684
Housing units, 50+ units	998	3,778	4,776
Housing units, mobile home	51,857	26,539	78,396
Housing units, other	664	369	1,033

Source: Nielsen Claritas, Ribbon Demographics, 2010.

### ASSISTED HOUSING INVENTORY

The following table shows the number of total multifamily units in the region financed through state and federal sources. For information on the data sources, see "Assisted Housing Inventory" under "State of Texas" in this section.

#### Region 4 Assisted Multifamily Units

	Region Total	Percent in Region	Percent of State Total
TDHCA Units	6,321	30.3%	3.2%
HUD Units	2,292	11.0%	5.8%
PHA Units	3,385	16.2%	5.3%
Section 8 Vouchers	7,036	33.7%	4.5%
USDA Units	1,841	8.8%	12.3%
HFC Units*	1,170		
Total	20,875	100.0%	4.4%

\*HFC units are not included in the final total, because HFC developments report total units rather than specifying assisted units and because the majority of HFC-financed developments also receive housing tax credits from TDHCA.

### SAMPLE OF MARKET HOUSING COSTS

According to the Multiple Listing Service records for August 2010, the median home prices for Tyler and Longview-Marshall are \$143,100 and \$128,400, respectively.<sup>54</sup> In addition, the fair market rent for a two bedroom unit in Tyler MSA is \$716, requiring an annual income of approximately \$28,640, and in Longview-Marshall MSA is \$738, which requires an annual income of approximately \$29,520. In a sample rural county, Hopkins fair market rent on a two-bedroom apartment is \$621, which requires an annual income of approximately \$24,840.<sup>55</sup>

### HOUSING NEED

The housing need indicators analyzed in this section include housing cost burden, substandard housing conditions and housing overcrowding for renter and owner households. The following information comes from the 2000 CHAS database updated with HISTA population projections. There were approximately 115,387 owners and renters with housing problems in 2009.

<sup>54</sup> Real Estate Center at Texas A&M University, "Texas Residential MLS Activity," <http://recenter.tamu.edu/data/hs/hs320b.htm> (accessed September 24, 2010).

<sup>55</sup> National Low Income Housing Coalition. (2010). Out of reach 2010. Retrieved from <http://www.nlihc.org/oor/oor2010/>

**Region 4 Households with Housing Problems, 2009**

Households	Region Total	Extremely Low Income (0-30%)	Very Low Income (31-50%)	Low Income (51-80%)	Higher Incomes (81% and up)
Extreme Cost Burden	87,846	31,977	23,560	18,322	13,988
Lacking Kitchen and/or Plumbing	5,578	1,724	994	1,002	1,858
Overcrowding	21,963	3,657	3,640	5,408	9,258
<b>Total</b>	<b>115,387</b>	<b>37,357</b>	<b>28,194</b>	<b>24,732</b>	<b>25,104</b>

Source: CHAS Database with projections based on HISTA data.

## REGION 5

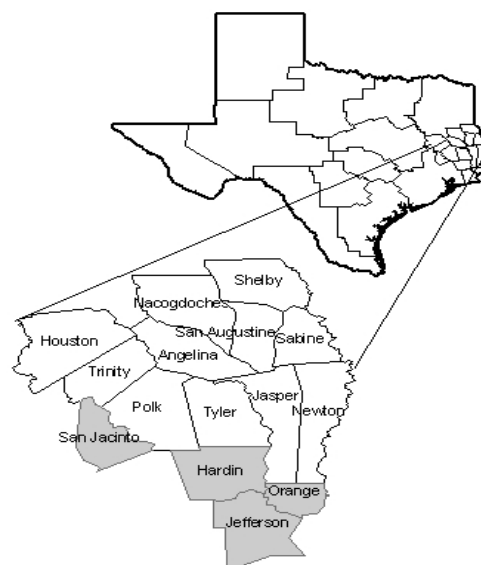
Region 5 encompasses a 15-county area in east Texas including the urban areas of Beaumont and Port Arthur. HISTA data projects that in 2009 the total population in Region 5 is 748,148, which represents 3.0 percent of the state's total population.

**Region 5 Population Figures**

	2000 Population	% Change	2009 Population Estimate
Rural	355,862	-3.2%	344,769
Urban	385,090	4.5%	403,379
Region 5 Total	740,952	1.0%	748,148

Source: 2000 Census, Census population estimates July 1, 2009.

**Region 5**



Approximately 53.9 percent of Region 5 families live in urban areas. In the map of Region 5 (above), the shaded counties are MSAs as defined by the U.S. Census. The table below depicts the number of families living below the poverty line in Region 5. Of the 30,061 families living below poverty, approximately 48.1 percent are living in urban areas, with the remaining 51.9 percent in rural areas. Additionally, the percentage of total rural families that are below poverty is slightly higher than the percentage of total urban families.

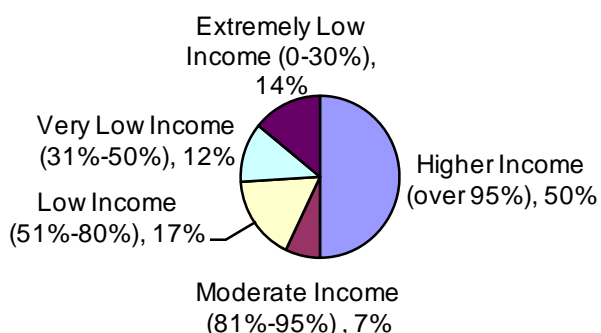
**Region 5 Poverty Figures, 2010**

	At or above poverty		Below poverty	
	Families	Percent	Families	Percent
Rural	77,665	83.3%	15,614	16.7%
Urban	94,559	86.7%	14,447	13.3%
Region 5 Total	172,224	85.1%	30,061	14.9%

Source: Nielsen Claritas, Ribbon Demographics, 2010.

The pie chart below depicts the income breakdown of the 274,543 households in the region. Approximately 43 percent of the households are low income. There are 138,673 individuals living in poverty in the region, which makes up 15.2 percent of the regional population.

**Region 5 Household Incomes**



Income Group	Percent
0-30%	14%
31-50%	12%
51-80%	17%
81-95%	7%
95% & above	50%

**REGION 5 SPECIAL NEEDS POPULATIONS**

Some data for persons with special needs is only available at the state level. For example, numbers of persons with alcohol and substance abuse is not available at the county level, so analysis could only be done at the state level. In addition, the regional number of public housing units, in which public housing residents live, is not included in the Special Needs Population section of each regional analysis because it is included in the Assisted Housing Inventory at the end of each regional analysis. Finally, colonia residents are only included in Regions 9-13 because colonia residents only live in those areas.

**HOMELESS PERSONS**

According to 2010 population projections by Ribbon Demographics, this region has approximately 2.3 percent of the statewide total of people in non-institutional group quarters, including shelters. For a sample urban county, Jefferson, and a sample rural county, San Augustine, there is an estimated 845 people and 1 person, respectively, in non-institutional group quarters.

Region 5 also experienced significant damage from Hurricane Rita, which hit the southeast Texas area in September 2005 and Hurricane Ike in September 2008. According to FEMA, \$190 million worth of damage was reported after Hurricane Rita and \$29.4 billion after the 2008 hurricane season.

**Region 5 persons in other group quarters, 2010**

	Homeless persons	% of State Total	Statewide Homeless Population
Rural	534	8.8%	6,051
Urban	993	1.6%	61,647
Total	1,527	2.3%	67,698

Source: Nielsen Claritas, Ribbon Demographics, 2010.

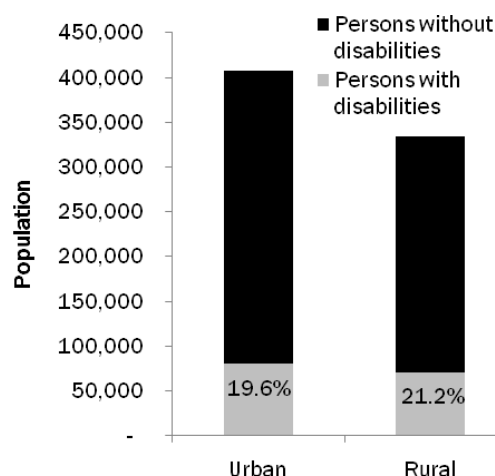
**PERSONS WITH DISABILITIES**

According to the US Census, of the total population in Region 5, persons with disabilities account for approximately 20.3 percent of the population. Of this total, approximately 53 percent are residing in urban areas, with the remaining 47 percent in rural areas.

**Region 5 Persons With and Without Disabilities, 2000**

	Persons with disabilities	Persons without disabilities	Total
Rural	70,681	262,935	333,616
Urban	79,848	327,488	407,336
Total	150,529	590,423	740,952

Source: Census 2000, Urban defined by presence of an MSA.



**ELDERLY PERSONS**

According to the most recent US Census, elderly persons in Region 5 make up 5.1% of the statewide total elderly population.

**Region 5 Elderly Persons, 2000**

	Elderly Persons	Percent of State Total	Statewide Elderly Persons
Rural	51,874	10.9%	475,056
Urban	54,455	3.4%	1,597,476
Total	106,329	5.1%	2,072,532

Source: 2000 Census.

**PERSONS WITH HIV/AIDS**

According to the Texas Department of State Health Services' *2010 Texas Integrated Epidemiologic Profile for HIV/AIDS Prevention and Services Planning*, there are 1,334 persons living with HIV/AIDS in Region 5. Approximately 67.2 percent of this population is living in urban areas, with the remaining 32.8 percent in rural areas. Region 5 has a low rate of persons living with HIV/AIDS compared to the state as a whole, with the East Texas area accounting for only 6 percent of the total. The East Texas area has a rate of 147 persons per 100,000.

**Region 5 Persons with HIV/AIDS, 2008**

	Persons with HIV/AIDS, 2008	Population 2008
Rural	438	342,998
Urban	896	402,313
Total	1,334	745,311

**MIGRANT FARMWORKERS**

In a study prepared for the US Health Resources and Services Administration, Region 5 was found to have a very low proportion of the state's Migrant and Seasonal Farmworker (MSFW) population, accounting for just 0.8 percent of the 361,414 MSFWs in the state of Texas.<sup>56</sup>

**Region 5 Migrant and Seasonal Farmworker Population, 2000**

	MSFW Estimate	Percent of statewide MSFW population	MSFW Statewide Estimate
Rural	2,738	1.4%	197,588
Urban	321	0.2%	163,826
Total	3,059	0.8%	361,414

**LOCAL INPUT ON HOUSING ASSISTANCE**

According to the TDHCA Public Request Assistance Inventory for SFY2010, the agency received 6,880 public assistance requests from Region 5, which accounted for 3.3 percent of total annual requests. Of requests from Region 5, the three most requested categories of assistance were, in order: Rental Assistance, Repair and Weatherization and Homebuyer Assistance.

**Region 5 Public Assistance Request Inventory, SFY 2010**

	Emergency Assistance	Utility Assistance	Rental Assistance	Repair & Weatherization	Homebuyer Assistance	Legal Assistance	Foreclosure	Disaster Assistance	Other Housing-Related Assistance	Total
Region 5	956	826	2,168	1,779	1,130	2	1	16	2	6,880
Total	28,581	52,487	59,711	35,184	34,319	99	29	27	21	210,458

**REGION 5 HOUSING ASSESSMENT**

A housing assessment includes the current housing supply, a sample of market-rate housing costs, the housing needs and the availability of subsidized housing.

**HOUSING SUPPLY**

According to 2010 projections, 83.3 percent of the housing units in the region are occupied. Of the total housing stock, 70.7 percent are one unit; 2.0 percent are two units; 11 percent are three or more units; and 17.4 percent are manufactured homes. Boats and RVs make up the rest of the housing stock.

<sup>56</sup> Migrant and Seasonal Farmworker Enumeration Profiles Study – TX, Larson, Alice, 2000.



**Region 5 Housing Supply, 2010**

	Rural	Urban	Total
Total housing units	166,194	174,682	340,876
Vacant housing units	34,740	22,029	56,769
Housing units, 1 unit	111,625	129,259	240,884
Housing units, 2 units	3,870	2,802	6,672
Housing units, 3 to 4 units	3,098	3,927	7,025
Housing units, 5 to 19 units	5,072	12,791	17,863
Housing units, 20 to 49 units	880	2,313	3,193
Housing units, 50+ units	1,790	3,342	5,132
Housing units, mobile home	39,521	19,864	59,385
Housing units, other	338	384	722

Source: Nielsen Claritas, Ribbon Demographics, 2010.

**ASSISTED HOUSING INVENTORY**

The following table shows the number of total multifamily units in the region financed through state and federal sources. For information on the data sources, see "Assisted Housing Inventory" under "State of Texas" in this section.

**Region 5 Assisted Multifamily Units**

	Region Total	Percent in Region	Percent of State Total
TDHCA Units	6,804	31.9%	3.4%
HUD Units	1,940	9.1%	4.9%
PHA Units	3,251	15.2%	5.1%
Section 8 Vouchers	8,430	39.5%	5.4%
USDA Units	927	4.3%	6.2%
HFC Units*	1,278		
Total	21,352	100.0%	4.5%

\*HFC units are not included in the final total, because HFC developments report total units rather than specifying assisted units and because the majority of HFC-financed developments also receive housing tax credits from TDHCA.

**SAMPLE OF MARKET HOUSING COSTS**

According to the Multiple Listing Service records for August 2010, the median home prices for Beaumont and Port Arthur are \$124,300 and \$110,000, respectively.<sup>57</sup> In addition, the fair market rent for a two bedroom unit in Beaumont-Port Arthur MSA is \$692, requiring an annual income of approximately \$27,680.<sup>58</sup> In a sample rural county, San Augustine, fair market rent on a two-bedroom apartment is \$588, which requires an annual income of approximately \$23,520.

<sup>57</sup> Real Estate Center at Texas A&M University, "Texas Residential MLS Activity," <http://recenter.tamu.edu/data/hs/hs440b.htm> (accessed September 24, 2010).

<sup>58</sup> National Low Income Housing Coalition. (2010). Out of reach 2010. Retrieved from <http://www.nlihc.org/oor/oor2010/>

**HOUSING NEED**

The housing need indicators analyzed in this section include housing cost burden, substandard housing conditions and housing overcrowding for renter and owner households. The following information comes from the 2000 CHAS database updated with HISTA population projections. There were approximately 83,490 owners and renters with housing problems in 2009.

**Region 5 Households with Housing Problems, 2009**

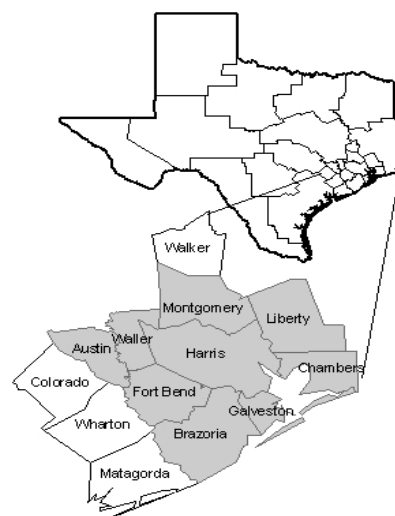
Households	Region Total	Extremely Low Income (0-30%)	Very Low Income (31-50%)	Low Income (51-80%)	Higher Incomes (81% and up)
Extreme Cost Burden	62,016	25,949	16,662	11,413	7,993
Lacking Kitchen and/or Plumbing	3,836	1,270	633	733	1,202
Overcrowding	17,638	3,350	2,548	3,968	7,772
<b>Total</b>	<b>83,490</b>	<b>30,569</b>	<b>19,843</b>	<b>16,114</b>	<b>16,967</b>

Source: CHAS Database with projections based on HISTA data.

## REGION 6

Region 6 includes the urban area of Houston, Brazoria and Galveston. HISTA data projects that in 2009 the total population in Region 6 is 6,005,334, which represents 24.2 percent of the state's total population.

### Region 6



### Region 6 Population Figures

	2000 Population	% Change	2009 Population Estimate
Rural	184,883	-13.6%	162,747
Urban	4,669,571	20.1%	5,842,587
Region 6 Total	4,854,454	19.2%	6,005,334

Source: 2000 Census, Census population estimates July 1, 2009.

Approximately 97.3 percent of Region 6 families live in the urban areas. In the map of Region 6 (above), the shaded counties are MSAs as defined by the U.S. Census. The table below depicts the number of families living below the poverty line in Region 6. Of the 165,313 families living below poverty, approximately 96.7 percent are living in urban areas, with the remaining 3.3 percent in rural areas. However, the percentage of total rural families that are below poverty is slightly higher than the percentage of total urban families. This may be due to the region's rural counties lagging behind the Houston MSA in recent and expected job creation.<sup>59</sup>

### Region 6 Poverty Figures, 2010

	At or above poverty		Below poverty	
	Families	Percent	Families	Percent
Rural	33,071	85.8%	5,478	14.2%
Urban	1,299,512	89.0%	159,835	11.0%
Region 6 Total	1,332,583	89.0%	165,313	11.0%

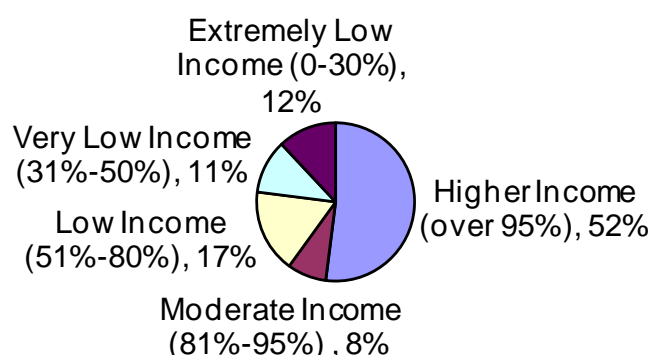
Source: Nielsen Claritas, Ribbon Demographics, 2010.

The pie chart below depicts the income breakdown of the 1,691,811 households in the region. Approximately 40 percent of households are low income. There are 754,675 individuals living in poverty in the region, which makes up 13.6 percent of the regional population. According to the Texas Comptroller's *Texas In Focus* report, many Region 6 jobs exceed the state's 2008 per capita income level of \$37,774, with 376 occupations paying more than this amount.<sup>60</sup>

<sup>59</sup> Texas Comptroller of Public Accounts, "Texas in Focus: Gulf Coast Region," October 2008. <http://www.window.state.tx.us/specialrpt/tif/gulf/> (accessed October 6, 2010).

<sup>60</sup> Texas Comptroller of Public Accounts, "Texas in Focus: Gulf Coast Region," October 2008. <http://www.window.state.tx.us/specialrpt/tif/gulf/> (accessed October 6, 2010).

**Region 6 Household Income**



Income Group	Percent
0-30%	12%
31-50%	11%
51-80%	17%
81-95%	8%
95% & above	52%

**REGION 6 SPECIAL NEEDS POPULATIONS**

Some data for persons with special needs is only available at the state level. For example, numbers of persons with alcohol and substance abuse is not available at the county level, so analysis could only be done at the state level. In addition, the regional number of public housing units, in which public housing residents live, is not included in the Special Needs Population section of each regional analysis because it is included in the Assisted Housing Inventory at the end of each regional analysis. Finally, colonia residents are only included in Regions 9-13 because colonia residents only live in those areas.

**HOMELESS PERSONS**

According to 2010 population projections by Ribbon Demographics, this region has approximately 27.1 percent of the statewide total of people in non-institutional group quarters, including shelters. For a sample urban county, Harris, and a sample rural county, Colorado, there is an estimated 14,378 people and 66 people, respectively, in non-institutional group quarters.

Region 6 also experienced damage from Hurricane Rita, which hit the southeast Texas area in September 2005 and Hurricane Ike in September 2008. According to FEMA, \$28.3 million worth of damage was reported after Hurricane Rita and \$29.4 billion after the 2008 hurricane season.

**Region 6 persons in other group quarters, 2010**

	Homeless persons	% of State Total	Statewide Homeless Population
Rural	933	15.4%	6,051
Urban	17,383	28.2%	61,647
Total	18,316	27.1%	67,698

Source: Nielsen Claritas, Ribbon Demographics, 2010.

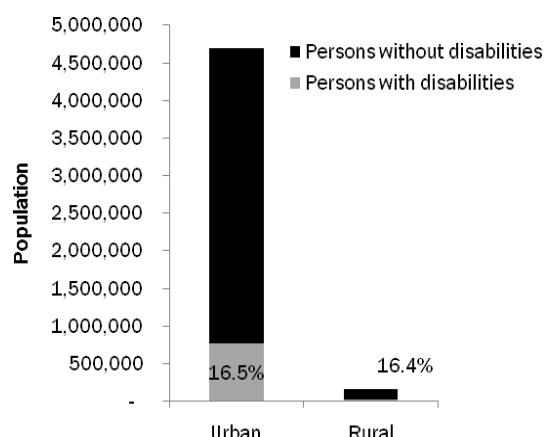
**PERSONS WITH DISABILITIES**

According to the US Census, of the total population in Region 6, persons with disabilities account for approximately 16.5 percent of the population. Of this total, approximately 96.7 percent are residing in urban areas, with the remaining 3.3 percent in rural areas.

**Region 6 Persons with, without disabilities, 2000**

	Persons with disabilities	Persons without disabilities	Total
Rural	26,390	134,903	161,293
Urban	775,046	3,918,115	4,693,161
Total	801,436	4,053,018	4,854,454

Source: Census 2000, Urban defined by presence of an MSA.



**ELDERLY PERSONS**

According to the most recent US Census, elderly persons in Region 6 make up 18.4% of the statewide total elderly population.

**Region 6 Elderly Persons, 2000**

	Elderly Persons	Percent of State Total	Statewide Elderly Persons
Rural	17,140	3.6%	475,056
Urban	363,803	22.8%	1,597,476
Total	380,943	18.4%	2,072,532

Source: 2000 Census.

**PERSONS WITH HIV/AIDS**

According to the Texas Department of State Health Services' *2010 Texas Integrated Epidemiologic Profile for HIV/AIDS Prevention and Services Planning*, there are 20,918 persons living with HIV/AIDS in Region 6. Approximately 99 percent of this population is living in urban areas, with the remaining 1 percent in rural areas. Region 6 has a high rate of persons living with HIV/AIDS compared to the state as a whole, with the Houston metropolitan area accounting for 31.4 percent of the total. Additionally, the Houston metropolitan area has a rate of 392 persons per 100,000, which is the highest in the state.

**Region 6 Persons living with HIV/AIDS, 2008**

	Persons with HIV/AIDS, 2008	Population 2008
Rural	186	162,127
Urban	20,732	5,701,869
Total	20,918	5,863,996

**MIGRANT FARMWORKERS**

In a study prepared for the US Health Resources and Services Administration, Region 6 was found to have a very low proportion of the state's Migrant and Seasonal Farmworker (MSFW) population, accounting for just 2.7 percent of the 361,414 MSFWs in the state of Texas.<sup>61</sup>

**Region 6 Migrant and Seasonal Farmworker Population, 2000**

	MSFW Estimate	Percent of statewide MSFW population	MSFW Statewide Estimate
Rural	3,239	1.6%	197,588
Urban	6,357	3.9%	163,826
Total	9,596	2.7%	361,414

**LOCAL INPUT ON HOUSING ASSISTANCE**

According to the TDHCA Public Request Assistance Inventory for SFY2010, the agency received 48,488 public assistance requests from Region 6, which accounted for 23.0 percent of total annual requests. Of requests from Region 6, the three most requested categories of assistance were, in order: Rental Assistance; Homebuyer Assistance and Utility Assistance.

**Region 6 Public Assistance Request Inventory, SFY 2010**

	Emergency Assistance	Utility Assistance	Rental Assistance	Repair & Weatherization	Homebuyer Assistance	Legal Assistance	Foreclosure	Disaster Assistance	Other Housing-Related Assistance	Total
Region 6	6,333	10,000	13,625	7,161	11,329	19	6	9	6	48,488
Total	28,581	52,487	59,711	35,184	34,319	99	29	27	21	210,458

**REGION 6 HOUSING ASSESSMENT**

A housing assessment includes the current housing supply, a sample of market-rate housing costs, the housing needs and the availability of subsidized housing.

**HOUSING SUPPLY**

According to the 2010 projections, 90.1 percent of the housing units in the region are occupied. Of the total housing stock, 65.8 percent are one unit; 1.3 percent are two units; 18 percent are three or more units; 5.5 percent are manufactured homes; and the rest are RVs and boats.

<sup>61</sup> Migrant and Seasonal Farmworker Enumeration Profiles Study – TX, Larson, Alice, 2000.

### Region 6 Housing Supply, 2010

	Rural	Urban	Total
Total housing units	69,278	2,247,258	2,316,536
Vacant housing units	13,015	215,981	228,996
Housing units, 1 unit	45,353	1,478,273	1,523,626
Housing units, 2 units	1,495	28,137	29,632
Housing units, 3 to 4 units	2,713	59,782	62,495
Housing units, 5 to 19 units	6,092	358,230	364,322
Housing units, 20 to 49 units	795	87,793	88,588
Housing units, 50+ units	1,460	117,618	119,078
Housing units, mobile home	11,276	115,319	126,595
Housing units, other	94	2,106	2,200

Source: Nielsen Claritas, Ribbon Demographics, 2010.

### ASSISTED HOUSING INVENTORY

The following table shows the number of total multifamily units in the region financed through state and federal sources. For information on the data sources, see "Assisted Housing Inventory" under "State of Texas" in this section.

### Region 6 Assisted Multifamily Units

	Region Total	Percent in Region	Percent of State Total
TDHCA Units	56,674	56.7%	28.3%
HUD Units	9,780	9.8%	24.6%
PHA Units	5,762	5.8%	9.1%
Section 8 Vouchers	26,254	26.3%	16.9%
USDA Units	1,477	1.5%	9.9%
HFC Units*	39,495		
Total	99,947	100.0%	21.1%

\*HFC units are not included in the final total, because HFC developments report total units rather than specifying assisted units and because the majority of HFC-financed developments also receive housing tax credits from TDHCA.

### SAMPLE OF MARKET HOUSING COSTS

According to the Multiple Listing Service records for August 2010, the median home prices for Houston and Galveston are \$157,500 and \$180,000 respectively.<sup>62</sup> In addition, the fair market rent for a two bedroom unit in Houston/Baytown/Sugar Land HMFA and Galveston County is \$892, requiring an annual income of approximately \$35,680.<sup>63</sup> In a sample rural county, Colorado, fair

<sup>62</sup> Real Estate Center at Texas A&M University, "Texas Residential MLS Activity," <http://recenter.tamu.edu/data/hs/hs250b.htm> (accessed September 24, 2010).

<sup>63</sup> National Low Income Housing Coalition. (2010). Out of reach 2010. Retrieved from <http://www.nlihc.org/oor/oor2010/>

market rent on a two-bedroom apartment is \$588, which requires an annual income of approximately \$23,520.

**HOUSING NEED**

The housing need indicators analyzed in this section include housing cost burden, substandard housing conditions and housing overcrowding for renter and owner households. The following information comes from the 2000 CHAS database update with HISTA population projections. There were approximately 621,947 owners and renters with housing problems in 2009.

**Region 6 Households with Housing Problems, 2009**

Households	Region Total	Extremely Low Income (0-30%)	Very Low Income (31-50%)	Low Income (51-80%)	Higher Incomes (81% and up)
Extreme Cost Burden	392,181	133,623	104,552	83,584	70,421
Lacking Kitchen and/or Plumbing	18,712	5,594	3,306	3,787	6,025
Overcrowding	211,054	42,404	43,848	55,539	69,262
<b>Total</b>	<b>621,947</b>	<b>181,621</b>	<b>151,706</b>	<b>142,910</b>	<b>145,708</b>

Source: CHAS Database with projections based on HISTA data.



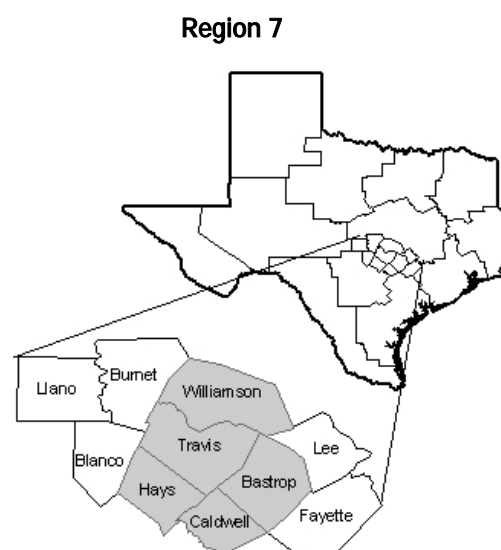
## REGION 7

The urban area of Austin-San Marcos is at the center of Region 7. HISTA data projects that in 2009 the total population in Region 7 is 1,816,818, which represent 7.3 percent of the state's total population.

**Region 7 Population Figures**

	2000 Population	% Change	2009 Population Estimate
Rural	97,070	13.1%	111,743
Urban	1,249,763	26.7%	1,705,075
Region 7 Total	1,346,833	25.9%	1,816,818

Source: 2000 Census, Census population estimates July 1, 2009.



Approximately 93.8 percent of Region 7 families live in urban areas. In the map of Region 7 (right), the shaded counties are MSAs as defined by the U.S. Census. The table below depicts the number of families living below the poverty line in Region 7. Of the 36,386 families living below poverty, approximately 92.8 percent are living in urban areas, with the remaining 7.2 percent in rural areas. Additionally, the percentage of total rural families that are below poverty is slightly lower than the percentage of total urban families.

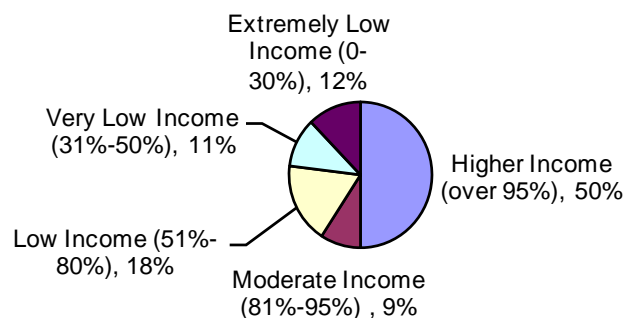
**Region 7 Poverty Figures, 2010**

	At or above poverty		Below poverty	
	Families	Percent	Families	Percent
Rural	30,153	92.0%	2,608	8.0%
Urban	367,919	91.6%	33,778	8.4%
Region 7 Total	398,072	91.6%	36,386	8.4%

Source: Nielsen Claritas, Ribbon Demographics, 2010.

The pie chart below depicts the income breakdown of the 509,798 households in the region. Approximately 41 percent of households are low income. There are 166,819 individuals living in poverty in the region, which makes up 10.9 percent of the regional population.

### Region 7 Household Income



Income Group	Percent
0-30%	12%
31-50%	11%
51-80%	18%
81-95%	9%
95% & above	50%

### REGION 7 SPECIAL NEEDS POPULATIONS

Some data for persons with special needs is only available at the state level. For example, numbers of persons with alcohol and substance abuse is not available at the county level, so analysis could only be done at the state level. In addition, the regional number of public housing units, in which public housing residents live, is not included in the Special Needs Population section of each regional analysis because it is included in the Assisted Housing Inventory at the end of each regional analysis. Finally, colonia residents are only included in Regions 9-13 because colonia residents only live in those areas.

#### HOMELESS PERSONS

According to 2010 population projections by Ribbon Demographics, this region has approximately 12.1 percent of the statewide total of people in non-institutional group quarters, including shelters. For a sample urban county, Travis, and a sample rural county, Fayette, there is an estimated people 5,075 and 55 people, respectively, in non-institutional group quarters.

#### Region 7 persons in other group quarters, 2010

	Homeless persons	% of State Total	Statewide Homeless Population
Rural	197	3.1%	6,051
Urban	8,015	13.0%	61,647
Total	8,212	12.1%	67,698

Source: Nielsen Claritas, Ribbon Demographics, 2010.

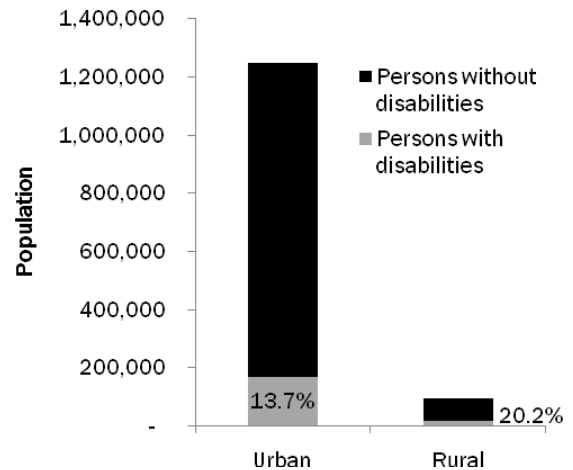
#### PERSONS WITH DISABILITIES

According to the US Census, of the total population in Region 7, persons with disabilities account for approximately 14 percent of the population. Of this total, approximately 89.7 percent are residing in urban areas, with the remaining 10.3 percent in rural areas.

**Region 7 Persons with, without disabilities, 2000**

	Persons with disabilities	Persons without disabilities	Total
Rural	19,633	77,437	97,070
Urban	170,593	1,079,170	1,249,763
Total	190,226	1,156,607	1,346,833

Source: Census 2000, Urban defined by presence of an MSA.



**ELDERLY PERSONS**

According to the most recent US Census, elderly persons in Region 7 make up 5.3% of the statewide total elderly population.

**Region 7 Elderly persons, 2000**

	Elderly Persons	Percent of State Total	Statewide Elderly Persons
Rural	19,808	4.2%	475,056
Urban	90,644	5.7%	1,597,476
Total	110,452	5.3%	2,072,532

Source: 2000 Census and CHAS Database with projections based on HISTA data.

**PERSONS WITH HIV/AIDS**

According to the Texas Department of State Health Services' *2010 Texas Integrated Epidemiologic Profile for HIV/AIDS Prevention and Services Planning*, there are 4,361 persons living with HIV/AIDS in Region 7. Approximately 98.4 percent of this population is living in urban areas, with the remaining 1.6 percent in rural areas. Region 7 has a fairly low rate of persons living with HIV/AIDS compared to the state as a whole, with the Austin metropolitan area accounting for 6.8 percent of the total. Additionally, the Austin metropolitan area has a rate of 266 persons per 100,000.

**Region 7 Persons living with HIV/AIDS, 2008**

	Persons with HIV/AIDS, 2008	Population 2008
Rural	68	110,991
Urban	4,293	1,654,100
Total	4,361	1,765,091

**MIGRANT FARMWORKERS**

In a study prepared for the US Health Resources and Services Administration, Region 7 was found to have a very low proportion of the state's Migrant and Seasonal Farmworker (MSFW) population, accounting for just 1.2 percent of the 361,414 MSFWs in the state of Texas.<sup>64</sup>

**Region 7 Migrant and Seasonal Farmworker Population, 2000**

	MSFW Estimate	Percent of statewide MSFW population	MSFW Statewide Estimate
Rural	928	0.5%	197,588
Urban	3,418	2.1%	163,837
Total	4,346	1.2%	361,414

**LOCAL INPUT ON HOUSING ASSISTANCE**

According to the TDHCA Public Request Assistance Inventory for SFY2010, the agency received 15,861 public assistance requests from Region 7, which accounted for 7.5 percent of total annual requests. Of requests from Region 7, the three most requested categories were, in order: Rental Assistance, Homebuyer Assistance and Emergency Assistance.

**Region 7 Public Assistance Request Inventory, SFY 2010**

	Emergency Assistance	Utility Assistance	Rental Assistance	Repair & Weatherization	Homebuyer Assistance	Legal Assistance	Foreclosure	Disaster Assistance	Other Housing-Related Assistance	Total
Region 7	2,602	1,288	6,083	2,096	3,771	14	3	-	4	15,861
Total	28,581	52,487	59,711	35,184	34,319	99	29	27	21	210,458

**REGION 7 HOUSING ASSESSMENT**

A housing assessment includes the current housing supply, a sample of market-rate housing costs, the housing needs and the availability of subsidized housing.

**HOUSING SUPPLY**

According to the 2010 projections, 92.2 percent of the housing units in the region are occupied. Of the total housing stock, 64.6 percent are one unit; 3.3 percent are two units; 25.8 percent are three or more units; 6.2 are manufactured homes; and the rest are boats and RVs.

<sup>64</sup> Migrant and Seasonal Farmworker Enumeration Profiles Study – TX, Larson, Alice, 2000.

## Region 7 Housing Supply, 2010

	Rural	Urban	Total
Total housing units	58,952	673,732	732,684
Vacant housing units	13,107	44,126	57,233
Housing units, 1 unit	44,364	428,620	472,984
Housing units, 2 units	1,085	23,310	24,395
Housing units, 3 to 4 units	1,044	22,465	23,509
Housing units, 5 to 19 units	1,281	85,893	87,174
Housing units, 20 to 49 units	291	39,038	39,329
Housing units, 50+ units	129	38,553	38,682
Housing units, mobile home	10,679	34,941	45,620
Housing units, other	79	912	991

Source: Nielsen Claritas, Ribbon Demographics, 2010.

**ASSISTED HOUSING INVENTORY**

The following table shows the number of total multifamily units in the region financed through state and federal sources. For information on the data sources, see "Assisted Housing Inventory" under "State of Texas" in this section.

## Region 7 Assisted Multifamily Units

	Region Total	Percent in Region	Percent of State Total
TDHCA Units	18,134	57.7%	9.0%
HUD Units	2,123	6.8%	5.3%
PHA Units	3,524	11.2%	5.6%
Section 8 Vouchers	7,016	22.3%	4.5%
USDA Units	643	2.0%	4.3%
HFC Units*	8,281		
Total	31,440	100.0%	6.6%

\*HFC units are not included in the final total, because HFC developments report total units rather than specifying assisted units and because the majority of HFC-financed developments also receive housing tax credits from TDHCA.

**SAMPLE OF MARKET HOUSING COSTS**

According to the Multiple Listing Service records for August 2010, the median home price for Austin is \$196,500.<sup>65</sup> In addition, the fair market rent for a two bedroom unit in Austin/Round Rock MSA is \$954, requiring an annual income of approximately \$38,160.<sup>66</sup> In a sample rural county, Fayette, fair market rent on a two-bedroom apartment is \$670, which requires an annual income of approximately \$26,800.

<sup>65</sup> Real Estate Center at Texas A&M University, "Texas Residential MLS Activity," <http://recenter.tamu.edu/data/hs/hs140b.htm> (accessed September 24, 2010).

<sup>66</sup> National Low Income Housing Coalition. (2010). Out of reach 2010. Retrieved from <http://www.nlihc.org/oor/oor2010/>

**HOUSING NEED**

The housing need indicators analyzed in this section include housing cost burden, substandard housing conditions and housing overcrowding for renter and owner households. The following information comes from the 2000 CHAS database updated with HISTA population projections. There were approximately 189,088 owners and renters with housing problems in 2009.

**Region 7 Households with Housing Problems, 2009**

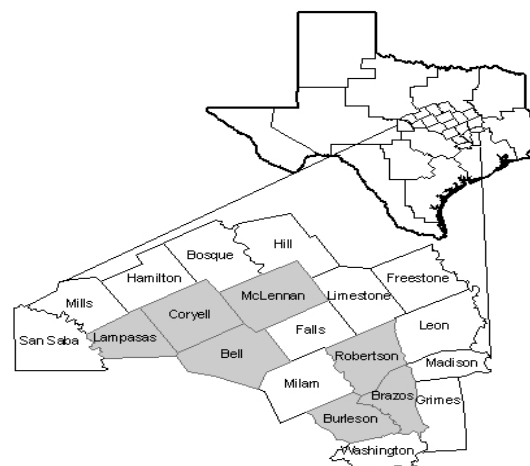
Households	Region Total	Extremely Low Income (0-30%)	Very Low Income (31-50%)	Low Income (51-80%)	Higher Incomes (81% and up)
Extreme Cost Burden	143,360	44,925	36,217	36,747	25,471
Lacking Kitchen and/or Plumbing	5,598	1,938	981	1,125	1,555
Overcrowding	40,130	7,442	8,194	10,520	13,975
<b>Total</b>	<b>189,088</b>	<b>54,305</b>	<b>45,392</b>	<b>48,392</b>	<b>41,001</b>

Source: CHAS Database with projections based on HISTA data.

## REGION 8

Region 8, located in the center of the state, surrounds the urban areas of Waco, Bryan, College Station, Killeen and Temple. HISTA data projects that in 2009 the total population in Region 8 is 1,069,503 and represents 4.3 percent of the state's total population.

Region 8



Region 8 Population Figures

	2000 Population	% Change	2009 Population Estimate
Rural	284,255	-16.2%	244,626
Urban	678,884	17.7%	824,877
Region 8 Total	963,139	9.9%	1,069,503

Source: 2000 Census, Census population estimates July 1, 2009.

Approximately 77.1 percent of Region 8 families live in urban areas. In the map of Region 8 (above), the shaded counties are MSAs as defined by the U.S. Census. The table below depicts the number of families living below the poverty line in Region 8. Of the 32,631 families living below poverty, approximately 76.7 percent are living in urban areas, with the remaining 23.3 percent in rural areas. Additionally, the percentage of total rural families that are below poverty is slightly lower than the percentage of total urban families. However, the region's rural counties lag behind the Bryan-College Station and Killeen MSAs in recent and expected job creation, which may result in more families below poverty in the future.<sup>67</sup>

Region 8 Poverty Figures, 2010

	At or above poverty		Below poverty	
	Families	Percent	Families	Percent
Rural	57,685	88.3%	7,619	11.7%
Urban	174,042	87.4%	25,012	12.6%
Region 8 Total	231,727	87.7%	32,631	12.3%

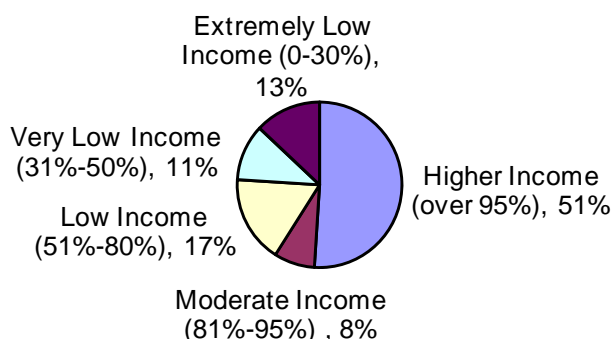
Source: Nielsen Claritas, Ribbon Demographics, 2010.

The pie chart below depicts the income breakdown of the 343,856 households in the region. Approximately 41 percent of the households are low income. There are 171,902 individuals living in poverty in the region, which makes up 15.8 percent of the regional population. According to the Texas Comptroller's *Texas In Focus* report, many Region 8 jobs exceed the state's 2007 per capita income level of \$37,187, with 265 occupations paying more than this amount.<sup>68</sup>

<sup>67</sup> Texas Comptroller of Public Accounts, "Texas in Focus: Central Texas," May 2009. <http://www.window.state.tx.us/specialrpt/tif/central/> (accessed October 6, 2010).

<sup>68</sup> Texas Comptroller of Public Accounts, "Texas in Focus: Central Texas," May 2009. <http://www.window.state.tx.us/specialrpt/tif/central/> (accessed October 6, 2010).

**Region 8 Household Income**



Income Group	Percent
0-30%	13%
31-50%	11%
51-80%	17%
81-95%	8%
95% & above	51%

**REGION 8 SPECIAL NEEDS POPULATIONS**

Some data for persons with special needs is only available at the state level. For example, numbers of persons with alcohol and substance abuse is not available at the county level, so analysis could only be done at the state level. In addition, the regional number of public housing units, in which public housing residents live, is not included in the Special Needs Population section of each regional analysis because it is included in the Assisted Housing Inventory at the end of each regional analysis. Finally, colonia residents are only included in Regions 9-13 because colonia residents only live in those areas.

**HOMELESS PERSONS**

According to 2010 population projections by Ribbon Demographics, this region has approximately 3.3 percent of the statewide total of people in non-institutional group quarters, including shelters. For a sample urban county, Brazos, and a sample rural county, Hill, there is an estimated people 286 and 107 people, respectively, in non-institutional group quarters.

**Region 8 persons in other group quarters, 2010**

	Homeless persons	% of State Total	Statewide Homeless Population
Rural	506	8.4%	6,051
Urban	1,704	2.8%	61,647
Total	2,210	3.3%	67,698

Source: Nielsen Claritas, Ribbon Demographics, 2010.

**PERSONS WITH DISABILITIES**

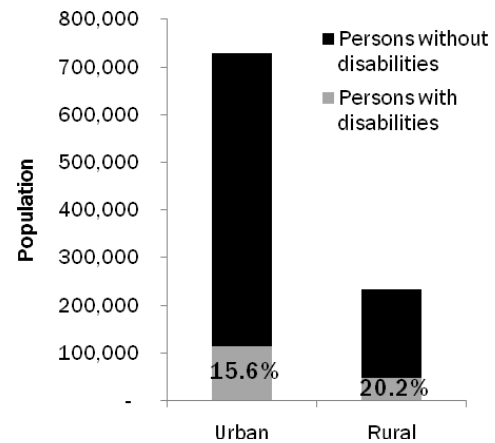
According to the US Census, of the total population in Region 8, persons with disabilities account for approximately 16.7 percent of the population. Of this total, approximately 63.5 percent are residing in urban areas, with the remaining 36.5 percent in rural areas.



**Region 8 Persons with, without disabilities, 2000**

	Persons with disabilities	Persons without disabilities	Total
Rural	47,346	186,677	234,023
Urban	113,397	615,719	729,116
Total	160,743	802,396	963,139

Source: Census 2000, Urban defined by presence of an MSA.



**ELDERLY PERSONS**

According to the most recent US Census, elderly persons in Region 8 make up 4.2% of the statewide total elderly population.

**Region 8 Elderly Persons, 2000**

	Elderly Persons	Percent of State Total	Statewide Elderly Persons
Rural	40,388	8.5%	475,056
Urban	46,119	2.9%	1,597,476
Total	86,507	4.2%	2,072,532

Source: 2000 Census and CHAS Database with projections based on HISTA data.

**PERSONS WITH HIV/AIDS**

According to the Texas Department of State Health Services' *2010 Texas Integrated Epidemiologic Profile for HIV/AIDS Prevention and Services Planning*, there are 1,171 persons living with HIV/AIDS in Region 8. Approximately 81 percent of this population is living in urban areas, with the remaining 19 percent in rural areas. Region 8 has a fairly low rate of persons living with HIV/AIDS compared to the state as a whole, with the North & Central Texas area accounting for just 3.1 percent of the total, and a rate of 91 persons per 100,000.

**Region 8 Persons living with HIV/AIDS, 2008**

	Persons with HIV/AIDS, 2008	Texas Population 2008
Rural	209	243,615
Urban	951	817,558
Total	1,171	1,061,173

**MIGRANT FARMWORKERS**

In a study prepared for the US Health Resources and Services Administration, Region 8 was found to have a very low proportion of the state's Migrant and Seasonal Farmworker (MSFW) population, accounting for just 1.7 percent of the 361,414 MSFWs in the state of Texas.<sup>69</sup>

<sup>69</sup> Migrant and Seasonal Farmworker Enumeration Profiles Study – TX, Larson, Alice, 2000.

**Region 8 Migrant and Seasonal Farmworker Population, 2000**

	MSFW Estimate	Percent of statewide MSFW population	MSFW Statewide Estimate
Rural	3,817	1.9%	197,588
Urban	2,241	1.4%	163,815
Total	6,058	1.7%	361,414

**LOCAL INPUT ON HOUSING ASSISTANCE**

According to the TDHCA Public Request Assistance Request Inventory for SFY2010, the agency received 8,912 public assistance requests from Region 8, which accounted for 4.2 percent of total annual requests. Of requests from Region 8, the most requested categories of assistance were, in order: Rental Assistance, Repair and Weatherization and Utility Assistance.

**Region 8 Public Assistance Request Inventory, SFY 2010**

	Emergency Assistance	Utility Assistance	Rental Assistance	Repair & Weatherization	Homebuyer Assistance	Legal Assistance	Foreclosure	Disaster Assistance	Other Housing-Related Assistance	Total
Region 8	1,465	1,779	2,675	1,892	1,087	11	3	-	-	8,912
Total	28,581	52,487	59,711	35,184	34,319	99	29	27	21	210,458

**REGION 8 HOUSING ASSESSMENT**

A housing assessment includes the current housing supply, a sample of market-rate housing costs, the housing needs and the availability of subsidized housing.

**HOUSING SUPPLY**

According to the 2010 projections, 87.4 percent of the total housing units in the region are occupied. Of the total housing stock, 67.3 percent are one unit; 5.4 are two units; 17.0 percent are three or more units; 10.2 percent are manufactured homes; and the rest are boats and RVs.

**Region 8 Housing Supply, 2010**

	Rural	Urban	Total
Total housing units	112,393	329,567	441,960
Vacant housing units	20,596	34,950	55,546
Housing units, 1 unit	85,506	211,713	297,219
Housing units, 2 units	2,555	21,202	23,757
Housing units, 3 to 4 units	2,050	19,629	21,679
Housing units, 5 to 19 units	2,557	37,862	40,419

Housing units, 20 to 49 units	338	6,199	6,537
Housing units, 50+ units	194	6,317	6,511
Housing units, mobile home	18,895	26,396	45,291
Housing units, other	298	249	547

Source: Nielsen Claritas, Ribbon Demographics, 2010.

### ASSISTED HOUSING INVENTORY

The following table shows the number of total multifamily units in the region financed through state and federal sources. For information on the data sources, see "Assisted Housing Inventory" under "State of Texas" in this section.

#### Region 8 Assisted Multifamily Units

	Region Total	Percent in Region	Percent of State Total
TDHCA Units	6,461	29.3%	3.2%
HUD Units	1,816	8.2%	4.6%
PHA Units	4,188	19.0%	6.6%
Section 8 Vouchers	7,934	36.0%	5.1%
USDA Units	1,636	7.4%	10.9%
HFC Units*	305		
Total	22,035	100.0%	4.6%

\*HFC units are not included in the final total, because HFC developments report total units rather than specifying assisted units and because the majority of HFC-financed developments also receive housing tax credits from TDHCA.

### SAMPLE OF MARKET HOUSING COSTS

According to the Multiple Listing Service records for August 2010, the median home price for Bryan-College Station is \$148,500.<sup>70</sup> In addition, the fair market rent for a two bedroom unit in Bryan/College Station MSA is \$836, requiring an annual income of approximately \$33,440.<sup>71</sup> In a sample rural county, Hill, fair market rent on a two-bedroom apartment is \$588, which requires an annual income of approximately \$23,520.

### HOUSING NEED

The housing need indicators analyzed in this section include housing cost burden, substandard housing conditions and housing overcrowding for renter and owner households. The following information comes from the 2000 CHAS database updated with HISTA population projections. There were approximately 119,258 owners and renters with housing problems in 2009.

<sup>70</sup> Real Estate Center at Texas A&M University, "Texas Residential MLS Activity," <http://recenter.tamu.edu/data/hs/hs180b.htm> (accessed September 24, 2010).

<sup>71</sup> National Low Income Housing Coalition. (2010). Out of reach 2010. Retrieved from <http://www.nlihc.org/oor/oor2010/>

**Region 8 Households with Housing Problems, 2009**

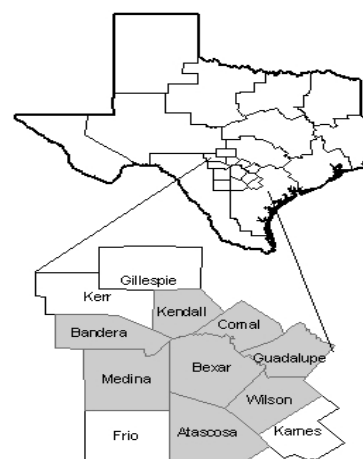
Households	Region Total	Extremely Low Income (0-30%)	Very Low Income (31-50%)	Low Income (51-80%)	Higher Incomes (81% and up)
Extreme Cost Burden	90,612	34,211	23,462	19,895	13,043
Lacking Kitchen and/or Plumbing	4,173	1,240	805	789	1,340
Overcrowding	24,473	4,191	3,775	6,648	9,859
Total	119,258	39,641	28,042	27,332	24,242

Source: 2000 CHAS Database with projections based on HISTA data.

## REGION 9

San Antonio is the main metropolitan area in Region 9. HISTA data projects that in 2009 the total population in Region 9 is 2,175,874, which represents 8.8 percent of the state's total population.

Region 9



Region 9 Population Figures

	2000 Population	% Change	2009 Population Estimate
Rural	215,485	107.7%	103,746
Urban	1,592,383	23.2%	2,072,128
Region 9 Total	1,807,868	16.9%	2,175,874

Source: 2000 Census, Census population estimates July 1, 2009.

Approximately 95 percent of Region 9 families live in urban areas. In the map of Region 9 (above), the shaded counties are MSAs as defined by the U.S. Census. The table below depicts the number of families living below the poverty line in Region 9. Of the 66,868 families living below poverty, approximately 94.6 percent are living in urban areas, with the remaining 5.4 percent in rural areas. Additionally, the percentage of total rural families that are below poverty is slightly lower than the percentage of total urban families. This may be due to findings revealing that the region's rural counties are projected to outpace job growth of the state and the region as a whole from 2003 to 2013.<sup>72</sup>

Region 9 Poverty Figures, 2010

	At or above poverty		Below poverty	
	Families	Percent	Families	Percent
Rural	24,896	87.4%	3,598	12.6%
Urban	466,206	88.1%	63,270	11.9%
Region 9 Total	491,102	88.0%	66,868	12.0%

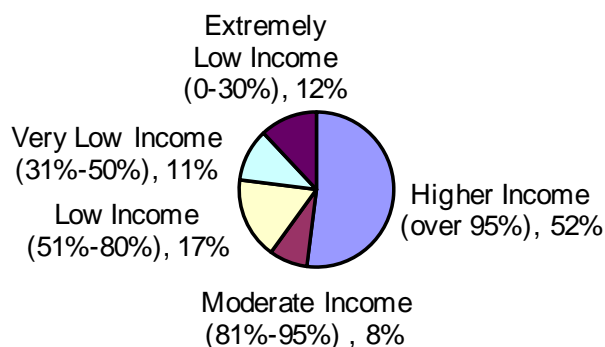
Source: Nielsen Claritas, Ribbon Demographics, 2010.

The pie chart to the left depicts the income breakdown of the 635,280 households in the region. Approximately 40 percent of households are low income. There are 307,186 individuals living in poverty in the region, which makes up 15.0 percent of the regional population. According to the Texas Comptroller's *Texas In Focus* report, many Region 9 jobs exceed the State's 2008 per capita income level of \$38,575, with 228 occupations paying more than this amount.<sup>73</sup>

<sup>72</sup> Texas Comptroller of Public Accounts, "Texas in Focus: Alamo Region," October 2009. <http://www.window.state.tx.us/specialrpt/tif/alamo/> (accessed October 6, 2010).

<sup>73</sup> Texas Comptroller of Public Accounts, "Texas in Focus: Alamo Region," October 2009. <http://www.window.state.tx.us/specialrpt/tif/alamo/> (accessed October 6, 2010).

**Region 9 Household Income**



Income Group	Percent
0-30%	12%
31-50%	11%
51-80%	17%
81-95%	8%
95% & above	52%

**REGION 9 SPECIAL NEEDS POPULATIONS**

Some data for persons with special needs is only available at the state level. For example, numbers of persons with alcohol and substance abuse is not available at the county level, so analysis could only be done at the state level. In addition, the regional number of public housing units, in which public housing residents live, is not included in the Special Needs Population section of each regional analysis because it is included in the Assisted Housing Inventory at the end of each regional analysis.

**HOMELESS PERSONS**

According to 2010 population projections by Ribbon Demographics, this region has approximately 10.7 percent of the statewide total of people in non-institutional group quarters, including shelters. For a sample urban county, Bexar, and a sample rural county, Gillespie, there is an estimated people 5,923 and 58 people, respectively, in non-institutional group quarters.

**Region 9 persons in other group quarters, 2010**

	Homeless persons	% of State Total	Statewide Homeless Population
Rural	324	5.4%	6,051
Urban	6,924	11.2%	61,647
Total	7,248	10.7%	67,698

Source: Nielsen Claritas, Ribbon Demographics, 2010.

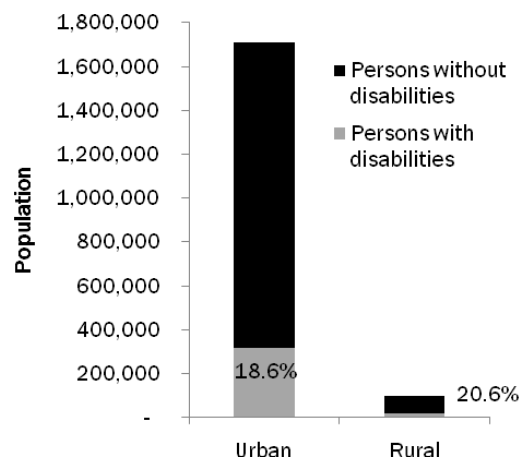
**PERSONS WITH DISABILITIES**

According to the US Census, of the total population in Region 9, persons with disabilities account for approximately 18.7 percent of the population. Of this total, approximately 87.5 percent are residing in urban areas, with the remaining 12.5 percent in rural areas.

**Region 9 Persons with, without disabilities, 2000**

	Persons with disabilities	Persons without disabilities	Total
Rural	19,857	76,308	96,165
Urban	317,684	1,394,019	1,711,703
Total	337,541	1,470,327	1,807,868

Source: Census 2000, Urban defined by presence of an MSA.



**ELDERLY PERSONS**

According to the most recent US Census, elderly persons in Region 8 make up 9.9% of the statewide total elderly population.

**Region 9 Elderly Persons, 2000**

	Elderly Persons	Percent of State Total	Statewide Elderly Persons
Rural	20,105	4.2%	475,056
Urban	184,941	11.6%	1,597,476
Total	205,046	9.9%	2,072,532

Source: 2000 Census and CHAS Database with projections based on HISTA data.

**PERSONS WITH HIV/AIDS**

According to the Texas Department of State Health Services' *2010 Texas Integrated Epidemiologic Profile for HIV/AIDS Prevention and Services Planning*, there are 4,496 persons living with HIV/AIDS in Region 9. Approximately 99 percent of this population is living in urban areas, with the remaining 1 percent in rural areas. Region 9 has a fairly average rate of persons living with HIV/AIDS compared to the state as a whole, with the San Antonio metropolitan area accounting for about 7.0 percent of the total, and a rate of 235 persons per 100,000.

**Region 9 Persons living with HIV/AIDS, 2008**

	Persons with HIV/AIDS, 2008	Population 2008
Rural	45	103,014
Urban	4,451	2,030,691
Total	4,496	2,133,705

**COLONIA RESIDENTS**

The Office of the Attorney General maintains an extensive Colonia Geographic Database, accounting for over 1,800 colonia areas in 29 counties. Region 9 contains a very small portion of the state's colonia population, accounting for just 0.5 percent of the 418,406 residents.<sup>74</sup>

**Region 9 Colonia Population Estimate, estimated 2010**

	Colonia Population Estimate
Rural	2,212
Urban	-
Total	2,212
Statewide total	418,406

**MIGRANT FARMWORKERS**

In a study prepared for the US Health Resources and Services Administration, Region 9 was found to have a low proportion of the state's Migrant and Seasonal Farmworker (MSFW) population, accounting for just 5.2 percent of the 361,414 MSFWs in the state of Texas.<sup>75</sup>

**Region 9 Migrant and Seasonal Farmworker Population, 2000**

	MSFW Estimate	Percent of statewide MSFW population	MSFW Statewide Estimate
Rural	7,395	3.7%	197,588
Urban	11,562	7.1%	163,826
Total	18,957	5.2%	361,414

**LOCAL INPUT ON HOUSING ASSISTANCE**

According to the TDHCA Public Assistance Request Inventory for SFY2010, the agency received 10,809 public assistance requests from Region 9, which accounted for 5.1 percent of total annual requests. Of requests from Region 9, the most requested categories of assistance were, in order: Rental Assistance, Repair and Weatherization and Homebuyer Assistance.

**Region 9 Public Assistance Request Inventory, SFY 2010**

	Emergency Assistance	Utility Assistance	Rental Assistance	Repair & Weatherization	Homebuyer Assistance	Legal Assistance	Foreclosure	Disaster Assistance	Other Housing-Related Assistance	Total
Region 9	1,693	1,304	3,118	2,495	2,189	3	6	-	1	10,809
Total	28,581	52,487	59,711	35,184	34,319	99	29	27	21	210,458

<sup>74</sup> Texas Office of the Attorney General, Border Colonia Geographic Database

<sup>75</sup> Migrant and Seasonal Farmworker Enumeration Profiles Study – TX, Larson, Alice, 2000.



**REGION 9 HOUSING ASSESSMENT**

A housing assessment includes the current housing supply, a sample of market-rate housing costs, the housing needs and the availability of subsidized housing.

**HOUSING SUPPLY**

According to the 2010 projections, 92.1 percent of the housing units in the region are occupied. Of the total housing stock, 70.6 percent are one unit; 1.8 percent are two units; 20.1 are three or more units; 7.4 percent are manufactured homes and the rest are boats and RVs.

**Region 9 Housing Supply, 2010**

	Rural	Urban	Total
Total housing units	45,618	794,697	840,315
Vacant housing units	5,466	61,052	66,518
Housing units, 1 unit	33,494	559,404	592,898
Housing units, 2 units	781	14,630	15,411
Housing units, 3 to 4 units	1,922	28,919	30,841
Housing units, 5 to 19 units	1,373	93,401	94,774
Housing units, 20 to 49 units	429	17,749	18,178
Housing units, 50+ units	160	24,586	24,746
Housing units, mobile home	7,205	55,232	62,437
Housing units, other	254	776	1,030

Source: Nielsen Claritas, Ribbon Demographics, 2010.

**ASSISTED HOUSING INVENTORY**

The following table shows the number of total multifamily units in the region financed through state and federal sources. For information on the data sources, see "Assisted Housing Inventory" under "State of Texas" in this section.

**Region 9 Assisted Multifamily Units**

	Region Total	Percent in Region	Percent of State Total
TDHCA Units	16,423	36.8%	8.2%
HUD Units	3,839	8.6%	9.7%
PHA Units	8,221	18.4%	13.0%
Section 8 Vouchers	15,738	35.2%	10.1%
USDA Units	462	1.0%	3.1%
HFC Units*	22,392		
Total	44,683	100.0%	9.4%

\*HFC units are not included in the final total, because HFC developments report total units rather than specifying assisted units and because the majority of HFC-financed developments also receive housing tax credits from TDHCA.

**SAMPLE OF MARKET HOUSING COSTS**

According to the Multiple Listing Service records for August 2010, the median home price for San Antonio is \$157,800.<sup>76</sup> In addition, the fair market rent for a two bedroom unit in San Antonio HMFA is \$796, requiring an annual income of approximately \$31,840.<sup>77</sup> In a sample rural county, Gillespie, fair market rent on a two-bedroom apartment is \$766, which requires an annual income of approximately \$30,640.

**HOUSING NEED**

The housing need indicators analyzed in this section include housing cost burden, substandard housing conditions and housing overcrowding for renter and owner households. The following information comes from the 2000 CHAS database updated with HISTA population projections. There were approximately 223,448 owners and renters with housing problems in 2009.

**Region 9 Households with Housing Problems, 2010**

Households	Region Total	Extremely Low Income (0-30%)	Very Low Income (31-50%)	Low Income (51-80%)	Higher Incomes (81% and up)
Extreme Cost Burden	153,507	47,556	38,733	36,371	30,846
Lacking Kitchen and/or Plumbing	7,521	2,128	1,319	1,581	2,493
Overcrowding	62,420	11,431	11,807	15,974	23,208
<b>Total</b>	<b>223,448</b>	<b>61,115</b>	<b>51,859</b>	<b>53,926</b>	<b>56,547</b>

Source: CHAS Database with projections based on HISTA data.

<sup>76</sup> Real Estate Center at Texas A&M University, "Texas Residential MLS Activity," <http://recenter.tamu.edu/data/hs/hs460b.htm> (accessed September 24, 2010).

<sup>77</sup> National Low Income Housing Coalition. (2010). Out of reach 2010. Retrieved from <http://www.nlihc.org/oor/oor2010/>

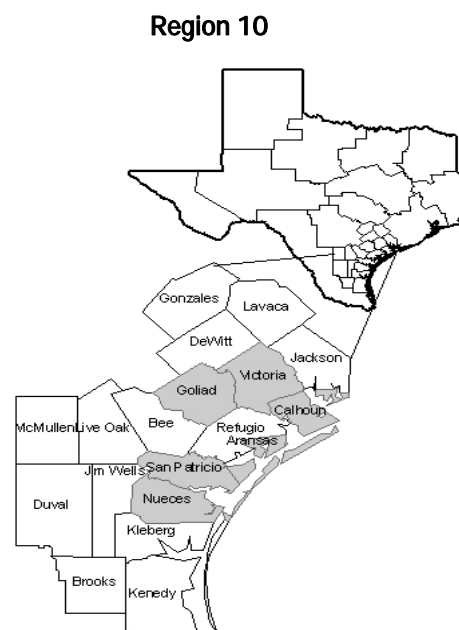
## REGION 10

Region 10, including the urban areas of Corpus Christi and Victoria, is located in the south eastern part of the state on the Gulf of Mexico. HISTA data projects that in 2009 the total population in Region 10 is 746,599, which represents 3.0 percent of the state's total population.

### Region 10 Population Figures

	2000 Population	% Change	2009 Population Estimate
Rural	268,046	-24.6%	215,108
Urban	464,871	12.5%	531,491
Region 10 Total	732,917	1.8%	746,599

Source: 2000 Census, Census population estimates July 1, 2009.



In Region 10, 71.2 percent of families live in urban areas. In the map of Region 10 (above), the shaded counties are MSAs as defined by the U.S. Census. The table below depicts the number of families living below the poverty line in Region 10. Of the 29,450 families living below poverty, approximately 67.8 percent are living in urban areas, with the remaining 32.2 percent in rural areas. However, the percentage of total rural families that are below poverty is slightly higher than the percentage of total urban families. Findings revealing that the region's rural counties are projected to outpace job growth of the state from 2002 to 2012, while the Corpus Christi MSA growing slower than the state and region as a whole.<sup>78</sup>

### Region 10 Poverty Figures, 2010

	At or above poverty		Below poverty	
	Families	Percent	Families	Percent
Rural	45,934	82.9%	9,471	17.1%
Urban	122,288	86.0%	19,979	14.0%
Region 10 Total	168,222	85.1%	29,450	14.9%

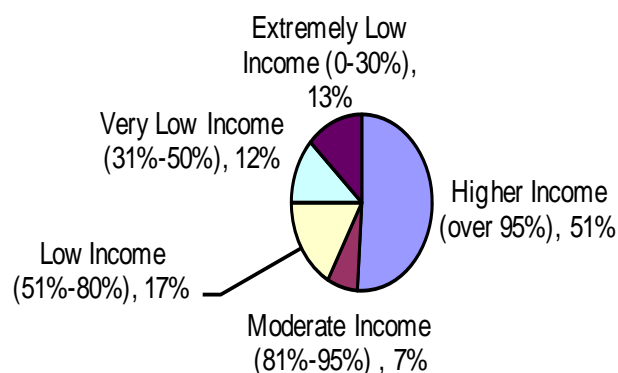
Source: Nielsen Claritas, Ribbon Demographics, 2010.

The pie chart to the left depicts the income breakdown of the 255,493 households in the region. Approximately 42 percent of household are low income. There are 152,046 individuals living in poverty in the region, which makes up 21.4 percent of the regional population. According to the Texas Comptroller's *Texas In Focus* report, the top five occupations with high projected job growth in Region 10 are low paying (average annual wage of \$16,103) and do not require a post-secondary education.<sup>79</sup>

<sup>78</sup> Texas Comptroller of Public Accounts, "Texas in Focus: South Texas," August 2008. <http://www.window.state.tx.us/specialrpt/tif/southtexas/> (accessed October 6, 2010).

<sup>79</sup> Texas Comptroller of Public Accounts, "Texas in Focus: South Texas," April 2008. <http://www.window.state.tx.us/specialrpt/tif/southtexas/> (accessed October 6, 2010).

### Region 10 Household Income



Income Group	Percent
0-30%	13%
31-50%	12%
51-80%	17%
81-95%	7%
95% & above	51%

### REGION 10 SPECIAL NEEDS POPULATIONS

Some data for persons with special needs is only available at the state level. For example, numbers of persons with alcohol and substance abuse is not available at the county level, so analysis could only be done at the state level. In addition, the regional number of public housing units, in which public housing residents live, is not included in the Special Needs Population section of each regional analysis because it is included in the Assisted Housing Inventory at the end of each regional analysis.

#### HOMELESS PERSONS

According to 2010 population projections by Ribbon Demographics, this region has approximately 4.5 percent of the statewide total of people in non-institutional group quarters, including shelters. For a sample urban county, Nueces, and a sample rural county, Calhoun, there is an estimated 2,292 people and 34 people, respectively, in non-institutional group quarters.

**Region 10 persons in other group quarters, 2010**

	Homeless persons	% of State Total	Statewide Homeless Population
Rural	345	5.7%	6,051
Urban	2,714	4.4%	61,647
Total	3,059	4.5%	67,698

Source: Nielsen Claritas, Ribbon Demographics, 2010.

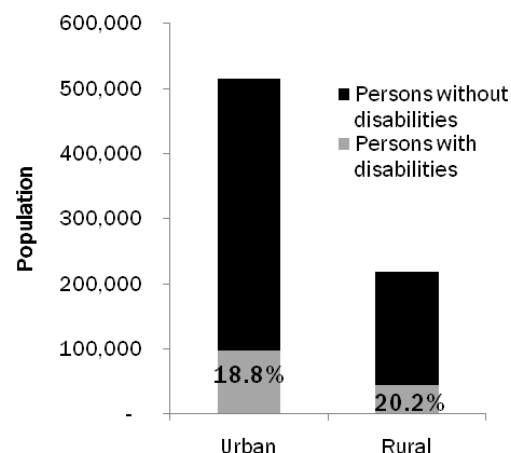
#### PERSONS WITH DISABILITIES

According to the US Census, of the total population in Region 10, persons with disabilities account for approximately 19.3 percent of the population. Of this total, approximately 61.8 percent are residing in urban areas, with the remaining 38.2 percent in rural areas.

**Region 10 Persons with, without disabilities, 2000**

	Persons with disabilities	Persons without disabilities	Total
Rural	44,148	173,826	217,974
Urban	97,444	417,499	514,943
Total	141,592	591,325	732,917

Source: Census 2000, Urban defined by presence of an MSA.



**ELDERLY PERSONS**

According to the most recent US Census, elderly persons in Region 10 make up 4.6% of the statewide total elderly population.

**Region 10 Elderly Persons, 2000**

	Elderly Persons	Percent of State Total	Statewide Elderly Persons
Rural	35,688	7.5%	475,056
Urban	60,490	3.8%	1,597,476
Total	96,178	4.6%	2,072,532

**PERSONS WITH HIV/AIDS**

According to the Texas Department of State Health Services' *2010 Texas Integrated Epidemiologic Profile for HIV/AIDS Prevention and Services Planning*, there are 777 persons living with HIV/AIDS in Region 10. Approximately 85.6 percent of this population is living in urban areas, with the remaining 14.4 percent in rural areas. Region 10 has a fairly low rate of persons living with HIV/AIDS compared to the state as a whole, with the South & West Texas area accounting for just 2.1 percent of the total, and a rate of 89 persons per 100,000.

**Region 10 Persons living with HIV/AIDS, 2008**

	Persons with HIV/AIDS, 2008	Population 2008
Rural	112	214,954
Urban	665	527,462
Total	777	742,416

**COLONIA RESIDENTS**

The Office of the Attorney General maintains an extensive Colonia Geographic Database, accounting for over 1,800 colonia areas in 29 counties. Region 10 contains a small portion of the state's colonia population, accounting for just 5.8 percent of the 418,406 residents, with the majority residing in San Patricio County.<sup>80</sup>

<sup>80</sup> Texas Office of the Attorney General, Border Colonia Geographic Database

**Region 10 Colonia Population, estimated 2010**

	Colonia Population Estimate
Rural	10,634
Urban	13,808
Total	24,442
Statewide total	418,406

***MIGRANT FARMWORKERS***

In a study prepared for the US Health Resources and Services Administration, Region 10 was found to have a low proportion of the state's Migrant and Seasonal Farmworker (MSFW) population, accounting for just 6.1 percent of the 361,414 MSFWs in the state of Texas.<sup>81</sup>

**Region 10 Migrant and Seasonal Farmworker Population, 2000**

	MSFW Estimate	Percent of statewide MSFW population	MSFW Statewide Estimate
Rural	10,435	5.3%	197,588
Urban	11,474	7.0%	163,826
Total	21,909	6.1%	361,414

***LOCAL INPUT ON HOUSING ASSISTANCE***

According to the TDHCA Public Request Assistance Inventory for SFY2010, the agency received 9,736 public assistance requests from Region 10, which accounted for 4.6 percent of total annual requests. Of requests from Region 10, the three most requested categories of assistance were, in order: Utility Assistance, Repair and Weatherization and Rental Assistance.

**Region 10 Public Assistance Request Inventory, SFY 2010**

	Emergency Assistance	Utility Assistance	Rental Assistance	Repair & Weatherization	Homebuyer Assistance	Legal Assistance	Foreclosure	Disaster Assistance	Other Housing-Related Assistance	Total
Region 10	605	5,984	1,106	1,410	622	6	-	1	2	9,736
Total	28,581	52,487	59,711	35,184	34,319	99	29	27	21	210,458

<sup>81</sup> Migrant and Seasonal Farmworker Enumeration Profiles Study – TX, Larson, Alice, 2000.

**REGION 10 HOUSING ASSESSMENT**

A housing assessment includes the current housing supply, a sample of market-rate housing costs, the housing needs and the availability of subsidized housing.

**HOUSING SUPPLY**

According to the 2010 projections, 84.3 percent of the housing units in the region are occupied. Of the total housing stock, 84.3 percent are one unit; 2.7 percent are two units; 16.1 percent are three or more units; 9.2 percent are manufactured homes; and the rest are boats and RVs.

**Region 10 Housing Supply, 2010**

	Rural	Urban	Total
Total housing units	93,840	226,231	320,071
Vacant housing units	18,092	32,022	50,114
Housing units, 1 unit	70,086	159,480	229,566
Housing units, 2 units	2,702	5,869	8,571
Housing units, 3 to 4 units	3,121	10,994	14,115
Housing units, 5 to 19 units	3,358	22,585	25,943
Housing units, 20 to 49 units	723	3,747	4,470
Housing units, 50+ units	550	6,336	6,886
Housing units, mobile home	12,960	16,456	29,416
Housing units, other	340	764	1,104

Source: Nielsen Claritas, Ribbon Demographics, 2010.

**ASSISTED HOUSING INVENTORY**

The following table shows the number of total multifamily units in the region financed through state and federal sources. For information on the data sources, see "Assisted Housing Inventory" under "State of Texas" in this section.

**Region 10 Assisted Multifamily Units**

	Region Total	Percent in Region	Percent of State Total
TDHCA Units	5,634	32.8%	2.8%
HUD Units	2,222	12.9%	5.6%
PHA Units	4,577	26.6%	7.2%
Section 8 Vouchers	3,989	23.2%	2.6%
USDA Units	778	4.5%	5.2%
HFC Units*	971		
Total	17,200	100.0%	3.6%

\*HFC units are not included in the final total, because HFC developments report total units rather than specifying assisted units and because the majority of HFC-financed developments also receive housing tax credits from TDHCA.

**SAMPLE OF MARKET HOUSING COSTS**

According to the Multiple Listing Service records for August 2010, the median home price for Corpus Christi is \$148,500.<sup>82</sup> In addition, the fair market rent for a two bedroom unit in Corpus Christi HMFA is \$816, requiring an annual income of approximately \$32,640. In a sample rural county, Calhoun, fair market rent on a two-bedroom apartment is \$637, which requires an annual income of approximately \$35,480.<sup>83</sup>

**HOUSING NEED**

The housing need indicators analyzed in this section include housing cost burden, substandard housing conditions and housing overcrowding for renter and owner households. The following information comes from the 2000 CHAS database updated with HISTA population projections. There were approximately 87,463 owner and renters with housing problems in 2009.

**Region 10 Households with Housing Problems, 2009**

Households	Region Total	Extremely Low Income (0-30%)	Very Low Income (31-50%)	Low Income (51-80%)	Higher Incomes (81% and up)
Extreme Cost Burden	59,191	20,620	15,872	12,697	10,002
Lacking Kitchen and/or Plumbing	3,763	1,266	737	771	989
Overcrowding	24,509	4,937	4,226	5,396	9,950
<b>Total</b>	<b>87,463</b>	<b>26,823</b>	<b>20,835</b>	<b>18,864</b>	<b>20,941</b>

Source: CHAS Database with projections based on HISTA data.

<sup>82</sup> Real Estate Center at Texas A&M University, "Texas Residential MLS Activity," <http://recenter.tamu.edu/data/hs/hs190b.htm> (accessed September 24, 2010).

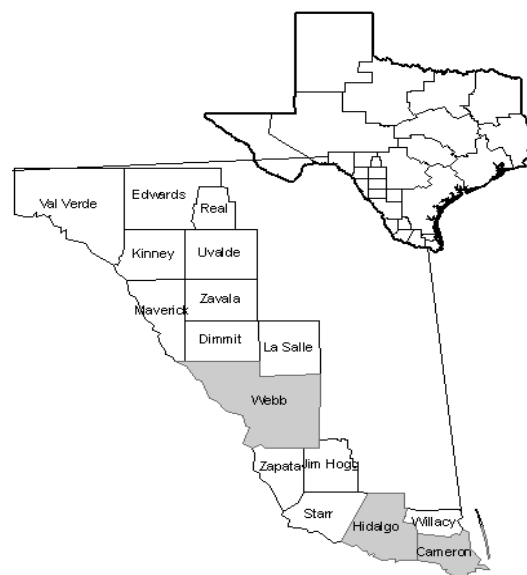
<sup>83</sup> National Low Income Housing Coalition. (2010). Out of reach 2010. Retrieved from <http://www.nlihc.org/oor/oor2010/>



## REGION 11

Region 11 is a 16-county area along the border of Mexico. The main urban areas in the region are Brownsville-Harlingen, McAllen-Edinburg, Del Rio and Laredo. HISTA data projects that in 2009 the total population in Region 11 is 1,644,468 which represents 6.6 percent of the state's total population.

Region 11



Region 11 Population Figures

	2000 Population	% Change	2009 Population Estimate
Rural	245,523	7.5%	265,507
Urban	1,097,807	20.4%	1,378,961
Region 11 Total	1,343,330	18.3%	1,644,468

Source: 2000 Census, Census population estimates July 1, 2009.

About 83.9 percent of Region 11 families live in urban areas. In the map of Region 11 (right), the shaded counties are MSAs as defined by the U.S. Census. The table below depicts the number of families living below the poverty line in Region 11. Of the 118,810 families living below poverty, approximately 84.6 percent are living in urban areas, with the remaining 15.4 percent in rural areas. Findings revealing that the McAllen and Laredo MSAs are projected to outpace job growth of the state from 2002 to 2012, while the Brownsville-Harlingen MSA is growing slower than the state and region as a whole.<sup>84</sup>

Region 11 Poverty Figures, 2010

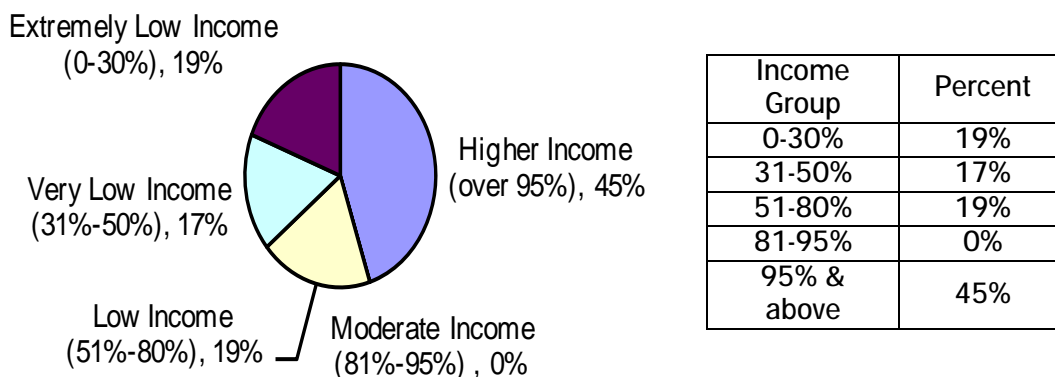
	At or above poverty		Below poverty	
	Families	Percent	Families	Percent
Rural	49,279	72.9%	18,354	27.1%
Urban	236,523	70.2%	100,456	29.8%
Region 11 Total	285,802	70.6%	118,810	29.4%

Source: Nielsen Claritas, Ribbon Demographics, 2010.

The pie chart to the left depicts the income breakdown of the 377,276 households in the region. Approximately 55 percent of households are low income. The 2000 CHAS figures for moderate and higher income household in Region 11 indicate that there are only 199 persons with income between 80-95 percent of the AMFI. TDHCA has been unable to get more accurate information for this segment of the population. However, the planning impact for the SLIHP is relatively low because the majority of TDHCA programs serve persons below 80 percent AMFI.

<sup>84</sup> Texas Comptroller of Public Accounts, "Texas in Focus: South Texas," August 2008. <http://www.window.state.tx.us/specialrpt/tif/southtexas/> (accessed October 6, 2010).

**Region 11 Household Income**



There are 523,671 individuals living in poverty in the region, which makes up 33.3 percent of the regional population. According to the Texas Comptroller's *Texas In Focus* report, the top five occupations with high projected job growth in Region 11 are low paying (average annual wage of \$16,103) and do not require a post-secondary education.<sup>85</sup> Additionally, floodplains in the colonias in Webb and Hidalgo counties have discouraged investors and developers from investing in the region's rural areas.<sup>86</sup>

**REGION 11 SPECIAL NEEDS POPULATIONS**

Some data for persons with special needs is only available at the state level. For example, numbers of persons with alcohol and substance abuse is not available at the county level, so analysis could only be done at the state level. In addition, the regional number of public housing units, in which public housing residents live, is not included in the Special Needs Population section of each regional analysis because it is included in the Assisted Housing Inventory at the end of each regional analysis. Finally, colonia residents are only included in Regions 9-13 because colonia residents only live in those areas.

**HOMELESS PERSONS**

According to 2010 population projections by Ribbon Demographics, this region has approximately 3.5 percent of the statewide total of people in non-institutional group quarters, including shelters. For a sample urban county, Cameron, and a sample rural county, Zavala, there is an estimated 639 people and 27 people, respectively, in non-institutional group quarters. Region 11 also experienced damage from Hurricane Dolly, which hit the Lower Rio Grande area in July 2008.

<sup>85</sup> Texas Comptroller of Public Accounts, "Texas in Focus: South Texas," August 2008. <http://www.window.state.tx.us/specialrpt/tif/southtexas/> (accessed October 6, 2010).

<sup>86</sup> US Government Accountability Office, Report to Congressional Committees, Rural Homelessness: Better Collaboration by HHS and HUD Could Improve Delivery of Services in Rural Areas," July 2010. <http://www.gao.gov/new.items/d10724.pdf>

**Region 11 persons in other group quarters, 2010**

	Homeless persons	% of State Total	Statewide Homeless Population
Rural	309	5.1%	6,051
Urban	2,083	3.4%	61,647
Total	2,392	3.5%	67,698

Source: Nielsen Claritas, Ribbon Demographics, 2010.

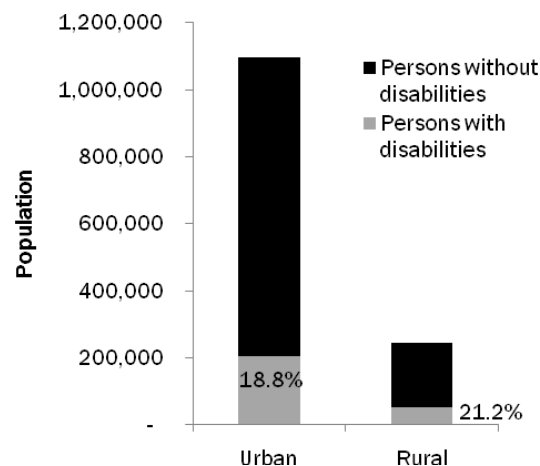
**PERSONS WITH DISABILITIES**

According to the US Census, of the total population in Region 11, persons with disabilities account for approximately 19.2 percent of the population. Of this total, approximately 79.9 percent are residing in urban areas, with the remaining 20.1 percent in rural areas.

**Region 11 Persons with, without disabilities, 2000**

	Persons with disabilities	Persons without disabilities	Total
Rural	51,933	193,590	245,523
Urban	205,905	891,902	1,097,807
Total	257,838	1,085,492	1,343,330

Source: Census 2000, Urban defined by presence of an MSA.



**ELDERLY PERSONS**

According to the most recent US Census, elderly persons in Region 11 make up 6.6% of the statewide total elderly population.

**Region 11 Elderly Persons, 2000**

	Elderly Persons	Percent of State Total	Statewide Elderly Persons
Rural	30,301	6.4%	475,056
Urban	107,305	6.7%	1,597,476
Total	137,606	6.6%	2,072,532

Source: 2000 Census.

**PERSONS WITH HIV/AIDS**

According to the Texas Department of State Health Services' *2010 Texas Integrated Epidemiologic Profile for HIV/AIDS Prevention and Services Planning*, there are 1,849 persons living with HIV/AIDS in Region 11. Approximately 91.1 percent of this population is living in urban areas, with the remaining 8.9 percent in rural areas. Region 11 has a fairly low rate of persons living with HIV/AIDS compared to the state as a whole, with the US –Mexico Border area accounting for just 5.5 percent of the total, and a rate of 137 persons per 100,000. Note that Texas DSHS defines the

border area as those 32 counties within 100 kilometers of the US-Mexico border, a standard definition in health and human services reports.

**Region 11 Persons living with HIV/AIDS, 2008**

	Persons with HIV/AIDS, 2008	Population 2008
Rural	164	262,270
Urban	1,685	1,346,376
Total	1,849	1,608,646

*COLONIA RESIDENTS*

The Office of the Attorney General maintains an extensive Colonia Geographic Database, accounting for over 1,800 colonia areas in 29 counties. The table to the left depicts the estimated colonia population in Region 11. The region contains a very large portion of the state’s colonia population, accounting for over 73.2 percent of the 418,406 residents, with a large portion residing in Hidalgo County.<sup>87</sup>

**Region 11 Colonia Population, estimated 2010**

	Colonia Population Estimate
Rural	100,971
Urban	205,243
Total	306,214
Statewide total	418,406

*MIGRANT FARMWORKERS*

In a study prepared for the US Health Resources and Services Administration, Region 11 was found to have a very high proportion of the state’s Migrant and Seasonal Farmworker (MSFW) population, accounting for 34.0 percent of the 361,414 MSFWs in the state of Texas.<sup>88</sup> The high farmworker population correlates with a dominant agriculture industry in Region 11, an area which produces large amounts of the nation’s sugarcane, sorghum for grain, cotton, citrus and onions. The crop and animal production sectors provided 20,000 jobs to Region 11 in 2007.<sup>89</sup>

**Region 11 Migrant and Seasonal Farmworker Population, 2000<sup>90</sup>**

	MSFW Estimate	Percent of statewide MSFW population	MSFW Statewide Estimate
Rural	35,022	17.7%	197,588
Urban	87,925	53.7%	163,826
Total	122,947	34.0%	361,414

<sup>87</sup> Texas Office of the Attorney General, Border Colonia Geographic Database

<sup>88</sup> Migrant and Seasonal Farmworker Enumeration Profiles Study – TX, Larson, Alice, 2000.

<sup>89</sup> Texas Comptroller of Public Accounts, “Texas in Focus: South Texas,” August 2008.

<http://www.window.state.tx.us/specialrpt/tif/southtexas/> (accessed October 6, 2010).

<sup>90</sup> Migrant and Seasonal Farmworker Enumeration Profiles Study – TX, Larson, Alice, 2000.

**LOCAL INPUT ON HOUSING ASSISTANCE**

According to the TDHCA Public Assistance Inventory for SFY2010, the agency received 18,821 public assistance requests from Region 11, which accounted for 8.9 percent of total annual requests. Of requests from Region 11, the three most requested categories of assistance were, in order: Utility Assistance, Repair and Weatherization and Rental Assistance.

**Region 11 Public Assistance Request Inventory, SFY 2010**

	Emergency Assistance	Utility Assistance	Rental Assistance	Repair & Weatherization	Homebuyer Assistance	Legal Assistance	Foreclosure	Disaster Assistance	Other Housing-Related Assistance	Total
Region 11	888	13,192	1,453	2,152	1,131	3	1	1	-	18,821
<b>Total</b>	<b>28,581</b>	<b>52,487</b>	<b>59,711</b>	<b>35,184</b>	<b>34,319</b>	<b>99</b>	<b>29</b>	<b>27</b>	<b>21</b>	<b>210,458</b>

**REGION 11 HOUSING ASSESSMENT**

A housing assessment includes the current housing supply, a sample of market-rate housing costs, the housing needs and the availability of subsidized housing.

**HOUSING SUPPLY**

According to the 2010 projections, 82.9 percent of the housing units in the region are occupied. Of the total housing stock, 68.6 percent are one unit, 3.3 percent are two units, 13.7 percent are three or more units, 13.6 percent are manufactured homes and the rest are boats and RVs.

**REGION 11 HOUSING SUPPLY, 2010**

	Rural	Urban	Total
Total housing units	98,839	483,680	582,519
Vacant housing units	16,597	83,296	99,893
Housing units, 1 unit	75,255	324,398	399,653
Housing units, 2 units	3,031	16,464	19,495
Housing units, 3 to 4 units	3,541	23,370	26,911
Housing units, 5 to 19 units	2,295	31,976	34,271
Housing units, 20 to 49 units	579	7,059	7,638
Housing units, 50+ units	184	11,037	11,221
Housing units, mobile home	13,794	65,253	79,047
Housing units, other	160	4,123	4,283

Source: Nielsen Claritas, Ribbon Demographics, 2010.

**ASSISTED HOUSING INVENTORY**

The following table shows the number of total multifamily units in the region financed through state and federal sources. For information on the data sources, see "Assisted Housing Inventory" under "State of Texas" in this section.

**Region 11 Assisted Multifamily Units**

	Region Total	Percent in Region	Percent of State Total
TDHCA Units	10,379	28.3%	5.2%
HUD Units	2,701	7.4%	6.8%
PHA Units	7,415	20.2%	11.7%
Section 8 Vouchers	14,260	38.8%	9.2%
USDA Units	1,966	5.4%	13.1%
HFC Units*	322		
Total	36,721	100.0%	7.7%

\*HFC units are not included in the final total, because HFC developments report total units rather than specifying assisted units and because the majority of HFC-financed developments also receive housing tax credits from TDHCA.

**SAMPLE OF MARKET HOUSING COSTS**

According to the Multiple Listing Service records for August 2010, the median home price for Brownsville is \$113,800 and McAllen is \$116,400.<sup>91</sup> In addition, the fair market rent for a two bedroom unit in Brownsville/Harlingen MSA is \$600, requiring an annual income of approximately \$24,000, and in McAllen/Edinburg/Mission MSA is \$655, which requires an annual income of approximately \$26,200. In a sample rural county, Zavala, fair market rent on a two-bedroom apartment is \$588, which requires an annual income of approximately \$23,520.<sup>92</sup>

**HOUSING NEED**

The housing need indicators analyzed in this section include housing cost burden, substandard housing conditions and housing overcrowding for renter and owner households. The following information comes from the 2000 CHAS database updated with HISTA population projections. There were approximately 184,917 owners and renters with housing problems in 2009.

**Region 11 Households with Housing Problems, 2009**

Households	Region Total	Extremely Low Income (0-30%)	Very Low Income (31-50%)	Low Income (51-80%)	Higher Incomes (81% and up)
Extreme Cost Burden	78,562	33,079	20,702	14,090	10,691
Lacking Kitchen and/or Plumbing	14,614	6,312	3,577	2,527	2,199
Overcrowding	91,741	22,709	19,440	21,140	28,453
Total	184,917	62,100	43,719	37,757	41,343

Source: CHAS Database with projections based on HISTA data.

<sup>91</sup> Real Estate Center at Texas A&M University, "Texas Residential MLS Activity," <http://recenter.tamu.edu/data/hs/hs350b.htm> (accessed September 24, 2010).

<sup>92</sup> National Low Income Housing Coalition. (2010). Out of reach 2010. Retrieved from <http://www.nlihc.org/oor/oor2010/>

### REGION 12

Region 12 in west Texas surrounds the urban areas of Odessa-Midland and San Angelo. HISTA data projects that in 2009 the total population in Region 12 is 552,914, which represents 2.2 percent of the state's total population.

Region 12



Region 12 Population Figures

	2000 Population	% Change	2009 Population Estimate
Rural	183,742	-4.5%	175,854
Urban	341,142	9.5%	377,060
Region 12 Total	524,884	5.1%	552,914

Source: 2000 Census, Census population estimates July 1, 2009.

Approximately 68.2 percent of Region 12 families live in urban areas. In the map of Region 12 (right), the shaded counties are MSAs as defined by the U.S. Census. The table below depicts the number of families living below the poverty line in Region 12. Of the 17,117 families living below poverty, approximately 57.4 percent are living in urban areas, with the remaining 42.6 percent in rural areas. However, the percentage of total rural families that are below poverty is slightly higher than the percentage of total urban families.

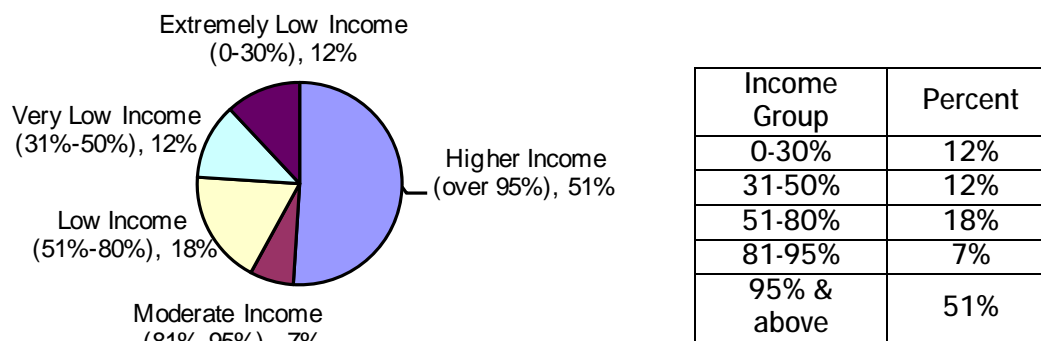
Region 12 Poverty Figures, 2010

	At or above poverty		Below poverty	
	Families	Percent	Families	Percent
Rural	39,095	84.3%	7,295	15.7%
Urban	88,619	90.0%	9,822	10.0%
Region 12 Total	127,714	88.2%	17,117	11.8%

Source: Nielsen Claritas, Ribbon Demographics, 2010.

The pie chart below depicts the income breakdown of the 188,921 household in the region. Approximately 42 percent of households are low income. There are 97,823 individuals living in poverty in the region, which makes up 16.4 percent of the regional population.

### Region 12 Household Income



### **REGION 12 SPECIAL NEEDS POPULATIONS**

Some data for persons with special needs is only available at the state level. For example, numbers of persons with alcohol and substance abuse is not available at the county level, so analysis could only be done at the state level. In addition, the regional number of public housing units, in which public housing residents live, is not included in the Special Needs Population section of each regional analysis because it is included in the Assisted Housing Inventory at the end of each regional analysis. Finally, colonia residents are only included in Regions 9-13 because colonia residents only live in those areas.

#### *HOMELESS PERSONS*

According to 2010 population projections by Ribbon Demographics, this region has approximately 1.9 percent of the statewide total of people in non-institutional group quarters, including shelters. For a sample urban county, Ector, and a sample rural county, Andrews, there is an estimated 169 people and 0 people, respectively, in non-institutional group quarters.

### Region 12 persons in other group quarters, 2010

	Homeless persons	% of State Total	Statewide Homeless Population
Rural	226	3.7%	6,051
Urban	1,084	1.8%	61,647
Total	1,310	1.9%	67,698

Source: Nielsen Claritas, Ribbon Demographics, 2010.

#### *PERSONS WITH DISABILITIES*

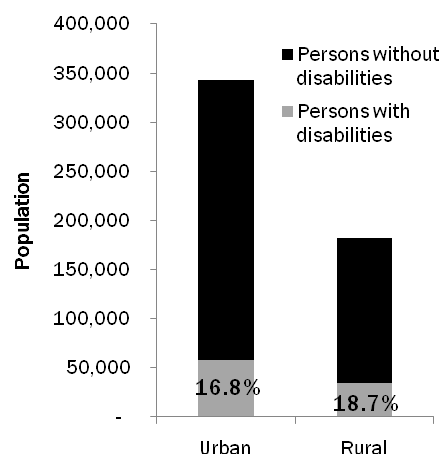
According to the US Census, of the total population in Region 12, persons with disabilities account for approximately 17.5 percent of the population. Of this total, approximately 62.5 percent are residing in urban areas, with the remaining 37.5 percent in rural areas.



**Region 12 Persons with, without disabilities, 2000**

	Persons with disabilities	Persons without disabilities	Total
Rural	34,035	147,936	181,971
Urban	57,765	285,148	342,913
Total	91,800	433,084	524,884

Source: Census 2000, Urban defined by presence of an MSA.



**ELDERLY PERSONS**

According to the most recent US Census, elderly persons in Region 12 make up 3.2% of the statewide total elderly population.

**Region 12 Elderly Persons -- Texas 2000**

	Elderly Persons	Percent of State Total	Statewide Elderly Persons
Rural	25,403	5.3%	475,056
Urban	40,949	2.6%	1,597,476
Total	66,352	3.2%	2,072,532

Source: 2000 Census.

**PERSONS WITH HIV/AIDS**

According to the Texas Department of State Health Services' *2010 Texas Integrated Epidemiologic Profile for HIV/AIDS Prevention and Services Planning*, there are 596 persons living with HIV/AIDS in Region 12. Approximately 76 percent of this population is living in urban areas, with the remaining 24 percent in rural areas. Region 12 has a fairly low rate of persons living with HIV/AIDS compared to the state as a whole, with the South & West Texas area accounting for just 2.1 percent of the total, and a rate of 89 persons per 100,000.

**Region 12 Persons living with HIV/AIDS, 2008**

	Persons with HIV/AIDS, 2008	Population 2008
Rural	111	173,833
Urban	351	369,491
Total	462	543,324

**COLONIA RESIDENTS**

The Office of the Attorney General maintains an extensive Colonia Geographic Database, accounting for over 1,800 colonia areas in 29 counties. The table to the right depicts the estimated colonia population in Region 12. The region contains a very small portion of the state's colonia population, accounting for over 1.2 percent of the 418,406 residents, with a large portion residing in Pecos County.<sup>93</sup>

**Region 12 Colonia Population, estimated 2010**

	Colonia Population Estimate
Rural	5,130
Urban	-
Total	5,130
Statewide total	418,406

**MIGRANT FARMWORKERS**

In a study prepared for the US Health Resources and Services Administration, Region 12 was found to have a higher proportion of the state's Migrant and Seasonal Farmworker (MSFW) population, accounting for 10.2 percent of the 361,414 MSFWs in the state of Texas.<sup>94</sup>

**Region 12 Migrant and Seasonal Farmworker Population, 2000**

	MSFW Estimate	Percent of statewide MSFW population	MSFW Statewide Estimate
Rural	32,958	16.7%	197,577
Urban	4,041	2.5%	163,826
Total	36,999	10.2%	361,414

**LOCAL INPUT ON HOUSING ASSISTANCE**

According to the TDHCA Public Request Assistance Inventory for SFY2010, the agency received 4,437 public assistance requests from Region 12, which accounted for 2.1 percent of total annual requests. Of requests from Region 12, the three most requested categories of assistance were, in order: Utility Assistance, Repair and Weatherization and Rental Assistance.

<sup>93</sup> Texas Office of the Attorney General, Border Colonia Geographic Database

<sup>94</sup> Migrant and Seasonal Farmworker Enumeration Profiles Study – TX, Larson, Alice, 2000.

**Region 12 Public Assistance Request Inventory, SFY 2010**

	Emergency Assistance	Utility Assistance	Rental Assistance	Repair & Weatherization	Homebuyer Assistance	Legal Assistance	Foreclosure	Disaster Assistance	Other Housing-Related Assistance	Total
Region 12	431	1,986	728	830	457	4	-	-	1	4,437
<b>Total</b>	<b>28,581</b>	<b>52,487</b>	<b>59,711</b>	<b>35,184</b>	<b>34,319</b>	<b>99</b>	<b>29</b>	<b>27</b>	<b>21</b>	<b>210,458</b>

**REGION 12 HOUSING ASSESSMENT**

A housing assessment includes the current housing supply, a sample of market-rate housing costs, the housing needs and the availability of subsidized housing.

**HOUSING SUPPLY**

According to the 2010 projections, 85.6 percent of the housing units in the region are occupied. Of the total housing stock, 73.4 percent are one unit, 1.8 percent are two units, 14.3 percent are three or more units, 10.4 percent are manufactured homes and the rest are boats and RVs.

**Region 12 Housing Supply, 2010**

	Rural	Urban	Total
Total housing units	82,104	153,164	235,268
Vacant housing units	19,406	14,563	33,969
Housing units, 1 unit	64,899	107,679	172,578
Housing units, 2 units	1,654	2,496	4,150
Housing units, 3 to 4 units	1,608	3,702	5,310
Housing units, 5 to 19 units	1,696	17,501	19,197
Housing units, 20 to 49 units	512	2,461	2,973
Housing units, 50+ units	648	5,445	6,093
Housing units, mobile home	10,927	13,642	24,569
Housing units, other	160	238	398

Source: Nielsen Claritas, Ribbon Demographics, 2010.

**ASSISTED HOUSING INVENTORY**

The following table shows the number of total multifamily units in the region financed through state and federal sources. For information on the data sources, see "Assisted Housing Inventory" under "State of Texas" in this section.

## Region 12 Assisted Multifamily Units

	Region Total	Percent in Region	Percent of State Total
TDHCA Units	2,896	33.4%	1.4%
HUD Units	974	11.2%	2.5%
PHA Units	1,241	14.3%	2.0%
Section 8 Vouchers	3,121	36.0%	2.0%
USDA Units	432	5.0%	2.9%
HFC Units*	24		
<b>Total</b>	<b>8,664</b>	<b>100.0%</b>	<b>1.8%</b>

\*HFC units are not included in the final total, because HFC developments report total units rather than specifying assisted units and because the majority of HFC-financed developments also receive housing tax credits from TDHCA.

*SAMPLE OF MARKET HOUSING COSTS*

According to the Multiple Listing Service records for September 2009, the median home prices for Odessa and Midland are \$131,800 and \$164,800 respectively.<sup>95</sup> In addition, the fair market rent for a two bedroom unit in Odessa MSA is \$736, requiring an annual income of approximately \$29,400, and in Midland MSA is \$831, which requires an annual income of approximately \$33,240. In a sample rural county, Andrews, fair market rent on a two-bedroom apartment is \$588, which requires an annual income of approximately \$23,520.<sup>96</sup>

*HOUSING NEED*

The housing need indicators analyzed in this section include housing cost burden, substandard housing conditions and housing overcrowding for renter and owner households. The following information comes from the 2000 CHAS database updated with HISTA population projections. There were approximately 57,186 owners and renters with housing problems in 2009.

## Region 12 Households with Housing Problems, 2009

Households	Region Total	Extremely Low Income (0-30%)	Very Low Income (31-50%)	Low Income (51-80%)	Higher Incomes (81% and up)
Extreme Cost Burden	40,053	14,994	11,375	7,894	5,791
Lacking Kitchen and/or Plumbing	2,577	713	547	538	778
Overcrowding	14,556	2,466	2,483	4,119	5,488
<b>Total</b>	<b>57,186</b>	<b>18,173</b>	<b>14,405</b>	<b>12,551</b>	<b>12,057</b>

Source: CHAS Database with projections based on HISTA data.

<sup>95</sup> Real Estate Center at Texas A&M University, "Texas Residential MLS Activity," <http://recenter.tamu.edu/data/hs/trends4.html> (accessed November 6, 2009).

<sup>96</sup> National Low Income Housing Coalition. (2010). Out of reach 2010. Retrieved from <http://www.nlihc.org/oor/oor2010/>

### REGION 13

El Paso is the main urban area in Region 13. The region spreads along the Texas-Mexico border in the southwestern tip of the state. HISTA data projects that in 2009 the total population in Region 13 is 775,920, which represents 3.1 percent of the state's total population.

Region 13



Region 13 Population Figures

	2000 Population	% Change	2009 Population Estimate
Rural	24,696	-0.3%	24,624
Urban	679,622	9.5%	751,296
Region 13 Total	704,318	9.2%	775,920

Source: 2000 Census, Census population estimates July 1, 2009.

Approximately 96.8 percent of Region 13 families live in the urban area of El Paso. In the map of Region 13 (right), the shaded counties are MSAs as defined by the U.S. Census. The table below depicts the number of families living below the poverty line in Region 13. Of the 45,419 families living below poverty, approximately 97 percent are living in urban areas, with the remaining 3 percent in rural areas. Additionally, the percentage of total rural families that are below poverty is slightly lower than the percentage of total urban families. Findings revealing that the region's rural counties are projected to outpace job growth of the El Paso MSA, the region and the state from 2009 to 2013.<sup>97</sup>

Region 13 Poverty Figures, 2010

	At or above poverty		Below poverty	
	Families	Percent	Families	Percent
Rural	5,287	78.9%	1,417	21.1%
Urban	145,664	76.8%	44,002	23.2%
Region 13 Total	150,951	76.9%	45,419	23.1%

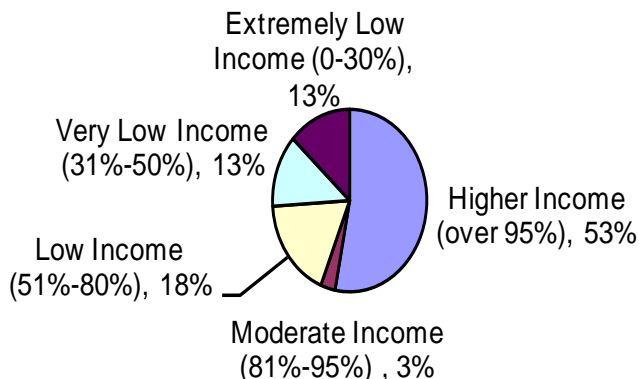
Source: Nielsen Claritas, Ribbon Demographics, 2010.

The pie chart to the left depicts the income breakdown of the 216,861 households in the region. Approximately 44 percent of households are low income. There are 189,890 individuals living in poverty in the region, which makes up 23.7 percent of the regional population. According to the Texas Comptroller's *Texas In Focus* report, the top ten occupations with high projected job growth in Region 13 are low paying (median annual wage of \$16,769) and eight of the ten do not require a post-secondary education.<sup>98</sup>

<sup>97</sup> Texas Comptroller of Public Accounts, "Texas in Focus: Upper Rio Grande," June 2009. <http://www.window.state.tx.us/specialrpt/tif/urgrande/> (accessed October 6, 2010).

<sup>98</sup> Texas Comptroller of Public Accounts, "Texas in Focus: Upper Rio Grande," June 2009. <http://www.window.state.tx.us/specialrpt/tif/urgrande/> (accessed October 6, 2010).

**Region 13 Household Income**



Income Group	Percent
0-30%	13%
31-50%	13%
51-80%	18%
81-95%	3%
95% & above	53%

**REGION 13 SPECIAL NEEDS POPULATIONS**

Some data for persons with special needs is only available at the state level. For example, numbers of persons with alcohol and substance abuse is not available at the county level, so analysis could only be done at the state level. In addition, the regional number of public housing units, in which public housing residents live, is not included in the Special Needs Population section of each regional analysis because it is included in the Assisted Housing Inventory at the end of each regional analysis.

**HOMELESS PERSONS**

According to 2010 population projections by Ribbon Demographics, this region has approximately 3.1 percent of the statewide total of people in non-institutional group quarters, including shelters. For a sample urban county, El Paso, and a sample rural county, Presidio, there is an estimated 2,056 people and 8 people, respectively, in non-institutional group quarters.

**Region 13 persons in other group quarters, 2010**

	Homeless persons	% of State Total	Statewide Homeless Population
Rural	15	0.2%	6,051
Urban	2,056	3.3%	61,647
Total	2,071	3.1%	67,698

Source: Nielsen Claritas, Ribbon Demographics, 2010.

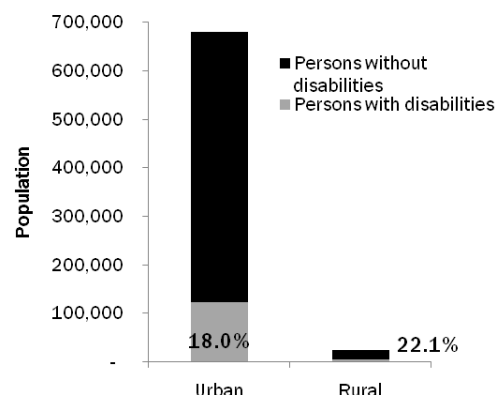
**PERSONS WITH DISABILITIES**

According to the US Census, of the total population in Region 13, persons with disabilities account for approximately 18.2 percent of the population. Of this total, approximately 95.7 percent are residing in urban areas, with the remaining 4.3 percent in rural areas.

**Region 13 Persons with, without disabilities, 2000**

	Persons with disabilities	Persons without disabilities	Total
Rural	5,455	19,241	24,696
Urban	122,545	557,077	679,622
Total	128,000	576,318	704,318

Source: Census 2000, Urban defined by presence of an MSA.



**ELDERLY PERSONS**

According to the most recent US Census, elderly persons in Region 13 make up .7% of the statewide total elderly population.

**Region 13 Elderly Persons, 2000**

	Elderly Persons	Percent of State Total	Statewide Elderly Persons
Rural	3,338	0.7%	475,056
Urban	10,286	0.6%	1,597,476
Total	13,624	0.7%	2,072,532

Source: 2000 Census and CHAS Database with projections based on HISTA data.

**PERSONS WITH HIV/AIDS**

According to the Texas Department of State Health Services' *2010 Texas Integrated Epidemiologic Profile for HIV/AIDS Prevention and Services Planning*, there are 1,569 persons living with HIV/AIDS in Region 13. Approximately 99.6 percent of this population is living in urban areas, with the remaining 0.4 percent in rural areas. Region 13 has a fairly low rate of persons living with HIV/AIDS compared to the state as a whole, the US –Mexico Border area accounting for just 5.5 percent of the total, and a rate of 137 persons per 100,000. Note that Texas DSHS defines the border area as those 32 counties within 100 kilometers of the US-Mexico border, a standard definition in health and human services reports.

**Region 13 Persons living with HIV/AIDS, 2008**

	Persons with HIV/AIDS, 2008	Population 2008
Rural	7	24,575
Urban	1,562	738,416
Total	1,569	762,991

**COLONIA RESIDENTS**

The Office of the Attorney General maintains an extensive Colonia Geographic Database, accounting for over 1,800 colonia areas in 29 counties. The table to the right depicts the estimated colonia population in Region 13. The region contains a large portion of the state's colonia population, accounting for over 19.2 percent of the 418,406 residents, with the vast majority residing in El Paso County.<sup>99</sup>

**Region 13 Colonia Population, estimated 2010**

	Colonia Population Estimate
Rural	3,239
Urban	77,169
Total	80,408
Statewide total	418,406

**MIGRANT FARMWORKERS**

In a study prepared for the US Health Resources and Services Administration, Region 13 was found to have a low proportion of the state's Migrant and Seasonal Farmworker (MSFW) population, accounting for just 3.0 percent of the 361,414 MSFWs in the state of Texas.<sup>100</sup>

**Region 13 Migrant and Seasonal Farmworker Population, 2000**

	MSFW Estimate	Percent of statewide MSFW population	MSFW Statewide Estimate
Rural	6,201	3.1%	197,588
Urban	4,745	2.9%	163,826
Total	10,946	3.0%	361,414

**LOCAL INPUT ON HOUSING ASSISTANCE**

According to the TDHCA Public Request Assistance Inventory for SFY2010, the agency received 2,003 public assistance requests from Region 13, which accounted for 1.0 percent of total annual requests. Of requests from Region 13, the three most requested categories of assistance were, in order: Homebuyer Assistance, Rental Assistance and Repair and Weatherization.

<sup>99</sup> Texas Office of the Attorney General, Border Colonia Geographic Database

<sup>100</sup> Migrant and Seasonal Farmworker Enumeration Profiles Study – TX, Larson, Alice, 2000.



**Region 13 Public Assistance Request Inventory, SFY 2010**

	Emergency Assistance	Utility Assistance	Rental Assistance	Repair & Weatherization	Homebuyer Assistance	Legal Assistance	Foreclosure	Disaster Assistance	Other Housing-Related Assistance	Total
Region 13	227	207	552	460	555	1	1	-	-	2,003
<b>Total</b>	<b>28,581</b>	<b>52,487</b>	<b>59,711</b>	<b>35,184</b>	<b>34,319</b>	<b>99</b>	<b>29</b>	<b>27</b>	<b>21</b>	<b>210,458</b>

**REGION 13 HOUSING ASSESSMENT**

A housing assessment includes the current housing supply, a sample of market-rate housing costs, the housing needs and the availability of subsidized housing.

**HOUSING SUPPLY**

According to the 2010 projections, 91.5 percent of the housing units in the region are occupied. Of the total housing stock, 70.9 percent are one unit, 2.7 percent are two units, 19.7 percent are three or more units, 6.6 percent are manufactured homes and the rest are boats and RVs.

**Region 13 Housing Supply, 2010**

	Rural	Urban	Total
Total housing units	13,156	260,161	273,317
Vacant housing units	3,366	19,748	23,114
Housing units, 1 unit	8,980	184,764	193,744
Housing units, 2 units	487	7,011	7,498
Housing units, 3 to 4 units	315	9,505	9,820
Housing units, 5 to 19 units	224	19,997	20,221
Housing units, 20 to 49 units	126	5,232	5,358
Housing units, 50+ units	146	18,167	18,313
Housing units, mobile home	2,834	15,275	18,109
Housing units, other	44	210	254

Source: Nielsen Claritas, Ribbon Demographics, 2010.

**ASSISTED HOUSING INVENTORY**

The following table shows the number of total multifamily units in the region financed through state and federal sources, such as TDHCA, HUD, PHAs, Section 8 Housing Choice Vouchers, USDA and local. The following table shows the number of total multifamily units in the region financed through state and federal sources. For information on the data sources, see "Assisted Housing Inventory" under "State of Texas" in this section.

## Region 13 Assisted Multifamily Units

	Region Total	Percent in Region	Percent of State Total
TDHCA Units	5,770	29.4%	2.9%
HUD Units	1,515	7.7%	3.8%
PHA Units	6,035	30.7%	9.5%
Section 8 Vouchers	6,125	31.2%	3.9%
USDA Units	204	1.0%	1.4%
HFC Units*	690		
<b>Total</b>	<b>19,649</b>	<b>100.0%</b>	<b>4.1%</b>

\*HFC units are not included in the final total, because HFC developments report total units rather than specifying assisted units and because the majority of HFC-financed developments also receive housing tax credits from TDHCA.

*SAMPLE OF MARKET HOUSING COSTS*

According to the Multiple Listing Service records for August 2010, the median home price for El Paso is \$137,300.<sup>101</sup> In addition, the fair market rent for a two bedroom unit in El Paso MSA is \$598, requiring an annual income of approximately \$23,920. In a sample rural county, Presidio, fair market rent on a two-bedroom apartment is \$588, which requires an annual income of approximately \$23,520.<sup>102</sup>

*HOUSING NEED*

The housing need indicators analyzed in this section include housing cost burden, substandard housing conditions and housing overcrowding for renter and owner households. The following information comes from the 2000 CHAS database updated with HISTA population projections. There were approximately 93,248 owners and renters with housing problems in 2009.

## Region 13 Households with Housing Problems, 2009

Households	Region Total	Extremely Low Income (0-30%)	Very Low Income (31-50%)	Low Income (51-80%)	Higher Incomes (81% and up)
Extreme Cost Burden	55,856	17,463	14,981	13,699	9,713
Lacking Kitchen and/or Plumbing	4,076	950	1,093	938	1,095
Overcrowding	33,316	6,337	6,630	7,773	12,577
<b>Total</b>	<b>93,248</b>	<b>24,750</b>	<b>22,704</b>	<b>22,410</b>	<b>23,385</b>

Source: CHAS Database with projections based on HISTA data.

<sup>101</sup> Real Estate Center at Texas A&M University, "Texas Residential MLS Activity," <http://recenter.tamu.edu/data/hs/hs220b.htm> (accessed September 24, 2010).

<sup>102</sup> National Low Income Housing Coalition. (2010). Out of reach 2010. Retrieved from <http://www.nlihc.org/oor/oor2010/>

## **SECTION 3: ANNUAL LOW-INCOME HOUSING REPORT**

The Annual Report required by §2306.072 of the Texas Government Code includes the following sections:

- TDHCA's Operating and Financial Statements
- *Statement of Activities*: Describes TDHCA activities during the preceding year that worked to address housing and community service needs
- *Statement of Activities by Region*: Describes TDHCA activities by region
- *Housing Sponsor Report*: Describes fair housing opportunities offered by TDHCA's multifamily development inventory
- *Analysis of the Distribution of Tax Credits*: Provides an analysis of the sources, uses and geographic distribution of housing tax credits
- *Average Rents Reported by County*: Provides a summary of the average rent reported by the TDHCA multifamily inventory

### ***OPERATING AND FINANCIAL STATEMENTS***

TDHCA's Operating Budgets and Basic Financial Statements are prepared and maintained by the Financial Administration Division. For copies of these reports, visit <http://www.tdhca.state.tx.us/finan.htm>.

## STATEMENT OF ACTIVITIES

The Department has many programs that provide an array of services. This section of the Plan highlights TDHCA's activities and achievements during the preceding fiscal year through a detailed analysis of the following:

- TDHCA's performance in addressing the housing needs of low-, very low- and extremely low-income households
- TDHCA's progress in meeting its housing and community service goals

This analysis is provided at the State level and within each of the 13 service regions TDHCA uses for planning purposes (see Figure 2.1). For general information about each region, including housing needs and housing supply, please see the *Housing Analysis* chapter of this document.

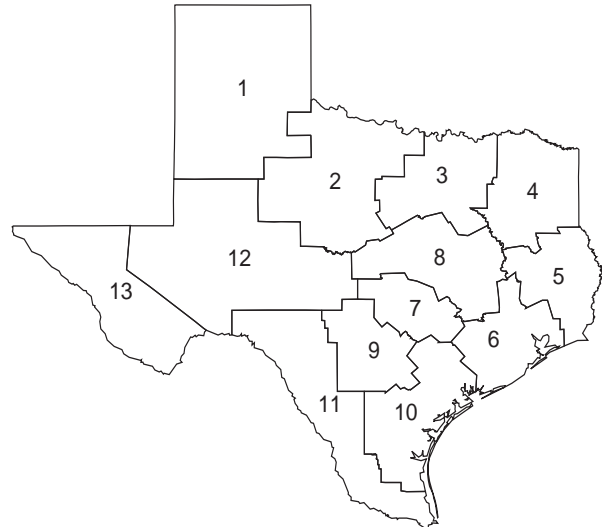


Figure 2.1 State Service Regions

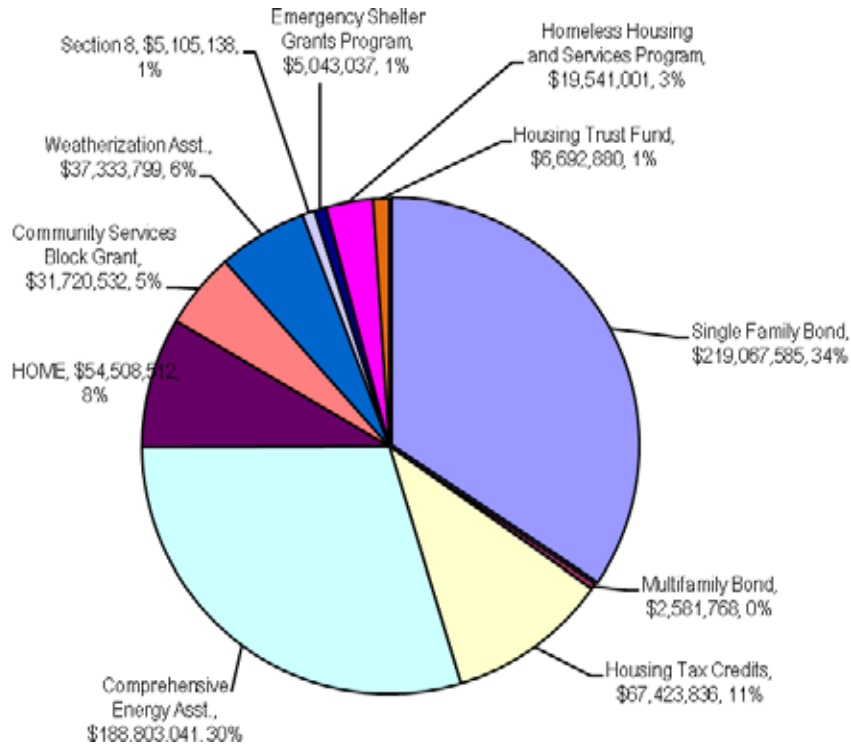
### **FUNDING COMMITMENTS AND HOUSEHOLDS SERVED BY ACTIVITY AND PROGRAM**

For the state and each region, a description of funding allocations, amounts committed, target numbers and actual number of persons or households served for each program is provided. Along with the summary performance information, data on the following activity subcategories is provided.

- Renter
  - New Construction activities support multifamily development, such as the funding of developments and predevelopment funding.
  - Rehabilitation Construction activities support the acquisition, rehabilitation and preservation of multifamily units.
  - Tenant-Based Assistance supports low-income Texans through direct rental payment assistance.
- Owner
  - Single-family development includes funding for housing developers, nonprofits, or other housing organizations to support the development of single-family housing.
  - Single-family financing and homebuyer assistance helps households purchase a home through such activities as mortgage financing and down payment assistance.
  - Single-family owner-occupied assistance helps existing homeowners who need home rehabilitation and reconstruction assistance.
  - Community services include supportive services, energy assistance and homeless assistance activities.

In FY 2010, TDHCA committed \$637,821,129 in total funds. Almost all of this funding, approximately 96 percent of the total came from federal sources. TDHCA committed funding for activities that predominantly benefited extremely low-, very low- and low-income individuals. The chart below displays the distribution of this funding by program activity.

**Total Funding By Program FY 2010**  
**Total Funds Committed: \$637,821,129**



Program	Amount	Percent
Single Family Bond	\$219,067,585	34%
Multifamily Bond	\$2,581,768	0%
Housing Tax Credits	\$67,423,836	11%
Comprehensive Energy Asst.	\$188,803,041	30%
HOME	\$54,508,512	9%
Community Services Block Grant	\$31,720,532	5%
Weatherization Asst.	\$37,333,799	6%
Section 8	\$5,105,138	1%
Emergency Shelter Grants Program	\$5,043,037	1%
Homeless Housing and Services Program	\$19,541,001	3%
Housing Trust Fund	\$6,692,880	1%
Total	\$637,821,129	100%

## Funding and Households/Persons Served by Activity, FY 2010, All Activities

Household Type	Activity	Committed Funds	Number of Households/ Individuals Served	% of Total Committed Funds	% of Total Households/ Individuals Served
Renter	Rental Assistance	\$7,650,420	1,097	1.2%	0.2%
	New Construction	\$66,383,763	4,749	10.4%	0.8%
	Rehab Construction	\$32,439,265	2,478	5.1%	0.4%
Owner	Financing & Down Payment	\$228,713,871	2,139	35.9%	0.3%
	Rehabilitation Assistance	\$20,192,400	387	3.2%	0.1%
	Homeless Services	\$24,584,038	83,727	3.9%	13.3%
	Energy Related	\$226,136,840	202,607	35.5%	32.2%
	Supportive Services	\$31,720,532	332,247	5.0%	52.8%
Total		\$637,821,129	629,431	100.0%	100.0%

## Funding and Households/Persons Served by Housing Program, FY 2010

	SF Bond		HOME		HTF		HTC		MF Bond		Section 8	
	Funds	HH	Funds	HH	Funds	HH	Funds	HH	Funds	HH	Funds	HH
Rental Assistance	\$0	-	\$2,545,282	199	\$0	-	\$0	-	\$0	-	\$5,105,138	898
Rental New Construction	\$0	-	\$16,446,856	211	\$500,000	36	\$47,152,052	4,061	\$2,284,855	441	\$0	-
Rental Rehabilitation	\$0	-	\$11,870,568	358	\$0	-	\$20,271,784	1,990	\$296,913	130	\$0	-
Owner Financing & Down Pmt.	\$219,067,585	1,739	\$5,603,406	225	\$4,042,880	175	\$0	-	\$0	-	\$0	-
Owner Rehab. Asst	\$0	-	\$18,042,400	225	\$2,150,000	162	\$0	-	\$0	-	\$0	-
Total	\$219,067,585	1,739	\$54,508,512	1,218	\$6,692,880	373	\$67,423,836	6,051	\$2,581,768	571	\$5,105,138	898

## Funding and Households/Persons Served by Community Affairs Programs, FY 2010

	ESGP^		CSBG^*		HHSP^		CEAP		WAP*	
	Funds	Ind	Funds	Ind	Funds	Ind	Funds	HH	Funds	HH
Homeless Services	\$5,043,037	69,564	\$0	0	\$19,541,001	14,163	\$0	0	\$0	0
Energy Related	\$0	0	\$0	0	0	0	\$188,803,041	193,636	\$37,333,799	8,971
Supportive Services	\$0	0	\$31,720,532	332,247	0	0	\$0	0	\$0	0
Total	\$5,043,037	69,564	\$31,720,532	332,247	\$19,541,001	14,163	\$188,803,041	193,636	\$37,333,799	8,971

\*For these programs, funds and households served reflect different 12 month periods.

^ESGP, CSBG and HHSP programs represent individuals served, not households.

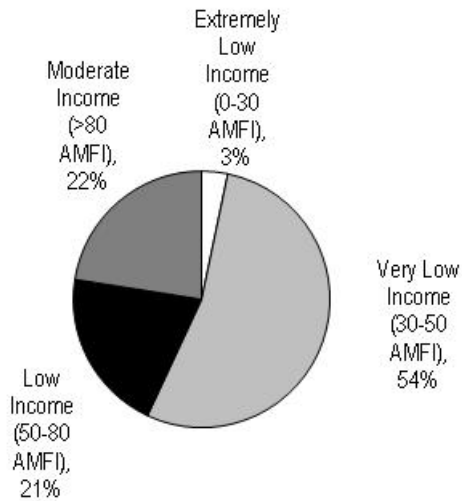
**FUNDING COMMITMENTS AND HOUSEHOLDS SERVED BY INCOME GROUP**

The SLIHP uses the following subcategories to refer to the needs of households or persons within specific income groups.

- Extremely Low Income (ELI): 0% to 30% Area median Family Income (AMFI)
- Very Low Income (VLI): 31% to 50% (AMFI)
- Low Income (LI): 51% to 80% (AMFI)
- Moderate Income and Up (MI): >80% (AMFI)

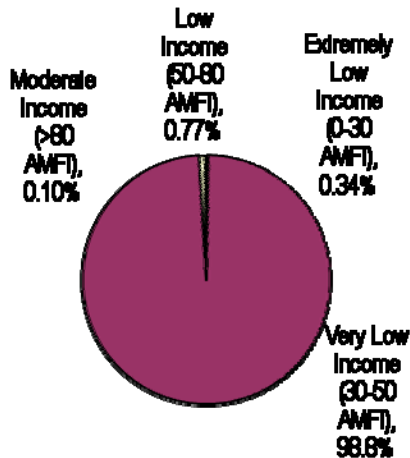
The vast majority of households and individuals served through CEAP, WAP, HHSP and ESGP earn less than 30 percent of the AMFI. However, federal tracking of assistance from these programs is based on poverty guidelines, which do not translate easily to an AMFI equivalent. For conservative reporting purposes, assistance in these programs is reported in the VLI category.

**Total Funding by Income Level, FY 2010**



Type	Percent
Extremely Low Income (0-30 AMFI)	3%
Very Low Income (30-50 AMFI)	54%
Low Income (50-80 AMFI)	21%
Moderate Income (>80 AMFI)	22%

**Total Households and Individuals Served by Income Level, FY 2010**



Type	Percent
Extremely Low Income (0-30 AMFI)	0.34%
Very Low Income (30-50 AMFI)	98.8%
Low Income (50-80 AMFI)	0.77%
Moderate Income (>80 AMFI)	0.10%



Funding and households/Persons Service by Income Category, FY 2010

**All Activities**

Activity	Committed Funds	Number of Households/ Individuals Served	% of Total Committed Funds	% of Total Households/ Individuals Served
Extremely Low Income (0-30 AMFI)	\$110,830,585	2,143	17%	0.34%
Very Low Income (30-50 AMFI)	\$340,835,581	622,030	53%	98.82%
Low Income (50-80 AMFI)	\$105,166,400	4,599	16%	0.73%
Moderate Income (>80 AMFI)	\$80,988,565	659	13%	0.10%
Total	\$637,821,131	629,431	100%	100.00%

**Housing Activities**

	SF Bond		HOME		HTF		HTC		MF Bond		Section 8	
	Funds	HH	Funds	HH	Funds	HH	Funds	HH	Funds	HH	Funds	HH
Extremely Low Income (0-30 AMFI)	\$293,245	2	\$10,621,658	277	\$1,884,778	115	4,127,175	385	\$188,777	32	\$3,753,680	642
Very Low Income (30-50 AMFI)	\$9,469,186	91	\$14,242,221	258	\$4,242,234	208	30,544,184	2,643	\$388,858	86	\$1,002,769	189
Low Income (50-80 AMFI)	\$65,748,529	571	\$29,644,633	683	\$565,869	50	32,752,477	3,023	\$2,004,133	453	\$324,257	61
Moderate Income (>80 AMFI)	\$143,556,626	1,075	\$0	-	\$0	-	-	0	\$0	-	\$24,432	6
Total	\$219,067,586	1,739	\$54,508,512	1,218	\$6,692,881	373	\$67,423,836	6,051	\$2,581,768	571	\$5,105,138	898

**Community Affairs Activities**

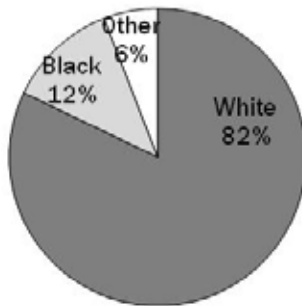
	ESGP*		CSBG*		HHSP*		CEAP		WAP	
	Funds	Ind	Funds	Ind	Funds	Ind	Funds	HH	Funds	HH
Extremely Low Income (0-30 AMFI)	\$0	-	\$0	-			\$0	-	\$0	-
Very Low Income (30-50 AMFI)	\$5,043,037	69,564	\$31,720,532	332,247	\$19,541,001	14,163	\$188,803,041	193,636	\$37,333,799	8,971
Low Income (50-80 AMFI)	\$0	-	\$0	-			\$0	-	\$0	-
Moderate Income (>80 AMFI)	\$0	-	\$0	-			\$0	-	\$0	-
Total	\$5,043,037	69,564	\$31,720,532	332,247	\$19,541,001	14,163	\$188,803,041	193,636	\$37,333,799	8,971

\*These programs report by individuals served rather than households served.

**RACIAL AND ETHNIC COMPOSITION OF HOUSEHOLDS RECEIVING ASSISTANCE**

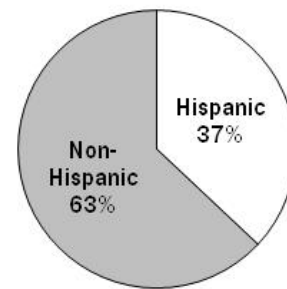
As required by legislation, TDHCA reports on the racial and ethnic composition of individuals and families receiving assistance. These demographic categories are delineated according to the standards set by the U.S. Census. Accordingly, “race” is broken down into three sub-classifications: White, Black and Other. “Other” includes races other than White and Black as well as individuals with two or more races. As ethnic origin is considered to be a separate concept from racial identity, the Hispanic population is represented in a separate chart. Persons of Hispanic origin may fall under any of the racial classification. Households assisted through each of TDHCA program or activity have been delineated according to these categories. Regional analyses of this racial data are included in the Statement of Activities by Uniform State Service Region section that follows. Note that the state population racial composition charts examine individuals, while the many program racial composition charts examine households.

**Racial Composition of the State of Texas**



Race	Percent
Other	6%
Black	12%
White	82%

**Ethnic Composition of the State of Texas**



Ethnicity	Percent
Hispanic	37%
Non-Hispanic	63%

24,782,302 INDIVIDUALS IN TEXAS IN 2009<sup>1</sup>

**HOUSING PROGRAMS**

Racial and ethnic data on housing programs is presented below using two general categories: Renter Programs and Homeowner Programs.

**RENTER PROGRAMS**

The following charts depict the racial and ethnic composition of households receiving assistance from all TDHCA renter programs. Included in this category are households participating in TDHCA’s Tenant-Based Rental Assistance (TBRA) Program and Section 8 Housing Choice Voucher Program, as well as households residing in TDHCA-funded multifamily properties.

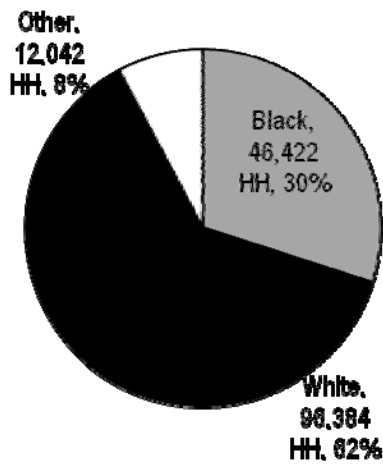
Multifamily properties receive funding through one or more of the following TDHCA programs: the Housing Tax Credit Program, Housing Trust Fund, HOME Investment Partnership Program and Multifamily Bond Program. Data for these programs is collected from the Housing Sponsor Report, which is gathered each year from TDHCA-funded housing developments. The report includes

<sup>1</sup> Census 2009 population estimates.

information about each property, including the racial composition of the tenant population as of December 31 of the given year. Accordingly, the 2010 report is a snapshot of property characteristics on December 31, 2009.

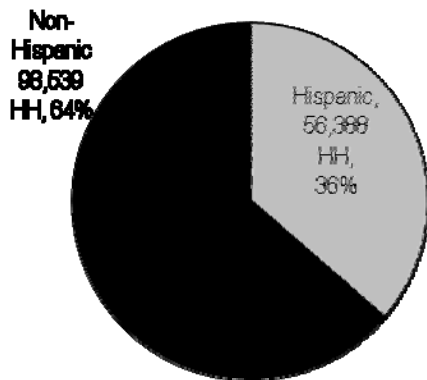
It should be noted that the Housing Sponsor Report does not report on or represent all units financed by TDHCA. Some submitted reports describe properties under construction, which do not yet have occupied units. Some properties did not submit a report and still others did not fill out the report accurately. Therefore, TDHCA is left with usable data for only a portion of existing multifamily units. As a result, the following charts present a picture of race and ethnicity based on samples and may not represent actual percentages.

**Racial Composition of TDHCA- Assisted Renter Households**



Race	Households	Percent
Other	12,042	8%
Black	46,422	30%
White	96,384	62%

**Assisted Renter Households Ethnic Composition of TDHCA-**

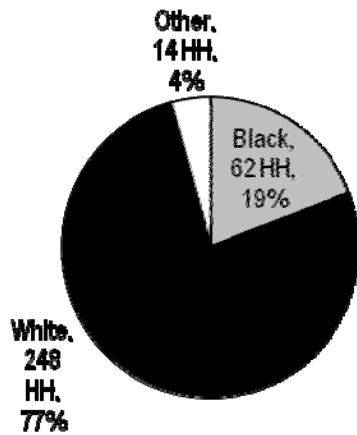


Ethnicity	Households	Percent
Hispanic	56,388	36%
Non-Hispanic	98,539	64%

**HOMEOWNER PROGRAMS**

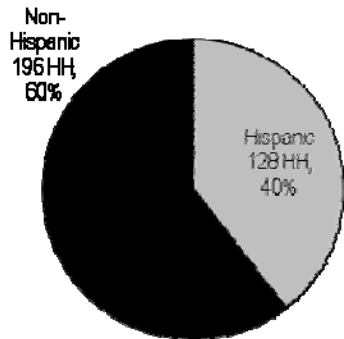
The following charts depict the racial and ethnic composition of households receiving assistance from all TDHCA homeowner programs. TDHCA homeowner assistance comes in the form of three programs: the Single Family Bond Program, HOME Homeowner Rehabilitation Program and HOME Homebuyer Assistance Program. Office of Colonia Initiatives programs are reported in the Homeowner Programs category under the following funding sources: HOME Program for Contract for Deed Loans, Single Family Bond for some Contract for Deed loans and some Texas Bootstrap Program loans and the Housing Trust Fund for some Texas Bootstrap loans. Due to the data reporting techniques of the Single Family Bond Program, race and ethnicity are combined into one category.

**Racial Composition of HOME Program Owner Households**



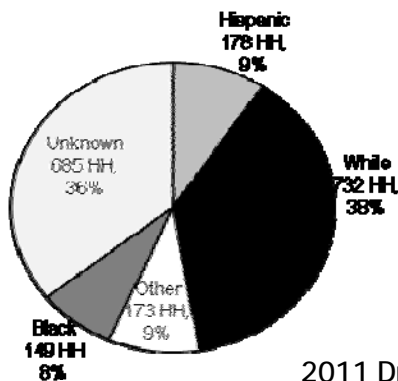
Race	Households	Percent
Other	14	4%
Black	62	19%
White	248	77%

**Ethnic Composition of HOME Program Owner Households**



Ethnicity	Households	Percent
Hispanic	128	40%
Non-Hispanic	196	60%

**Racial & Ethnic Composition of SF Bond Program Owner Households**



Ethnicity	Race	Households	Percent
Hispanic		178	9%
	Black	149	8%
	White	732	38%
	Other	173	9%
	Unknown	685	36%

The available data demonstrates that TDHCA serves higher percentages of minority populations compared to the general racial and ethnic composition of the State of Texas. This is accurate even though the State of Texas population racial composition charts report by individuals and TDHCA's programs report by household. TDHCA programs that serve renters and HOME homeowner programs for instance, serve higher percentages of Black and Hispanic households than the percentage of those populations in the State of Texas.

**COMMUNITY AFFAIRS PROGRAMS**

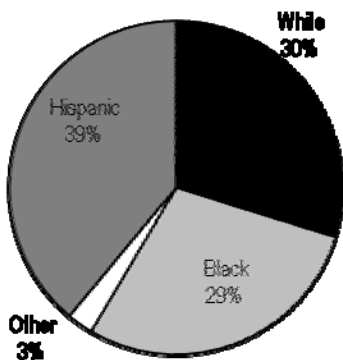
The Community Affairs programs allocate funding to subrecipient entities with service areas that span across two or more uniform state service regions, so racial data for these programs is reported by entity rather than region. Due to the data reporting techniques of the Weatherization Assistance Program (WAP), Comprehensive Energy Assistance Program (CEAP) and Community Service Block Grant (CSBG) Program race and ethnicity are combined into one category. The Emergency Solutions Grant Program (ESGP) reports race and ethnicity as two separate categories.

**WEATHERIZATION ASSISTANCE PROGRAM**

The Weatherization Assistance Program (WAP) funds a network of subrecipient organizations, some of which have a service area that spans across two or more regions. Because of this, WAP racial composition data for FY 2010 is listed according to subcontractor. A map is provided in order to locate subrecipient service areas. Racial and ethnic composition for the state is available, but because this data does not fit into regional boundaries, regional data is not available.

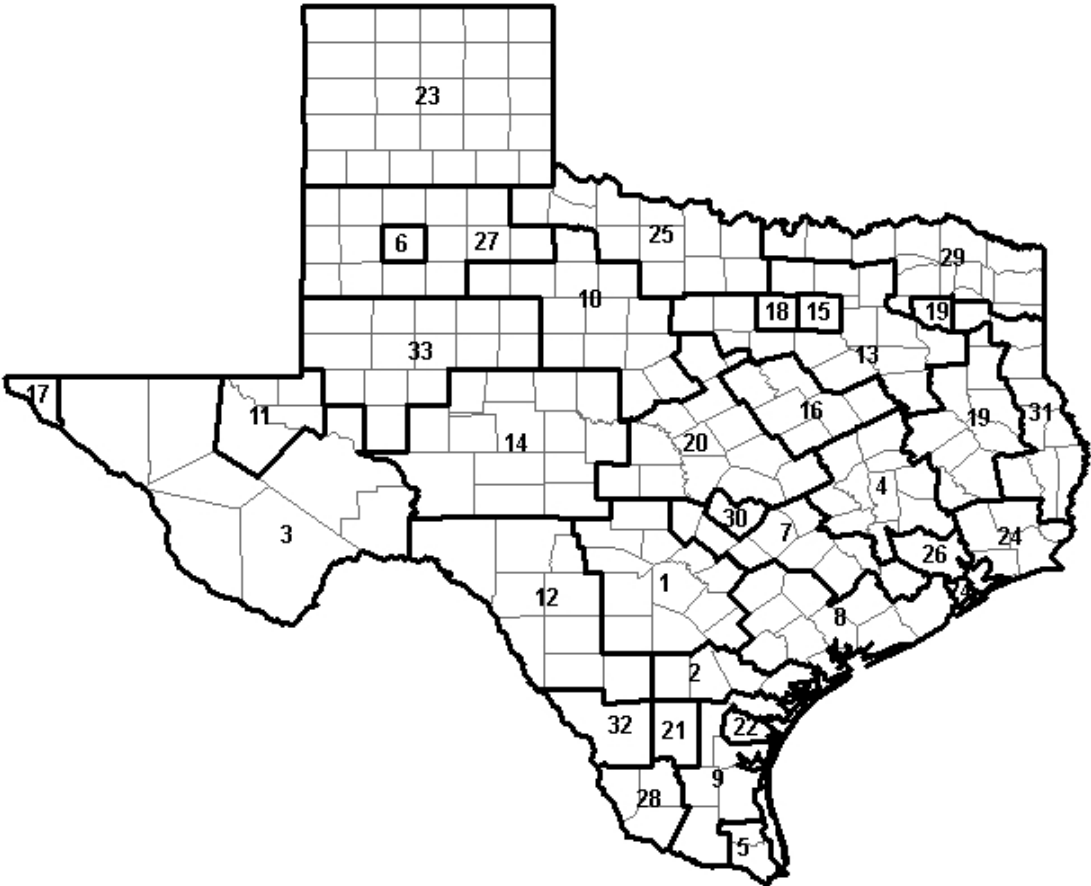
**Racial and Ethnic Composition of WAP Assisted Households, Statewide, 2010**

**Racial and Ethnic Composition**



Ethnicity	Race	Percent
Hispanic		39%
	Other	3%
	White	30%
	Black	29%

WAP Subrecipient Service Areas, 2010



**Racial and Ethnic Composition of Households Receiving WAP Assistance  
by Subrecipient, Statewide, PY 2010**

# on Map	Contractor	WAP Counties Served	PY 2010 Allocations	Households Served	White	Black	Hispanic	Other
1	Alamo Area Council of Governments	Atascosa, Bandera, Bexar, Comal, Frio, Gillespie, Guadalupe, Karnes, Kendall, Kerr, Medina, Wilson	\$ 2,979,340	1,282	438	141	675	28
2	Bee Community Action Agency	Bee, Live Oak, McMullen, Refugio	\$ 213,443	23	2	2	19	-
3	Big Bend Community Action Committee, Inc.	Brewster, Crane, Culberson, Hudspeth, Jeff Davis, Pecos, Presidio, Terrell	\$ 469,667	73	3	-	67	3
4	Brazos Valley Community Action Agency, Inc.	Brazos, Burleson, Grimes, Leon, Madison, Montgomery, Robertson, Walker, Waller, Washington	\$ 1,220,970	291	109	137	43	2
5	Cameron and Willacy Counties Community Projects, Inc.	Cameron, Willacy	\$ 1,064,181	225	-	-	224	1
6	City of Lubbock	Lubbock	\$ 504,324	97	8	32	57	-
7	Combined Community Action, Inc.	Austin, Bastrop, Blanco, Caldwell, Colorado, Fayette, Fort Bend, Hays, Lee	\$ 693,910	139	44	55	39	1
8	Community Action Committee of Victoria	Aransas, Brazoria, Calhoun, De Witt, Goliad, Gonzales, Jackson, Lavaca, Matagorda, Victoria, Wharton	\$ 963,596	425	155	114	146	10
9	Community Action Corp. of South Texas	Brooks, Hidalgo, Jim Wells, Kenedy, Kleberg, San Patricio	\$ 2,234,040	505	28	1	475	1
10	Community Action Program, Inc.	Brown, Callahan, Comanche, Eastland, Haskell, Jones, Kent, Knox, Shackelford, Stephens, Stonewall, Taylor, Throckmorton	\$ 828,442	92	56	13	21	2
11	Community Council of Reeves County	Loving, Reeves, Ward, Winkler	\$ 143,828	19	5	-	14	-

## Statement of Activities

# on Map	Contractor	WAP Counties Served	PY 2010 Allocations	Households Served	White	Black	Hispanic	Other
12	Community Services Agency of South Texas, Inc.	Dimmit, Edwards, Kinney, La Salle, Maverick, Real, Uvalde, Val Verde, Zavala	\$ 740,105	75	2	-	73	-
13	Community Services, Inc.	Anderson, Collin, Denton, Ellis, Henderson, Hood, Hunt, Kaufman, Johnson, Navarro, Palo Pinto, Parker, Rockwall, Smith, Van Zandt	\$ 1,999,440	408	243	124	30	11
14	Concho Valley Community Action Agency	Coke, Coleman, Concho, Crocket, Irion, Kimble, McCulloch, Menard, Reagan, Runnels, Schleicher, Sterling, Sutton, Tom Green	\$ 726,634	87	40	6	41	-
15	Dallas County Department of Health and Human Services	Dallas	\$ 2,763,632	682	105	191	348	38
16	Economic Opportunities Advancement Corporation of PR XI	Bosque, Falls, Freestone, Hill, Limestone, McLennan	\$ 763,959	100	47	44	8	1
17	El Paso Community Action Program, Project Bravo, Inc.	El Paso	\$ 1,481,392	320	12	1	307	-
18	Fort Worth, City of, Department of Housing	Tarrant	\$ 1,554,321	181	41	95	43	2
19	Greater East Texas Community Action Program (GETCAP)	Angelina, Cherokee, Gregg, Houston, Nacogdoches, Polk, Rusk, San Jacinto, Trinity, Wood	\$ 1,187,182	327	195	115	10	7
20	Hill Country Community Action Association, Inc.	Bell, Burnet, Coryell, Erath, Hamilton, Lampasas, Llano, Mason, Milam, Mills, San Saba, Somervell, Williamson	\$ 894,724	361	247	31	78	5
21	Institute of Rural Development, Inc.	Duval	\$ 71,710	28	-	-	28	-
22	Nueces County Community Action Agency	Nueces	\$ 633,404	58	3	13	42	-



## Statement of Activities

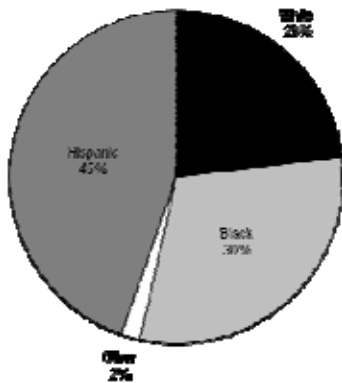
# on Map	Contractor	WAP Counties Served	PY 2010 Allocations	Households Served	White	Black	Hispanic	Other
23	Panhandle Community Services	Armstrong, Briscoe, Carson, Castro, Childress, Collingsworth, Dallam, Deaf Smith, Donley, Gray, Hall, Hansford, Hartley, Hemphill, Hutchinson, Lipscomb, Moore, Ochiltree, Oldham, Parmer, Potter, Randall, Roberts, Sherman, Swisher, Wheeler	\$ 1,256,966	205	107	30	63	5
24	Programs for Human Services, Inc.	Chambers, Galveston, Hardin, Jefferson, Liberty, Orange	\$ 1,300,686	482	125	309	14	34
25	Rolling Plains Management Corporation	Archer, Baylor, Cottle, Clay, Foard, Hardeman, Jack, Montague, Wichita, Wilbarger, Wise, Young	\$ 664,755	185	118	29	33	5
26	Sheltering Arms, Inc.	Harris	\$ 4,598,062	1,147	108	909	65	65
27	South Plains Community Action Association	Bailey, Cochran, Crosby, Dickens, Floyd, Garza, Hale, Hockley, King, Lamb, Lynn, Motley, Terry, Yoakum	\$ 689,150	262	72	10	180	-
28	South Texas Development Council	Jim Hogg, Starr, Zapata	\$ 356,200	81	-	-	81	-
29	Texoma Council of Governments	Bowie, Camp, Cass, Cooke, Delta, Fannin, Franklin, Grayson, Hopkins, Lamar, Marion, Morris, Rains, Red River, Titus	\$ 1,210,911	386	278	99	4	5
30	Travis County	Travis	\$ 933,816	138	35	46	56	1
31	Tri-County Community Action, Inc.	Harrison, Jasper, Newton, Panola, Sabine, San Augustine, Shelby, Tyler, Upshur	\$ 699,595	21	9	12	-	-
32	Webb County Community Action Agency	Webb	\$ 479,812	92	-	-	92	-
33	West Texas Opportunities, Inc.	Andrews, Borden, Dawson, Ector, Fisher, Gaines, Glasscock, Howard, Martin, Midland, Mitchell, Nolan, Scurry, Upton	\$ 1,011,602	200	47	20	131	2
	<b>TOTAL</b>		<b>\$37,333,799</b>	<b>8,997</b>	<b>2,682</b>	<b>2,579</b>	<b>3,507</b>	<b>229</b>

**COMPREHENSIVE ENERGY ASSISTANCE PROGRAM**

The Comprehensive Energy Assistance Program (CEAP) funds a network of subrecipient organizations, some of which have a service area that spans across two or more regions. Because of this, CEAP racial composition data for FY 2010 is listed according to subcontractor. A map is provided in order to locate subcontractor service area. Racial composition for the state is available, but because this data does not fit into regional boundaries, regional data is not available.

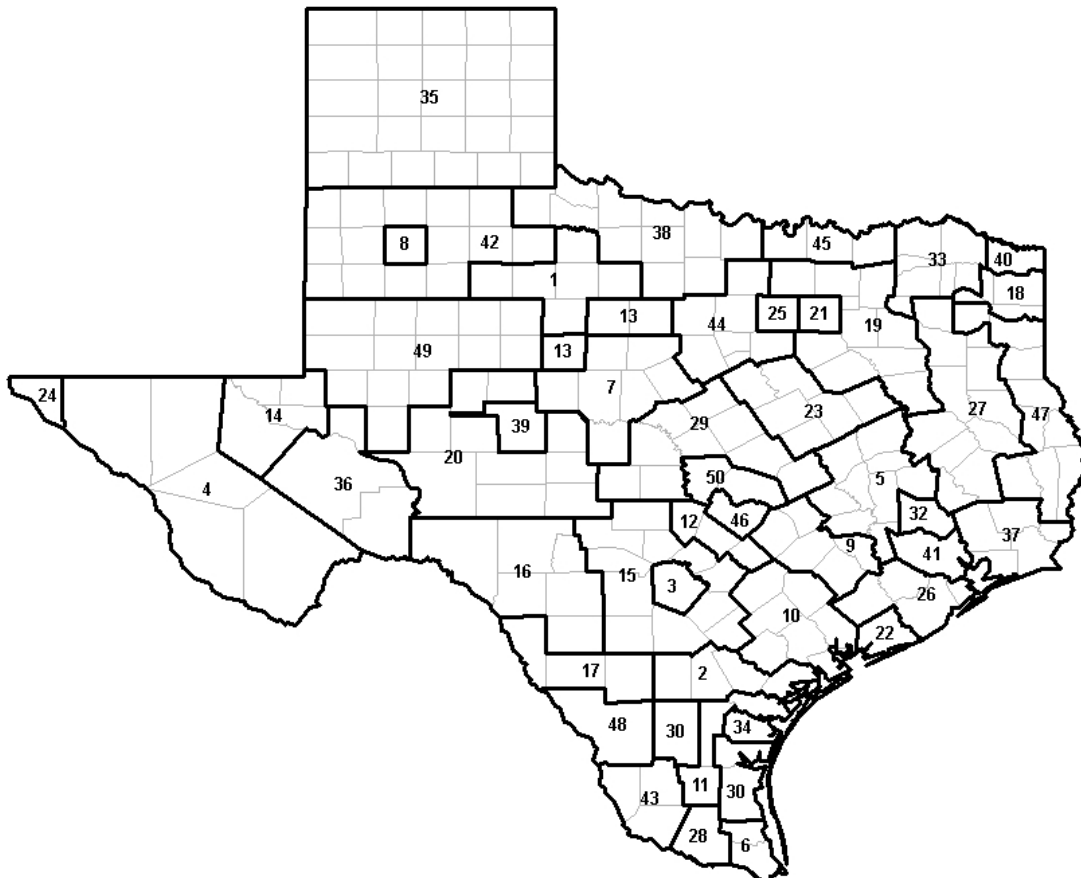
**Racial and Ethnic Composition of CEAP Assisted Households, Statewide, PY 2010**

Racial and Ethnic Composition



Ethnicity	Race	Percent
Hispanic		45%
	Other	2%
	White	23%
	Black	30%

**CEAP Subrecipient Service Areas, FY 2010**



**Racial and Ethnic Composition of Households Receiving CEAP Assistance  
By Subrecipient, Statewide, FY 2010**

# on Map	Subrecipient	Counties Served	Allocation	Beneficiaries	White	Black	Hispanic	Other
1	Aspermont Small Business Development Center, Inc.	Haskell, Jones, Kent, Knox, Stonewall, Throckmorton	\$ 1,421,113	851	441	105	292	13
2	Bee Community Action Agency	Bee, Live Oak, McMullen, Refugio	\$ 1,063,810	984	130	57	795	2
3	Bexar County Dept. of Community Investment	Bexar	\$ 11,362,514	12,395	1,032	1,636	9,365	362
4	Big Bend Community Action Committee, Inc.	Brewster, Culberson, Hudspeth, Jeff Davis, Presidio	\$ 1,556,076	1,695	192	6	1,478	19
5	Brazos Valley Community Action Agency, Inc.	Brazos, Burleson, Grimes, Leon, Madison, Robertson, Walker, Waller, Washington	\$ 4,586,042	4,757	1,327	3,049	265	116
6	Cameron and Willacy Counties Community Projects, Inc.	Cameron, Willacy	\$ 5,380,016	8,451	126	16	8,309	-
7	Central Texas Opportunities, Inc.	Brown, Callahan, Coleman, Comanche, Eastland, McCulloch, Runnels	\$ 2,144,220	1,893	1,385	97	397	14
8	City of Lubbock	Lubbock	\$ 2,539,591	2,161	594	612	943	12
9	Combined Community Action, Inc.	Austin, Bastrop, Colorado, Fayette, Lee	\$ 1,506,183	1,338	451	705	182	-
10	Community Action Committee of Victoria	Aransas, Calhoun, DeWitt, Goliad, Gonzales, Jackson, Lavaca, Victoria	\$ 2,624,721	3,036	774	740	1,514	8
11	Community Action Corp. of South Texas	Brooks, Jim Wells, San Patricio	\$ 1,613,105	1,645	112	20	1,509	4
12	Community Action Inc., of Hays, Caldwell and Blanco Counties	Blanco, Caldwell, Hays	\$ 1,037,386	1,241	436	197	582	26
13	Community Action Program, Inc.	Shackelford, Stephens, Taylor	\$ 1,419,339	704	334	123	241	6
14	Community Council of Reeves County	Loving, Reeves, Ward, Winkler	\$ 710,619	1,048	165	67	812	4

## Statement of Activities

# on Map	Subrecipient	Counties Served	Allocation	Beneficiaries	White	Black	Hispanic	Other
15	Community Council of South Central Texas	Atascosa, Bandera, Comal, Frio, Gillespie, Guadalupe, Karnes, Kendall, Kerr, Medina, Wilson	\$ 3,735,254	5,600	1,748	261	3,560	31
16	Community Council of Southwest Texas	Edwards, Kinney, Real, Uvalde, Val Verde, Zavala	\$ 2,177,421	1,606	92	11	1,481	22
17	Community Services Agency of South Texas, Inc.	Dimmit, LaSalle, Maverick	\$ 1,559,602	1,257	4	5	1,245	3
18	Community Services of Northeast Texas, Inc.	Camp, Cass, Marion, Morris	\$ 1,242,984	1,237	475	711	40	11
19	Community Services, Inc.	Anderson, Collin, Denton, Ellis, Henderson, Hunt, Kaufman, Navarro, Rockwall, Van Zandt	\$ 6,714,964	5,080	2,467	1,775	659	179
20	Concho Valley Community Action Agency	Coke, Concho, Crockett, Irion, Kimble, Menard, Reagan, Schleicher, Sterling, Sutton	\$ 1,828,298	855	282	23	540	10
21	Dallas County Department of Health and Human Services	Dallas	\$ 14,002,172	5,431	583	4,238	541	69
22	Economic Action Committee of the Gulf Coast	Matagorda	\$ 478,650	605	166	287	147	5
23	Economic Opportunities Advancement Corporation of PR XI	Bosque, Falls, Freestone, Hill, Limestone, McLennan	\$ 3,856,846	4,645	1,405	2,429	771	40
24	El Paso Community Action Program, Project Bravo, Inc.	El Paso	\$ 7,496,732	13,332	441	287	12,462	142
25	Fort Worth, City of, Department of Housing	Tarrant	\$ 7,866,742	9,350	2,360	5,099	1,766	125
26	Galveston County Community Action Council, Inc.	Brazoria, Fort Bend, Galveston, Wharton	\$ 4,647,784	4,626	781	2,692	1,103	50

## Statement of Activities

# on Map	Subrecipient	Counties Served	Allocation	Beneficiaries	White	Black	Hispanic	Other
27	Greater East Texas Community Action Program (GETCAP)	Angelina, Cherokee, Gregg, Houston, Nacogdoches, Polk, Rusk, San Jacinto, Smith, Trinity, Wood	\$ 7,554,385	7,326	2,743	4,069	491	23
28	Hidalgo County Community Services Agency	Hidalgo	\$ 8,147,605	7,624	82	6	7,525	11
29	Hill Country Community Action Association, Inc.	Bell, Coryell, Hamilton, Lampasas, Llano, Mason, Milam, Mills, San Saba	\$ 3,260,378	4,508	2,552	992	897	67
30	Institute of Rural Development, Inc.	Duval	\$ 344,723	334	3	3	327	1
31	Kleberg County Human Services	Kenedy, Kleberg	\$ 1,556,982	1,160	57	72	1,024	7
32	Montgomery County Emergency Assistance	Montgomery	\$ 1,590,652	3,196	2,144	768	176	108
33	Northeast Texas Opportunities, Inc.	Delta, Franklin, Hopkins, Lamar, Rains, Red River, Titus	\$ 2,135,480	1,235	648	464	118	5
34	Nueces County Community Action Agency	Nueces	\$ 3,194,474	2,415	158	386	1,864	7
35	Panhandle Community Services	Armstrong, Briscoe, Carson, Castro, Childress, Collingsworth, Dallam, Deaf Smith, Donley, Gray, Hall, Hansford, Hartley, Hemphill, Hutchinson, Lipscomb, Moore, Ochiltree, Oldham, Parmer, Potter, Randall, Roberts, Sherman, Swisher, Wheeler	\$ 6,358,107	11,070	4,559	1,326	5,178	7
36	Pecos County Community Action Agency	Crane, Pecos, Terrell	\$ 808,883	1,061	97	8	945	11
37	Programs for Human Services, Inc.	Chambers, Hardin, Jefferson, Liberty, Orange	\$ 4,659,971	3,275	1,012	2,085	69	109
38	Rolling Plains Management Corporation	Archer, Baylor, Clay, Cottle, Foard, Hardeman, Jack, Montague, Wichita, Wilbarger, Young	\$ 3,053,026	2,601	1,523	562	412	104

## Statement of Activities

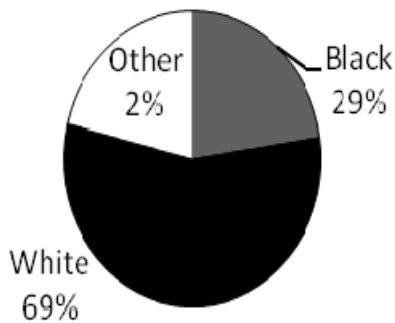
# on Map	Subrecipient	Counties Served	Allocation	Beneficiaries	White	Black	Hispanic	Other
39	San Angelo-Tom Green County Health Department	Tom Green	\$ 1,042,112	707	250	55	387	15
40	Senior Citizens Services of Texarkana, Inc.	Bowie	\$ 1,003,518	941	219	710	7	5
41	Sheltering Arms, Inc.	Harris	\$ 23,309,123	22,431	1,938	15,748	3,191	1,554
42	South Plains Community Action Association	Bailey, Cochran, Crosby, Dickens, Garza, Floyd, Hale, Hockley, King, Lamb, Lynn, Motley, Terry, Yoakum	\$ 3,477,303	4,884	878	507	3,469	30
43	South Texas Development Council	Jim Hogg, Starr, Zapata	\$ 1,788,087	1,403	8	73	1,321	1
44	Texas Neighborhood Services	Erath, Hood, Johnson, Palo Pinto, Parker, Somervell, Wise	\$ 2,592,441	2,429	2,071	99	222	37
45	Texoma Council of Governments	Cooke, Fannin, Grayson	\$ 1,746,060	1,676	1,106	349	200	21
46	Travis County	Travis	\$ 4,718,617	5,558	1,000	2,165	2,270	123
47	Tri-County Community Action, Inc.	Harrison, Jasper, Newton, Panola, Sabine, San Augustine, Shelby, Tyler, Upshur	\$ 3,530,298	3,768	1,507	2,210	47	4
48	Webb County Community Action Agency	Webb	\$ 2,415,226	2,053	-	-	2,053	-
49	West Texas Opportunities, Inc.	Andrews, Borden, Dawson, Ector, Fisher, Gaines, Glasscock, Howard, Martin, Midland, Mitchell, Nolan, Scurry, Upton	\$ 5,113,265	5,277	1,444	774	3,030	29
50	Williamson-Burnet County Opportunities, Inc.	Burnet, Williamson	\$ 830,141	881	471	186	222	2
	<b>TOTAL</b>		<b>\$188,803,041</b>	<b>193,636</b>	<b>44,773</b>	<b>58,865</b>	<b>86,444</b>	<b>3,554</b>

**COMMUNITY SERVICES BLOCK GRANT PROGRAM**

The Community Services Block Grant Program (CSBG) funds a network of subcontractor organizations, some of which have a service area that spans across two or more regions. In addition, some CSBG subcontractors have been awarded funding for special projects that overlap existing service areas. Because of this, CSBG racial composition data for FY 2010 is listed according to subcontractor. Racial composition for the state is available, but because this data does not fit into regional boundaries, regional data is not available.

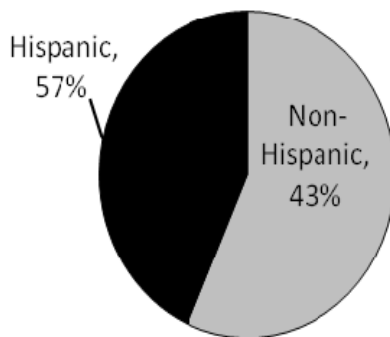
**Racial and Ethnic Composition of Individuals Receiving CSBG Assistance, Statewide, FY 2010**

Racial Composition



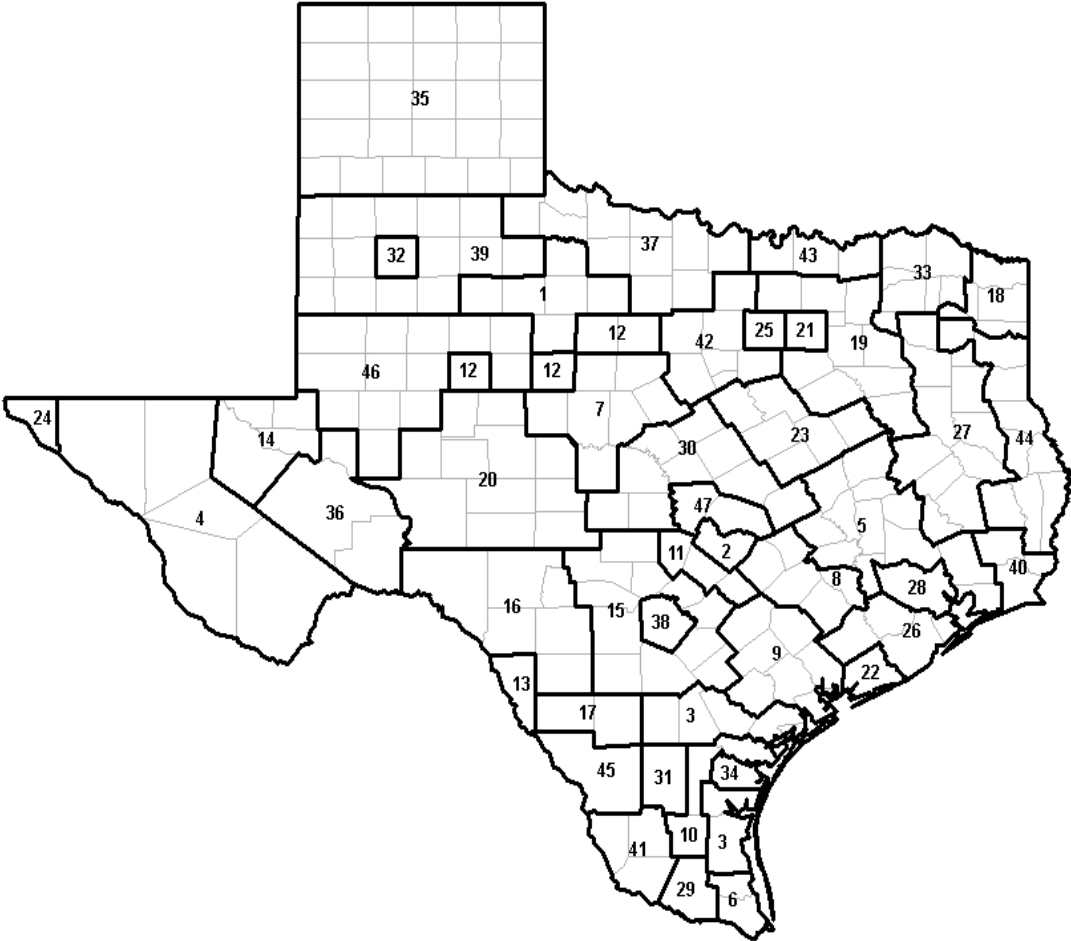
Race	Percent
Other	2%
White	69%
Black	29%

Ethnic Composition



Ethnicity	Percent
Hispanic	57%
Non-Hispanic	43%

CSBG Subrecipient Service Areas, FY 2010





**Racial Composition of Individuals Receiving CSBG Assistance by Subcontractor,  
Statewide, FY 2010**

<b># on Map</b>	<b>Contractor</b>	<b>Counties Served</b>	<b>FY 2010 CSBG Allocation</b>	<b>Individuals Served</b>	<b>Black</b>	<b>White</b>	<b>Other</b>	<b>Hispanic</b>	<b>Non-Hispanic</b>
1	Aspermont Small Business Development Center	Haskell, Jones, Kent, Knox, Stonewall, Throckmorton	\$ 150,000	2,169	241	1,361	567	930	1,239
2	Austin, City of	Travis	\$ 892,679	8,423	2,799	4,149	1,475	4,720	3,703
3	Bee Community Action Agency	Aransas, Bee, Kenedy, Kleberg, Live Oak, McMullen, Refugio	\$ 288,045	4,949	234	3,776	939	3,733	1,216
4	Big Bend Community Action Committee	Brewster, Culberson, Hudspeth, Jeff Davis, Presidio	\$ 156,344	3,668	14	2,842	812	3,308	360
5	Brazos Valley Community Action Agency	Brazos, Burleson, Chambers, Grimes, Leon, Liberty, Madison, Montgomery, Robertson, Walker, Waller, Washington	\$ 957,988	28,097	14,415	11,008	2,674	7,776	20,321
6	Cameron & Willacy Counties Community Projects, Inc.	Cameron, Willacy	\$ 996,300	14,908	29	11,915	2,964	13,327	1,581
7	Central Texas Opportunities, Inc.	Brown, Callaghan, Coleman, Comanche, Eastland, McCullough, Runnels	\$ 222,642	4,703	227	3,945	531	1,400	3,303
8	Fort Worth, City of	Tarrant	\$ 1,371,360	30,862	10,068	5,420	15,374	16,676	14,186
9	Lubbock, City of	Lubbock	\$ 401,833	4,498	1,273	3,015	210	2,068	2,430
10	San Antonio, City of	Bexar	\$ 1,926,262	63,123	7,416	35,556	20,151	50,655	12,468
11	Combined Community Action Agency	Austin, Bastrop, Colorado, Fayette, Lee	\$ 202,968	2,595	1,134	1,360	101	577	2,018
12	Community Action Committee of Victoria	Calhoun, De Witt, Goliad, Gonzales, Jackson, Lavaca, Victoria	\$ 297,131	8,454	1,743	5,520	1,191	5,015	3,439
13	Community Action Corporation of South Texas	Brooks, Jim Wells, San Patricio	\$ 253,188	4,263	50	3,301	912	3,915	348
14	Community Action Inc. of Hays, Caldwell and Blanco Counties	Blanco, Caldwell, Hays	\$ 202,903	3,143	387	2,112	644	1,927	1,216

## Statement of Activities

# on Map	Contractor	Counties Served	FY 2010 CSBG Allocation	Individuals Served	Black	White	Other	Hispanic	Non-Hispanic
15	Community Action Program, Inc.	Mitchell, Shackelford, Stephens, Taylor	\$ 242,422	1,814	334	1,203	277	739	1,075
16	*Community Action Social Services And Education (CASSE)	Maverick	\$ 295,388	1,460	0	1,089	371	1,458	2
17	Community Council of Reeves County	Loving, Reeves, Ward, Winkler	\$ 215,972	2,237	109	1,735	393	1,790	447
18	*Community Council of South Central Texas	Atascosa, Bandera, Comal, Frio, Gillespie, Guadalupe, Karnes, Kendall, Kerr, Medina, Wilson	\$ 648,003	16,636	641	12,367	3,628	11,408	5,228
19	Community Council of Southwest Texas	Edwards, Kinney, Real, Uvalde, Val Verde, Zavala	\$ 271,754	1,030	4	60	966	944	86
20	Community Services Agency of South Texas	Dimmit, La Salle	\$ 150,000	2,581	11	2,149	421	2,545	36
21	Community Services of Northeast Texas	Bowie, Camp, Cass, Marion, Morris	\$ 279,664	2,809	1,375	1,231	203	201	2,608
22	Community Services, Inc.	Anderson, Collin, Denton, Ellis, Henderson, Hunt, Kaufman, Navarro, Rockwall, Van Zandt	\$ 1,048,427	14,313	4,859	7,970	1,484	2,564	11,749
23	Concho Valley Community Action Agency	Coke, Concho, Crockett, Irion, Kimble, Menard, Reagan, Schleicher, Sterling, Sutton, Tom Green	\$ 278,710	1,492	30	1,175	287	1,053	439
24	Economic Action Committee of the Gulf Coast	Matagorda	\$ 150,000	1,405	557	642	206	556	849
25	Economic Opportunities Advancement Corporation of Planning Region XI	Bosque, Falls, Freestone, Hill, Limestone, McLennan	\$ 509,926	13,249	6,571	5,528	1,150	2,849	10,400
26	El Paso Community Action Program	El Paso	\$ 1,417,351	36,875	639	27,421	8,815	35,026	1,849
27	Galveston County Community Action Council	Brazoria, Fort Bend, Galveston, Wharton	\$ 824,300	10,524	5,602	3,378	1,544	3,261	7,263

Annual Housing Report

Statement of Activities

# on Map	Contractor	Counties Served	FY 2010 CSBG Allocation	Individuals Served	Black	White	Other	Hispanic	Non-Hispanic
28	Greater East Texas Community Action Program (GETCAP)	Angelina, Cherokee, Gregg, Houston, Nacogdoches, Polk, Rusk, San Jacinto, Smith, Trinity, Wood	\$ 940,236	21,701	10,837	9,709	1,155	2,470	19,231
29	Gulf Coast Community Services Association	Harris	\$ 4,419,357	15,481	7,711	4,568	3,202	6,806	8,675
30	*Hidalgo County Community Services Agency	Hidalgo	\$ 1,782,521	24,488	21	14,013	10,454	24,265	223
31	Hill Country Community Action Association	Bell, Coryell, Hamilton, Lampasas, Llano, Mason, Milam, Mills, San Saba	\$ 472,747	6,779	1,596	4,477	706	1,586	5,193
32	Institute of Rural Development	Duval	\$ 150,000	778	3	521	254	773	5
33	Northeast Texas Opportunities, Inc.	Delta, Franklin, Hopkins, Lamar, Rains, Red River, Titus	\$ 260,770	4,584	1,842	2,250	492	433	4,151
34	Nueces County Community Action Agency	Nueces	\$ 528,243	4,362	566	2,843	953	3,446	916
35	Panhandle Community Services	Armstrong, Briscoe, Carson, Castro, Childress, Collingsworth, Dallam, Deaf Smith, Donley, Gray, Hall, Hansford, Hartley, Hemphill, Hutchinson, Lipscomb, Moore, Ochiltree, Oldham, Parmer, Potter, Randall, Roberts, Sherman, Swisher, Wheeler	\$ 612,957	21,752	2,610	16,226	2,916	10,868	10,884
36	Pecos County Community Action Agency	Crane, Pecos, Terrell	\$ 150,000	1,944	15	1,650	279	1,733	211
37	Rolling Plains Management Corp.	Archer, Baylor, Clay, Cottle, Foard, Hardeman, Jack, Montague, Wichita, Wilbarger, Young	\$ 324,563	4,749	778	3,043	928	1,195	3,554
38	Southeast Texas Regional Planning Commission	Hardin, Jefferson, Orange	\$ 540,970	3,676	1,815	1,627	234	349	3,327

## Statement of Activities

# on Map	Contractor	Counties Served	FY 2010 CSBG Allocation	Individuals Served	Black	White	Other	Hispanic	Non-Hispanic
39	*South Plains Community Action Association	Bailey, Cochran, Garza, Hockley, Lamb, Lynn, Terry, Yoakum, Crosby, Dickens, Floyd, Hale, King, Motley	\$ 455,446	12,168	994	8,175	2,999	9,325	2,843
40	South Texas Development Council	Jim Hogg, Starr, Zapata	\$ 303,716	2,514	6	2,339	169	2,469	45
41	Texas Neighborhood Services	Erath, Hood, Johnson, Palo Pinto, Parker, Somervell, Wise	\$ 379,259	6,903	274	5,965	664	1,221	5,682
42	Texoma Council of Governments	Cooke, Fanin, Grayson	\$ 235,730	3,638	1,021	2,510	107	180	3,458
43	Tri-County Community Action, Inc.	Harrison, Jasper, Newton, Panola, Sabine, San Augustine, Shelby, Tyler, Upsher	\$ 391,974	9,195	4,868	4,093	234	290	8,905
44	Urban League of Greater Dallas	Dallas	\$ 2,635,072	16,663	11,067	4,268	1,328	3,554	13,109
45	Webb County Community Action Agency	Webb	\$ 550,379	10,999	8	7,668	3,323	10,967	32
46	West Texas Opportunities, Inc.	Andrews, Borden, Dawson, Ector, Gaines, Glasscock, Howard, Martin, Midland, Fisher, Nolan, Scurry, Upton	\$ 609,462	15,276	2,102	10,207	2,967	9,549	5,727
47	Williamson-Burnet County Opportunities, Inc.	Burnet, Williamson	\$ 191,499	4,586	826	3,232	528	1,604	2,982
48	*Alabama-Coushatta Tribe of Texas	Polk, Tyler	\$ 100,000	188	0	3	185	0	188
49	*Beaumont Housing Authority	Jefferson	\$ 110,406	0	0	0	0	0	0
50	*Dallas Inter-Tribal Center	Collin, Dallas, Denton, Ellis, Hood, Johnson, Kaufman, Parker, Rockwall, Tarrant, Wise	\$ 125,000	315	5	14	296	39	276
51	*DePelchin Children's Center	Harris	\$ 123,410	5	3	1	1	1	4
52	*Project Arriba	El Paso	\$ 125,000	119	2	106	11	113	6

## Statement of Activities

# on Map	Contractor	Counties Served	FY 2010 CSBG Allocation	Individuals Served	Black	White	Other	Hispanic	Non-Hispanic
53	*Project Quest, Inc.	Bexar, Atascosa, Bandera, Comal, Frio, Gillespie, Guadalupe, Karnes, Kendall, Kerr, Medina, Wilson	\$ 125,000	70	18	42	10	49	21
54	*Seton Home	Bexar	\$ 125,000	67	10	32	25	55	12
55	*Sin Fronteras Organizing Project	Hudspeth, El Paso	\$ 125,000	322	0	322	0	322	0
56	*Texas Council on Family Violence	Bexar, El Paso, Travis	\$ 125,000	92	0	91	1	66	26
57	*Travis County Domestic Violence and Sexual Assault, DBA SafePlace	Travis	\$ 50,255	263	55	45	163	129	134
	<b>TOTAL</b>		<b>\$31,720,532</b>	<b>483,957</b>	<b>109,815</b>	<b>271,268</b>	<b>102,874</b>	<b>274,278</b>	<b>209,679</b>

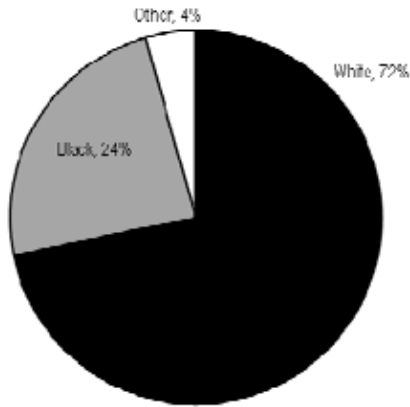
\* These contractors receive some additional funding to fund specialized activities for a few counties that fall outside their service area.

NOTE: South Plains Community Action Association, Inc. received an additional \$50,000 of State Discretionary funds for a total allocation amount of \$380,446.

**EMERGENCY SOLUTIONS GRANTS PROGRAM**

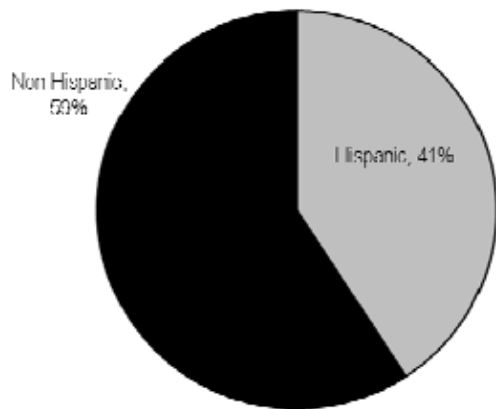
The Emergency Solutions Grants Program (ESGP) funds a network of subrecipient organizations, some of which have a service area that spans across two or more regions or multiple sub-recipients serve the same area. Because of this, ESGP racial composition data for FY 2010 is listed according to subrecipient. Racial composition for the state is available, but unavailable at the regional level.

**Racial Composition of Individuals Receiving ESGP Assistance, Statewide, FY 2010**



Race	Percent
Other	4%
White	72%
Black	24%

**Ethnic Composition of Individuals Receiving ESGP Assistance, Statewide, FY 2010**



Ethnicity	Percent
Hispanic	41%
Non-Hispanic	59%

**Racial and Ethnic Composition of Individuals Receiving ESGP Assistance  
By Subrecipient, Statewide, FY 2010**

<b>Contractor</b>	<b>County Service Area</b>	<b>Award</b>	<b>Total Individuals</b>	<b>White</b>	<b>Black</b>	<b>Other</b>	<b>Hispanic</b>	<b>Non- Hispanic</b>
Abilene Hope Haven Inc.	Taylor	\$ 75,000	140	126	14	-	6	134
Advocacy Outreach	Bastrop, Southeastern Travis (Manor area)	\$ 75,000	1,185	917	268	-	643	542
Bastrop County Women's Shelter	Bastrop, Fayette, Lee	\$ 60,000	479	325	66	88	148	331
Bridge Over Troubled Waters, Inc.	Harris	\$ 56,250	341	245	88	8	155	186
Child Crisis Center of El Paso	El Paso	\$ 51,026	502	448	33	21	403	99
City of Amarillo	Potter	\$ 165,205	3,111	2,232	632	247	572	2,539
City of Denton	Denton	\$ 162,710	659	410	158	91	198	461
City of Irving	Dallas	\$ 78,000	51	42	5	4	20	31
Comal county Family Violence Shelter, Inc.	Comal	\$ 39,750	1,158	1,062	30	66	507	651
Compassion Ministries of Waco, inc.	McLennan	\$ 30,000	144	100	17	27	50	94
Connections Individual & Family Services	Comal and San Patricio and surrounding cities of Aransas, Atascosa, Bastrop, Bee Caldwell, Frio Goliad, Gonzales, Guadalupe, Karnes, Lee, Live Oak, McMullen, Refugio, Wilson, Zavala	\$ 75,000	369	331	36	2	219	150
Corpus Christi Hope House, Inc.	Nueces	\$ 61,994	804	755	49	-	436	368
Covenant House Texas	Harris	\$ 75,000	1,284	415	815	54	165	1,119
Crisis Center of the Plains	Briscoe, Castro, Floyd, Hale, Hall, Motley, Swisher, Lamb	\$ 75,000	622	477	36	109	226	396
Daniel's Den, Inc.	Ellis	\$ 30,000	74	46	24	4	6	68
El Paso Villa Maria	El Paso	\$ 30,750	80	70	6	4	58	22
Ellis Community Resources, Inc.	Comal	\$ 41,250	136	130	6	-	75	61
Faith Mission and Help Center, Inc.	Washington	\$ 74,984	373	161	212	-	42	331

## Statement of Activities

<b>Contractor</b>	<b>County Service Area</b>	<b>Award</b>	<b>Total Individuals</b>	<b>White</b>	<b>Black</b>	<b>Other</b>	<b>Hispanic</b>	<b>Non-Hispanic</b>
Families in Crisis, Inc.	Bell, Coryell and Hamilton	\$ 51,836	954	415	430	109	155	799
Family Abuse Center, Inc.	McLennan, Falls, Bosque, Freestone, Limestone, Hill	\$ 44,728	330	222	92	16	47	283
Family Crisis Center, Inc.	Cameron and Willacy Counties	\$ 200,000	3,833	3,741	70	22	3,281	552
Family Place, The	Dallas	\$ 53,250	577	246	241	90	172	405
Family Violence Prevention Services, Inc.	Bexar	\$ 75,000	1,591	1,305	222	64	1,008	583
First Step Of Wichita Falls, Inc.	Archer, Baylor, Childress, Clay, Cottle, Hardeman, Foard, Jack, Montague, Young, Wilbarger, Wichita	\$ 30,000	761	565	139	57	129	632
Four Rivers Outreach, Inc.	Grayson	\$ 75,000	1,071	876	96	99	66	1,005
Friendship of Women, Inc.	Cameron	\$ 200,000	1,645	1,635	5	5	1,633	12
Grayson County Juvenile Alternatives, Inc.	Grayson, Fannin, Cooke	\$ 66,545	61	45	13	3	7	54
Grayson County Shelter, Inc.	Grayson	\$ 71,292	546	425	94	27	35	511
Harmony House, Inc.	Houston	\$ 75,000	104	42	61	1	9	95
Harris County	Harris	\$ 78,000	195	25	165	5	21	174
Hays County Women's Center	Hays and Caldwell	\$ 78,780	515	442	40	33	316	199
Houston Area Women's Center	Harris	\$ 74,913	4,992	3,816	971	205	3,122	1,870
Institute of Cognitive Development	Tom Green	\$ 30,000	642	531	59	52	355	287
International AIDS Empowerment	El Paso	\$ 40,934	330	284	42	4	244	86
Johnson County Family Crisis Center	Johnson	\$ 75,000	365	313	32	20	73	292
Just Out - Fresh Start, Inc.	Jefferson	\$ 73,880	22	16	6	-	-	22
La Posada Home, Inc.	El Paso	\$ 51,649	734	716	10	8	699	35



## Statement of Activities

<b>Contractor</b>	<b>County Service Area</b>	<b>Award</b>	<b>Total Individuals</b>	<b>White</b>	<b>Black</b>	<b>Other</b>	<b>Hispanic</b>	<b>Non-Hispanic</b>
Love I.N.C. of Nacogdoches	Nacogdoches	\$ 48,566	232	69	149	14	24	208
Memorial Assistance Ministries	Harris	\$ 58,631	498	386	112	-	352	146
Mid-Coast Family Services, Inc.	Calhoun, Dewitt, Goliad, Gonzales, Jackson, Lavaca and Victoria	\$ 44,319	415	316	58	41	191	224
Midland Fair Havens, Inc.	Midland	\$ 68,250	1,309	931	372	6	533	776
Mission Granbury, Inc.	Hood	\$ 61,058	402	367	10	25	59	343
Missions of Yahweh, Inc., The	Harris	\$ 75,000	366	95	252	19	28	338
New Beginning Center	Dallas	\$ 75,000	836	584	219	33	383	453
Opportunity Center for the Homeless	El Paso	\$ 75,000	2,064	1,792	216	56	1,200	864
Panhandle Crisis Center, Inc.	Ochiltree, Hansford, Lipscomb	\$ 35,729	525	512	3	10	309	216
Pecan Valley Regional Domestic Violence Shelter	Brown, Coleman, Comanche	\$ 30,000	346	287	34	25	87	259
Promise House, Inc.	Dallas	\$ 75,000	175	78	95	2	46	129
Providence Ministry Corporation	Cameron, Willacy	\$ 71,614	196	168	23	5	163	33
Randy Sams' Outreach Shelter, Inc.	Bowie	\$ 72,573	905	616	263	26	25	880
Sabine Valley Regional MHMR Center	Bowie, Cass, Gregg, Harrison, Marion, Panola, Red River, Rusk, Upshur	\$ 40,971	27	17	10	-	-	27
Safe Haven of Tarrant County	Tarrant	\$ 75,000	6,139	4,045	1442	652	2,332	3,807
Salvation Army Denton Corps	Denton	\$ 50,000	1,002	859	121	22	79	923
Salvation Army for Family Life Center	Tarrant	\$ 75,000	163	72	77	14	38	125
Salvation Army of Corpus Christi	Nueces	\$ 75,000	1,341	1,134	201	6	428	913
Salvation Army of Galveston	Galveston	\$ 73,530	2,279	1,611	623	45	427	1,852

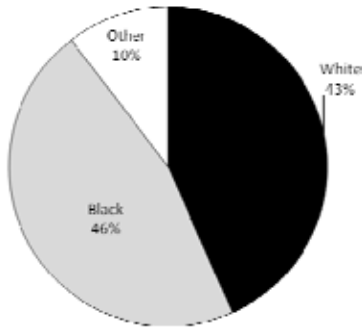
## Statement of Activities

Contractor	County Service Area	Award	Total Individuals	White	Black	Other	Hispanic	Non-Hispanic
Salvation Army of Kerrville	Kerr	\$ 74,420	532	490	38	4	74	458
Salvation Army of Lufkin	Angelina	\$ 37,500	225	178	44	3	8	217
Salvation Army of Odessa	Ector	\$ 37,110	342	294	48	-	114	228
Salvation Army of San Antonio	Bexar	\$ 75,000	614	453	121	40	370	244
Salvation Army of Tyler	Smith	\$ 75,000	3,440	2,271	1151	18	1,001	2,439
Salvation Army of Waco	McLennan	\$ 44,250	773	410	362	1	150	623
Santa Maria Hostel, Inc.	Harris	\$ 74,609	222	84	118	20	-	222
Search	Harris	\$122,139	4,483	1,592	2807	84	371	4,112
Seton Home	Bexar	\$ 69,650	144	105	39	-	88	56
Shelter Agencies Families in East Texas	Titus, Camp, Delta, Franklin, Morris, Hopkins, Lamar, Red River, Wood	\$ 30,638	1,174	842	239	93	13	1,161
Star of Hope Mission	Harris	\$ 75,000	2,221	633	1579	9	308	1,913
The Women's Home	Harris and surrounding counties	\$ 69,125	87	68	16	3	6	81
Wesley Community Center	Harris	\$ 48,750	280	81	199	-	64	216
Westside Homeless Partnership	Harris	\$ 48,750	272	223	49	-	212	60
Wintergarden Women's Shelter, Inc.	Dimmit, Maverick, Zavala and La Salle	\$ 68,770	715	675	1	39	635	80
Women Together Foundation, Inc.	Hidalgo	\$ 100,000	557	551	1	5	534	23
Women's Shelter of East Texas, Inc.	Angelina, Nacogdoches, Polk, Houston, San Augustine, San Jacinto, Shelby, Sabine, Trinity	\$ 34,414	456	294	137	25	94	362
Women's Shelter of South Texas	Aransas, Bee, Brooks, Duval, Jim Wells, Kenedy, Kleberg, Live Oak, McMullen, Nueces, Refugio, San Patricio	\$ 74,945	3,027	2,784	106	137	2,340	687
<b>TOTALS</b>		<b>\$ 5,043,037</b>	<b>69,564</b>	<b>49,919</b>	<b>16,618</b>	<b>3,027</b>	<b>28,387</b>	<b>41,177</b>

**HOMELESS HOUSING AND SERVICES PROGRAM**

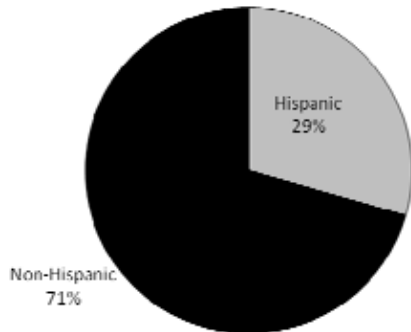
The Homeless Housing and Services Program (HHSP) assists large metropolitan areas to provide services to homeless individuals and families, including services such as case management, housing placement and retention, as well as construction. Beginning in 2010, funding for this program was awarded by TDHCA through a competitive matching grant process. The agency distributed these funds to the eight largest cities with populations larger than 285,500 persons, per the latest U.S. Census figures. Cities may either use these funds themselves or may elect to subcontract some or all of the funds to one or more organizations serving their community whose mission includes serving homeless individuals and families with appropriate services targeted towards eliminating or preventing the condition of homelessness. HHSP racial and ethnic composition data for FY 2010 is listed according to subrecipient. Racial and ethnic composition of those assisted by the program areas are provided below.

**Racial Composition of Individuals Receiving HHSP Assistance, Statewide, FY 2010**



Race	Percent
Other	10%
White	43%
Black	46%

**Ethnic Composition of Individuals Receiving HHSP Assistance, Statewide, FY 2010**



Ethnicity	Percent
Hispanic	29%
Non-Hispanic	71%

**Racial and Ethnic Composition of Individuals Receiving HHSP Assistance  
By Subrecipient, Statewide, FY 2010**

<b>Contractor</b>	<b>County Service Area</b>	<b>Award</b>	<b>Ind Served</b>	<b>White</b>	<b>Black</b>	<b>Other</b>	<b>Hispanic</b>	<b>Non-Hispanic</b>
City of Arlington	Tarrant	\$976,295	159	86	42	31	124	35
City of Austin, Health and Human Services Dept.	Travis	\$1,922,498	732	449	221	62	124	608
City of Dallas	Dallas	\$3,361,364	2,598	853	1,661	84	118	2,480
City of El Paso	El Paso	\$1,667,459	3,800	3,212	226	362	3,800	0
City of Houston	Harris	\$5,756,053	5,187	747	3,628	812	0	5,187
Haven for Hope of Bexar County	Bexar	\$3,410,574	0	0	0	0	0	0
Mother Teresa Shelter, Inc.	Nueces	\$779,446	0	0	0	0	0	0
United Way of Tarrant County	Tarrant	\$1,667,312	1,675	791	764	120	0	1,675
<b>TOTAL</b>		<b>19,541,001</b>	<b>14,151</b>	<b>6,138</b>	<b>6,542</b>	<b>1,471</b>	<b>4,166</b>	<b>9,985</b>

**PROGRESS IN MEETING TDHCA HOUSING AND COMMUNITY SERVICE GOALS**

The goals established in the Department's Legislative Appropriations Request, the Riders from the Legislative Appropriations Act and Texas state statute collectively guide TDHCA's annual activities, either through the establishment of objective performance measures or reporting requirements.

The following five goals are established by the Department's performance measures:

1. Increase and preserve the availability of safe, decent and affordable housing for very low-, low- and moderate-income persons and families.
2. Promote improved housing conditions for extremely low-, very low- and low-income households by providing information and technical assistance.
3. Improve living conditions for the poor and homeless and reduce the cost of home energy for very low-income Texans.
4. Ensure compliance with the TDHCA's federal and state program mandates.
5. Protect the public by regulating the manufactured housing industry in accordance with state and federal laws.

The following four goals are established by the Department's Riders and statutory obligations:

Rider 5: Target TDHCA's housing finance programs resources for assistance to extremely low-income households.

Rider 5: Target TDHCA's housing finance resources for assistance to very low-income households.

Rider 6: Provide contract for deed conversions for families who reside in a colonia and earn 60 percent or less of the applicable Area Median Family Income.

HOME Statute: Work to address the housing needs and increase the availability of affordable and accessible housing for persons with special needs through funding opportunities.

Progress made towards meeting the goals listed above, the upcoming year's goals, and information on TDHCA's actual performance in satisfying FY 2010 goals and strategies is provided in *Section 4: Action Plan* on page 216.

Beyond these established reporting goals, the Department has set policy priorities, also described in the *Action Plan* on page 228.

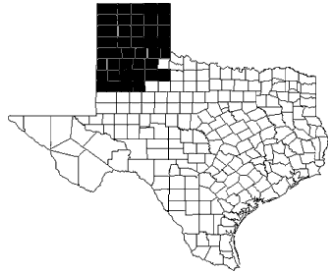
#### **STATEMENT OF ACTIVITIES BY UNIFORM STATE SERVICE REGION**

This section describes TDHCA's FY 2010 activities by Uniform State Service region. The regional tables do not include information for WAP, CEAP, ESGP, CSBG and HHSP because figures are not available for these programs at the regional level. Additionally, for purposes of reporting, Office of Colonia Initiatives figures do not appear as an independent category, but rather the figures are grouped under their respective funding sources. For example, most Contracts for Deed Conversion are reported under HOME's Homebuyer Assistance Program.

As required by law, TDHCA reports on the racial composition of individuals and families receiving assistance. The racial and ethnic composition reflects actual households served in FY 2010. Single Family Bond and Section 8 program awards are the same as the actual households served in the same fiscal year. HOME, Housing Tax Credit, Housing Trust Fund and Multifamily Bond program awards represent a commitment made in FY 2010 to serve households. Racial and ethnic data for the latter programs represent households served in FY 2010 with previous years' awards. Therefore, the racial and ethnic pie charts will not correlate with the tables on subsequent pages for the HOME, Housing Tax Credit, Housing Trust Fund and Multifamily Bond programs.

Regional information has been organized into two generalized categories of housing activity type: Renter Programs and Homeowner Programs. For more information on the housing activity types and racial reporting categories, please see "Racial Composition of Households Receiving Assistance" under the Statement of Activities section on page 131.

**REGION 1**



The pie charts represent the racial and ethnic composition served in FY 2010.

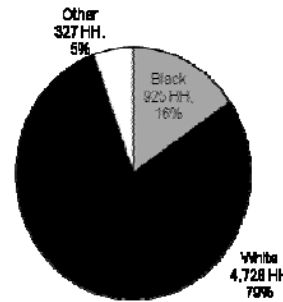
Note: Because loan servicers do not record race and ethnicity data separately, data for the Single Family Bond program is presented in one combined chart.

**SINGLE FAMILY BOND PROGRAM**  
PERCENT OF COMMITTED FUNDS BY RACE AND ETHNICITY

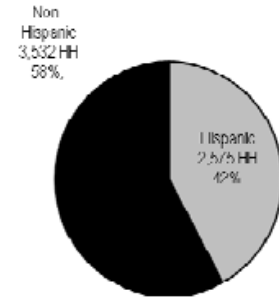


Race	Households	Percent
White	1	100%

**RENTER PROGRAMS**  
PERCENT OF COMMITTED FUNDS BY RACE      PERCENT OF COMMITTED FUNDS BY ETHNICITY

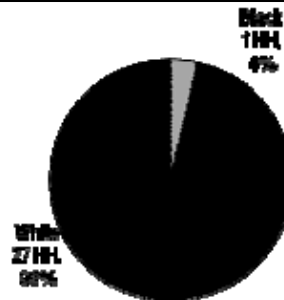


Race	Households	Percent
Other	327	5%
White	4,728	79%
Black	925	16%

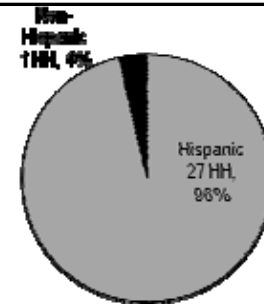


Ethnicity	Households	Percent
Hispanic	2,575	42%
Non-Hispanic	3,532	58%

**HOME PROGRAM OWNER PROGRAMS**  
PERCENT OF COMMITTED FUNDS BY RACE      PERCENT OF COMMITTED FUNDS BY ETHNICITY



Race	Households	Percent
White	27	96%
Black	1	4%



Ethnicity	Households	Percent
Hispanic	27	96%
Non-Hispanic	1	4%

**FUNDING AND HOUSEHOLDS SERVED/TO BE SERVED, BY ACTIVITY AND HOUSING PROGRAM TYPE, REGION 1**

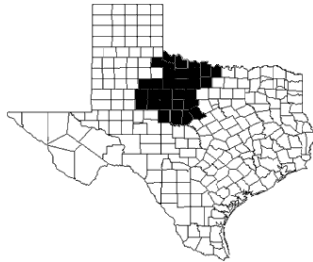
Activity	SF Bond		HOME		HTF		HTC		MF Bond		Section 8		All Activities	
	Funds	HH	Funds	HH	Funds	HH	Funds	HH	Funds	HH	Funds	HH	Funds	HH
Homeowner Programs	\$107,057	1	\$2,967,120	35	\$0	0	\$0	0	\$0	0	\$0	0	\$3,074,177	36
Renter Programs	\$0	0	\$0	0	\$0	0	\$2,000,000	178	\$0	0	\$0	0	\$2,000,000	178
Total	\$107,057	1	\$2,967,120	35	\$0	0	\$2,000,000	178	\$0	0	\$0	0	\$5,074,177	214

**FUNDING AND HOUSEHOLDS SERVED/TO BE SERVED, BY INCOME CATEGORY AND HOUSING PROGRAM, REGION 1**

	SF Bond		HOME		HTF		HTC		MF Bond		Section 8		All Activities	
	Funds	HH	Funds	HH	Funds	HH	Funds	HH	Funds	HH	Funds	HH	Funds	HH
Extremely Low Income (0-30 AMFI)	\$0	0	\$468,000	6	\$0	0	\$112,930	10	\$0	0	\$0	0	\$580,930	16
Very Low Income (30-50 AMFI)	\$0	0	\$0	0	\$0	0	\$898,680	80	\$0	0	\$0	0	\$898,680	80
Low Income (50-80 AMFI)	\$0	0	\$2,499,120	29	\$0	0	\$988,389	88	\$0	0	\$0	0	\$3,487,509	117
Moderate Income (>80 AMFI)	\$107,057	1	\$0	0	\$0	0	\$0	0	\$0	0	\$0	0	\$107,057	1
Total	\$107,057	1	\$2,967,120	35	\$0	0	\$2,000,000	178	\$0	0	\$0	0	\$5,074,177	214

TDHCA allocated \$5,074,177 in Region 1 during FY 2010. Homeowner programs accounted for the largest segment of this total and the low-income households group (50-80% AMFI) was the most served income group.

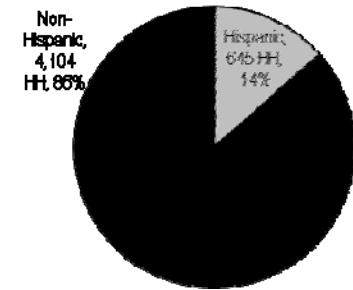
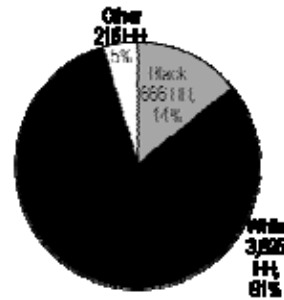
**REGION 2**



The pie charts represent the racial and ethnic composition of households served in FY2010.

Note: Because loan servicers do not record race and ethnicity data separately, data for the Single Family Bond program is presented in one combine chart.

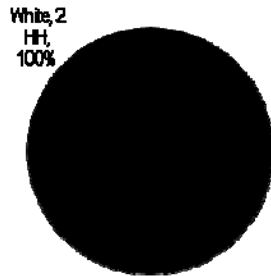
**RENTER PROGRAMS**  
PERCENT OF COMMITTED FUNDS BY RACE      PERCENT OF COMMITTED FUNDS BY ETHNICITY



Race	Households	Percent
Other	216	5%
White	3,825	81%
Black	666	14%

Ethnicity	Households	Percent
Hispanic	645	14%
Non-Hispanic	4,104	88%

**SINGLE FAMILY BOND PROGRAM**  
PERCENT OF COMMITTED FUNDS BY RACE AND ETHNICITY



Race	Households	Percent
White	2	100%

**HOME PROGRAM OWNER PROGRAMS**  
PERCENT OF COMMITTED FUNDS BY RACE      PERCENT OF COMMITTED FUNDS BY ETHNICITY

These pie charts represent households served in FY2010, based on previous years' awards. Region 2 did not serve households with HOME ownership program funding in FY 2010.



**FUNDING AND HOUSEHOLDS SERVED/TO BE SERVED, BY ACTIVITY AND HOUSING PROGRAM TYPE, REGION 2**

Activity	SF Bond		HOME		HTF		HTC		MF Bond		Section 8		All Activities	
	Funds	HH	Funds	HH	Funds	HH	Funds	HH	Funds	HH	Funds	HH	Funds	HH
Homeowner Programs	\$133,928	2	\$1,834,560	25	\$0	0	\$0	0	\$0	0	\$0	0	\$1,968,488	27
Renter Programs	\$0	0	\$1,100,000	52	\$0	0	\$1,388,447	116	\$0	0	\$126,375	23	\$2,614,822	191
Total	\$133,928	2	\$2,934,560	77	\$0	0	\$1,388,447	116	\$0	0	\$126,375	23	\$4,583,310	218

**FUNDING AND HOUSEHOLDS SERVED/TO BE SERVED, BY INCOME CATEGORY AND HOUSING PROGRAM, REGION 2**

	SF Bond		HOME		HTF		HTC		MF Bond		Section 8		All Activities	
	Funds	HH	Funds	HH	Funds	HH	Funds	HH	Funds	HH	Funds	HH	Funds	HH
Extremely Low Income (0-30 AMFI)	\$0	0	\$0	0	\$0	0	\$119,358	10	\$0	0	\$82,728	14	\$202,086	24
Very Low Income (30-50 AMFI)	\$0	0	\$627,660	15	\$0	0	\$207,044	17	\$0	0	\$25,659	6	\$860,363	38
Low Income (50-80 AMFI)	\$54,887	1	\$2,306,900	62	\$0	0	\$1,062,044	89	\$0	0	\$17,988	3	\$3,441,819	155
Moderate Income (>80 AMFI)	\$79,041	1	\$0	0	\$0	0	\$0	0	\$0	0	\$0	0	\$79,041	1
Total	\$133,928	2	\$2,934,560	77	\$0	0	\$1,388,447	116	\$0	0	\$126,375	23	\$4,583,310	218

TDHCA allocated \$4,583,310 in Region 2 during FY 2010. Renter programs accounted for the largest segment of this total and the low-income households group (50-80% AMFI) was the most served income group.

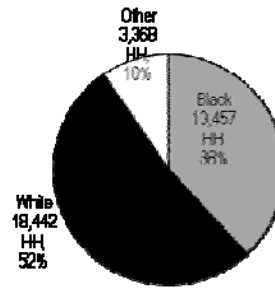
REGION 3



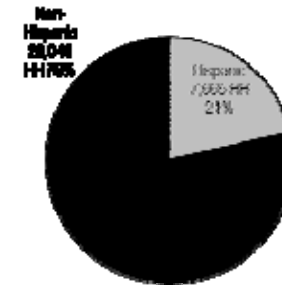
The pie charts represent the racial and ethnic composition of households served in FY 2010.

Note: because loan servicers do not record race and ethnicity data separately, data for the Single Family Bond program is presented in one combined chart.

**RENTER PROGRAMS**  
 PERCENT OF COMMITTED FUNDS BY RACE      PERCENT OF COMMITTED FUNDS BY ETHNICITY

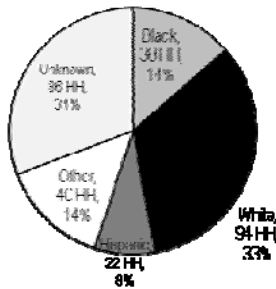


Race	Households	Percent
Other	3,368	10%
White	18,442	52%
Black	13,457	38%



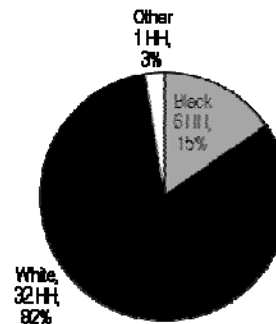
Ethnicity	Households	Percent
Hispanic	7,665	21%
Non-Hispanic	28,046	79%

**SINGLE FAMILY BOND PROGRAM**  
 PERCENT OF COMMITTED FUNDS BY RACE AND ETHNICITY

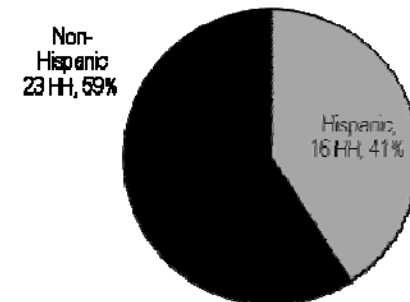


Race	Ethnicity	Households	Percent
White		94	33%
Black		38	14%
Other		40	14%
Unknown		86	31%
	Hispanic	22	8%

**HOME PROGRAM OWNER PROGRAMS**  
 PERCENT OF COMMITTED FUNDS BY RACE      PERCENT OF COMMITTED FUNDS BY ETHNICITY



Race	Households	Percent
White	32	82%
Black	6	15%
Other	1	3%



Ethnicity	Households	Percent
Hispanic	16	41%
Non-Hispanic	23	59%

**FUNDING AND HOUSEHOLDS SERVED/TO BE SERVED, BY ACTIVITY AND HOUSING PROGRAM TYPE, REGION 3**

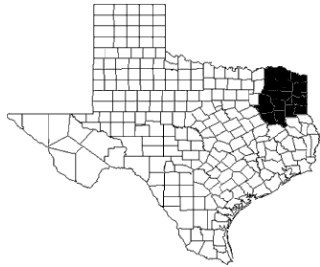
Activity	SF Bond		HOME		HTF		HTC		MF Bond		Section 8		All Activities	
	Funds	HH	Funds	HH	Funds	HH	Funds	HH	Funds	HH	Funds	HH	Funds	HH
Homeowner Programs	\$31,508,297	258	\$2,137,760	52	\$1,248,139	71	\$0	0	\$0	0	\$0	0	\$34,894,196	381
Renter Programs	\$0	0	\$4,036,000	179	\$0	0	\$11,977,669	1,076	\$1,224,504	206	\$1,680,596	305	\$18,918,769	1,766
Total	\$31,508,297	258	\$6,173,760	231	\$1,248,139	71	\$11,977,669	1,076	\$1,224,504	206	\$1,680,596	305	\$53,812,965	2,147

**FUNDING AND HOUSEHOLDS SERVED/TO BE SERVED, BY INCOME CATEGORY AND HOUSING PROGRAM, REGION 3**

	SF Bond		HOME		HTF		HTC		MF Bond		Section 8		All Activities	
	Funds	HH	Funds	HH	Funds	HH	Funds	HH	Funds	HH	Funds	HH	Funds	HH
Extremely Low Income (0-30 AMFI)	\$146,013	1	\$1,237,647	23	\$184,671	6	\$840,706	80	\$184,270	31	\$1,269,824	221	\$3,863,131	362
Very Low Income (30-50 AMFI)	\$1,792,649	19	\$2,442,353	69	\$768,468	40	\$5,574,065	496	\$0	0	\$348,010	69	\$10,925,545	693
Low Income (50-80 AMFI)	\$9,716,396	89	\$2,493,760	139	\$295,000	25	\$5,562,898	500	\$1,040,234	175	\$62,762	14	\$19,171,050	942
Moderate Income (>80 AMFI)	\$19,853,239	149	\$0	0	\$0	0	\$0	0	\$0	0	\$0	1	\$19,853,239	150
Total	\$31,508,297	258	\$6,173,760	231	\$1,248,139	71	\$11,977,669	1,076	\$1,224,504	206	\$1,680,596	305	\$53,812,965	2,147

TDHCA allocated \$53,812,965 in Region 3 during FY 2010. Homeowner programs accounted for the largest segment of this total and the moderate income households group (> 80% AMFI) was the most served income group.

**REGION 4**



The pie charts represent the racial and ethnic composition of households served in FY 2010.

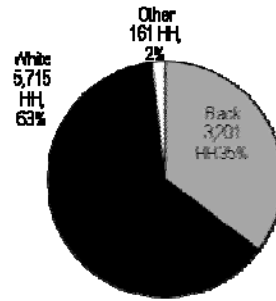
Note: Because loan servicers do not record race and ethnicity data separately, data for the Single Family Bond program is present in one combined chart.

**SINGLE FAMILY BOND PROGRAM  
PERCENT OF COMMITTED FUNDS BY  
RACE AND ETHNICITY**

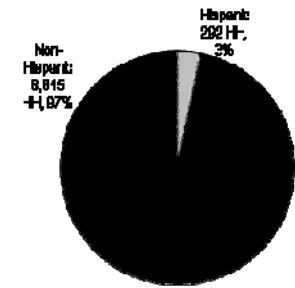


Race	Households	Percent
Unknown	1	100%

**RENTER PROGRAMS  
PERCENT OF COMMITTED FUNDS BY RACE      PERCENT OF COMMITTED FUNDS BY ETHNICITY**

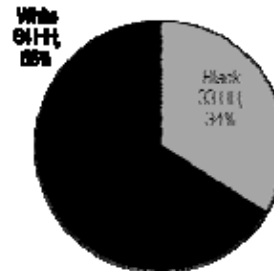


Race	Households	Percent
Other	161	2%
White	5,715	63%
Black	3,201	35%

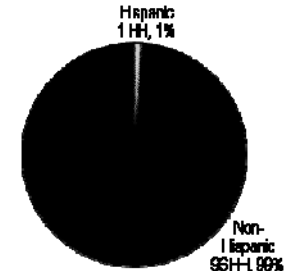


Ethnicity	Households	Percent
Hispanic	292	3%
Non-Hispanic	8,815	97%

**HOME PROGRAM OWNER PROGRAMS  
PERCENT OF COMMITTED FUNDS BY RACE      PERCENT OF COMMITTED FUNDS BY ETHNICITY**



Race	Households	Percent
White	64	66%
Black	33	34%



Ethnicity	Households	Percent
Hispanic	1	1%
Non-Hispanic	96	99%

**FUNDING AND HOUSEHOLDS SERVED/TO BE SERVED, BY ACTIVITY AND HOUSING PROGRAM TYPE, REGION 4**

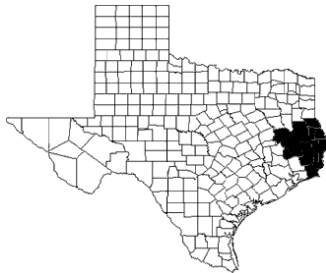
Activity	SF Bond		HOME		HTF		HTC		MF Bond		Section 8		All Activities	
	Funds	HH	Funds	HH	Funds	HH	Funds	HH	Funds	HH	Funds	HH	Funds	HH
Homeowner Programs	\$81,987	1	\$3,629,680	57	\$872,740	70	\$0	\$0	\$0	0	\$0	0	\$4,584,407	128
Renter Programs	\$0	0	\$1,539,272	15	\$0	0	\$4,131,720	\$315	\$0	0	\$7,092	1	\$5,678,084	331
Total	\$81,987	1	\$5,168,952	72	\$872,740	70	\$4,131,720	315	\$0	0	\$7,092	1	\$10,262,491	459

**FUNDING AND HOUSEHOLDS SERVED/TO BE SERVED, BY INCOME CATEGORY AND HOUSING PROGRAM, REGION 4**

	SF Bond		HOME		HTF		HTC		MF Bond		Section 8		All Activities	
	Funds	HH	Funds	HH	Funds	HH	Funds	HH	Funds	HH	Funds	HH	Funds	HH
Extremely Low Income (0-30 AMFI)	\$0	0	\$1,532,334	17	\$530,572	41	\$234,028	18	\$0	0	\$0	0	\$2,296,934	76
Very Low Income (30-50 AMFI)	\$0	0	\$975,709	10	\$312,655	27	\$1,856,562	141	\$0	0	\$7,092	1	\$3,152,018	179
Low Income (50-80 AMFI)	\$0	0	\$2,660,909	45	\$29,513	2	\$2,041,129	156	\$0	0	\$0	0	\$4,731,551	203
Moderate Income (>80 AMFI)	\$81,987	1	\$0	0	\$0	0	\$0	0	\$0	0	\$0	0	\$81,987	1
Total	\$81,987	1	\$5,168,952	72	\$872,740	70	\$4,131,720	315	\$0	0	\$7,092	1	\$10,262,491	459

TDHCA allocated \$10,262,491 in Region 4 during FY 2010. Renter programs accounted for the largest segment of this total and the low-income households group (50-80% AMFI) was the most served income group.

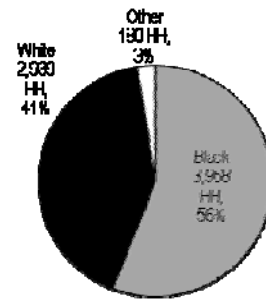
**REGION 5**



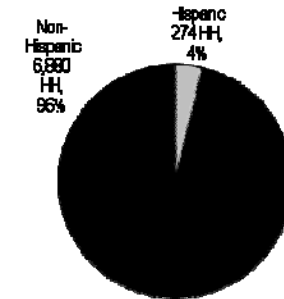
The pie charts represent the racial and ethnic composition of households served in FY2010.

Note: Because loan servicers do not record race and ethnicity data separately, data for the Single Family Bond program is present in one combined chart.

**RENTER PROGRAMS**  
 PERCENT OF COMMITTED FUNDS BY RACE      PERCENT OF COMMITTED FUNDS BY ETHNICITY

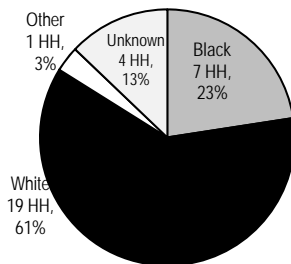


Race	Households	Percent
Other	180	3%
White	2,939	41%
Black	3,968	56%



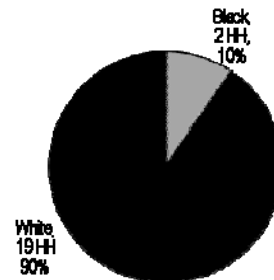
Ethnicity	Households	Percent
Hispanic	274	4%
Non-Hispanic	6,880	96%

**SINGLE FAMILY BOND PROGRAM**  
 PERCENT OF COMMITTED FUNDS BY RACE AND ETHNICITY



Race	Ethnicity	Households	Percent
White		19	61%
Black		7	23%
Other		1	3%
Unknown		4	13%
	Hispanic		8

**HOME PROGRAM OWNER PROGRAMS**  
 PERCENT OF COMMITTED FUNDS BY RACE      PERCENT OF COMMITTED FUNDS BY ETHNICITY



Race	Households	Percent
White	19	90%
Black	2	10%



Ethnicity	Households	Percent
Hispanic		
Non-Hispanic	21	100%

**FUNDING AND HOUSEHOLDS SERVED/TO BE SERVED, BY ACTIVITY AND HOUSING PROGRAM TYPE, REGION 5**

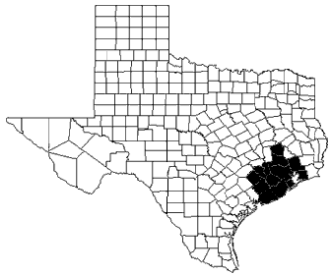
Activity	SF Bond		HOME		HTF		HTC		MF Bond		Section 8		All Activities	
	Funds	HH	Funds	HH	Funds	HH	Funds	HH	Funds	HH	Funds	HH	Funds	HH
Homeowner Programs	\$3,156,835	31	\$520,000	6	\$275,200	36	\$0	0	\$0	0	\$0	0	\$3,952,035	73
Renter Programs	\$0	0	\$6,598,337	130	\$0	0	\$5,468,736	470	\$0	0	\$0	0	\$12,067,073	600
Total	\$3,156,835	31	\$7,118,337	136	\$275,200	36	\$5,468,736	470	\$0	0	\$0	0	\$16,019,108	673

**FUNDING AND HOUSEHOLDS SERVED/TO BE SERVED, BY INCOME CATEGORY AND HOUSING PROGRAM, REGION 5**

	SF Bond		HOME		HTF		HTC		MF Bond		Section 8		All Activities	
	Funds	HH	Funds	HH	Funds	HH	Funds	HH	Funds	HH	Funds	HH	Funds	HH
Extremely Low Income (0-30 AMFI)	\$0	0	\$1,482,801	72	\$128,788	18	\$448,064	40	\$0	0	\$0	0	\$2,059,653	130
Very Low Income (30-50 AMFI)	\$61,669	1	\$589,683	9	\$25,200	1	\$2,286,304	195	\$0	0	\$0	0	\$2,962,856	206
Low Income (50-80 AMFI)	\$412,847	6	\$5,045,853	55	\$121,212	17	\$2,734,368	235	\$0	0	\$0	0	\$8,314,280	313
Moderate Income (>80 AMFI)	\$2,682,319	24	\$0	0	\$0	0	\$0	0	\$0	0	\$0	0	\$2,682,319	24
Total	\$3,156,835	31	\$7,118,337	136	\$275,200	36	\$5,468,736	470	\$0	0	\$0	0	\$16,019,108	673

TDHCA allocated \$16,019,108 in Region 5 during FY 2010. Renter programs accounted for the largest segment of this total and the low-income households group (50-80% AMFI) was the most served income group.

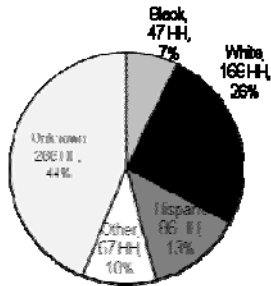
**REGION 6**



The pie charts represent the racial and ethnic compositions of households served in FY 2010.

Note: Because loan servicers do not record race and ethnicity data separately, data for the Single Family Bond program is presented in one combined chart.

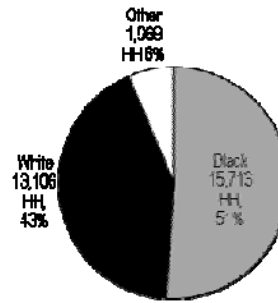
**SINGLE FAMILY BOND PROGRAM  
PERCENT OF COMMITTED FUNDS BY  
RACE AND ETHNICITY**



Race	Ethnicity	Households	Percent
White		168	26%
Black		47	7%
Other		67	10%
Unknown		288	44%
	Hispanic	86	13

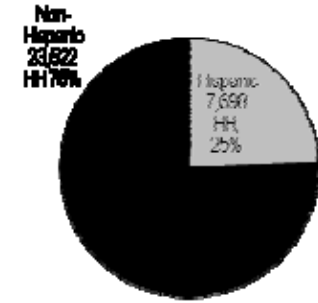
**RENTER PROGRAMS**

PERCENT OF COMMITTED FUNDS BY RACE



Race	Households	Percent
Other	1,968	6%
White	13,106	43%
Black	15,716	51%

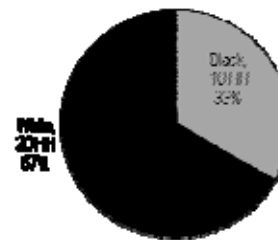
PERCENT OF COMMITTED FUNDS BY ETHNICITY



Ethnicity	Households	Percent
Hispanic	7,698	25%
Non-Hispanic	23,522	75%

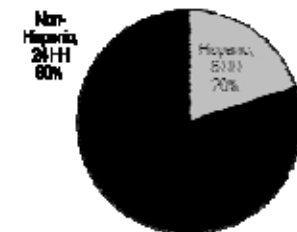
**HOME PROGRAM OWNER PROGRAMS**

PERCENT OF COMMITTED FUNDS BY RACE



Race	Households	Percent
White	20	67%
Black	10	33%

PERCENT OF COMMITTED FUNDS BY ETHNICITY



Ethnicity	Households	Percent
Hispanic	6	20%
Non-Hispanic	24	80%



**FUNDING AND HOUSEHOLDS SERVED/TO BE SERVED, BY ACTIVITY AND HOUSING PROGRAM TYPE, REGION 6**

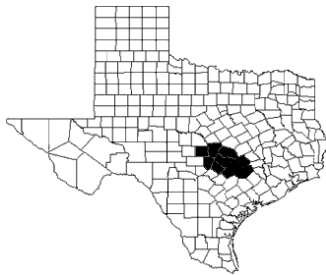
Activity	SF Bond		HOME		HTF		HTC		MF Bond		Section 8		All Activities	
	Funds	HH	Funds	HH	Funds	HH	Funds	HH	Funds	HH	Funds	HH	Funds	HH
Homeowner Programs	\$72,822,162	570	\$987,600	18	\$86,899	3	\$0	0	\$0	0	\$0	0	\$73,896,661	591
Renter Programs	\$0	0	\$430,000	34	\$0	0	\$19,375,502	1,844	\$0	0	\$2,344,141	392	\$22,149,643	2,270
Total	\$72,822,162	570	\$1,417,600	52	\$86,899	3	\$19,375,502	1,844	\$0	0	\$2,344,141	392	\$96,046,304	2,861

**FUNDING AND HOUSEHOLDS SERVED/TO BE SERVED, BY INCOME CATEGORY AND HOUSING PROGRAM, REGION 6**

	SF Bond		HOME		HTF		HTC		MF Bond		Section 8		All Activities	
	Funds	HH	Funds	HH	Funds	HH	Funds	HH	Funds	HH	Funds	HH	Funds	HH
Extremely Low Income (0-30 AMFI)	\$0	0	\$785,733	38	\$26,900	1	\$1,066,056	107	\$0	0	\$1,799,127	296	\$3,677,816	442
Very Low Income (30-50 AMFI)	\$1,695,183	18	\$168,427	3	\$59,999	2	\$8,534,610	758	\$0	0	\$405,554	69	\$10,863,772	850
Low Income (50-80 AMFI)	\$19,146,052	172	\$463,440	11	\$0	0	\$9,774,836	979	\$0	0	\$135,476	25	\$29,519,804	1,187
Moderate Income (>80 AMFI)	\$51,980,927	380	\$0	0	\$0	0	\$0	0	\$0	0	\$3,984	2	\$51,984,911	382
Total	\$72,822,162	570	\$1,417,600	52	\$86,899	3	\$19,375,502	1,844	\$0	0	\$2,344,141	392	\$96,046,304	2,861

TDHCA allocated \$96,046,304 in Region 6 during FY 2010. Homeowner programs accounted for the largest segment of this total and the moderate income households group (> 80% AMFI) was the most served income group.

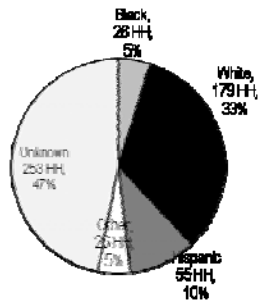
**REGION 7**



The pie charts represent the racial and ethnic composition of households served in FY 2010.

Note: Because loan servicers do not record race and ethnicity data separately, data for the Single Family Bond program is presented in one combined chart.

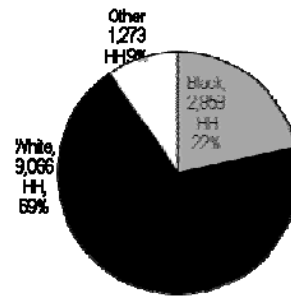
**SINGLE FAMILY BOND PROGRAM  
PERCENT OF COMMITTED FUNDS BY  
RACE AND ETHNICITY**



Race	Ethnicity	Households	Percent
White		179	33%
Black		26	5%
Other		26	5%
Unknown		253	47%
	Hispanic	55	10%

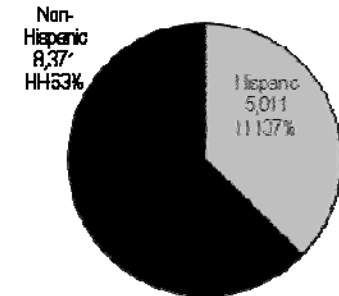
**RENTER PROGRAMS**

PERCENT OF COMMITTED FUNDS BY RACE



Race	Households	Percent
White	9,066	69%
Other	1,273	9%
Black	2,858	22%

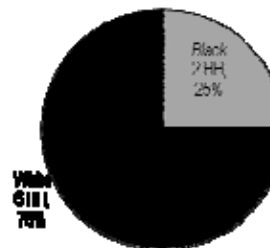
PERCENT OF COMMITTED FUNDS BY ETHNICITY



Ethnicity	Households	Percent
Hispanic	5,011	37%
Non-Hispanic	8,371	63%

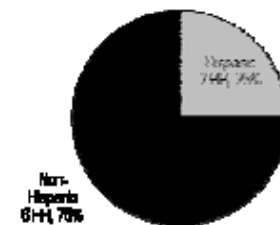
**HOME PROGRAM OWNER PROGRAMS**

PERCENT OF COMMITTED FUNDS BY RACE



Race	Households	Percent
White	6	75%
Black	2	25%

PERCENT OF COMMITTED FUNDS BY ETHNICITY



Ethnicity	Households	Percent
Hispanic	2	25%
Non-Hispanic	6	75%

**FUNDING AND HOUSEHOLDS SERVED/TO BE SERVED, BY ACTIVITY AND HOUSING PROGRAM TYPE, REGION 7**

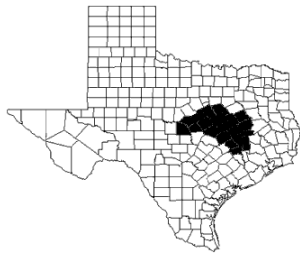
Activity	SF Bond		HOME		HTF		HTC		MF Bond		Section 8		All Activities	
	Funds	HH	Funds	HH	Funds	HH	Funds	HH	Funds	HH	Funds	HH	Funds	HH
Homeowner Programs	\$67,805,984	484	\$657,040	16	\$896,749	52	\$0	0	\$0	0	\$0	0	\$69,359,773	552
Renter Programs	\$0	0	\$7,866,529	116	\$500,000	36	\$2,987,677	251	\$296,913	130	\$386,980	73	\$12,038,099	606
Total	\$67,805,984	484	\$8,523,569	132	\$1,396,749	88	\$2,987,677	251	\$296,913	130	\$386,980	73	\$81,397,872	1,158

**FUNDING AND HOUSEHOLDS SERVED/TO BE SERVED, BY INCOME CATEGORY AND HOUSING PROGRAM, REGION 7**

	SF Bond		HOME		HTF		HTC		MF Bond		Section 8		All Activities	
	Funds	HH	Funds	HH	Funds	HH	Funds	HH	Funds	HH	Funds	HH	Funds	HH
Extremely Low Income (0-30 AMFI)	\$147,232	1	\$2,197,131	35	\$329,861	22	\$352,533	30	\$0	0	\$280,578	51	\$3,307,335	139
Very Low Income (30-50 AMFI)	\$5,046,375	42	\$3,292,746	49	\$1,015,846	62	\$1,147,126	96	\$0	0	\$71,410	15	\$10,573,503	264
Low Income (50-80 AMFI)	\$25,371,634	192	\$3,033,692	48	\$51,042	4	\$1,488,018	125	\$296,913	130	\$34,992	7	\$30,276,290	506
Moderate Income (>80 AMFI)	\$37,240,743	249	\$0	0	\$0	0	\$0	0	\$0	0	\$0	0	\$37,240,743	249
Total	\$67,805,984	484	\$8,523,569	132	\$1,396,749	88	\$2,987,677	251	\$296,913	130	\$386,980	73	\$81,397,872	1,158

TDHCA allocated \$81,397,872 in Region 7 during FY 2010. Homeowner programs accounted for the largest segment of this total and the moderate income households group (> 80% AMFI) was the most served income group.

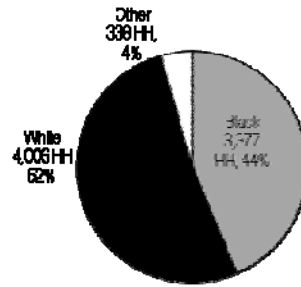
**REGION 8**



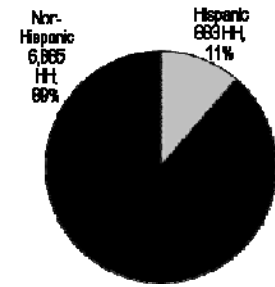
The pie charts represent the racial and ethnic composition of households served in FY 2010.

Note: Because loan servicers do not record race and ethnicity data separately, data for the Single Family Bond program is present in one combined chart.

**RENTER PROGRAMS**  
 PERCENT OF COMMITTED FUNDS BY RACE      PERCENT OF COMMITTED FUNDS BY ETHNICITY

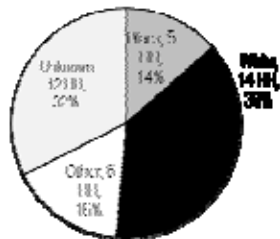


Race	Households	Percent
Other	338	4%
White	4,006	52%
Black	3,377	44%



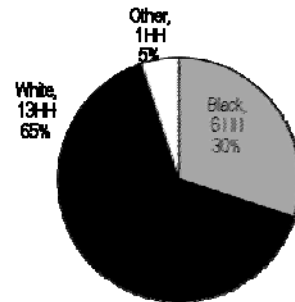
Ethnicity	Households	Percent
Hispanic	883	11%
Non-Hispanic	6,885	89%

**SINGLE FAMILY BOND PROGRAM**  
 PERCENT OF COMMITTED FUNDS BY RACE AND ETHNICITY

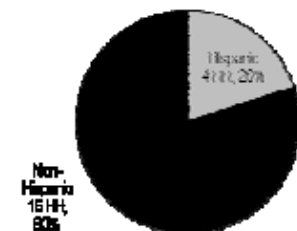


Race	Ethnicity	Households	Percent
White		14	38%
Black		5	14%
Other		6	16%
Unknown		12	32%
	Hispanic		

**HOME PROGRAM OWNER PROGRAMS**  
 PERCENT OF COMMITTED FUNDS BY RACE      PERCENT OF COMMITTED FUNDS BY ETHNICITY



Race	Households	Percent
White	13	65%
Black	6	30%
Other	1	5%



Ethnicity	Households	Percent
Hispanic	4	20%
Non-Hispanic	16	80%

**FUNDING AND HOUSEHOLDS SERVED/TO BE SERVED, BY ACTIVITY AND HOUSING PROGRAM TYPE, REGION 8**

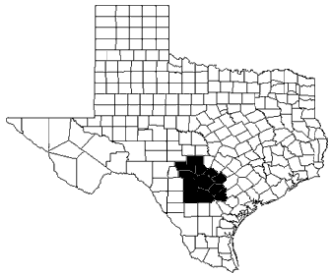
Activity	SF Bond		HOME		HTF		HTC		MF Bond		Section 8		All Activities	
	Funds	HH	Funds	HH	Funds	HH	Funds	HH	Funds	HH	Funds	HH	Funds	HH
Homeowner Programs	\$3,736,049	37	\$1,812,320	56	\$562,519	22	\$0	0	\$0	\$0	\$0	0	\$6,110,888	115
Renter Programs	\$0	0	\$2,557,447	119	\$0	0	\$2,635,793	260	\$0	\$0	\$372,018	67	\$5,565,258	446
Total	\$3,736,049	37	\$4,369,767	175	\$562,519	22	\$2,635,793	260	\$0	0	\$372,018	67	\$11,676,146	561

**FUNDING AND HOUSEHOLDS SERVED/TO BE SERVED, BY INCOME CATEGORY AND HOUSING PROGRAM, REGION 8**

	SF Bond		HOME		HTF		HTC		MF Bond		Section 8		All Activities	
	Funds	HH	Funds	HH	Funds	HH	Funds	HH	Funds	HH	Funds	HH	Funds	HH
Extremely Low Income (0-30 AMFI)	\$0	0	\$413,463	9	\$148,250	4	\$181,021	18	\$0	\$0	\$194,647	36	\$937,381	67
Very Low Income (30-50 AMFI)	\$0	0	\$1,175,345	43	\$390,029	17	\$852,601	84	\$0	\$0	\$115,512	21	\$2,533,487	165
Low Income (50-80 AMFI)	\$1,078,894	12	\$2,780,959	123	\$24,240	1	\$1,602,171	158	\$0	\$0	\$41,411	7	\$5,527,675	301
Moderate Income (>80 AMFI)	\$2,657,155	25	\$0	0	\$0	0	\$0	0	\$0	\$0	\$20,448	3	\$2,677,603	28
Total	\$3,736,049	37	\$4,369,767	175	\$562,519	22	\$2,635,793	260	\$0	0	\$372,018	67	\$11,676,146	561

TDHCA allocated \$11,676,146 in Region 8 during FY 2010. Homeowner programs accounted for the largest segment of this total and the low-income households group (50-80% AMFI) was the most served income group.

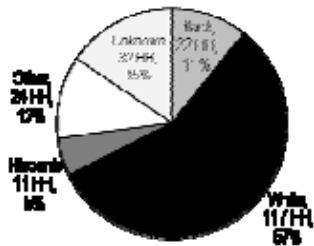
**REGION 9**



The pie charts represent the racial and ethnic composition of households served in FY 2010.

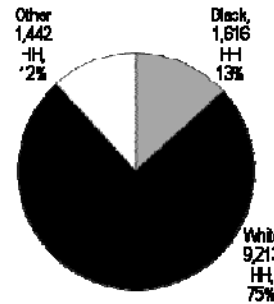
Note: Because loan servicers do not record race and ethnicity data separately, data for the In one combined chart.

**SINGLE FAMILY BOND PROGRAM**  
PERCENT OF COMMITTED FUNDS BY RACE AND ETHNICITY

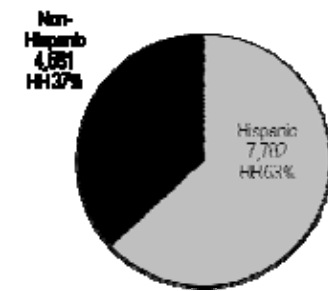


Race	Ethnicity	Households	Percent
White		117	57%
Black		22	11%
Other		24	12%
Unknown		32	15%
	Hispanic	11	5%

**RENTER PROGRAMS**  
PERCENT OF COMMITTED FUNDS BY RACE      PERCENT OF COMMITTED FUNDS BY ETHNICITY

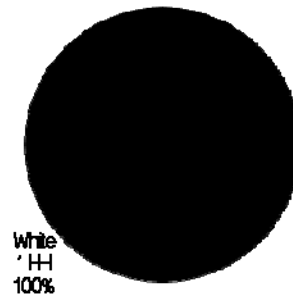


Race	Households	Percent
Other	1,142	12%
White	9,213	75%
Black	1,616	13%

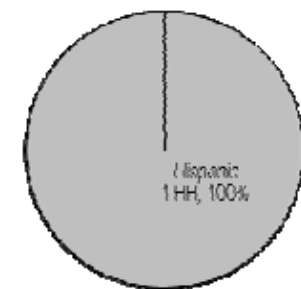


Ethnicity	Households	Percent
Hispanic	7,782	63%
Non-Hispanic	4,561	37%

**HOME PROGRAM OWNER PROGRAMS**  
PERCENT OF COMMITTED FUNDS BY RACE      PERCENT OF COMMITTED FUNDS BY ETHNICITY



Race	Households	Percent
White	1	100%



Ethnicity	Households	Percent
Hispanic	1	100%
Non-Hispanic	0	0%

**FUNDING AND HOUSEHOLDS SERVED/TO BE SERVED, BY ACTIVITY AND HOUSING PROGRAM TYPE, REGION 9**

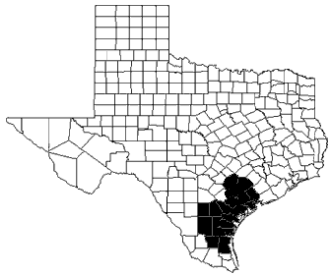
Activity	SF Bond		HOME		HTF		HTC		MF Bond		Section 8		All Activities	
	Funds	HH	Funds	HH	Funds	HH	Funds	HH	Funds	HH	Funds	HH	Funds	HH
Homeowner Programs	\$23,425,358	195	\$249,600	3	\$970,189	34	\$0	0	\$0	0	\$0	0	\$24,645,147	232
Renter Programs	\$0	0	\$672,000	54	\$0	0	\$7,315,340	764	\$1,060,351	235	\$150,052	32	\$9,197,743	1,085
Total	\$23,425,358	195	\$921,600	57	\$970,189	34	\$7,315,340	764	\$1,060,351	235	\$150,052	32	\$33,842,890	1,317

**FUNDING AND HOUSEHOLDS SERVED/TO BE SERVED, BY INCOME CATEGORY AND HOUSING PROGRAM, REGION 9**

	SF Bond		HOME		HTF		HTC		MF Bond		Section 8		All Activities	
	Funds	HH	Funds	HH	Funds	HH	Funds	HH	Funds	HH	Funds	HH	Funds	HH
Extremely Low Income (0-30 AMFI)	\$0	0	\$672,000	54	\$213,620	7	\$334,149	36	\$4,507	1	\$92,780	20	\$1,317,056	118
Very Low Income (30-50 AMFI)	\$574,395	7	\$0	0	\$731,369	26	\$3,694,210	376	\$388,858	86	\$25,644	7	\$5,414,476	502
Low Income (50-80 AMFI)	\$6,516,414	59	\$249,600	3	\$25,200	1	\$3,286,982	352	\$666,986	148	\$31,628	5	\$10,776,810	568
Moderate Income (>80 AMFI)	\$16,334,549	129	\$0	0	\$0	0	\$0	0	\$0	0	\$0	0	\$16,334,549	129
Total	\$23,425,358	195	\$921,600	57	\$970,189	34	\$7,315,340	764	\$1,060,351	235	\$150,052	32	\$33,842,890	1,317

TDHCA allocated \$33,842,890 in Region 9 during FY 2010. Homeowner programs accounted for the largest segment of this total and the moderate-income households group (>80% AMFI) was the most served income group.

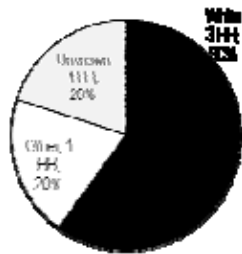
**REGION 10**



The pie charts represent the racial and ethnic composition of households served in FY 2010.

Note: Because loan servicers do not record race and ethnicity data separately, data for the Single Family Bond program is presented in one combined chart.

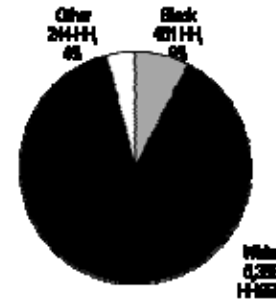
**SINGLE FAMILY BOND PROGRAM  
PERCENT OF COMMITTED FUNDS BY  
RACE AND ETHNICITY**



Race	Ethnicity	Households	Percent
White		3	60%
Other		1	20%
Unknown		1	20%

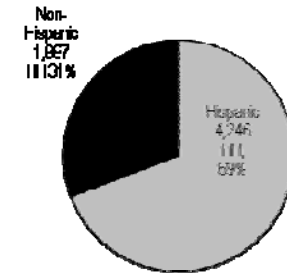
**RENTER PROGRAMS**

PERCENT OF COMMITTED FUNDS BY RACE



Race	Households	Percent
Other	244	4%
White	5,398	88%
Black	461	8%

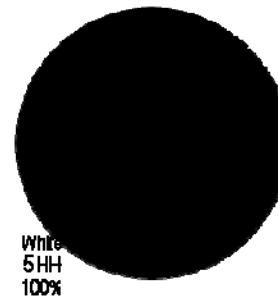
PERCENT OF COMMITTED FUNDS BY ETHNICITY



Ethnicity	Households	Percent
Hispanic	4,246	69%
Non-Hispanic	1,887	31%

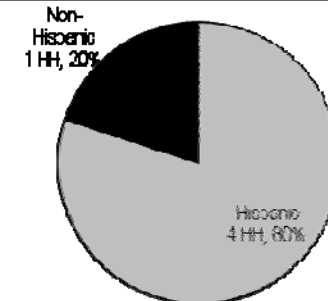
**HOME PROGRAM OWNER PROGRAMS**

PERCENT OF COMMITTED FUNDS BY RACE



Race	Households	Percent
White	5	100%

PERCENT OF COMMITTED FUNDS BY ETHNICITY



Ethnicity	Households	Percent
Hispanic	4	80%
Non-Hispanic	1	20%



**FUNDING AND HOUSEHOLDS SERVED/TO BE SERVED, BY ACTIVITY AND HOUSING PROGRAM TYPE, REGION 10**

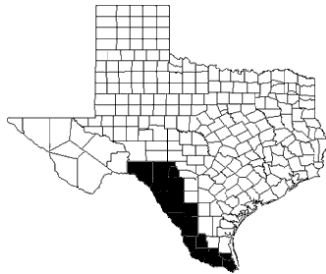
Activity	SF Bond		HOME		HTF		HTC		MF Bond		Section 8		All Activities	
	Funds	HH	Funds	HH	Funds	HH	Funds	HH	Funds	HH	Funds	HH	Funds	HH
Homeowner Programs	\$515,690	5	\$2,080,000	25	\$343,750	18	\$0	0	\$0	0	\$0	0	\$2,939,440	48
Renter Programs	\$0	0	\$4,063,121	52	\$0	0	\$2,254,684	192	\$0	0	\$0	0	\$6,317,805	244
Total	\$515,690	5	\$6,143,121	77	\$343,750	18	\$2,254,684	192	\$0	0	\$0	0	\$9,257,245	292

**FUNDING AND HOUSEHOLDS SERVED/TO BE SERVED, BY INCOME CATEGORY AND HOUSING PROGRAM, REGION 10**

	SF Bond		HOME		HTF		HTC		MF Bond		Section 8		All Activities	
	Funds	HH	Funds	HH	Funds	HH	Funds	HH	Funds	HH	Funds	HH	Funds	HH
Extremely Low Income (0-30 AMFI)	\$0	0	\$858,334	12	\$208,333	12	\$117,016	10	\$0	0	\$0	0	\$1,183,683	34
Very Low Income (30-50 AMFI)	\$0	0	\$2,908,407	36	\$135,417	6	\$1,024,216	87	\$0	0	\$0	0	\$4,068,040	129
Low Income (50-80 AMFI)	\$0	0	\$2,376,380	29	\$0	0	\$1,113,452	95	\$0	0	\$0	0	\$3,489,832	124
Moderate Income (>80 AMFI)	\$515,690	5	\$0	0	\$0	0	\$0	0	\$0	0	\$0	0	\$515,690	5
Total	\$515,690	5	\$6,143,121	77	\$343,750	18	\$2,254,684	192	\$0	0	\$0	0	\$9,257,245	292

TDHCA allocated \$9,257,245 in Region 10 during FY 2010. Renter programs accounted for the largest segment of this total and the very low-income households group (30-50% AMFI) was the most served income group.

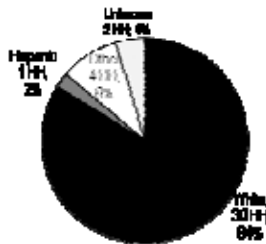
**REGION 11**



The pie charts represent the racial and ethnic composition of households served in FY 2010.

Note: Because loan servicers do not record race and ethnicity data separately, data for the Single Family Bond program is presented in one combined chart.

**SINGLE FAMILY BOND PROGRAM  
PERCENT OF COMMITTED FUNDS BY  
RACE AND ETHNICITY**

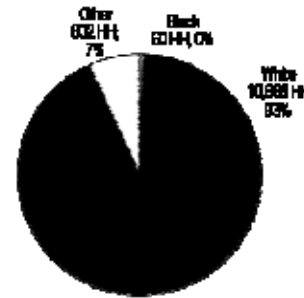


Race	Ethnicity	Households	Percent
White		36	84%
Other		4	8%
Unknown		2	4%
	Hispanic	1	2%

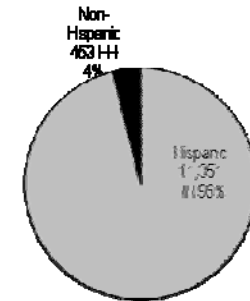
**RENTER PROGRAMS**

**PERCENT OF COMMITTED FUNDS BY RACE**

**PERCENT OF COMMITTED FUNDS BY ETHNICITY**



Race	Households	Percent
Other	802	7%
White	10,669	93%
Black	60	0%

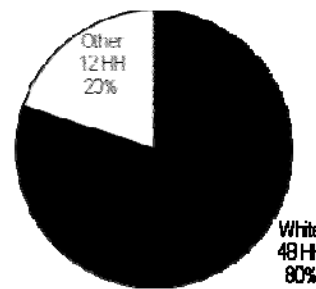


Ethnicity	Households	Percent
Hispanic	11,351	96%
Non-Hispanic	453	4%

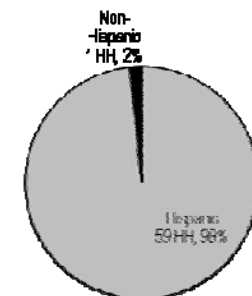
**HOME PROGRAM OWNER PROGRAMS**

**PERCENT OF COMMITTED FUNDS BY RACE**

**PERCENT OF COMMITTED FUNDS BY ETHNICITY**



Race	Households	Percent
White	48	80%
Other	12	20%



Ethnicity	Households	Percent
Hispanic	59	98%
Non-Hispanic	1	2%

**FUNDING AND HOUSEHOLDS SERVED/TO BE SERVED, BY ACTIVITY AND HOUSING PROGRAM TYPE, REGION 11**

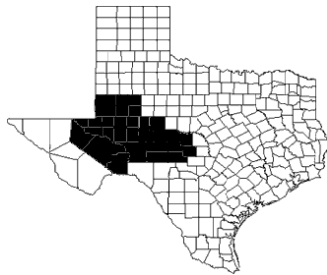
Activity	SF Bond		HOME		HTF		HTC		MF Bond		Section 8		All Activities	
	Funds	HH	Funds	HH	Funds	HH	Funds	HH	Funds	HH	Funds	HH	Funds	HH
Homeowner Programs	\$3,770,220	42	\$4,439,560	119	\$739,146	24	\$0	0	\$0	0	\$0	0	\$8,948,926	185
Renter Programs	\$0	0	\$2,000,000	17	\$0	0	\$4,813,587	350	\$0	0	\$3,888	1	\$6,817,475	368
Total	\$3,770,220	42	\$6,439,560	136	\$739,146	24	\$4,813,587	350	\$0	0	\$3,888	1	\$15,766,401	553

**FUNDING AND HOUSEHOLDS SERVED/TO BE SERVED, BY INCOME CATEGORY AND HOUSING PROGRAM, REGION 11**

	SF Bond		HOME		HTF		HTC		MF Bond		Section 8		All Activities	
	Funds	HH	Funds	HH	Funds	HH	Funds	HH	Funds	HH	Funds	HH	Funds	HH
Extremely Low Income (0-30 AMFI)	\$0	0	\$684,135	7	\$107,000	3	\$190,028	15	\$0	0	\$0	0	\$981,163	25
Very Low Income (30-50 AMFI)	\$179,215	3	\$1,978,692	23	\$632,146	21	\$2,751,035	190	\$0	0	\$3,888	1	\$5,544,976	238
Low Income (50-80 AMFI)	\$1,501,943	18	\$3,776,733	106	\$0	0	\$1,872,525	145	\$0	0	\$0	0	\$7,151,201	269
Moderate Income (>80 AMFI)	\$2,089,062	21	\$0	0	\$0	0	\$0	0	\$0	0	\$0	0	\$2,089,062	21
Total	\$3,770,220	42	\$6,439,560	136	\$739,146	24	\$4,813,587	350	\$0	0	\$3,888	1	\$15,766,401	553

TDHCA allocated \$15,766,401 in Region 11 during FY 2010. Homeowner programs accounted for the largest segment of this total and the low-income households group (50-80% AMFI) was the most served income group.

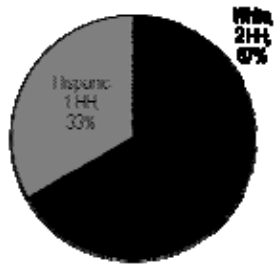
REGION 12



The pie charts represent the racial and ethnic composition of households served in FY 2010.

Note: Because loan servicers do not record race and ethnicity data separately, data for the Single Family Bond program is presented in one combined chart.

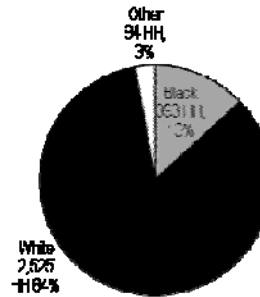
**SINGLE FAMILY BOND PROGRAM**  
PERCENT OF COMMITTED FUNDS BY RACE AND ETHNICITY



Race	Ethnicity	Households	Percent
White		2	67%
	Hispanic	1	33%

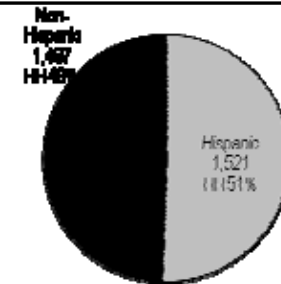
**RENTER PROGRAMS**

PERCENT OF COMMITTED FUNDS BY RACE



Race	Households	Percent
Other	84	3%
White	2,525	84%
Black	393	13%

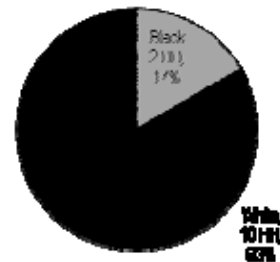
PERCENT OF COMMITTED FUNDS BY ETHNICITY



Ethnicity	Households	Percent
Hispanic	1,521	51%
Non-Hispanic	1,487	49%

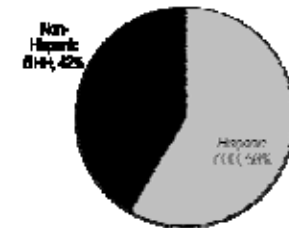
**HOME PROGRAM OWNER PROGRAMS**

PERCENT OF COMMITTED FUNDS BY RACE



Race	Households	Percent
White	10	83%
Black	2	17%

PERCENT OF COMMITTED FUNDS BY ETHNICITY



Ethnicity	Households	Percent
Hispanic	7	58%
Non-Hispanic	5	42%

**FUNDING AND HOUSEHOLDS SERVED/TO BE SERVED, BY ACTIVITY AND HOUSING PROGRAM TYPE, REGION 12**

Activity	SF Bond		HOME		HTF		HTC		MF Bond		Section 8		All Activities	
	Funds	HH	Funds	HH	Funds	HH	Funds	HH	Funds	HH	Funds	HH	Funds	HH
Homeowner Programs	\$169,866	2	\$1,346,091	24	\$29,500	1	\$0	0	\$0	0	\$0	0	\$1,545,457	27
Renter Programs	\$0	0	\$0	0	\$0	0	\$1,076,550	95	\$0	0	\$33,996	4	\$1,110,546	99
Total	\$169,866	2	\$1,346,091	24	\$29,500	1	\$1,076,550	95	\$0	0	\$33,996	4	\$2,656,003	126

**FUNDING AND HOUSEHOLDS SERVED/TO BE SERVED, BY INCOME CATEGORY AND HOUSING PROGRAM, REGION 12**

	SF Bond		HOME		HTF		HTC		MF Bond		Section 8		All Activities	
	Funds	HH	Funds	HH	Funds	HH	Funds	HH	Funds	HH	Funds	HH	Funds	HH
Extremely Low Income (0-30 AMFI)	\$0	0	\$0	0	\$0	0	\$56,684	5	\$0	0	\$33,996	4	\$90,680	9
Very Low Income (30-50 AMFI)	\$0	0	\$0	0	\$29,500	1	\$487,484	43	\$0	0	\$0	0	\$516,984	44
Low Income (50-80 AMFI)	\$85,424	1	\$1,346,091	24	\$0	0	\$532,382	47	\$0	0	\$0	0	\$1,963,897	72
Moderate Income (>80 AMFI)	\$84,442	1	\$0	0	\$0	0	\$0	0	\$0	0	\$0	0	\$84,442	1
Total	\$169,866	2	\$1,346,091	24	\$29,500	1	\$1,076,550	95	\$0	0	\$33,996	4	\$2,656,003	126

TDHCA allocated \$2,656,003 in Region 12 during FY 2010. Homeowner programs accounted for the largest segment of this total and the low-income households group (50-80% AMFI) was the most served income group.

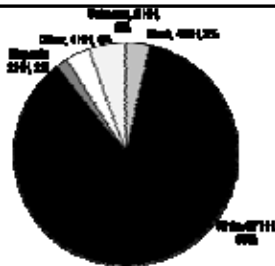
**REGION 13**



The pie charts represent the racial and ethnic composition of households served in FY 2010.

Note: Because loan servicers do not record race and ethnicity data separately, data for the Single Family Bond program is presented in one combined chart.

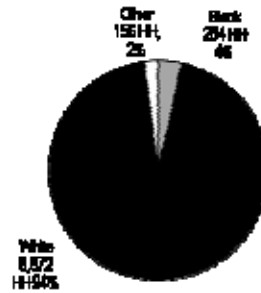
**SINGLE FAMILY BOND PROGRAM  
PERCENT OF COMMITTED FUNDS BY  
RACE AND ETHNICITY**



Race	Ethnicity	Households	Percent
White		97	86%
Black		4	3%
Other		4	4%
Unknown		6	5%
	Hispanic	2	2%

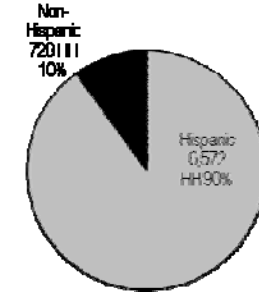
**RENTER PROGRAMS**

**PERCENT OF COMMITTED FUNDS BY RACE**



Race	Households	Percent
Other	156	2%
White	6,872	94%
Black	254	4%

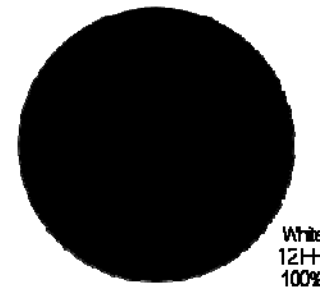
**PERCENT OF COMMITTED FUNDS BY ETHNICITY**



Ethnicity	Households	Percent
Hispanic	6,572	90%
Non-Hispanic	728	10%

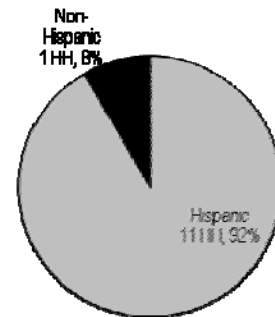
**HOME PROGRAM OWNER PROGRAMS**

**PERCENT OF COMMITTED FUNDS BY RACE**



Race	Households	Percent
White	12	100%

**PERCENT OF COMMITTED FUNDS BY ETHNICITY**



Ethnicity	Households	Percent
Hispanic	11	92%
Non-Hispanic	1	8%

**FUNDING AND HOUSEHOLDS SERVED/TO BE SERVED, BY ACTIVITY AND HOUSING PROGRAM TYPE, REGION 13**

Activity	SF Bond		HOME		HTF		HTC		MF Bond		Section 8		All Activities	
	Funds	HH	Funds	HH	Funds	HH	Funds	HH	Funds	HH	Funds	HH	Funds	HH
Homeowner Programs	\$11,834,153	111	\$984,475	14	\$168,050	6	\$0	0	\$0	0	\$0	0	\$12,986,678	131
Renter Programs	\$0	0	\$0	0	\$0	0	\$1,997,681	140	\$0	0	\$0	0	\$1,997,681	140
Total	\$11,834,153	111	\$984,475	14	\$168,050	6	\$1,997,681	140	\$0	0	\$0	0	\$14,984,359	271

**FUNDING AND HOUSEHOLDS SERVED/TO BE SERVED, BY INCOME CATEGORY AND HOUSING PROGRAM, REGION 13**

	SF Bond		HOME		HTF		HTC		MF Bond		Section 8		All Activities	
	Funds	HH	Funds	HH	Funds	HH	Funds	HH	Funds	HH	Funds	HH	Funds	HH
Extremely Low Income (0-30 AMFI)	\$0	0	\$290,079	4	\$25,750	1	\$74,602	6	\$0	0	\$0	0	\$390,431	11
Very Low Income (30-50 AMFI)	\$119,700	1	\$83,200	1	\$142,300	5	\$1,230,246	80	\$0	0	\$0	0	\$1,575,446	87
Low Income (50-80 AMFI)	\$1,864,038	21	\$611,196	9	\$0	0	\$692,833	54	\$0	0	\$0	0	\$3,168,067	84
Moderate Income (>80 AMFI)	\$9,850,415	89	\$0	0	\$0	0	\$0	0	\$0	0	\$0	0	\$9,850,415	89
Total	\$11,834,153	111	\$984,475	14	\$168,050	6	\$1,997,681	140	\$0	0	\$0	0	\$14,984,359	271

TDHCA allocated in Region 13 during FY 2010. Homeowner programs accounted for the largest segment of this total and the moderate income households group (>80% AMFI) was the most served income group.

### **HOUSING SPONSOR REPORT ANALYSIS**

TDHCA requires that housing developments of 20 units or more which receive financial assistance from TDHCA submit an annual housing sponsor report. This report includes the contact information for each property, the total number of units, the number of accessible units, the rents for units by type, the racial composition information for the property, the number of units occupied by individuals receiving supported housing assistance, the number of units occupied delineated by income group and a statement as to whether there have been fair housing violations at the property. This information depicts the property data as of December 31 of each year.

Because of the extensive nature of the information, TDHCA has elected to provide this report under a separate publication: the TDHCA Housing Sponsor Report (HSR). The HSR includes an analysis of the collected information, as well as the information submitted by each property. In addition, in fulfillment of §2306.072(c)(8), the HSR contains a list of average rents sorted by Texas county based on housing sponsor report responses from TDHCA-funded properties.

For more information and a copy of this report, please contact the TDHCA Housing Resource Center at (512) 936-7803 or visit <http://www.tdhca.state.tx.us/housing-center/pubs.htm>.



## **GEOGRAPHIC DISTRIBUTION OF HOUSING TAX CREDITS**

Section 2306.111(d) of the Government Code requires that TDHCA use a Regional Allocation Formula (RAF) to allocate its 9% Housing Tax Credits (HTCs) to the Uniform State Service Regions it uses for planning purposes. Because of the level of funding and the impact of this program in financing the multifamily development of affordable housing, this section of the Plan discusses the geographical distribution of HTCs.

The Department allocated \$70,005,604 in HTCs through the Competitive Housing Tax Credit application process from the 2010 ceiling and Hurricane Ike credits. Information on these awards, as well as the entire HTC inventory, can be found on the HTC Program's web page at <http://www.tdhca.state.tx.us/multifamily/htc/>. The map on the following page displays the geographic distribution of the FY 2010 9% and 4% awards.

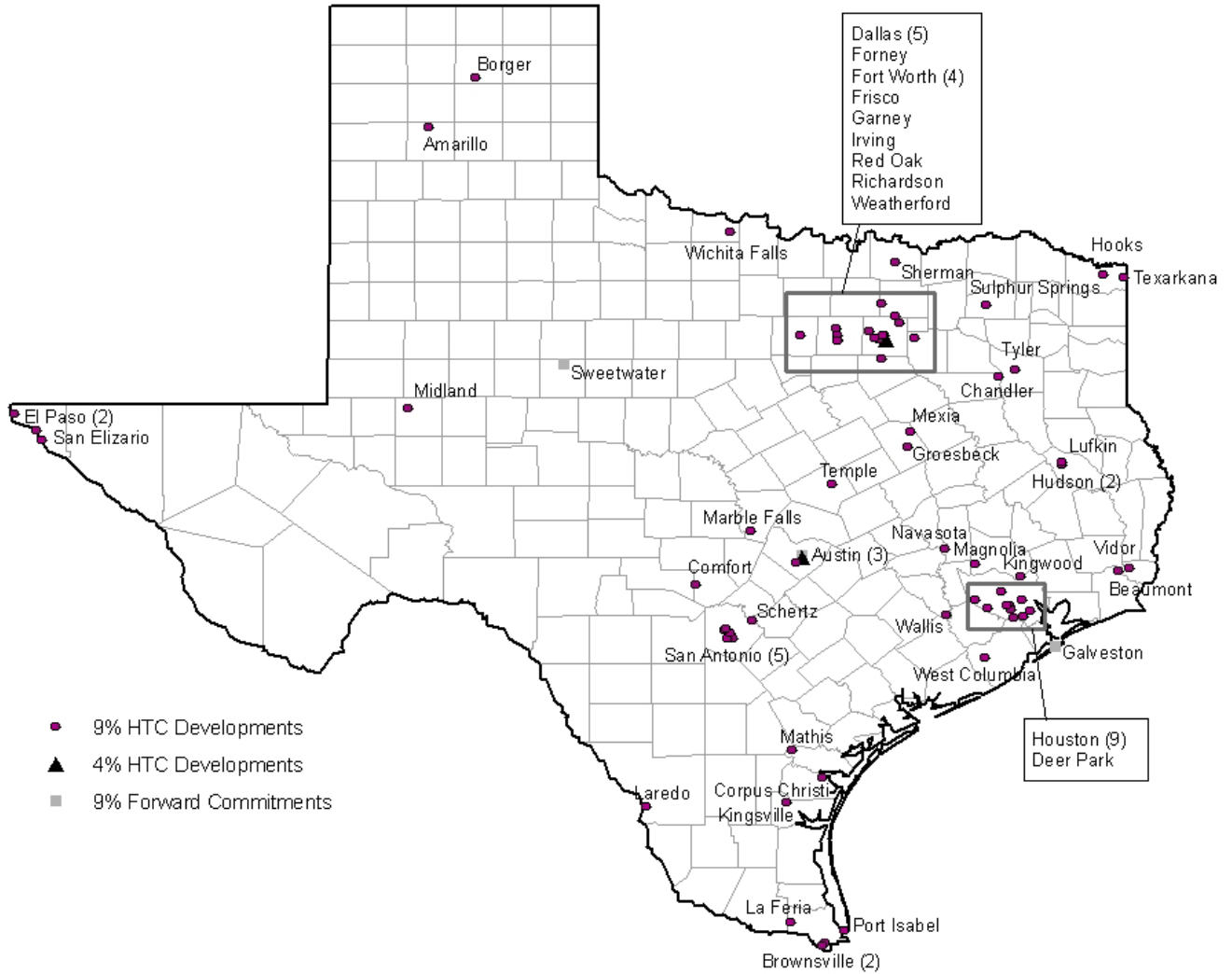
### **REGIONAL ALLOCATION FORMULA**

The table below shows the funding distribution of FY 2010 awards by region and includes the variations between the actual distribution and the 9% HTC RAF targets. The Department plans the credit distributions to match the HTC RAF targets as closely as possible; the RAF targets apply to the 9% HTC program. To that end, as many whole awards as possible are made in each Uniform State Service Region's urban and rural sub-regions based on the RAF target for each. The total remainder in each region is then collapsed into 13 regional pools. The sub-region with the highest original target percentage is determined within each region and, if possible, additional awards are made in these sub-regions out of the region's pool. If a region does not have enough qualified applications to meet its regional credit distribution target, then those credits will be apportioned to the other regions from a statewide pool of remaining credits.

Region	All HTCs	% of all HTCs	4% HTCs	% of all 4% HTCs	9% HTCs	% of all 9% HTCs	Targeted 9% dist. under RAF	Diff. between actual & targeted
1	\$ 2,000,000	2.9%	\$ -	0.0%	\$ 2,000,000	3.0%	4.4%	-1.5%
2	\$ 1,388,447	2.0%	\$ -	0.0%	\$ 1,388,447	2.1%	2.7%	-0.7%
3	\$ 13,202,173	18.9%	\$ 1,224,504	47.4%	\$ 11,977,669	17.8%	21.8%	-4.1%
4	\$ 4,131,720	5.9%	\$ -	0.0%	\$ 4,131,720	6.1%	4.5%	1.6%
5	\$ 5,468,736	7.8%	\$ -	0.0%	\$ 5,468,736	8.1%	3.4%	4.7%
6	\$ 19,375,502	27.7%		0.0%	\$ 19,375,502	28.7%	24.0%	4.8%
7	\$ 3,284,590	4.7%	\$ 296,913	11.5%	\$ 2,987,677	4.4%	5.6%	-1.1%
8	\$ 2,635,793	3.8%	\$ -	0.0%	\$ 2,635,793	3.9%	5.6%	-1.7%
9	\$ 8,375,691	12.0%	\$ 1,060,351	41.1%	\$ 7,315,340	10.8%	7.8%	3.0%
10	\$ 2,254,684	3.2%	\$ -	0.0%	\$ 2,254,684	3.3%	4.2%	-0.9%
11	\$ 4,813,587	6.9%	\$ -	0.0%	\$ 4,813,587	7.1%	8.9%	-1.7%
12	\$ 1,077,000	1.5%	\$ -	0.0%	\$ 1,077,000	1.6%	2.8%	-1.2%
13	\$ 1,997,681	2.9%	\$ -	0.0%	\$ 1,997,681	3.0%	4.2%	-1.3%
<b>Total</b>	<b>\$ 70,005,604</b>	<b>100.0%</b>	<b>\$ 2,581,768</b>	<b>100.0%</b>	<b>\$ 67,423,836</b>	<b>100.0%</b>	<b>100.0%</b>	<b>0.0%</b>

**9% and 4% HTC Distribution by Place, Awarded in FY 2010\***

\*Numbers after the name of awarded place indicate the number of HTC awards in that place.



## **SECTION 4: ACTION PLAN**

In response to the needs identified in the previous section, this plan outlines TDHCA's course of action designed to meet those underserved needs. This section discusses the following:

- **TDHCA Programs**
  - Description of TDHCA program, including funding source, administrator, purpose, targeted population, budget and contact information
- **Housing Support Continuum**
  - Activities undertaken by each TDHCA program that address the different phases in a low-income household's life
- **Goals and Objectives**
  - Program performance based upon measures developed with the State's Legislative Budget Board and the Governor's Office of Budget and Planning
- **Regional Allocation Plans**
  - Distribution of TDHCA's resources across the 13 State Service Regions
- **Policy Priorities**
- **Overarching Department-wide policies and policy-driven actions**

### **TDHCA PROGRAMS**

TDHCA's programs govern the use of available resources in meeting the housing needs of low-income Texans. Program descriptions include information on the funding source, recipients, targeted beneficiaries, set-asides and special initiatives. Details of each program's activities are located in the Housing Support Continuum in the following segment.

Additional funding for some programs was provided by the Housing and Economic Recovery Act of 2008 (HERA), American Recovery and Reinvestment Act of 2009 (ARRA) and other federal funds provided to stimulate the economy. When a program was funded or created as a result of these sources, the words "Stimulus Program" will appear in the title. Additional detail on programs provided by federal economic stimulus funds will be provided in *Section 5: Stimulus Programs*.

Similar to the Stimulus Programs, Disaster Recovery programs are temporary programs targeted to certain areas to address specific issues arising from events in time. Because of the large amount of funds the Disaster Recovery division administers and because Disaster Recovery is based on a multi-year schedule and not a state fiscal year schedule, the Disaster Recovery Division has its own chapter.

A list of TDHCA programs, organized by their Division, follows:

- **Community Affairs Division**
  - Community Service Block Grant Program
  - Comprehensive Energy Assistance Program
  - Emergency Solutions Grants Program
  - Homelessness Prevention and Rapid Re-housing Program (Stimulus Program )
  - Homeless Housing and Services Program
  - Section 8 Housing Choice Voucher Program
  - Weatherization Assistance Program
  - Weatherization Assistance Program ARRA (Stimulus Program)

- **Disaster Recovery Division (see Disaster Recovery Chapter)**
  - Community Development Block Grant Program– Hurricane Rita Round One
  - Community Development Block Grant Program– Hurricane Rita Round Two
  - Community Development Block Grant Program–Hurricanes Dolly and Ike Round One
  - Community Development Block Grant Program– Hurricanes Dolly and Ike Round Two
- **HOME Investment Partnership Program Division**
  - Contract for Deed Conversion Program
  - Homebuyer Assistance Program
  - Homeowner Rehabilitation Assistance Program
  - Multifamily Rental Housing Development
  - Single Family Development
  - Tenant-Based Rental Assistance
- **Housing Trust Fund Division**
  - Affordable Housing Match Program
  - Amy Young Barrier Removal and Rehabilitation Program
  - Disaster Recovery Gap Assistance
  - Homeownership Program
  - Rural Housing Expansion Program
  - Texas Veterans Housing Support Program
- **Manufactured Housing Division**
- **Multifamily Finance Division**
  - Housing Tax Credit Program
  - Housing Tax Credit Exchange (Stimulus Program)
  - Multifamily Bond Program
- **Office of Colonia Initiatives**
  - Colonia Self-Help Center Program
  - Texas Bootstrap Loan Program
- **Neighborhood Stabilization Program Division**
  - Neighborhood Stabilization Program 1 (Stimulus Program)
  - Neighborhood Stabilization Program 3 (Stimulus Program)
- **Texas Homeownership Division**
  - First Time Homebuyer Program
  - Mortgage Credit Certificate Program
  - National Foreclosure Mitigation Counseling Program (Stimulus Program)
  - Texas Statewide Homebuyer Education Program

## COMMUNITY AFFAIRS DIVISION

The Community Affairs Division offers the Community Services Block Grant Program, Comprehensive Energy Assistance Program, Emergency Solutions Grants Program, Homelessness Prevention and Rapid Re-housing (Stimulus Program), Homeless Housing and Services Program, Section 8 Housing Choice Voucher Program, Weatherization Assistance Program and Weatherization Assistance Program ARRA (Stimulus Program).



### **COMMUNITY SERVICES BLOCK GRANT PROGRAM**

Beds at Mobile Loaves and Fishes homeless shelter in Harlingen, funded through TDHCA's Emergency Shelter Grant Program.

The Community Services Block Grant Program (CSBG), received from the U.S. Department of Health and Human Services (USHHS), funds CSBG-eligible entities and activities that support the intent of the CSBG Act. TDHCA provides administrative support funds to Community Action Agencies (CAAs) and other human service delivery organizations that offer emergency and poverty-related programs to lower-income persons.

Ninety-percent of the funds must be provided to eligible entities defined under Section 673 of the CSBG Act to provide services to low-income individuals. These agencies must be private nonprofit entities or units of local government and are designated by the Governor as an eligible entity. Persons with incomes at or below 125 percent of the current federal income poverty guidelines issued by USHHS are eligible for the program.

CSBG provides administrative support to 47 CSBG-eligible entities. Five percent of the State's CSBG allocation is used to fund innovative projects that address the causes of poverty, promote client self-sufficiency or promote community revitalization; provide emergency disaster relief assistance to persons impacted by a natural or man-made disaster; provide funding to organizations serving Native Americans and migrant or seasonal farm workers and provide funding for other eligible discretionary activities as authorized by the Department's Board. No more than five percent of the CSBG allocation may be used for administrative purposes by the state.

Allocations to the CSBG-eligible entities are based on two factors: (1) the number of persons living in poverty within the designated service delivery area for each organization and (2) a calculation of population density. Poverty population is given 98 percent weight and the ration of inverse population density is given 2 percent weight.

Community Services Block Grant funding for FY 2011: \$33,551,992.

Additional documentation, including the CSBG Plan, may be accessed at the TDHCA website at <http://www.tdhca.state.tx.us/pubs.htm#cs>. For more information, contact the Community Services Section at (512) 475-3905.

**COMPREHENSIVE ENERGY ASSISTANCE PROGRAM**

The Comprehensive Energy Assistance Program (CEAP) is funded by the USHHS' Low Income Home Energy Assistance Program (LIHEAP). The purpose of CEAP is to provide energy assistance to eligible households. TDHCA administers the program through a network of 47 CEAP Subrecipients. The Subrecipients consist of CAAs, nonprofit entities and units of local government. The targeted beneficiaries of CEAP in Texas are households with an income at or below 200 percent of federal poverty guidelines, with priority given to the elderly; persons with disabilities; families with young children; households with the highest energy costs or needs in relation to income (highest home energy burden); and households with high energy consumption.

The allocation formula for CEAP uses the following five factors and corresponding weights to distribute its funds by county; non-elderly poverty household factor (40 percent); elderly poverty household factor (40 percent); inverse poverty household density factor (5 percent); median income variance factor (5 percent); and weather factor (10 percent).

Comprehensive Energy Assistance Program funding for FY 2011: \$188,803,041.

The Energy Assistance Plans and Rules may be accessed online at <http://www.tdhca.state.tx.us/ea> on the TDHCA website. For more information, contact the Energy Assistance Section at (512) 475-3951. To apply for CEAP, call toll free 1-877-399-8939, using a land line phone.

**EMERGENCY SOLUTIONS GRANTS PROGRAM**

The Emergency Solutions Grants Program (ESGP) receives funding from the U.S. Department of Housing and Urban Development (HUD) and awards grants to units of local government and private nonprofit entities that provide shelter and related services to homeless persons and/or intervention services to persons at risk of homelessness. ESGP funds may also be used for renovation and rehabilitation of existing shelters.

ESGP funds are reserved according to the percentage of poverty population identified in each of the 13 Uniform State Service Regions and funds are dispersed according to a Regional Allocation Formula. The top scoring applications in each region are recommended for funding, based on the amount of funds available for that region. Demonstrating the need for homeless shelter and services, for the 2008 ESGP application cycle, the Department received 120 applications and was able to fund only 76 entities.

Emergency Solutions Grants Program funding for the State of Texas for FY 2011: \$5,236,361.

See the *State of Texas Consolidated Plan: One Year Action Plan* at <http://www.tdhca.state.tx.us/housing-center/pubs.htm#consolidated> for further details on ESGP. For more information, contact the Community Service Section at (512) 475-3905.

**HOMELESSNESS PREVENTION AND RAPID RE-HOUSING PROGRAM (STIMULUS PROGRAM)**

Through ARRA, TDHCA is administering over \$41,472,772 in Homelessness Prevention and Rapid Re-housing Program (HPRP) funds made available through HUD. These funds are awarded to local units of government and qualifying nonprofit organizations to provide homelessness prevention assistance and assistance to rapidly re-house persons who are homeless. HPRP is not intended to provide long-term support for program participants, nor will it be able to address all of the

households' financial and supportive service needs that affect housing stability. HPRP funds awarded under this plan are distributed on a regional basis according to the Regional Allocation Formula (RAF).

See the *Stimulus Programs* chapter in this document for more details on HPRP.

### **HOMELESS HOUSING AND SERVICES PROGRAM**

During the 81<sup>st</sup> Legislative Session, the Legislature appropriated \$20 million in general revenue funds over the biennium for the Homeless Housing and Services Program (HHSP) for the purposes of assisting regional urban areas in providing services to homeless individuals and families.

Homeless Housing and Service Program funding for FY 2011: \$10,000,000.

More Homeless Housing and Services Program information may be accessed online at [www.tdhca.state.tx.us](http://www.tdhca.state.tx.us). For more information, contact the Community Services Section at (512) 475-3905.

### **SECTION 8 HOUSING CHOICE VOUCHER PROGRAM**

TDHCA received funding for the Section 8 Housing Choice Voucher (Section 8) Program from HUD for counties included in TDHCA's Public Housing Authority's allocation. The Section 8 Program provides rental assistance payments on behalf of low-income individuals and families, including the elderly and persons with disabilities. The Section 8 Program currently contracts with units of local governments, community action agencies and public housing authorities to assist with the administration of approximately 1,000 housing choice vouchers. The Department administers vouchers in 29 counties.

Eligible households have a gross income that does not exceed 50% of HUD's median income guidelines. HUD requires 75% of all new households admitted to the program be at or below 30% of the area median income. Eligibility is based on several factors, including the household's income, size and composition, citizenship status, assets and medical and childcare expenses.

Projected Section 8 Housing Choice Voucher Program funding for FY 2011: \$5,833,128. Projected funding may vary depending on action taken by HUD.

Additional documentation, including the Section 8 Plan, may be accessed at the TDHCA website at <http://www.tdhca.state.tx.us/pubs.htm#sec8>. For more information, contact the Section 8 Program at (512) 475-3892.

### **WEATHERIZATION ASSISTANCE PROGRAM**

The Weatherization Assistance Program (WAP) is funded by the U.S. Department of Energy (DOE) and U.S. Health and Human Services (USHHS) Low Income Home Energy Assistance Program (LIHEAP). The Weatherization Assistance Program allocates funding regionally to help households in each region control energy costs through the installation on weatherization measures and energy conservation education. The Department administers WAP through a network of 31 WAP Subrecipients. The Subrecipients consist of CAA's, nonprofit entities and units of local government. The targeted beneficiaries of WAP in Texas are households with an income at or below 200 percent of federal poverty with priority given to the elderly; persons with disabilities; families with young

children; households with the highest energy costs or needs in relation to income (highest home energy burden); and households with high energy consumption.

Partnerships between the Department and El Paso Electric provide additional weatherization measure to low-income utility customers in some regulated electric market areas. This partnership increases the total number of low-income households that receive weatherization services and allow the Department to leverage the federal weatherization funds with the energy company funds.

The allocation formula for WAP uses the following five factors and corresponding weights to distribute its funds by county; non-elderly poverty household factor (40 percent); elderly poverty household factor (40 percent); inverse poverty household density factor (5 percent); median income variance factor (5 percent); and weather factor (10 percent).

Projected Weatherization Assistance Program funding for FY 2011: will be updated in final version of this document.

The Energy Assistance Plans and Rules may be accessed from the TDHCA website at <http://www.tdhca.state.tx.us/ea/index.htm>. For more information, contact the Energy Assistance Section at (512) 475-3951. To apply for weatherization, call toll free 1-888-606-8889, using a land line phone.

#### ***WEATHERIZATION ASSISTANCE PROGRAM ARRA (STIMULUS PROGRAM)***

Through ARRA, TDHCA received over \$326,975,732 in additional funding for WAP.

See the *Stimulus Programs* chapter in this document for more details on Weatherization Assistance Program funded through the ARRA.

NOTE: The Community Service Block Grants (CSBG) funding through ARRA was administered by the Community Affairs Division; this program expended 99.6% of the funds and will conclude before the date of the publication of this document. Therefore, information about CSBG ARRA is only included in the *Stimulus Programs* chapter and not in the Action Plan's Community Affairs' section.



## HOME INVESTMENT PARTNERSHIPS PROGRAM DIVISION

The HOME Investment Partnership Program Division offers Contract for Deed Conversion, Homebuyer Assistance, Homeowner Rehabilitation Assistance, Multifamily Rental Housing Development, Single Family Development, Tenant-Based Rental Assistance and other specialty programs within these activities, including Community Housing Development Organization (CHDO) Set-Aside funds.

The HOME Investment Partnerships (HOME) Program is authorized under the Cranston-Gonzalez National Affordable Housing Act (42 USC Section 12701 et. seq.) and receives funding from HUD.

The purposed of the HOME Program is to expand the supply of decent, safe and affordable housing for extremely low-, very low- and low-income households and to alleviate the problems of excessive rent burdens, homelessness and deteriorating housing stock. HOME strives to meet both the short-term goal of increasing the supply and the availability of affordable housing and the long-term goal of building partnerships between state and local governments and private and nonprofit organizations in order to strengthen their capacity to meet the housing needs of lower income Texans. To achieve this purpose, the HOME Program provides loans and grants to units of general local government, Public Housing Authorities (PHAs), Community Housing Development Organizations (CHDOs), nonprofit organizations and for-profit entities. HOME funds awarded under this plan are distributed on a regional basis according to the Regional Allocation Formula (RAF). The HOME RAF can be found in the TDHCA Allocation Plan section in this *Action Plan*. TDHCA provides technical assistance to all recipients of the HOME Program to ensure that all participants meet and follow state implementation guidelines and federal regulations.



Many Texans have benefited from the HOME Tenant Based Rental Assistance voucher program, such as Clarence Hoodye from Corpus Christi, TX.

According to §2306.111, Texas Government Code, in administering federal housing funds provided to the state under the Cranston-Gonzalez National Affordable Housing Act (Act), the Department shall expend 95 percent of these funds for the benefit of non-participating jurisdictions that do not qualify to receive funds under the Act directly from HUD. This directs HOME funds into rural Texas. As established in Section 2306.111(c) of the Texas Government Code and subject to the submission of qualified applications, 5 percent of the annual HOME Program allocation shall be allocated for applications serving persons with disabilities living in any part of the state. Federal regulations require a minimum of 15 percent of the annual HOME allocation is reserved for Community Housing Development Organizations (CHDOs). CHDO set-aside projects are owned, developed, or sponsored by the CHDO, and result in the development of rental units or single-family homeownership.

### **CONTRACT FOR DEED CONVERSION PROGRAM**

Contract for Deed Conversions Program provides funds to convert an eligible contract for deed to a warranty deed. These funds are awarded as specified in the published Notices of Funding Availability.

**HOMEBUYER ASSISTANCE PROGRAM**

Homebuyer Assistance Program includes down payment and closing cost assistance and is provided to homebuyers for the acquisition of affordable single-family housing, including new manufactured housing. Funds may also be made available to perform accessibility modifications. This program can also be used to address housing issues arising from state- or federally-declared disasters. These funds are awarded as specified in the published Notice of Funding Availability.

**HOMEOWNER REHABILITATION ASSISTANCE PROGRAM**

HOME's Homeowner Rehabilitation Assistance offers rehabilitation or reconstruction cost assistance to homeowners for the repair or reconstruction of their existing home, which must be the principal residence of the homeowner. Funds may also be made available to refinance existing mortgage debt to increase affordability if the refinance takes place in conjunction with substantial rehabilitation. This program can also be used to address housing issues arising from state- or federally-declared disasters. These funds are awarded as specified in the published Notices of Funding Availability.

**MULTIFAMILY RENTAL HOUSING DEVELOPMENT**

HOME Multifamily Development funds are awarded to eligible applicants for the development of affordable rental housing. Owners are required to make the units available to extremely low-, very low- and low-income families and must meet long-term rent restrictions as defined by HUD. These funds are awarded as specified in the published Notices of Funding Availability and are available to CHDOs.

**SINGLE FAMILY DEVELOPMENT**

Single Family Development is a Community Housing Development Organization (CHDO) set-aside activity. CHDOs may acquire, rehabilitate, or reconstruct single family housing which must be sold to households at or below 60% AMFI. CHDOs can also apply for homebuyer assistance if their organization is the owner or developer of the single family housing project. These funds are awarded as specified in the published Notice of Funding Availability.

**TENANT-BASED RENTAL ASSISTANCE**

Tenant-Based Rental Assistance provides rental subsidy, security and utility deposit assistance. TBRA allows the assisted tenant to move and to live in any dwelling unit with a right to continued assistance, in accordance with written tenant selection policies, for a period not to exceed 24 months, except for special circumstances for which 36 months may be allowed. The tenant must also participate in a self-sufficiency program. This program can also be used to address housing issues arising from state- or federally-declared disasters. These funds are awarded as specified in the published Notices of Funding Availability.

**SUMMARY OF HOME PROGRAM FUNDING FOR FISCAL YEAR 2011**

HOME Program funding for FY 2011 estimated at: \$40,000,000.

See the *State of Texas Consolidated Plan: One Year Action Plan* at <http://www.tdhca.state.tx.us/housing-center/pubs.htm> for further details on the HOME Program. The

HOME Program Rule may be access from the TDHCA website at <http://www.tdhca.state.tx.us/home-division/>. For more information regarding the HOME Program, contact the HOME Division directly at (512) 463-8921.

NOTE: The Tax Credit Assistance Program (TCAP) is administered by the HOME Division; this program stop receiving applications by the publication of this document. Therefore, information about TCAP is only included in the *Stimulus Programs* chapter and not in the HOME Division section of the Action Plan.

## HOUSING TRUST FUND DIVISION

For the 2010-2011 biennium, the Housing Trust Fund offers the Affordable Housing Match Program, the Amy Young Barrier Removal Program, Disaster Recovery Gap Assistance, the Housing Trust Fund Homeownership Program, Rural Housing Expansion Program and the Texas Veterans Housing Support Program.

The Housing Trust Fund Program receives several sources of funding from the State of Texas including general appropriations, multifamily bond issuance fees, loan repayments and other funds that are received and appropriated by the Department or Legislature. The Housing Trust Fund is the only State-authorized affordable-housing program. Funding is awarded as loans or grants to nonprofits, units of local government, public housing agencies and for-profit entities. The targeted beneficiaries of the program are low-, very low- and extremely low-income households. Housing Trust Fund monies awarded under this plan are released on a regional basis according to the Regional Allocation Formula (RAF) in accordance with the Texas Government Code. The Housing Trust Fund RAF can be found in the TDHCA Allocation Plan section in the *Action Plan*.



At their May 2010 meeting, the TDHCA Governing Board honored the late disability advocate Amy Young by renaming a housing program in her memory. The Amy Young Barrier Removal Program funds home modifications to improve housing accessibility for low income persons with disabilities.

### **AFFORDABLE HOUSING MATCH PROGRAM**

The Affordable Housing Match Program provided to Nonprofit Organizations for the purpose of leveraging these funds as match for the production and/or provision of affordable housing and promotes greater access to federal and private funds for low-income housing.

### **AMY YOUNG BARRIER REMOVAL PROGRAM**

The Amy Young Barrier Removal Program provided funding to eligible entities for accessibility improvements to homes of low-income Persons with Disabilities. These grant funds allow for reasonable accommodation or modification for rental tenants, homeowners or household members with disabilities who need assistance to fully access their home.

### **DISASTER RECOVERY GAP ASSISTANCE**

The Disaster Recovery Gap Assistance provides gap financing for home repair to homeowners affected by disasters who have been awarded disaster recover funds from other programs in the Department. The previous awards may have been Community Development Block Grant (CDBG) funds through the Disaster Recovery Division or Homeownership Rehabilitation funds through the HOME Investment Partnership Program Division. In order to be eligible for gap financing, the previous awards must have been limited by federal restrictions so that full housing recovery was not possible. The program is administered through Disaster Recovery or HOME Sub-recipients.

**HOMEOWNERSHIP PROGRAM**

The Homeownership Program provides funding for down payment and closing cost assistance to first-time homebuyers, or Texas veterans. Funds are provided in the form of no-interest, deferred, forgivable loans and may only serve households at or below 80% of AMFI.

**RURAL HOUSING EXPANSION PROGRAM**

The Rural Housing Expansion Program provides funding to develop affordable housing in rural Texas while building capacity. The program includes two components for each recipient: (1) a capacity building component to provide an intensive capacity assessment as well as funds for necessary training and capacity building needs and (2) funds for direct housing delivery provided as no-interest loans or grants. This model, generated from significant public input and discussion, provides rural communities the capacity they need, while also ensuring funds to create affordable housing in their communities.

Additionally, as a separate activity, a portion of these funds are set aside to be awarded as grants to rural municipalities, counties and Nonprofit Organizations packaging and submitting Section 502 Rural Housing Direct Loan Applications through USDA. This set aside is intended to provide the means to secure Section 502 funding for Texas that, without these funds, may otherwise not be accessed. Finally, capacity building funds are made available to fund the training and technical assistance needs of applicants of this activity.

**TEXAS VETERANS HOUSING SUPPORT PROGRAM**

The Texas Veterans Housing Support Program provides rental and utility subsidies to low-income veterans through the Veterans Rental Assistance (VRA) Program. Rental assistance may be provided for a maximum of two years, allowing veterans to live in any rental unit in the service area. Funds may only serve households at or below 80% of AMFI and are provided in the form of grants.

**SUMMARY OF HOUSING TRUST FUND PROGRAM FUNDING FOR FISCAL YEARS 2010-2011**

The Housing Trust Fund program funding of \$19,977,750 for FYs 2010-2011 was programmed with a Biennial Plan and NOFAs were released in accordance with the Plan. The Housing Trust Fund Rule and Funding Plan may be accessed from the TDHCA website at <http://www.tdhca.state.tx.us/htf>. For more information about the Housing Trust Fund Program, contact the Housing Trust Fund Division at [HTF@tdhca.state.tx.us](mailto:HTF@tdhca.state.tx.us).

## MANUFACTURED HOUSING DIVISION

The Manufactured Housing Division regulates the manufactured housing industry in Texas by ensuring that manufactured homes are well constructed, safe and correctly installed; by providing consumers with fair and effective remedies; and by providing economic stability to manufacturers, retailers, installers and brokers. The Manufactured Housing Division licenses manufactured housing professionals and maintains records of the ownership, location, real or personal property states and lien state (on personal property homes) on manufactured homes. It also records tax liens on manufactured homes. Because of its regulatory nature, the Manufactured Housing Division has its own governing board and executive director.



The Manufactured Housing Division licenses manufactured housing developers, maintains ownership records, and inspects manufactured properties throughout the state, such as this one.

Relying on a team of trained inspectors operating from eight locations around the state, the Division inspects manufactured homes throughout Texas. Additionally, the Manufactured Housing Division works collectively with TDHCA by inspecting properties for the Portfolio Management and Compliant Division and by inspecting and licensing Migrant Labor Facilities. The Manufacture Housing Division also handles approximately 800 consumer complaints a year, many of those requiring investigation and enforcement action.

For more information, contact the Manufactured Housing Division at 1-800-500-7074.

## MULTIFAMILY FINANCE DIVISION

The Multifamily Finance Division offers the Housing Tax Credit Program, the Housing Tax Credit Exchange Program (Recovery Act) and the Multifamily Bond Program.

### HOUSING TAX CREDIT PROGRAM

The Housing Tax Credit (HTC) Program receives authority from the U.S. Treasury Department to provide tax credits to nonprofits organizations or for-profit developers. The program supports the development of rental housing that includes reduced rents for low-income Texans. The targeted beneficiaries of the program are very low-income and extremely low-income families at or below 60 percent of Area Median Family Income.



Country Lane Senior Community, funded through the Housing Tax Credit Program, is an affordable rental property for seniors in Waxahachie, TX.

The HTC Program was created by the Tax Reform Act of 1986 and is governed by the Internal Revenue Code of 1986 (Code), as amended, 26 USC Section 42. The Code authorizes tax credits in the amount of \$2.10 per capita of the state population, excluding additional temporary HTC authority received under the Housing and Economic Recovery Act of 2008 (HERA) and funds allocated under Public Law 110-343 for disaster recovery. Tax credits are also awarded to developments with tax-exempt bond financing and are made independent of the state annual tax credit allocation. TDHCA is the only entity in the state with the authority to allocate HTCs under this program. The State's distribution of the credits is administered by TDHCA's *2011 Housing Tax Credit Program Qualified Allocation Plan and Rules (QAP)*, as required by the Code. Pursuant to Section 2306.6724(c), the Governor shall approve, reject, or modify and approve the Board-approved QAP not later than December 1 of each year. HTC funds awarded under this plan are distributed on a regional basis according to the Regional Allocation Formula (RAF). The HTC RAF can be found in the TDHCA Allocation Plan section in this *Action Plan*.

To qualify for tax credits, the proposed development must involve new construction or undergo substantial rehabilitation of residential units, which is generally defined as at least \$15,000 per rental unit of construction hard costs. The credit amount for which a development may be eligible depends on the total amount of depreciable capital improvements, the percentage of units set aside for qualified tenants and the funding sources available to finance the total development cost. Typically, 60 to 100 percent of a development's units will be set aside for qualified tenants in order to maximize the amount of tax credits the development may claim.

Credits from the state annual tax credit allocation are awarded regionally through a competitive application process. Each application must satisfy a set of threshold criteria and is scored based on selection criteria. The selection criteria referenced in the QAP is approved by the TDHCA Board each year. The Board considers the recommendations of TDHCA staff and determines a final award list. Tax credits to developments with tax-exempt bond financing are awarded through a similar application review process, but because these credits are not awarded from a limited credit pool, the process is noncompetitive and the selection criteria are not part of the application.

Projected Housing Tax Credit Program Funding for FY 2011 is \$52,000,000 which represents the estimated HTC ceiling amount.

The *2011 Housing Tax Credit Program QAP* may be accessed from the TDHCA website at <http://www.tdhca.state.tx.us/multifamily/htc/index.htm>. For more information, contact the Multifamily Finance Division at (512) 475-3340.

### **HOUSING TAX CREDIT EXCHANGE (STIMULUS PROGRAM)**

The Texas Housing Tax Credit Exchange Program, a program created by ARRA, allows developments who have been allocated Housing Tax Credits in 2007, 2008, 2009 and 2010 to return their credits and potentially receive a cash grant in exchange for the credits. The proposed Job Creation and Tax Cuts Act of 2010, contains one-year extensions of several expiring tax provisions, including the Housing Tax Credit Exchange Program. Consideration of this Act will occur in November 2010.

See the *Stimulus Programs* chapter in this document for more details on the Housing Tax Credit Exchange.

### **MULTIFAMILY BOND PROGRAM**

The Multifamily Bond Program issues tax-exempt and taxable housing Mortgage Revenue Bonds (MRBs) under the Private Activity Bond Program (PAB) to fund loans to nonprofit and for-profit developers who assist very low- to moderate-income Texans. Owners elect to set aside units in each development according to §1372, Texas Government Code. Rental developments must comply with Section 504 unit standards.

TDHCA issues tax-exempt, multifamily MRBs through two different authorities defined by the Internal Revenue Code. Under one authority, tax-exempt bonds used to create housing developments are subject to the State's private activity volume cap. Under MRBs issued for private activities, funding priorities are as follows:

- Priority 1:
  - (a) Set aside 50% of units rent capped at 30% of 50% of AMFI and the remaining 50% of units rents capped at 30% of 60% of AMFI; or
  - (b) Set aside 15% of units rent capped at 30% of 30% of AMFI and the remaining 85% of units rent capped at 30% of 60% of AMFI; or
  - (c) Set aside 100% of units rent capped at 30% of 60% of AMFI for developments located in a census tract with median income that is higher than the median income of the county, MSA or PMSA in which the census tract is located.
- Priority 2:
  - Set aside 100% of units rent capped at 30% of 60% of AMFI
  - Up to 20% of the units can be market rate
- Priority 3:
  - (a) Any qualified residential rental development

The state will set aside 22 percent of the annual private activity volume cap for multifamily developments. Approximately \$491 million in issuance authority will be made available to various issuers to finance multifamily developments, of which 20 percent, or approximately \$98 million, will be made available exclusively to TDHCA. On August 15 of each year, any allocations in the subcategories of the bond program that have not been reserved pool into one allocation fund. This is



an opportunity for TDHCA to apply for additional allocation and which allows TDHCA to issue more bonds than the set-aside of \$98 million.

PAB Issuance authority per individual development is allocated and administered by the Texas Bond Review Board (BRB). Initially, applications submitted to the BRB are allocated by a lottery. TDHCA, local issuers, local housing authorities and other eligible bond issuers submit applications for specific developments on behalf of development owners. Applications submitted to TDHCA for the private activity bond program will be scored and ranked by priority and highest score. TDHCA will be accepting applications throughout the 2011 program year. Developments that receive 50 percent or more of their funding from the proceeds of tax-exempt bonds under the private activity volume cap are also eligible to apply for HTCs.

Under the second authority, TDHCA may issue tax-exempt MRBs to finance properties that are owned entirely by nonprofit organizations. Bonds issued under this authority are exempt from the private activity volume cap. This is a noncompetitive application process and applications may be received at any time throughout the year. In addition to the set-asides above, 75 percent of the development units financed under the 501(c)(3) authority must be occupied by households earning 80 percent or less of the AMFI.

Anticipated available Multifamily Bond Program Funding for FY 2011, including additional disaster recovery and economic stimulus authority: \$98,000,000.

The Multifamily Housing Revenue Bond Rules may be accessed from the TDHCA website at <http://www.tdhca.state.tx.us/multifamily/bond/index.htm>. For more information, contact the Multifamily Finance Production Division at (512) 475-3340.

## NEIGHBORHOOD STABILIZATION PROGRAM DIVISION

The Neighborhood Stabilization Program Division administers the Texas Neighborhood Stabilization Program. TDHCA received NSP 1 funding and is eligible to receive funds under NSP 3.

### *Neighborhood Stabilization Program, Round 1 and Round 3*

*The purpose of the program is to redevelop abandoned, foreclosed and vacant properties into affordable housing and remove blight in areas that are documented to have the greatest potential for declining property values as a result of foreclosures. Units of local governments and nonprofit entities with the consent of the local governments were eligible to apply for these funds. Homes will be sold or rented to eligible low-to-moderate income households.*



The Neighborhood Stabilization Program redevelops into affordable housing or acquires and holds abandoned and foreclosed properties in areas that have the greatest potential for declining property values as a result of excessive foreclosures.

For more information on NSP Round 1 and Round 3, see the *Stimulus Programs* chapter.

## OFFICE OF COLONIA INITIATIVES

The Office of Colonia Initiatives Division offers two programs: the Colonia Self-Help Center Program and the Texas Bootstrap Loan Program.

### **COLONIA SELF-HELP CENTER PROGRAM**

In 1995, the 74<sup>th</sup> Legislature passed Senate Bill 1509, a legislative directive to establish Colonia Self-Help Centers (SHCs) in Cameron/Willacy, Hidalgo, Starr, Webb and El Paso counties. Funded through the Community Development Block Grant Program, this program also allows the Department to establish a Colonia SHC in any other county if the county is designated as an economically distressed area. Operation of the Colonia SHCs is managed by local nonprofit organizations, CAAs or local housing authorities that have demonstrated the capacity to operate a Colonia SHC.



Margarita Juregui borrows some tools at the tool library of the El Paso-Agua Dulce Self Help Center, funded by the Community Development Block Grant Program.

These Colonia SHCs provide concentrated on-site technical assistance to low- and very low-income individuals and families in a variety of ways including housing, community development activities, infrastructure improvements, outreach and education.

Colonia Self-Help Center Program funding for FY 2011: \$1,800,000.

Colonia Self-Help Center Program funding for FY 2012: \$1,800,000.

More detail can be found in *Section 6: Colonia Action Plan*. Additional information may be access at the TDHCA website at <http://www.tdhca.state.tx.us/oci/centers>. For more information, contact Will Gudeman at (512) 475-4828 or [will.gudeman@tdhca.state.tx.us](mailto:will.gudeman@tdhca.state.tx.us).

### **TEXAS BOOTSTRAP LOAN PROGRAM (OWNER-BUILDER)**

The Texas Bootstrap Loan Program provides loans through certified nonprofit organizations for self-help housing initiatives. Identified as the Owner-Builder Loan Program in Texas Government Code 2306.751, the Texas Bootstrap Loan Program promotes and enhances homeownership for very low-income Texans by providing funds to purchase or refinance real property on which to build new residential housing, construct new residential housing or improve existing residential housing throughout Texas. This program is funded through the Housing Trust Fund.

Texas Bootstrap Loan Program funding for FY 2011: \$5,500,000.

Texas Bootstrap Loan Program funding for FY 2012: \$3,000,000.

More detail can be found in *Section 6: Colonia Action Plan*. Additional information may be accessed at the TDHCA website at <http://www.tdhca.state.tx.us/oci/bootstrap.jsp>. For more information, contact Raul Gonzales at (512) 475-1473 or [raul.gonzales@tdhca.state.tx.us](mailto:raul.gonzales@tdhca.state.tx.us).

## TEXAS HOMEOWNERSHIP DIVISION

The Homeownership Division offers the First Time Homebuyer Program, Mortgage Credit Certificate Program, the National Foreclosure Mitigation Counseling Program and the Texas Statewide Homebuyer Education Program.

### **FIRST TIME HOMEBUYER PROGRAM**

The program is offered through a network of participating lenders. The program provides homeownership opportunities by offering competitive interest rate mortgage loans and/or down payment assistance for qualified individuals and families whose gross annual household income does not exceed 115 percent of AMFI limitations, based on IRS adjusted income limits, or 140 percent of AMFI limitations if in a targeted area. The purchase price of the home must not exceed stipulated maximum purchase price limits. A minimum of 30 percent of program funds are made available to assist Texans earning 80 percent or less of program income limits.



First Time Homebuyer Andrea Palladino took advantage of TDHCA's Mortgage Credit Certificate Program to purchase her first home in Leander.

Income limits for the program are set by the IRS Tax Code (1980) based on income figures determined by HUD. The first-time homebuyer restriction is established by federal Internal Revenue Service regulations, which also require that program recipients may be subject to a recapture tax on any capital gains realized from a sale of the home during the first nine years of ownership. Certain exceptions to the first-time homebuyer restriction, income ceiling and maximum purchase price limitation apply in targeted areas. Such targeted areas are qualified census tracts in which 70 percent or more of the families have an income of 80 percent or less of the statewide median income and/or are areas of chronic economic distress as designated by the state and approved by the Secretaries of Treasury and HUD, respectively.

Projected Texas First Time Homebuyer Program funding for FY 2011: \$500,000,000.

The Texas First Time Homebuyer Program Rules may be accessed from the TDHCA website at <http://www.tdhca.state.tx.us/homeownership/index.htm>. For more information, contact Eric Pike, Texas Homeownership Division, at (512) 475-3356 or [eric.pike@tdhca.state.tx.us](mailto:eric.pike@tdhca.state.tx.us). To request a First Time Homebuyer information packet, please call 1-800-792-1119.

### **MORTGAGE CREDIT CERTIFICATE PROGRAM**

TDHCA has the ability to issue Mortgage Credit Certificates (MCCs) through its bond authority. The program is offered through a network of approved lenders. An MCC provides a tax credit up to \$2,000 annually that reduces the borrower's federal income tax liability. The credit cannot be greater than the annual federal income tax liability, after all other credits and deductions have been taken into account. MCC tax credits in excess of a borrower's current year tax liability may, however, be carried forward for use during the subsequent three years.

The MCC Program provides homeownership opportunities for qualified individuals and families whose gross annual household income does not exceed 115 percent of AMFI limitations, based on IRS adjusted income limits, or 140 percent of AMFI limitations if in a targeted area. In order to

participate in the MCC Program, homebuyers must meet certain eligibility requirements and obtain a mortgage loan through a participating lender. The mortgage loan must be financed from sources other than tax-exempt revenue bonds. The mortgage may be a conventional, FHA, VA, or RHS loan at prevailing market rates.

Projected Mortgage Credit Certificate funding for FY 2011: \$180,000,000.

The Texas First Time Homebuyer Program Rules may be accessed from the TDHCA website at <http://www.tdhca.state.tx.us/homeownership/index.htm>. For more information, contact Eric Pike, Texas Homeownership Division, at (512) 475-3356 or [eric.pike@tdhca.state.tx.us](mailto:eric.pike@tdhca.state.tx.us).

### ***NATIONAL FORECLOSURE MITIGATION COUNSELING PROGRAM (STIMULUS PROGRAM)***

NFMC funds are federal funds available through NeighborWorks America for foreclosure intervention counseling, training and administration. The purpose of the program is to expand and supplement foreclosure counseling. TDHCA applied for and received NFMC Round 2, Round 3 and Round 4. TDHCA is in the process of applying for NFMC Round 5.

For more information on NFMC, see the *Stimulus Programs* chapter.

### ***TEXAS STATEWIDE HOMEBUYER EDUCATION PROGRAM***

TDHCA funds the Texas Statewide Homebuyer Education Program (TSHEP) and contracts with training professionals to offer provider-certification training to nonprofit organizations including Texas Agriculture Extension Agents, units of local government, faith-based organizations, CHDOs, community development corporations, community-based organizations and other organizations with a proven interest in community building. The classes are conducted by NeighborWorks America. In addition, a referral service for individuals interested in taking a homebuyer education class is available through TDHCA.

Projected Texas Statewide Homebuyer Education Program funding for FY 2011: \$90,000.

For more information, contact Dina Gonzalez, Texas Homeownership Division at (512) 475-3993 or [dina.gonzalez@tdhca.state.tx.us](mailto:dina.gonzalez@tdhca.state.tx.us).

NOTE: The Homebuyer Tax Credit Programs (90-Day Down Payment Assistance and Mortgage Assistance Program) were administered by the Texas Homeownership Division; these programs ended before the publication of this document. Therefore, information about the Homebuyer Tax Credit Programs is only included in the *Stimulus Programs* chapter and not in the Texas Homeownership Division section of the Action Plan.

## ***HOUSING SUPPORT CONTINUUM***

The Housing Support Continuum consists of a series of phases that low-income households may experience at different times of their lives and the assistance provided through the network of TDHCA-funded service providers in regard to each phase. The Housing Support Continuum has six phases: (1) Poverty and Homelessness Prevention, (2) Rental Assistance and Multifamily Development, (3) Homebuyer Assistance and Single-Family Development, (4) Rehabilitation and Weatherization, (5) Foreclosure Relief and (6) Disaster Recovery and Relief.

### ***(1) POVERTY AND HOMELESSNESS PREVENTION***

For Texans who struggle with poverty or are currently homeless, TDHCA offers several programs that provide essential services to assist with basic necessities.

#### **A. POVERTY PREVENTION**

##### ***COMMUNITY SERVICES BLOCK GRANT PROGRAM***

Community Service Block Grant (CSBG) activities can be instrumental in preventing homelessness in the lowest-income populations. Activities for CSBG program including access to child care; health and human services; nutrition; transportation; job training and employment services; education services; activities designed to make better use of available income; housing services; emergency assistance; activities to achieve greater participation in the affairs of the community; youth development programs; information and referral services; activities to promote self-sufficiency; and other related services.

##### ***COMPREHENSIVE ENERGY ASSISTANCE PROGRAM***

For those low-income Texans who have housing, subsidizing or reducing the energy costs may help keep that housing affordable and prevent homelessness. An applicant seeking energy assistance applies to the local Comprehensive Energy Assistance Program (CEAP) Subrecipient for assistance. The Subrecipient determines income eligibility, prioritized status (this includes a review of billing history to determine energy burden and consumption) and determines which CEAP component is most appropriate for the eligible applicant. If the CEAP applicant is eligible and meets program priorities, the CEAP Subrecipient makes an energy payment to an energy company through a vendor agreement with energy providers. Additionally, some households qualify for repair, replacement or retrofit of inefficient heating and cooling appliances.

There are four CEAP components:

- The Elderly and/or Disabled Component is designed to assist households with at least one member who is elderly and/or disable. Households can receive up to four energy payments in a program year. Assistance is based on energy consumption in the previous 12 months, energy burden (percentage of income used for energy) and the income category for which the household qualifies.
- The Co-Payment Component is designed to assist households by providing client education, budget counseling and assisting households with energy payments for six to twelve months.

- The Heating and Cooling Component is designed to address inefficient heating and cooling appliances through repair, replacement, or retrofit for households that have high energy consumption.
- The Energy Crisis Component is designed to provide one-time energy assistance to households during a period of extreme temperatures or an energy supply shortage. In some instances, Energy Crisis funds can be used to address natural disasters.

## **B. HOMELESSNESS PREVENTION**

### ***EMERGENCY SOLUTIONS GRANT PROGRAM***

Emergency Solutions Grant Program (ESGP) is the primary program used specifically to provide shelter to homeless Texans or those faced with homelessness. Activities eligible for ESGP funding include the rehabilitation or conversion of buildings for use as emergency shelters for the homes; the provision of essential services to the homeless; costs related to the development and implementation of homeless prevention activities; medical and psychological counseling; assistance with obtaining permanent housing; and costs related to maintenance, operation administration, rent, repairs, security, fuel, equipment, insurance, utilities, food and furnishings.

### ***HOMELESS HOUSING AND SERVICES PROGRAM***

Homeless Housing and Services Program (HHSP) will be used for the purposes of assisting regional urban area in providing services to homeless individuals and families, including the construction of facilities, direct services, case management, homeless prevention, housing retention and rental assistance.

### ***HOMELESSNESS PREVENTION AND RAPID RE-HOUSING (STIMULUS PROGRAM)***

Homelessness Prevention and Rapid Re-housing (HPRP) can provide the following types of assistance: (1) financial assistance including short-term (up to 3 months) and medium-term (up to 18 months) rental assistance, security deposits, utility deposits and payments, moving cost assistance and motel and hotel vouchers; (2) housing relocation and stabilization services including case management (e.g. arrangement, coordination, monitoring and delivery of services related to meeting housing needs), outreach and engagement, housing search and placement, legal services (e.g. legal advice and representation in administrative or court proceedings related to tenant/landlord matters or housing issues, excluding mortgage legal services) and credit repair.

### ***(2) RENTAL ASSISTANCE AND MULTIFAMILY DEVELOPMENT***

For low-income Texans who have difficulty affording rent, TDHCA offers two main types of support; rental subsidies for low-income Texans and rental development subsidies for developers who, in turn, produce housing with reduced rents for low-income Texans.

## **A. RENTAL ASSISTANCE**

### ***SECTION 8 HOUSING CHOICE VOUCHER PROGRAM***

The Section 8 Housing Choice Voucher Program provides rental subsidies for decent, safe and sanitary housing to eligible households. TDHCA pays approved rent amounts directly to property

owners. Qualified households may select the best available housing through direct negotiations with landlords to ensure accommodations that meet their needs.

#### **TENANT-BASED RENTAL ASSISTANCE PROGRAM**

The HOME program's Tenant-Based Rental Assistance (TBRA) provides rental subsidy, security and utility deposit assistance. TBRA allows the assisted tenant to move and to live in any dwelling unit with a right to continued assistance, in accordance with written tenant selection policies, for a period not to exceed 24 months, except for certain circumstances which allow for 36 months of assistance. The tenant must also participate in a self-sufficiency program.

#### **TEXAS VETERANS HOUSING ASSISTANCE PROGRAM**

The Housing Trust Funds' Texas Veterans Housing Assistance Program provides rental subsidies for a maximum of two years, allowing assisted households to live in any rental unit in the service area.

### **B. MULTIFAMILY DEVELOPMENT**

#### **AFFORDABLE HOUSING MATCH PROGRAM**

The Housing Trust Funds' Affordable Housing Match Program provides funding to Nonprofit Organizations to attract or meet requirements for affordable housing grants or government programs. An example of an eligible use includes direct match for state, federal or private grants or loans for rental development.

#### **HOUSING TAX CREDIT EXCHANGE (STIMULUS PROGRAM)**

Through ARRA, the Texas Tax Credit Exchange (HTC Exchange) Program allows developments who have been allocated tax credits in 2007, 2008, 2009 and 2010 to return their credits and potentially receive a cash grant in exchange for the credits. This program will allow developers to build additional housing for low-income Texans.

#### **HOUSING TAX CREDIT PROGRAM**

The purpose of the Housing Tax Credit (HTC) Program is to encourage the development and preservation of affordable rental housing for low-income families, provide for the participation of for-profit and nonprofit organizations in the program, maximize the number of units added to the state's housing supply and prevent losses in the state's supply of affordable housing.

#### **MULTIFAMILY BOND PROGRAM**

The proceeds of the bonds issued by TDHCA are used to finance the construction, acquisition, or rehabilitation of multifamily properties with the targeted beneficiaries being very low-, low- and moderate-income households. Property owners are also required to offer a variety of services to benefit the residents of the development. Specific tenant programs must be designed to meet the needs of the current tenant profile and must be approved annually by TDHCA.



**MULTIFAMILY RENTAL HOUSING DEVELOPMENT**

HOME Multifamily Development funds are awarded to eligible applicants for the development of affordable rental housing. Owners are required to make the units available to extremely low-, very low- and low-income families and must meet long-term rent restrictions as defined by HUD.

**RURAL HOUSING EXPANSION PROGRAM**

The Housing Trust Funds' Rural Housing Expansion Program will be awarded to eligible applicants for the production or provision of affordable rental housing and capacity building to the eligible applicant, increasing the capability of rural organizations.

**(3) HOMEBUYER EDUCATION, ASSISTANCE AND SINGLE-FAMILY DEVELOPMENT**

After a low-income household has become self-sufficient, the household may be ready for homeownership. Homeownership may help a low-income household to build equity, raise the household out of the low-income financial category and promote self-sufficiency. An asset-development approach to addressing poverty emphasizes the use of public assistance to facilitate long-term investments rather than incremental increases in income. TDHCA works to ensure that potential homeowners understand the responsibilities of homeownership by offering homeownership education courses as well as providing financial tools to make homeownership more attainable.

**A. HOMEBUYER EDUCATION****COLONIA SELF-HELP CENTER PROGRAM**

The Colonia Self-help Center (SHC) Program provides outreach, education and technical assistance to colonia residents. Colonia SHCs provide technical assistance in credit and debt counseling, housing finance, contract for deed conversions, capital access for mortgages, as well as in grant writing, housing rehabilitation, new construction, surveying and platting, construction skills training, solid waste removal, tool library access for self-help construction and infrastructure construction and access.

**TEXAS STATEWIDE HOMEBUYER EDUCATION PROGRAM**

To ensure uniform quality of the homebuyer education provided throughout the state, TDHCA contracts with training professionals to teach local nonprofit organizations the principles and applications of comprehensive pre- and post-purchase homebuyer education. The training professionals and TDHCA also certify the participants as homebuyer education providers.

**B. HOMEBUYER ASSISTANCE****AFFORDABLE HOUSING MATCH PROGRAM**

The Housing Trust Funds' Affordable Housing Match Program provides funding to nonprofit organizations to attract or meet requirements for affordable housing grants or government

programs. An example of an eligible use includes direct match for state, federal or private grants or loans for homebuyer assistance programs.

#### ***FIRST TIME HOMEBUYER PROGRAM – NON-TARGETED FUNDS***

The Texas Homeownership Division's First Time Homebuyer Program non-targeted funds may offer eligible homebuyers below-market interest rate loans and/or down payment assistance through a network of participating lenders. The program is available on a first-come, first-served basis to individuals or families up to 115% of the AMFI who meet income and home purchase requirements and have not owned a home as their primary residence in the past three (3) years.

#### ***FIRST TIME HOMEBUYER PROGRAM – TARGETED FUNDS***

The Texas Homeownership Division's First Time Homebuyer Program targeted funds may offer eligible homebuyers below-market interest rate loans and/or down payment assistance through a network of participating lenders in areas of chronic economic distress. The program is available on a first-come, first-served basis to individuals or families up to 140% of the AMFI who meet income and home purchase requirements. The first time homebuyer requirement is waived for borrower's purchasing properties located in targeted areas.

#### ***HOMEBUYER ASSISTANCE PROGRAM***

HOME's Homebuyer Assistance includes down payment and closing cost assistance and is provided to homebuyers for the acquisition for affordable single-family housing, including manufactured housing. Homebuyer Assistance with Rehabilitation offers down payment and closing cost assistance and also includes construction costs associated with architectural barrier removal for homebuyers with disabilities.

#### ***CONTRACT FOR DEED CONVERSION PROGRAM***

Contract for Deed Conversion Program provides fund to convert an eligible contract for deed into a traditional mortgage. This is achieved by offering assistance to eligible homebuyers for the acquisition or the acquisition and rehabilitation, new construction or reconstruction of properties. All conversions must be used for families that reside in a colonia and earn sixty percent (60%) or less of the Area Median Family Income.

#### ***HOMEOWNERSHIP PROGRAM***

The Housing Trust Funds' Homeownership Program provides zero percent interest or down payment and closing cost assistance for first-time homebuyers and Texas Veterans.

#### ***MORTGAGE CREDIT CERTIFICATE PROGRAM***

The Texas Homeownership Division's Mortgage Credit Certificate (MCC) provides a tax credit that effectively reduces the borrower's federal income tax liability. The amount of the annual tax credit may equal 30 percent of the annual interest paid on a mortgage loan; however, the maximum amount of the credit cannot exceed \$2,000 per year. This tax savings may also provide a family with more available income to qualify for a loan and meet mortgage payment requirements.

**NEIGHBORHOOD STABILIZATION PROGRAM 1 (STIMULUS PROGRAM)**

Financing mechanisms will allow homebuyers who earn 50% or less of Area Median Family Income (AMFI) to qualify for 100% financing through the Department at 0% interest for 30 years and will also allow homebuyers who earn 120% or less of AMFI to qualify for up to \$30,000 in homebuyer assistance in the form of a deferred, forgivable loan.

**C. SINGLE-FAMILY DEVELOPMENT****AFFORDABLE HOUSING MATCH PROGRAM**

The Housing Trust Funds' Affordable Housing Match Program provides funding to nonprofit organizations to attract or meet requirements for affordable housing grants or government programs. An example of an eligible use includes direct match for state, federal or private grants or loans for single-family development.

**RURAL HOUSING EXPANSION PROGRAM**

The Housing Trust Funds' Rural Housing Expansion Program provided Direct Housing Delivery awards to eligible applicants for the development of affordable rental housing. This program will also provide capacity building to the awarded organization, increasing the capability of rural organizations.

**TEXAS BOOTSTRAP LOAN PROGRAM**

The Office of Colonia Initiative's Texas Bootstrap Loan Program provides funds to purchase or refinance real property on which to build new residential housing, construct new residential housing or improve existing residential housing. For more detailed information, see *Section 6: Colonia Action Plan*.

**(4) REHABILITATION AND WEATHERIZATION**

In the course of homeownership, there may come a time when substantial rehabilitation or reconstruction needs to take place. In addition, by providing minor repairs and weatherization to owned or rental housing, the energy costs associated with housing will be reduced. TDHCA offers both these services.

**A. REHABILITATION****AMY YOUNG BARRIER REMOVAL PROGRAM**

The Housing Trust Fund's Amy Young Barrier Removal Program is designed to provide a one-time grant up to \$15,000 for home modifications specifically needed for accessibility and up to an additional \$5,000 in other rehabilitation costs correlated with the barrier removal project. Home modifications may include installing handrails; ramps, bussing or flashing devices; accessible door and faucet handles; shower grab bars and shower wands; and accessible showers, toilets and sinks. Home modifications may also include door widening and counter adjustments.

**HOMEOWNER REHABILITATION ASSISTANCE PROGRAM**

HOME's Homeowner Rehabilitation Assistance program provides rehabilitation or reconstruction cost assistance to homeowners for the repair or reconstruction of their existing home, which must be their principal residence. At the completion of the assistance, all properties must meet, as applicable, the Texas Minimum Construction Standards, the International Residential Code (IRC) and local building codes. If a home is reconstructed, the applicant must also ensure compliance with the universal design features in new construction, established by §2306.512, Texas Government Code.

**B. WEATHERIZATION****WEATHERIZATION ASSISTANCE PROGRAM AND WEATHERIZATION ASSISTANCE PROGRAM ARRA (STIMULUS PROGRAM)**

The purpose of Community Affairs' Weatherization Assistance Program (WAP) is to provide cost-effective weatherization measures to improve the energy efficiency of eligible client households. In order to provide weatherization measures for a dwelling, the household must meet income-eligibility criteria and the measures must meet specific energy-savings goals. Typical weatherization measures include attic and wall insulation, weather-stripping and air sealing measures, heating and cooling unit repair and/or replacement, energy efficient appliances such as refrigerator replacement, caulking and replacement of inefficient heating and cooling units and minor roof repair. WAP also provides energy conservation education. Community Affairs' Weatherization Assistance Program (WAP) offered through the Recovery Act provides similar assistance as WAP not offered through the Recovery Act. The main differences are in eligibility requirements for households and an increase in the amount of fund allowed for weatherization on each housing unit.

**(5) FORECLOSURE RELIEF**

In a proactive response to the national foreclosure crisis, TDHCA has undertaken several programs to mitigate foreclosures.

**A. FORECLOSURE PREVENTION****NATIONAL FORECLOSURE MITIGATION COUNSELING (STIMULUS PROGRAM)**

The purpose of the Texas Homeownership Division's National Foreclosure Mitigation Counseling (NFMC) Program is to reimburse HUD-Approved foreclosure counseling agencies for foreclosure mitigation counseling. Foreclosure mitigation counseling includes, but is not limited to, financial analysis of the client's situation, research to determine the current value of the home and a review of options available to the client, such as financial restructuring. While the most desirable outcome is to help homeowners obtain a mortgage they can afford, the purpose of the programs is to prevent foreclosure and, in some instances, the only way to successfully cure a default may be to sell the home.

## **B. POST-FORECLOSURE MITIGATION**

### ***NEIGHBORHOOD STABILIZATION PROGRAM 1 (STIMULUS PROGRAM)***

The Neighborhood Stabilization Program (NSP) 1 will provide funds to local units of government and nonprofit entities to provide clearance, financing mechanisms, acquisition of real property, rehabilitation, creation of land banks and redevelopment of foreclosed properties.

Clearance will allow a grantee to remove dangerous structures that pose a threat to human health, safety and public welfare and allow for the future private redevelopment of the property. Financing mechanisms will allow homebuyers who earn 50% or less of Area Median Family Income (AMFI) to qualify for 100% financing through the Department at 0% interest for 30 years and will also allow homebuyers who earn 120% or less of AMFI to qualify for up to \$30,000 in homebuyer assistance. The acquisition of real property will allow Subrecipients to acquire foreclosed and/or abandoned homes if the acquisition reflects a minimum discount from the appraised fair market value at the time of contract. The home will be considered to be abandoned if tax or mortgage payments are 90 days delinquent; a code enforcement action has determined the property is uninhabitable and no corrective action is taken within 90 days; or the property is subject to court-ordered nuisance abatement. Properties will be considered foreclosed if mortgage payments are 60 days delinquent and the owner has been notified of this delinquency; the property owner is 90 days or more delinquent on tax payments; foreclosure proceedings have been initiated or completed; or, foreclosure proceedings have been completed and title has been transferred. Acquisition of real property allows a grantee to purchase the abandoned or foreclosed properties to rehabilitate and sell to households earning 120% AMFI or below. Rehabilitation will allow rehabilitation and/or improvement of existing structures to a condition that brings the structure into compliance with Texas Minimum Construction Standards. Redevelopment will address areas of greatest need throughout the state through construction of new affordable housing wherever demolished or vacant properties are contributing to declining land values. Land banking activities will allow foreclosed properties to be temporarily removed from the real estate market in order to allow stabilize values in areas that are experiencing downward pressure on neighborhoods experiencing declining property values.

### **(6) DISASTER RECOVERY AND RELIEF**

When natural and man-made disasters strike, low-income households are often the most dramatically affected. In an effort to reduce the recovery time, almost every department in TDHCA offers some sort of disaster assistance. TDHCA is committed to quickly, efficiently and responsibly locating funds and developing programs and initiatives to assist the affected households and communities.

***CDBG DISASTER RECOVERY PROGRAMS – HURRICANE RITA ROUND ONE***  
See *Disaster Recovery* chapter.

***CDBG DISASTER RECOVERY PROGRAMS – HURRICANE RITA ROUND TWO***  
See *Disaster Recovery* chapter.

***CDBG DISASTER RECOVER PROGRAMS – HURRICANES DOLLY AND IKE ROUND ONE***  
See *Disaster Recovery* chapter.

***DISASTER RECOVERY GAP ASSISTANCE PROGRAM***

Although federal assistance is often available after a natural disaster, some homeowners will still need gap financing. Housing Trust Fund monies have been committed through Disaster Recovery Gap Assistance Program to assist qualified households, who are lacking only a small portion of funds, fulfill their full cost of construction.

***HOME PROGRAM – DISASTER RELIEF***

In accordance with the Texas Administrative Code, Title 10, part 1 Chapter 1, subchapter A §1.19 and TAC Section 2306.111, the HOME Program utilizes deobligated funds for disaster relief through Homeowner Rehabilitation Assistance, Homebuyer Assistance and Tenant-Based Rental Assistance programs in communities that are not designated as a Participating Jurisdiction. HOME disaster funds are designed specifically to assist eligible homeowners who are affected by the natural disaster, with emphasis on assisting those who have no other means or assistance, or as gap financing after any federal assistance. Assisted homeowners must have an income that is below 80% AMFI, as defined by HUD.

***TEXAS FIRST TIME HOMEBUYER PROGRAM AND MORTGAGE CREDIT CERTIFICATE PROGRAM – TARGETED FUNDS***

Texas First Time Homebuyer Program and Mortgage Credit Certificate Program offer Targeted Funds for areas of severe economic distress. In May 2010, TDHCA released approximately \$100million through the Texas First Time Homebuyer Program for home loans made available to qualified homebuyers wishing to purchase a home in a targeted area, including the 22 East Texas counties designated under the Gulf Opportunity Zone Act of 2005. In February 2010, TDHCA released approximately \$6 million through the 2010 Mortgage Credit Certificate Program for use within targeted areas including the 22-county area known as the Rita Go Zone. The program income and purchase price limits may be higher for eligible homebuyers purchasing in a targeted area or a disaster declared area. The first time homebuyer requirement is waived for borrower's purchasing properties located in targeted areas.

## TDHCA GOALS AND OBJECTIVES

The Strategic Plan goals reflect program performance based upon measures developed with the State's Legislative Budget Board and Governor's Office of Budget and Planning. The goals are also based upon Riders attached to the Department's Appropriations. The Department believes that the goals and objectives for the various TDHCA programs should be consistent with its mandated performance requirements.

The State's Strategic Planning and Performance Budgeting System (SPPB) is a goal-driven, results-oriented system. The system has three major components including strategic planning, performance budgeting and performance monitoring. As an essential part of the system, performance measures are part of TDHCA's strategic plan, are used by decision makers in allocating resources, are intended to focus the Department's efforts on achieving goals and objectives and are used as monitoring tools providing information on accountability. Performance measures are reported quarterly to the Legislative Budget Board.

The State's Strategic Planning and Performance Budgeting System is based on a two-year cycle: goals and targets are revisited each biennium. The targets reflected in this document are based on the Department's requests for 2009-2010.

Because all applicants for funding are encouraged to apply for and leverage funds from multiple agency programs, HUD funds are frequently leveraged along with funds from other federal and State sources. TDHCA HOME Program funds may be used in conjunction with other TDHCA programs, however, each program area reports its performance separately.

## AFFORDABLE HOUSING GOALS AND OBJECTIVES

The following goals address performance measures established by the 81<sup>st</sup> Legislature. Refer to program-specific statements outlined in the *Action Plan* portion of this document for strategies that will be used to accomplish the goals and objectives listed below. Included for each strategy are the target numbers of the 2010 goal, the 2010 actual performance and the goal for 2011. Targets for 2011 were updated through the FY2012-2013 Legislative Appropriations Request (LAR) unless otherwise noted.

Goals one through five are established through interactions between TDHCA, the Legislative Budget Board and the Legislature. They are referenced in the General Appropriations Act enacted during the most recent legislative session.

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.

### Strategy 1.1

Provide mortgage financing and homebuyer assistance through the Single-Family Mortgage Revenue Bond Program

Strategy Measure	2010 Target	2010 Actual	% of Goal	2011 Target
Number of single-family households assisted through the First Time Homebuyer Program	2,000	1,739	86.95%	1,583

Explanation of Variance: None needed.

### Strategy 1.2

Provide funding through the HOME Program for affordable single family housing

Strategy Measure	2010 Target	2010 Actual	% of Goal	2011 Target
Number of single-family households assisted with HOME Funds	952	654	68.70%	580

Explanation of Variance: Due to under subscription in funding requests for the single family activities Notice of Funding Availability (NOFA), the Department has not met its annual target for this strategy. Funds have been reprogrammed to housing activities experiencing greater demand. Additionally, programmatic changes were made in order to stimulate interest in and more flexible access to funding for single family activities.

### Strategy 1.3

Strategy Measure	2010 Target	2010 Actual	% of Goal	2011 Target
Number of single-family households assisted through the Housing Trust Fund	344	386	112.21%	458

Explanation of Variance: None needed.

### Strategy 1.4

Provide tenant-based rental assistance through Section 8 certificates

Strategy Measure	2010 Target	2010 Actual	% of Goal	2011 Target
Number of households assisted through Statewide Housing Assistance Payments Program	1,100	868	78.91%	1,050

Explanation of Variance: None needed.

### Strategy 1.5

Provide federal tax credits to develop rental housing

Strategy Measure	2010 Target	2010 Actual	% of Goal	2011 Target
Number of multifamily households assisted with Housing Tax Credits	10,928	7,875	72.06%	5,436

Explanation of Variance: The Housing Tax Credit program activity for this measure is a combination of 4% (multifamily bond related) and 9% (competitive application cycle) rental development funding awards. The overall economy and financial market has limited private investment in the tax credit industry. The decrease in equity pricing has increased the amount of credit needed per unit, therefore reducing the number of units produced through the tax credit program.

### Strategy 1.6

Provide funding through the HOME Program for affordable multifamily housing

Strategy Measure	2010 Target	2010 Actual	% of Goal	2011 Target*
Number of multifamily households assisted with HOME funds	262	509	194.27%	262



\* - This strategy has been removed from the performance measures requested by the Legislative Budget Board for 2012 and 2013 and not included in the FY2012-2013 LAR. Therefore, the 2011 target for Strategy 1.6 was taken from the FY2010-2011 LAR.

Explanation of Variance: Increased households served reflects heightened demand for the program. The Department was able to reprogram additional HOME funds, consisting primarily of funds deobligated from non-performing contracts, to meet this demand and exceed its 2010 target.

#### Strategy 1.7

Provide funding through Housing Trust Fund for affordable multifamily housing

Strategy Measure	2010 Target	2010 Actual	% of Goal	2011* Target
Number of multifamily households assisted through the Housing Trust Fund	38	16	42.10%	23

\* This strategy has been removed from the performance measures requested by the Legislative Budget Board for 2012 and 2013 and not included in the FY2012-2013 LAR. Therefore, the 2011 target for Strategy 1.6 was taken from the FY2010-2011 LAR.

Explanation of Variance: The Housing Trust Fund's only multifamily program, the Rental Housing Development Fund for Unique Needs, was defunded due to the 5% General Revenue reduction that was requested for 2010-2011. The Rural Housing Expansion Program, which could serve both single and multifamily projects, provided three awards. Of the three awards, one was awarded for the purpose of constructing 16 multifamily units.

#### Strategy 1.8

Provide funding through the Mortgage Revenue Bond Program for affordable multifamily housing

Strategy Measure	2010 Target	2010 Actual	% of Goal	2011 Target
Number of households assisted through the Mortgage Revenue Bond Program	1,627	0	0.00%	500

Explanation of Variance: This measure is tied to the bond market which is experiencing a dramatic slowdown. Economic conditions in the equity markets have made it very difficult for developers to present financially feasible applications for private activity bonds for 2011.

GOAL 2: TDHCA will promote improved housing conditions for extremely low-, very low- and low-income households by providing information and technical assistance.

#### Strategy 2.1

Provide information and technical assistance to the public through the Public Affairs Division and the Housing Resource Center

Strategy Measure	2010 Target	2010 Actual	% of Goal	2011 Target
Number of information and technical assistance requests completed	5,000	5,607	112.14%	5,000

Explanation of Variance: None needed.

## Strategy 2.2

To provide technical assistance to colonias through field offices

Strategy Measure (A)	2010 Target	2010 Actual	% of Goal	2011 Target
Number of on-site technical assistance visits conducted annually from the field offices	900	1,071	119.00%	900

Explanation of Variance: None needed.

Strategy Measure (B)	2010 Target	2010 Actual	% of Goal	2011 Target
Number of colonia residents receiving assistance	12,000	14,039	116.99%	15,000

Explanation of Variance: None needed.

Strategy Measure (C)	2010 Target	2010 Actual	% of Goal	2011 Target
Number of entities and/or individuals receiving informational resources	1,000	1,204	120.40%	1,000

Explanation of Variance: None needed.

GOAL 3: TDHCA will improve living conditions for the poor and homeless and reduce the cost of home energy for very low-income Texans.

## Strategy 3.1

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.

Strategy Measure (A)	2010 Target	2010 Actual	% of Goal	2011 Target
Number of persons assisted through homeless and poverty related funds	531,498	908,992	171.02%	584,921

Explanation of Variance: This measure is impacted by the number of person assisted through the CSBG and ESGP. However, two new programs were funded through the American Recovery and Reinvestment Act (ARRA), the CSBG ARRA program and the Homelessness Prevention and Rapid Re-Housing Program (HPRP). Additionally, CSBG-funded organizations also received other ARRA funding which enabled them to serve many more persons and those numbers are reflected in the number of persons served through CSBG.

Strategy Measure (B)	2010 Target	2010 Actual	% of Goal	2011 Target
Number of persons assisted that achieve incomes above poverty level.	2,800	2,058	73.50%	1,200

Explanation of Variance: During 2010 it was more difficult to transition persons out of poverty due to the economic downturn and high levels of unemployment. Those additional persons served through all ARRA programs administered by CSBG subrecipients are reflected in the number of persons served through CSBG.

Strategy Measure (C)	2010 Target	2010 Actual	% of Goal	2011 Target
Number of shelters assisted through the Emergency Solutions Grant Program	76	75	98.68%	77

Explanation of Variance: None needed.

### Strategy 3.2

Administer the state energy assistance programs by providing grants to local organizations for energy related improvements to dwellings occupied by very low-income persons and for assistance to very low-income households for heating and cooling expenses and energy related emergencies.

Strategy Measure (A)	2010 Target	2010 Actual	% of Goal	2011 Target
Number of Households Receiving Energy Assistance	66,050	200,956	304.25%	48,152

Explanation of Variance: Federal LIHEAP funding increased, allowing assistance to more households than expected. As the program year progressed, more households received cooling assistance in the warmer months.

Strategy Measure (B)	2010 Target	2010 Actual	% of Goal	2011 Target
Number of dwelling units weatherized through Weatherization Assistance Program	3,809	21,856	573.80%	19,127

Explanation of Variance: Figures reflect the impact of \$327 million in DOE Weatherization Assistance funds made available through the Recovery Act (ARRA). Also allowed under ARRA, the eligible income for both CEAP and WAP were temporarily increased from 125% to 200% of poverty for 2010-2012. These changes allowed assistance to more households than expected.

GOAL 4: TDHCA will ensure compliance with the Texas Department of Housing and Community Affairs' federal and state program mandates.

### Strategy 4.1

The Compliance and Asset Oversight Division will monitor and inspect for Federal and State housing program requirements.

Strategy Measure (A)	2010 Target	2010 Actual	% of Goal	2011 Target
Total number of onsite reviews conducted.	864	908	105.09%	858

Explanation of Variance: None needed.

### Strategy 4.2

The Compliance and Asset Oversight Division will administer and monitor federal and state subrecipient contracts for programmatic and fiscal requirements.

Strategy Measure (A)	2010 Target	2010 Actual	% of Goal	2011 Target
Total number of contract monitoring reviews conducted.	258	176	68.22%	208

Explanation of Variance: Existing contracts and new program contracts progressed slower than anticipated. Monitoring reviews will be conducted on existing contracts as they become active and expend funds.

Strategy Measure (B)	2010 Target	2010 Actual	% of Goal	2011 Target
Number of single audit reviews conducted.	224	218	97.32%	194

Explanation of Variance: None needed.

GOAL 5: To protect the public by regulating the manufactured housing industry in accordance with state and federal laws.

#### Strategy 5.1

Provide titling and licensing services in a timely and efficient manner.

Strategy Measure (A)	2010 Target	2010 Actual	% of Goal	2011 Target
Number of manufactured housing statements of ownership and location issued	80,000	57,240	71.55%	65,000

Explanation of Variance: This measure is under the targeted amount due to the excessive number of applications which were submitted incomplete. Approximately 37% of the applications received were rejected, but will ultimately be resubmitted for issuance. A large number of these applications were rejected based on a law change that went into effect in January 2008, which required a tax statement from the tax assessor-collector stating that there are no personal property taxes due on the manufactured home that may have accrued on each January 1, that falls within 18 months before the date of sale.

Strategy Measure (B)	2010 Target	2010 Actual	% of Goal	2011 Target
Total number of licenses issued	3,100	2,703	87.19%	2,100

Explanation of Variance: None needed.

#### Strategy 5.2

Conduct inspection of manufactured homes in a timely manner.

Strategy Measure (A)	2010 Target	2010 Actual	% of Goal	2011 Target
Number of routine installation inspections conducted	5,000	5,703	114.06%	4,600

Explanation of Variance: None needed.

Strategy Measure (B)	2010 Target	2010 Actual	% of Goal	2011 Target
Number of non-routine installation inspections conducted	2,300	2,230	96.96%	2,300

Explanation of Variance: None needed.

## Strategy 5.3

To process consumer complaints, conduct investigations and take administrative actions to protect the general public and consumers.

Strategy Measure	2010 Target	2010 Actual	% of Goal	2011 Target
Number of complaints resolved	850	587	69.06%	550

Explanation of Variance: The Department has received fewer complaints than expected, resulting in fewer complaints needing resolution.

Riders 5 & 6 are established in legislation, as found in the General Appropriations Act.

Rider 5 (a): TDHCA will target its housing finance programs resources for assistance to extremely low-income households.\*

The housing finance divisions shall adopt an annual goal to apply \$30,000,000 of the divisions' total housing funds toward housing assistance for individuals and families earning less than 30 percent of median family income.

Rider 5 (a)	2010 Target	2010 Actual	% of Goal	2011 Target
Amount of housing finance division funds applied towards housing assistance for individuals and families earning less than 30 percent of median family income	\$30,000,000	\$50,058,301	166.86%	\$30,000,000

Explanation of Variance: The performance is higher than expected because the Rider 5 report now captures actual incomes of households served by TDHCA and not projected income groups.

Note: For more information, see Rider 5 of TDHCA's Appropriations as found in HB 1 (General Appropriations Act), 81<sup>st</sup> Legislature, Regular Session.

Rider 5 (b): TDHCA will target its housing finance resources for assistance to very low-income households.

The housing finance divisions shall adopt an annual goal to apply no less than 20% of the division's total housing funds toward housing assistance for individuals and families earning between 31% and 60% of median family income.

Rider 5 (b)	2010 Target	2010 Actual	% of Goal	2011 Target
Percent of housing finance division funds applied towards housing assistance for individuals and families earning less than 31% and 60% of median family income	20%	51.87%	259.35%	20%

Explanation of Variance: The majority of TDHCA housing programs serve households under 60% of median family income. The Rider 5 Report includes Section 8, HOME Single Family, HOME Multifamily, Housing Trust Fund Single Family, Housing Trust Fund Multifamily and Housing Tax Credit Programs.

Note: For more information, see Rider 5 of TDHCA's Appropriations as found in HB 1 (General Appropriations Act), 81<sup>st</sup> Legislature, Regular Session.

Rider 6: TDHCA will provide contract for deed conversions for families who reside in a colonia and earn 60 percent or less of the applicable area median family income.

Help colonia residents become property owners by converting their contracts for deed into traditional mortgages.

Strategy Measure	2010 Target	2010 Actual	% of Goal	2011 Target
Amount of TDHCA funds applied toward contract for deed conversions for colonia families earning less than 60% of median family income.	100	0	0%	100

Explanation of Variance: Rider 6 of the Department's appropriations act requires that the Department direct \$2,000,000 a year towards completing 100 contract for deed conversions. The decline in the number of contract for deed requests has inhibited the ability of the Department to attain the target.

Note: For more information, see Rider 6 of TDHCA's Appropriations as found in HB 1 (General Appropriations Act), 81<sup>st</sup> Legislature, Regular Session.

The following TDHCA-designated goal addresses the housing needs of person with special needs.

HOME PROGRAM STATUTE REQUIREMENT: TDHCA will work to address the housing needs and increase the availability of affordable and accessible housing for persons with special needs.

Dedicate five percent (5%) of the HOME project allocation for benefits of persons with disabilities who live in any area of this state.\*

Strategy Measure	2010 Target	2010 Actual	% of Goal	2011 Target
Amount of HOME project allocation awarded to applicants that target persons with disabilities.	\$2,179,691	\$2,445,796	112%	\$2,000,000

Explanation of Variance: These include funds from the Persons with Disabilities Set-Aside and HOME general funds that were used to assist households with person with disabilities. It is important to note that while funds from the set-aside may be used anywhere in the state, HOME general funds may only be utilized in non-participating jurisdictions, those communities that do not receive funds directly from HUD.

## ***TDHCA ALLOCATION PLANS***

The Department has developed allocation formulas for many TDHCA programs in order to target available housing resources to the neediest households in each uniform state service region. These formulas are based on objective measures of need in order to ensure an equitable distribution of funding.

### **2011 REGIONAL ALLOCATION FORMULA**

Sections 2306.111(d) and 2306.1115 of the Government Code require that TDHCA use a Regional Allocation Formula (RAF) to allocate its HOME, HTC and housing Trust Fund funding. This RAF objectively measures the affordable housing need and available resources in 13 State Service Regions used for planning purposes. Within each region, the RAF further targets funding to rural and urban areas.

As a dynamic measure of need, the RAF is revised annually to reflect updated demographic and resource data; respond to public comment; and better assess regional housing needs an available resources. The RAF is submitted annually for public comment.

Slightly modified versions of the RAF are used for HOME, HTC and Housing Trust Fund because the programs have different eligible activities, households and geographical service areas. For example, because 95 percent of HOME funding must be set aside for non-Participating jurisdictions, the HOME RAF only uses need and available resources data for non-Participating jurisdictions.

The RAF used the following 2000 U.S. Census data to calculate this regional need distribution:

- **Poverty:** Number of persons in the region who live in poverty.
- **Cost Burden:** Number of households with a monthly gross rent or mortgage payment to monthly household income ratio that exceeds 30 percent.
- **Overcrowded Units:** Number of occupied units with more than one person per room.
- **Units with Incomplete Kitchen or Plumbing:** Number of occupied units that do not have all of the following: sink with piped water; range or cook top and oven; refrigerator, not and cold piped water, flush toilet and bathtub or shower.

There are a number of other funding sources that can be used to address affordable housing needs. To mitigate any inherent inequities in the regional allocation of these funds, the RAF compares each region's level of need to its level of resources. Resources from the following sources were used in the RAF: HTC, Housing Trust Fund, HUD (HOME, HOPWA, PHA capital funding and Section 8 funding), Bond Financing and United States Department of Agriculture (USDA) housing programs.

**HOME PROGRAM REGIONAL ALLOCATION FORMULA**

According to §2306.111, Texas Government Code, in administering federal housing funds provided to the state under the Cranston-Gonzalez National Affordable Housing Act (Act), the Department shall expend 95 percent of these funds for the benefit of non-participating areas that do not qualify to receive funds under the Act directly from HUD. The remaining 5 percent of HOME funds may be expended in any area of the state, but only if the funding services persons with disabilities. Additionally, HOME funds awarded under this plan are subject to Texas Government Code §2306.111 and as such will be distributed according to the established Regional Allocation Formula (RAF). The 2011 RAF distributes funding for all HOME-funded activities with some exceptions for federal and state mandated set-asides including Community Housing Development Organizations (CHDO) Operating Expenses, Housing Programs for Persons with Disabilities and the Contract for Deed Conversion Program. The following table demonstrates the combined regional funding distribution for all of the HOME activities distributed under the RAF.

## HOME Program 2011 RAF

Region	Large MSA within Region for Geographical Reference	Regional Funding Amount	Regional Funding %	Rural Funding Amount	Rural Funding %	Urban Funding Amount	Urban Funding %
1	Lubbock	\$3,530,341	8.1%	\$3,530,060	100.0%	\$281	0.0%
2	Abilene	\$2,756,847	6.3%	\$2,696,904	97.8%	\$59,943	2.2%
3	Dallas/Fort Worth	\$4,796,235	11.0%	\$1,828,176	38.1%	\$2,968,059	61.9%
4	Tyler	\$5,492,308	12.6%	\$4,815,513	87.7%	\$676,795	12.3%
5	Beaumont	\$1,911,131	4.4%	\$1,612,736	84.4%	\$298,395	15.6%
6	Houston	\$4,021,293	9.2%	\$1,228,971	30.6%	\$2,792,321	69.4%
7	Austin/Round Rock	\$1,388,114	3.2%	\$445,822	32.1%	\$942,292	67.9%
8	Waco	\$2,247,257	5.2%	\$1,233,147	54.9%	\$1,014,110	45.1%
9	San Antonio	\$2,338,354	5.4%	\$1,713,952	73.3%	\$624,403	26.7%
10	Corpus Christi	\$3,975,070	9.1%	\$2,581,266	64.9%	\$1,393,805	35.1%
11	Brownsville/Harlingen	\$6,992,865	16.0%	\$2,897,267	41.4%	\$4,095,599	58.6%
12	San Angelo	\$3,130,453	7.2%	\$2,363,012	75.5%	\$767,441	24.5%
13	El Paso	\$1,013,556	2.3%	\$657,508	64.9%	\$356,048	35.1%
	Total	\$43,593,825	100.0%	\$27,604,333	63.3%	\$15,989,492	36.7%

For more information on the RAF and further description of the formula, please contact the Housing Resource Center at (512) 475-3976.



**HOUSING TRUST FUND PROGRAM REGIONAL ALLOCATION FORMULA**

Pursuant to §2306.111(d-1) of the Texas Government Code, housing Trust Fund programs will be regionally allocated unless the funding allocation for that program is mandated by state statute and the program's allocation represents less than 10 percent of the annual allocation for Housing Trust Fund; or service people with disabilities; or do not exceed \$3 million.

**Housing Trust Fund Program 2011 RAF**

Region	Large MSA within Region for Geographical Reference	Regional Funding Amount*	Regional Funding %	Rural Funding Amount	Rural Funding %	Urban Funding Amount	Urban Funding %
1	Lubbock	\$115,293	5.8%	\$49,166	42.6%	\$66,127	57.4%
2	Abilene	\$72,096	3.6%	\$32,875	45.6%	\$39,221	54.4%
3	Dallas/Fort Worth	\$404,122	20.2%	\$30,727	7.6%	\$373,395	92.4%
4	Tyler	\$115,735	5.8%	\$81,477	70.4%	\$34,258	29.6%
5	Beaumont	\$61,677	3.1%	\$28,986	47.0%	\$32,691	53.0%
6	Houston	\$384,237	19.2%	\$23,794	6.2%	\$360,442	93.8%
7	Austin/Round Rock	\$83,085	4.2%	\$6,921	8.3%	\$76,163	91.7%
8	Waco	\$129,383	6.5%	\$20,793	16.1%	\$108,590	83.9%
9	San Antonio	\$129,124	6.5%	\$20,401	15.8%	\$108,723	84.2%
10	Corpus Christi	\$105,436	5.3%	\$35,118	33.3%	\$70,317	66.7%
11	Brownsville/Harlingen	\$228,283	11.4%	\$76,876	33.7%	\$151,407	66.3%
12	San Angelo	\$80,141	4.0%	\$34,579	43.1%	\$45,562	56.9%
13	El Paso	\$91,389	4.6%	\$12,967	14.2%	\$78,421	85.8%
	<b>Total</b>	<b>\$2,000,000</b>	<b>100.0%</b>	<b>\$454,681</b>	<b>22.7%</b>	<b>\$1,545,319</b>	<b>77.3%</b>

\*This table is a depiction of the amounts available in each region if the required RAF amount was \$2,000,000; it is not an accurate depiction of the allocation for the total Housing Trust Fund funding available in each region. Every Housing Trust Fund program listed in a separate Notice of Funding Availability (NOFA) will be subject to its own RAF. In FY 2011, each NOFA for the Housing Trust Fund programs will make available approximately \$2,000,000, which will be run through its own RAF.

**HOUSING TAX CREDIT REGIONAL ALLOCATION FORMULA**

In accordance with Senate Bill 264, TDHCA allocates HTC Program funds to each region using a need-based formula developed by the Department. Using the Regional Allocation Formula, each region will receive the following amount of funding for use with activities subject to the formula. Funding figures will be included in the final document.

## HTC Program 2011 RAF

Region	Large MSA within Region for Geographical Reference	Regional Funding Amount*	Regional Funding %	Rural Funding Amount	Rural Funding %	Urban Funding Amount	Urban Funding %
1	Lubbock	\$1,923,703	4.4%	\$809,558	42.1%	\$1,114,146	57.9%
2	Abilene	\$1,188,198	2.7%	\$529,117	44.5%	\$659,081	55.5%
3	Dallas/Fort Worth	\$9,474,539	21.8%	\$1,095,748	11.6%	\$8,378,791	88.4%
4	Tyler	\$1,950,829	4.5%	\$1,205,946	61.8%	\$744,883	38.2%
5	Beaumont	\$1,490,636	3.4%	\$780,304	52.3%	\$710,331	47.7%
6	Houston	\$10,410,306	24.0%	\$908,649	8.7%	\$9,501,657	91.3%
7	Austin/Round Rock	\$2,410,963	5.6%	\$557,625	23.1%	\$1,853,339	76.9%
8	Waco	\$2,422,914	5.6%	\$557,910	23.0%	\$1,865,004	77.0%
9	San Antonio	\$3,392,677	7.8%	\$614,367	18.1%	\$2,778,310	81.9%
10	Corpus Christi	\$1,844,502	4.2%	\$717,931	38.9%	\$1,126,571	61.1%
11	Brownsville/Harlingen	\$3,853,440	8.9%	\$1,367,015	35.5%	\$2,486,425	64.5%
12	San Angelo	\$1,220,721	2.8%	\$529,177	43.3%	\$691,545	56.7%
13	El Paso	\$1,840,221	4.2%	\$543,983	29.6%	\$1,296,237	70.4%
	<b>Total</b>	<b>\$43,423,648</b>	<b>100.0%</b>	<b>\$10,217,329</b>	<b>23.5%</b>	<b>\$33,206,319</b>	<b>76.5%</b>

As required by state statute, 15% of that ceiling is deducted for the At-Risk Set-Aside, which is not awarded regionally. The balance of the estimated ceiling is regionally allocated using this formula.

*Allocation and distribution for Stimulus Programs can be found in the Stimulus Programs chapter.*

## **POLICY PRIORITIES**

TDHCA's mission is to help Texans achieve an improved quality of life through the development of better communities. In addition to the goals established by the Legislative Appropriations Request, the Riders in the Legislative Appropriations Act and Texas state statute, TDHCA continues to search for new ways to meet its mission. The following are policy priorities of TDHCA.

The TDHCA statute, 2306.0721, requires the Action Plan to analyze the following:

- Rural Needs
  - Meeting the housing needs of the less-populous areas of the state
- Energy Efficiency
  - Encouraging energy efficiency in housing and appliances
- Underused Federal Resources
  - Monitor and analyze federal resources of other state agencies

Policy Priorities of TDHCA include:

- Fair Housing
  - Providing assistance without regard to race, color, religion, sex, disability, familial status or national origin and affirmatively furthering fair housing
- Extremely Low-Income Households and Households Living in Poverty
  - Addressing the underserved needs of extremely low-income households
- Housing needs and resources available to persons with special needs
  - Addressing and tracking the housing needs and resources available to special needs populations
- Housing with services for special needs populations
  - Coordination of housing resources and service providers that serve the needs of the populations with special needs
- Desegregation of person with special needs
  - Addressing the reintegration of people with special needs who live in institutions

HUD identified five special needs populations and TDHCA works to support these HUD-designated populations. To tailor its programs to meet Texas' particular needs, TDHCA has also included colonia residents and migrant farm workers as special needs populations.

A list of TDHCA special needs populations follows:

- Homeless Populations
- Persons with Disabilities
- Elderly Populations
- Persons with Alcohol and Substance Abuse Issues
- Persons with HIV/AIDS
- Public Housing Residents
- Colonia Residents
- Migrant Farm workers

A short description of each priority set by 2306 is below. Following the descriptions are policy-driven actions undertaken by TDHCA.

## RURAL NEEDS

As the migration of populations and industries continues to urban and suburban areas, the less-populous areas of the state are left with a deteriorating housing stock and households with lower incomes than their urban or suburban counterparts. According to HUD, for 2010 the median income for Texas metropolitan statistical areas is \$61,000 compared to \$46,500 for non-metro area households.<sup>2</sup>

*Policy-Driven Action:* Combined with a strategy of interagency collaboration, TDHCA's HOME, Housing Trust Fund, Housing Tax Credits and Section 8 Housing Choice Voucher programs all have specific measures to address rural populations. In addition, TDHCA created the Rural Housing Workgroup in 2010 to address issues specific to rural areas.

The Department works closely with several rural-based affordable housing organizations, private lenders, nonprofits and units of local government in order to give funding priority to rural areas. Affordable housing development in rural areas requires more effort because there are significantly fewer organizations available to assist with these activities. With this in mind, the Department has developed specific strategies to address the needs of the rural populations of the state, which include rural allocations for housing program funds, prioritizations of activities that are more needed in rural areas, willingness to expand capacity and increasing awareness of TDHCA programs in rural areas.

Section 2306.111(d) of the Texas Government Code requires that the TDHCA Regional Allocation Formula (RAF) consider rural and urban areas in its distribution of program funding. Because of this, allocations for the HOME, Housing Trust Fund and Housing Tax Credit programs are allocated by rural and urban areas within each region.

Specifically for Housing Tax Credits, the Housing Tax Credit RAF provides for a minimum of \$500,000 rural allocation in each uniform state service region and reserves a minimum of 20 percent of the state's tax credit amount for rural areas. Furthermore, TDHCA and the Texas Department of Rural Affairs (TDRA) administer the Housing Tax Credit Program's rural regional allocation. TDRA assists in developing criteria for rural regional allocation. TDRA also participates in the evaluation and site inspection of rural developments proposed under the rural allocation.

As established in Section 2306.111(c) of the Texas Government Code, 95 percent of the Department's HOME funds are required to serve households in non-participating jurisdictions, which are primarily rural areas of the state. Non-participating jurisdictions are those areas of the State that do not receive HOME funds directly from HUD. The remaining five percent of the annual HOME Program allocation is set aside for applicants servicing persons with disabilities regardless of their location in the state.

The Housing Trust Fund has programmed \$2,000,000 for a Rural Housing Expansion Program, which will build capacity in tandem with actual production of affordable housing in rural Texas. In addition, the Housing Trust Fund's Affordable Housing Match Program provides funds to nonprofit organizations to attract or meet requirements for affordable housing grants or government programs. An example of eligible use includes direct match for state, federal or private grants or loans for affordable housing in rural Texas.

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<sup>2</sup>HUD. (2010, May 14) Estimated median family incomes for fiscal year 2010. Retrieved from <http://www.huduser.org/portal/datasets/il/il10/Medians2010.pdf>.

The TDHCA Section 8 Housing Choice Voucher Program specifically serves households in small cities and rural communities that are not served by similar local or regional housing voucher programs.

### Rural Housing Workgroup

The Rural Housing Workgroup provides a forum for feedback to TDHCA management and staff as they develop policies, programs and rules for the federal and state programs administered by TDHCA. TDHCA programs serve urban and rural areas of the state. However, providing services and housing in rural areas presents unique challenges and opportunities. In order to address those challenges and make sure that rural input and concerns are adequately considered across all aspects of TDHCA's program development, design and implementation, TDHCA established the Rural Housing Workgroup in 2010. The Rural Housing Workgroup includes representatives from a spectrum of rural housing interests. The group includes for- and non-profit rural housing providers, rural policy advocates, farmworker housing policy advocates, legislative staff and affordable housing membership organizations.

## **ENERGY EFFICIENCY**

Energy and water costs are often the largest single housing expense after food and shelter for lower-income families. Utility expenses can absorb approximately 25 percent of the income for a household that receives Social Security Insurance and no other forms of income, whereas utility costs comprise only 4 percent of the income for households that make the median income in the United States.<sup>3</sup> Proper use of existing technologies and management practices can reduce these utility costs significantly at a relatively low initial cost, thereby greatly increasing housing affordability for low- and moderate-income families.

*Policy-Driven Action:* TDHCA offers training, workshops and conferences to encourage energy efficiency as well as requiring specific measures in its Comprehensive Energy Assistance program, Weatherization Assistance Program, HOME Programs, Housing Tax Credit Program, Multifamily Bond Program and Neighborhood Stabilization Program that address energy efficiency.

The Department encourages energy efficiency in the construction of affordable housing by offering training, workshops, conferences and other opportunities to learn about energy efficiency construction and by encouraging applicants for Department programs to consider energy efficiency in their developments.

Comprehensive Energy Assistance Program and the Weatherization Assistance Program allocate funding to help households control energy costs through utility payment assistance, the installation of weatherization measures and energy conservation education. Weatherization services include the installation of storm windows, repair and/or replacement of heating and cooling appliances, attic and wall insulation and weather-stripping and sealing.

The HOME, Housing Tax Credit, Multifamily Bond and Neighborhood Stabilization programs require applicants for multifamily developments to adhere to the statewide energy code and provide Energy Star Rated appliances. The Housing Tax Credit Program also gives additional application points for the use of energy-efficient alternative construction materials including R-15 wall and R-

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<sup>3</sup> HUD. (2009, June 15). Utility bills burden the poor and can cause homelessness. Retrieved from <http://www.hud.gov/offices/cpd/library/energy/homelessness.cfm>.

30 ceiling insulation, structurally insulated panels, 14 SEER (seasonal energy efficiency ratio) cooling units and numerous green building initiatives.

### UNDERUSED FEDERAL RESOURCES

TDHCA regularly analyzes the unused or underused federal resources of other state agencies for housing-related services and services for homeless individuals and ensures that all available federal resources are used for affordable housing across Texas. TDHCA does this by participation in numerous committees, workgroups and councils that, among other things, allow the Department to stay apprised of other state agency resources for affordable housing. Relationships with other departments are vital to ensure that Texas agencies coordinate housing and services to most efficiently and effectively serve Texans. In addition to this collaboration, TDHCA closely monitors and proactively pursues available federal funding opportunities to ensure that Texas can access additional affordable housing funds.

TDHCA has staff committed to several external state advisory workgroups and statutory commissions. Many of these commissions have members from the public and private sectors. These external groups include, but are not limited to:

Workgroup/Commission	Lead agency
Aging Texas Well Advisory Committee (ATWAC)	Department of Aging and Disability Services
Community Reinvestment Workgroup	Texas Comptroller
Community Resource Coordination Groups (CRCG)	Health and Human Services Commission
Faith and Community Based Initiative	One Star Foundation
Governor's Commission for Women	Governor's Office
Mental Health Planning Advisory Commission (MHPAC)	Department of State Health Services
Money Follows the Person Demonstration Project (MFTP)	Department of Aging and Disability Services
Promoting Independence Advisory Committee (PIAC)	Department of Aging and Disability Services
Reentry Task Force	Department of Criminal Justice
Interagency Coordinating Commission for Building Healthy Families (ICC)	Department of Family Protective Services
Transformation Workgroup (TWG)	Department of State Health Services

In addition to the external workgroups and commissions, TDHCA is the lead agency for two groups that also provide opportunities for state agency coordination, the Texas Interagency Council on the Homeless (TICH) which is discussed under Homeless Populations (Special Needs) below and the Housing and Health Services Coordination Council (HHSCC), which is discussed under Housing with Services for Special Needs Populations below.

A short description of other priorities set by TDHCA is below. Following the descriptions are policy-driven actions undertaken by TDHCA.

## **FAIR HOUSING**

Through program requirements and compliance monitoring, TDHCA works to ensure that housing programs benefit individuals without regard to race, color, religion, sex, disability, familial status or national origin. Complaints involving all forms of housing discrimination are also referred to the Texas Workforce Commission Human Rights Division, which oversees the Texas Fair Housing Act.

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 state and physical or mental handicaps.

*Policy-Driven Action:* The Department is in the process of updating its 2003 Analysis of Impediments to Fair Housing (AI). The AI is being completed in two parts: (1) the counties affected by Hurricanes Rita and Ike and (2) the balance of the State. Internal preparations have begun.

State activities and current ongoing objectives relating to fair housing are discussed below:

- Comply with the Texas Fair Housing Act in TDHCA-administered programs.
- Coordinate fair housing efforts with the Human Rights Division of the Texas Workforce Commission which was created under the Texas Fair housing Act to directly address public grievances related to fair housing.
- Additionally, consistent with federal law and guidance from HUD and the Department of Justice, it is the policy of TDHCA to not require its nonprofit recipients of funds to verify, as a condition of receiving federal funds, the citizenship or immigration status of applicants for funds, with the exceptions of the Section 8 voucher programs administered by the state. The overall policy of legal residency verification is subject to revision and will be made to conform to the HUD rule currently under review when it is adopted in a final form, or state statutory changes if enacted.

The Section 8 Admittance Policy has been adopted by the TDHCA Board and is as follows:

- Managers and owners of Housing Tax Credit (HTC) properties are prohibited from having policies, practices, procedures and/or screening criteria that have the effect of excluding applicants because they have a Section 8 voucher or certificate.
- The verification of such an exclusionary practice on the part of the owner or the manager by TDHCA will be considered a violation and will result in the issuance of a Notice of Violation and, if appropriate, issuance of a Form 8823 to the Internal Revenue Service.
- Any violation of program requirements relative to this policy will also impact the Owner's ability to participate in future TDHCA programs.

## **EXTREMELY LOW-INCOME HOUSEHOLDS AND HOUSEHOLDS LIVING IN POVERTY**

The U.S. Department of Health and Human Services defines the 2010 poverty guideline as \$22,050 in income for a family of four,<sup>4</sup> and many poor families make substantially less than this. Poverty can be self-perpetuating, creating barriers to education, health care and the financial stability provided by homeownership.

The data presented in the *Housing Analysis* chapter of this report shows that households with lower incomes have higher incidences of housing problems. There is a minimal difference between the incidences of housing problems between the two lowest income groups (0-30 percent and 31-50 percent of median income). While incidences of housing problems for these two groups are significantly higher than those of the other low-income group, households with incomes at 51-80 percent of median income have significant needs as well.

*Policy-Driven Action:* The Department has an important role in addressing poverty in Texas; 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.

Households at or under 80 percent AMFI have been given higher priority than households above 80 percent AMFI. This prioritization allows TDHCA to target resources to those households most in need, regardless of household type.

In the Neighborhood Stabilization Program Round 1, a minimum of \$25,499,212 will be dedicated to serve households at 50% AMFI or below through the acquisition and rehabilitation or redevelopment of residential properties that will result in permanent housing.

While one of the Department's charges is to serve the State's populations from extremely low income to moderate income, funding priority is given to those populations that are most in need of services; low-, very low- and extremely low-income individuals and households. Additionally, the Texas Legislature, through Rider 5 in the 2010-2011 Appropriations Act, specifically calls upon TDHCA to prioritize funding toward individuals and families that earn less than 60 percent AMFI. This rider directs TDHCA to apply \$30,000,000 annually towards assisting extremely low-income households and no less than 20 percent of the Department's total housing funds towards assisting very low-income households. TDHCA works to meet these goals by providing incentives for applicants to set aside units for very low-and extremely low-income households.

The Department provides low-income persons with energy, emergency and housing assistance to meet the basic necessities, as described in the Housing Support Continuum above. Almost all programs and divisions, with the exception of the Manufactured Housing Division, have income guidelines that target low-to moderate-income Texans and households in need.

## **HOUSING NEEDS AND RESOURCES AVAILABLE TO PERSONS WITH SPECIAL NEEDS**

Serving persons with special needs is a priority for TDHCA. To accomplish this priority, TDHCA first has to identify the housing needs of and resources available to people with special needs. To

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<sup>4</sup>U.S. Department of Health and Human Services, (2010, August 3). Annual Update of the HHS Poverty Guidelines. Retrieved from <http://aspe.hhs.gov/poverty/10poverty.shtml>.



identify the needs of persons with special needs, the Department uses research and public input. To identify the resources available to people with special needs, the Department collaborates with other State, Federal and local entities to create a statewide database of resources, which is then made available to the public.

Research of the needs of people with special needs is accomplished in the *Housing Analysis* chapter above. The *Housing Analysis* chapter analyzes the housing need of each special needs category and provides estimates for the populations within each region for many different data sources and studies.

The Department gathers and responds to public input on the needs of people with special needs from several work groups for which TDHCA leads or participates, such as the Disability Advisory Workgroup (discussed under Persons with Disabilities (Special Needs) below), the Housing and Health Services Coordination Council (discussed under Housing with Services for Special Needs Populations below) and the Promoting Independence Advisory Committee (Discussed under Desegregation of Persons with Special Needs below).

The Department identifies resources available to people with special needs by working with State, Federal and local providers to compile a statewide database of available affordable and accessible housing. From online sources listed in the *Housing Analysis* chapter, TDHCA compiles the number of affordable housing units from HUD, USDA, and PHAs, as well as the number of Section 8 vouchers. In addition, the Housing Resource Center within TDHCA annually updates the *Program Guide*, which provides a list of affordable housing providers with contact information. Furthermore, TDHCA has set up a referral service to provide this information at no cost to the consumer. The referral service is within the Housing Resource Center and can be accessed by phone (800-525-0657), email (info@tdhca.state.tx.us) or physical mail (PO Box 13941, Austin, TX 78711). TDHCA promotes awareness of the statewide database to providers and potential clients throughout the State through public hearings, the TDHCA website and local informational workshops.

## **HOUSING WITH SERVICES FOR SPECIAL NEEDS POPULATIONS**

TDHCA works to promote the coordination of housing resources available among State and Federal agencies and consumer groups that serve the needs of the populations with special needs. TDHCA also continues to work with agencies, advocates and other interested parties in the development of programs that will address the needs of persons with special needs. Finally, TDHCA strives to increase the awareness of potential funding sources for organizations to access and to serve populations with special needs through the use of TDHCA planning documents, website and the Housing and Health Services Coordination Council, as described below.

### *Housing and Health Services Coordination Council*

The 81<sup>st</sup> Legislature created the Housing and Health Services Coordination Council (Council) through SB 1878. The Council's purpose is to increase the amount of service-enriched housing for seniors and people with disabilities; improve interagency understanding of housing and services and increase the number of staff in state housing and state health services agencies that are conversant in both housing and health care policies; offer a continuum of home and community-based services that is affordable to the state and the target population. The Council includes 16 members including the Executive Director of TDHCA, eight members appointed by the Governor and seven members appointed by State Agencies. The Council and its two committees (the Policy

& Barriers Committee and the Cross-Agency Education & Training Committee) meets quarterly and TDHCA staff provide clerical and advisory support.

On September 1, 2010 the Council submitted the *2010-2011 Biennial Plan* to the Governor and Legislative Budget Board. The Plan provides policy and programmatic recommendations for meeting statutory directives and increasing service-enriched housing. The Plan can be found on the Council's webpage at: <http://www.tdhca.state.tx.us/hhsc/index.htm>. In the Plan, the Council offered eleven housing policy and ten service policy recommendations for increasing and promoting production of service-enriched housing. On the housing side, the Council first sought to promote the use of multifamily rental housing funding sources for the set-aside of housing units for very low-income persons with disabilities and persons who are elderly and establishing a targeting plan for connecting these individuals with off-site services and supports. In regards to health and human services policy recommendations, the Council sought to support the expansion and increased funding of those programs and services that have proven successful at assisting persons with disabilities and persons who are elderly to remain living independently in community-based settings. These include Medicaid 1915(c) waiver programs, nursing facility diversion programs, Aging and Disability Resource Centers and nursing home relocation activities.

### **DESEGREGATION OF PERSONS WITH SPECIAL NEEDS**

In the past, public program spending for long-term services and supports for persons who are elderly and persons with disabilities in Texas was allocated in large part to institutional facilities, such as nursing homes. However, over the last two decades, the advent of Medicaid waivers, home and community-based service alternatives have become an increasingly significant option and choice, as witnessed through recent federal and state legislation.

TDHCA works to increase the awareness of the availability of conventional housing programs for persons with special needs. TDHCA also supports the development of housing options and programs, which enable persons with special needs to reside in noninstitutional settings. The Department works to accomplish these priorities through the Housing and Health Services Coordination Council, described above, and the Promoting Independence Advisory Committee, described below. Furthermore, TDHCA contributes to promoting independence through the Project Access program.

#### *Promoting Independence Advisory Committee*

With the advent of the Olmstead decision, the Health and Human Services Commission (HHSC) initiated the Promoting Independence Initiative and appointed the Promoting Independence Advisory Board, as directed by then-Governor George Bush's Executive Order GWB 99-2. Governor Rick Perry's Executive Order RP 13 complements GWB 99-1. Now known as the Promoting Independence Advisory Committee (PIAC), the PIAC assists the Health and Human Services Commission in creating the State's response to the Olmstead decision through the biannual Promoting Independence Plan. This plan highlights the State's efforts to assist those individuals desirous of community placement, appropriate for community placement as determined by the state's treatment professionals and who do not constitute a fundamental alteration in the state's services, to live in the community. TDHCA participates in PIAC meetings.

TDHCA's Section 8 Housing Choice Vouchers Program administers the Project Access program to assist low-income persons with disabilities in transitioning from institutions into the community by providing access to affordable housing. TDHCA's Project Access partners with the Department of

Aging and Disability Services (DADS) to coordinate with the Money Follows the Person Program, which provides community-based alternatives to individuals living in institutions.

A short description of each special needs population is below. Following the descriptions are policy-driven actions undertaken by TDHCA.

### HOMELESS POPULATION (SPECIAL NEEDS)

On May 20, 2009 President Obama signed into law a bill to reauthorized HUD's McKinney-Vento Homeless Assistance programs. The bill was included as part of the Helping Families Save Their Homes Act. The new Act, called the Homeless Emergency Assistance and Rapid Transition to Housing Act (HEARTH Act), updated the McKinney Vento definition of homelessness. The new definition of homelessness is as follows:

- 1) *An individual or family who lacks a fixed, regular, and adequate nighttime residence;*
- 2) *An individual or family with a primary nighttime residence that is a public or private place not designed for or ordinarily used as a regular sleeping accommodation for human beings, including a car, park, abandoned building, bus or train station, airport, or camping ground;*
- 3) *An individual or family living in a supervised publicly or privately operated shelter designated to provide temporary living arrangement (including hotels and motels paid for by Federal, State, or local government programs for low-income individuals or by charitable organizations, congregate shelters, and transitional housing);*
- 4) *An individual who resided in a shelter or place not meant for human habitation and who is exiting an institution where he or she temporarily resided;*
- 5) *An individual or family who—*
  - a. *Will imminently lose their housing, including housing they own, rent, or live in without paying rent, are sharing with others, and rooms in hotels or motels not paid for by Federal, State, or local government programs for low-income individuals or by charitable organizations...*
  - b. *Has no subsequent residence identified; and*
  - c. *Lacks the resource or support networks needed to obtain other permanent housing; and*
- 6) *Unaccompanied youth and homeless families with children and youth defined as homeless under other Federal Statutes who—*
  - a. *Have experience a long term period without living independently in permanent housing,*
  - b. *Have experienced persistent instability as measured by frequent moves over such period, and*
  - c. *can be expected to continue in such status for an extended period of time because of chronic disabilities, chronic physical health or mental health conditions, substance addiction, histories of domestic violence or childhood abuse, the presence of a child or youth with a disability, or multiple barriers to employment.*

Estimates of homeless populations vary widely. The migratory nature of the homeless population, the stigma associated with homelessness and the fact that many homeless individuals lack basic documentation all contribute to the difficulty of making an accurate count. Most homeless surveys are "point-in-time" estimates, which do not capture the revolving-door phenomenon of persons moving in and out of shelters over time. Furthermore, the homeless population can be classified into three categories: (1) literally homeless, which describes people who have no permanent residence and stay in shelters or public places; (2) marginally homeless, which describes people who live temporarily with other people and have no prospects for housing; and (3) people-at-risk-of-homelessness, which describes people who have incomes below the poverty level, rely on utility

and rental assistance and may be unable to absorb unexpected events such as the loss of a job or serious illness.

*Policy-Driven Action:* The first phase of the Housing Support Continuum is “(1) Poverty and Homelessness Prevention” and includes the Community Service Block Grant, Comprehensive Energy Assistance, Emergency Solutions Grant, Homelessness Prevention and Rapid Re-Housing, and Homeless Housing and Services programs. In addition, other programs not specifically created for homelessness prevention nevertheless include several activities to address this population’s special needs. For instance, the Housing Tax Credit and the Housing Trust Fund programs both can be used for homeless populations. In addition, TDHCA coordinates with the Texas Interagency Council for the Homeless.

While the Housing Tax Credit Program is well-known and primarily used for the construction, acquisition and/or rehabilitation of new, existing, at-risk and rural housing, the Housing Tax Credit Program can also be used to develop transitional housing and permanent supportive housing for homeless populations. Furthermore, according to the 2011 Housing Tax Credit Program Rule, the Housing Tax Credit Program offers additional points during the award process for developments that propose to set aside 5 percent of the units for persons with special needs, including homeless populations, persons with alcohol and/or drug addictions, Colonia residents, person with disabilities, victims of domestic violence, persons with HIV/AIDS, and migrant farmworkers.

The Housing Trust Funds’ Affordable Housing Match Program provides funding to nonprofit organizations to attract or meet requirements for affordable housing grants or government programs. An example of an eligible use includes direct match for state, federal or private grants or loans for homeless populations.

#### Texas Interagency Council for the Homeless

The Texas Interagency Council for the Homeless (TICH) was created in 1989 to coordinate the State’s homeless resources and services. TICH consists of representatives from all state agencies that serve persons experiencing or at risk of homelessness. The council receives no funding and has no full-time staff, but receives facilitation and advisory support from TDHCA. The council holds public hearings in various parts of the state to gather information useful to its members in administering programs. The Council’s major mandates include:

- evaluating and helping coordinate the delivery of services for the homeless in Texas;
- increasing the flow of information among service providers and appropriate authorities;
- providing technical assistance to TDHCA in assessing the need for housing for people with special needs;
- developing, in coordination with TDHCA and the Health and Human Services Commission, a strategic plan to address the needs of the homeless; and
- maintaining a central resource and information center for the homeless.

TICH is currently developing a *Strategic Plan to End Homelessness (Plan)* that will address collaboration among federal, state and local organizations to better address the needs of homeless persons and to prevent homelessness. Four committees met in 2010 to expand on sections of the Plan. Also, a Volunteers in Service to America (VISTA) member for the TICH began his placement with TDHCA in November of 2010. With this full-time position, the TICH hopes to function at fuller capacity and complete the development of the Plan by October 2011. The creation and implementation of the Plan will inventory existing State agency services, compare Texas’ efforts to recommendations for states made by the United States Interagency Council for the Homeless (USICH) and set a course for preventing and ending homelessness in Texas.

## PERSONS WITH DISABILITIES (SPECIAL NEEDS)

Federal laws define a person with a disability as "Any person who has a physical or mental impairment that substantially limits one or more major life activities; has a record of such impairment; or is regarded as having such an impairment." According to the 2005 and 2007 American Community Survey, approximately 6.6 percent, or 1,383,728 Texans over the age of 5 had one disability, and 7.8 percent, or 1,635,313 of Texans over the age of 5 had two or more disabilities. Of the people with disabilities aged 16 to 64, approximately 3.1 percent had a sensory disability (severe vision or hearing impairment), 7.1% had a physical disability (condition that substantially limits a physical activity such as walking or carrying), 4.4% had a mental disability (learning or remembering impairment), 2.1 percent had a self-care disability (dressing, bathing, or getting around inside the home), 3.1 percent had a go-outside-home disability, and 6.2 percent had an employment disability.<sup>5</sup>

Housing opportunities for people with disabilities may be complicated by low incomes. The 2005 to 2007 American Community Survey estimates that 38.6 percent of persons with any disability were employed during that time period. In addition, 23.4 percent were below the poverty level.<sup>6</sup> Many people with disabilities may be unable to work, and receive social security income (SSI) or social security disability insurance (SSDI) benefits as their principal source of income. In nationwide study *Priced Out In 2008: The Housing Crisis for People with Disabilities*, a person receiving SSI as their sole source of income would need to pay 112.1 percent of their income to rent a one-bedroom unit or 99.3 percent of their income to rent a studio/efficiency.<sup>7</sup>

The Olmstead Supreme Court decision maintained that unnecessary segregation and institutionalization of people with disabilities is unlawful discrimination under the Americans with Disabilities Act (ADA). Furthermore, the Fair Housing Act, Section 504 of the Rehabilitation Act, ADA and Section 2306.514 of the Texas Government Code all provide mandates for accessible residential housing for persons with disabilities. Housing developers may also choose to provide "adaptive design" or "universal access" housing, which promotes basic, uniform standards in the design, construction and alteration of structures that include accessibility or simple modification for individuals with a disability. While an "adaptable" unit may not be fully accessible at time of occupancy, it can easily and inexpensively be modified to meet the needs of any resident. Another option is to equip homes with special features designed for persons with disabilities, including ramps, extra-wide doors and hallways, hand rails and grab bars, raised toilets and special door levers.

Advocates for the elderly and persons with disabilities continue to stress that the primary goal of these populations is to live independently and remain in their own homes and communities. Advocates considered access to rehabilitation funds for single-family housing a priority. The rehabilitation funds would perform minor physical modifications such as extra handrails, grab bars, wheelchair-accessible bathrooms and ramps, thus making existing units livable and providing a cost-effective and consumer-driven alternative to institutionalization. Likewise, the availability of

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<sup>5</sup>U.S. Census Bureau, 2005-2007 American Community Survey. (n.d.). Subject tables. Retrieved from <http://factfinder.census.gov/>.

<sup>6</sup> Ibid.

<sup>7</sup>Cooper, E. Koman, H., O'Hara, A., & Zovistoski, A. (2009, April). Priced out in 2008. The housing crisis for people with disabilities. Retrieved from <http://www.endlongtermhomlessness.org/downloads/news/Priced%20Out%202008.pdf>.

rental vouchers that provide options beyond institutional settings is a high priority. Another recognized need for people with disabilities is deeply affordable rents.

*Policy-Driven Action:* The Comprehensive Energy Assistance, Weatherization Assistance, HOME, Housing Trust Fund, housing Tax Credit, Multifamily Bond, Section 8, Neighborhood Stabilization, and Community Development Block Grant Disaster Recovery programs all have specific measures to address the needs of people with disabilities. Furthermore, the Integrated housing Rule, as implemented by TDHCA, works to meet the needs of people with disabilities. In addition, TDHCA plays an active role in the Housing and Health Services Coordination Council (described in Housing with Services for Special Needs Population above), Promoting Independence Advisory Committee (described in “Desegregation of Persons with Special Needs above), and the Disability Advisory Workgroup which all collaborate with groups representing people with disabilities.

Priority for energy assistance through Comprehensive Energy Assistance and Weatherization Assistance Programs are given to the person with disabilities as well as other special needs and prioritized groups. Local providers must implement special outreach efforts for these special needs populations.

As established in Section 2306.111(c) of the Texas Government Code and subject to the submission of qualified applications, five percent of the annual HOME Program allocation shall be allocated for applications serving person with disabilities living in any part of the state. Furthermore, the HOME Homeownership with Rehabilitation activity provides down payment and closing cost assistance as well as construction costs associated with architectural barrier removal to assist homebuyers with disabilities.

HOME, Housing Trust Fund, Housing Tax Credit, Multifamily Bond and Neighborhood Stabilization Program’s developments that are new construction must conform to Section 504 standards, which require that at least five percent of the development’s units be accessible for person with physical disabilities and at least two percent of the units be accessible for person with hearing and visual impairments.

According to the 2011 Housing Tax Credit Program QAP, the Housing Tax Credit Program offers additional application points during the award process for developments that propose to set aside 5 percent of the units for persons with special needs, including persons with disabilities, persons with alcohol and /or drug addictions, Colonia residents, victims of domestic violence, persons with HIV/AIDS, homeless populations and migrant farm workers.

The Housing Trust Fund’s Amy Young Barrier Removal Program is designed to provide a one-time grant up to \$15,000 for home modifications specifically needed for accessibility, and up to an additional \$5,000 in other rehabilitation costs correlated with the barrier removal project. Home modifications may include installing handrails; ramps, bussing or flashing devices; accessible door and faucet handles; shower grab bars and shower wands; and accessible showers, toilets and sinks. Home modifications may also include door widening and counter adjustments. In addition, the Housing Trust Funds’ Affordable Housing Match Program provides funding to nonprofit organizations to attract or meet requirements for affordable housing grants or government programs. An example of an eligible use includes direct match for state, federal or private grants or loans for Persons with Disabilities.

TDHCA’s Section 8 Housing Choice Vouchers Program administers the Project Access program to assist low-income persons with disabilities in transitioning from institutions into the community by providing access to affordable housing. Eligible households are those that meet the Section 8

criteria, have a disability and are either an At-Risk Applicant and a previous resident, or a current resident of nursing facility, intermediate care facility, or board and care facility at the time of voucher issuance. The 2011 Annual Public Housing Agency (PHA) Plan increases the number of Project Access vouchers from 60 to 100 vouchers. In tandem with the increase in vouchers from 60 to 100, the Department instituted a change that 20 percent of Project Access vouchers will be reserved for persons at or over the age of 62, due to the great need for affordable housing among this aging population transitioning out of institutions. Previously, Project Access voucher recipients had to be under the age of 62 to qualify for the program.

The Community Development Block Grant Disaster Recovery Program Round Two's Sabine Pass Restoration Program allows homeowners with a disability or elderly households the opportunity to apply for an additional \$15,000 in assistance for accessibility-related costs associated with elevating the dwelling.

### Integrated Housing Rule

An issue of particular concern for advocates for persons with disabilities involved the Department's policies related to integrated housing. Integrated housing, as defined by SB 367 and passed by the 77<sup>th</sup> Texas Legislature, is "housing in which a person with a disability resides or may reside that is found in the community but that is not exclusively occupied by persons with disabilities and their care providers." The Department, with the assistance of the TDHCA Disability Advisory Workgroup, developed an integrated housing rule to address this concern. The Integrated Housing Rule, for use by all Department housing programs, is found at 10 TAC 1.15 and is summarized as follows:

A housing development may not restrict occupancy solely to people with disabilities or people with disabilities in combination with other special needs populations.

- Large housing developments (50 units or more) shall provide no more than 18 percent of the units of the development set aside exclusively for people with disabilities. The units must be dispersed throughout the development.
- Small housing developments (less than 50 units) shall provide no more than 36 percent of the units of the development set aside exclusively for people with disabilities. These units must be dispersed throughout the development.
- Set-aside percentages outlined above refer only to the units that are to be solely restricted for persons with disabilities. This section does not prohibit a property from having a higher percentage of occupants that are disabled.
- Property owners may not market a housing development entirely, nor limit occupancy to, persons with disabilities.

Exceptions to the above rule include (1) scattered site development and tenant-based rental assistance; (2) transitional housing that is time limited with a clear and convincing plan for permanent integrated housing upon exit from the transitional situation; (3) housing developments designed exclusively for the elderly; (4) housing developments designed for other special needs populations; and (5) TDHCA Board waivers of this rule to further the purposes or policies of Chapter 2306, Texas Government Code, or for other good cause.

### Disability Advisory Workgroup

TDHCA has found that directly involving program beneficiary representatives, community advocates and potential applicants for funding in the process of crafting its policies, programs and rules is extremely helpful. This process is often done through a working group format. The working groups



provide an opportunity for staff to interact with various program stakeholders in a more informal environment than that provided by the formal public comment process. TDHCA has actively maintained a Disability Advisory Workgroup which provides ongoing guidance to the Executive Director on how TDHCA's programs can most effectively serve persons with disabilities.

### **ELDERLY POPULATIONS (SPECIAL NEEDS)**

According to the 2006 to 2008 American Community Survey, there were approximately 2,396,684 Texans aged 65 and over during that time period. This made up approximately 10 percent of the Texas population. The *State of Texas Senior Housing Assessment* found that 91 percent of survey respondents expressed a desire to stay in their own homes as long as possible and two-thirds believed that they would always live in their homes.<sup>8</sup> Of all elderly households nationwide, 68 percent owned their own homes free and clear. However, elderly homeowners generally live in older homes than the majority of the population; the median year of construction for homes owned by elderly households was 1969 and 4.4 percent of the homes had physical problems.<sup>9</sup> Due to their age, homes owned by the elderly are often in need of weatherization and repair.

*Policy-Driven Action:* The Community Service Block Grant, CDBG Disaster Recovery, Comprehensive Energy Assistance, Weatherization Assistance, HOME, Housing Trust Fund, Housing Tax Credit and Multifamily Bond programs have specific activities that service elderly Texans. In addition, TDHCA plays an active role in the Housing and health Service Coordination Council, which works to increase the amount of service-enriched housing for seniors and people with disabilities. A description of this Council is included under the Persons with Disabilities special needs category above.

Community Service Block Grant eligible entities operate programs targeting the elderly. Such programs include Meals-on-Wheels, congregate meal programs, senior activity centers and home care services.

The CDBG Disaster Recovery Program Round Two's Sabine Pass Restoration Program allows homeowners with a disability or elderly households the opportunity to apply for an additional \$15,000 in assistance for accessibility-related costs associated with elevating the dwelling.

The Department's Comprehensive Energy Assistance and Weatherization Assistance Programs give preference to the elderly as well as other special needs and priority populations. Subrecipients must conduct outreach activities for these special needs populations.

Homeowner Rehabilitation Assistance, offered through the HOME Program provides funds for the repair and rehabilitation of homes owned by very low-income households and many of the assisted households are elderly.

The Housing Trust Funds' Affordable Housing Match Program provides funding to Nonprofit Organization to attract or meet requirements for affordable housing grants or government programs. An example of an eligible use includes direct match for state, federal or private grants or loans for elderly populations.

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<sup>8</sup>Texas Department of Aging and Disability Services (2005). *The State of Our State on Aging*. 27. Retrieved from [http://www.dads.state.tx.us/news\\_info/publications/studies/2005\\_sos\\_exec\\_summary.pdf](http://www.dads.state.tx.us/news_info/publications/studies/2005_sos_exec_summary.pdf).

<sup>9</sup>U.S. Department of Health and Human Services. (2009). *A Profile on Older Americans: 2009*. Retrieved from [http://www.aoa.gov/AoAroot/Aging\\_Statistics/Profile/2009/docs/2009profile\\_508.pdf](http://www.aoa.gov/AoAroot/Aging_Statistics/Profile/2009/docs/2009profile_508.pdf)

A Qualified Elderly Development is a development type that is eligible for funding through the Housing Tax Credit and Multifamily Bond programs. A Qualified Elderly Development is a development in which elderly residents occupy 80 to 100 percent of the units.

### **PERSONS WITH ALCOHOL AND SUBSTANCE ABUSE ISSUES (SPECIAL NEEDS)**

The national Surveys on Drug Use and Health found that from 2006 to 2007 approximately 6.4 percent of Texans aged 12 or older had used an illicit drug in the past month. The Texas rate is lower than the national average of 8 percent. Also, 2.7 percent of Texans aged 12 or older were dependent on or abused an illicit drug in the past year, compared to 2.8 percent nationwide.<sup>10</sup> In 2006, the Texas Department of State Health Services (DSHS) admitted 14,488 adult clients with alcohol problems and 40,667 adult clients with other drug addictions to state-funded treatment programs. The average age of adult clients was 34 and approximately 21 percent of adult clients were employed. The same year DSHS admitted 566 youth clients with alcohol problems and 7,013 youth clients with other drug problems to State-funded treatment programs.<sup>11</sup> The population of persons with alcohol or other drug addiction is diverse and often overlaps with the mentally disabled or homeless populations.

Supportive housing programs needed for persons with alcohol and/or other substance abuse issues range from short-term, in-patient services to long-term, drug-free residential housing environments for recovering addicts. Better recovery results may be obtained by placing individuals in stable living environments.

*Policy-Drive Action:* The Housing Tax Credit and Housing Trust Fund programs address the needs of people with alcohol and substance abuse issues.

According to the *2011 Housing Tax Credit Program QAP*, the Housing Tax Credit Program offers additional points during the award process for developments that propose to set aside 5 percent of the units for persons with special needs, including persons with alcohol and/or drug addictions, Colonia residents, persons with disabilities, victims of domestic violence, persons with HIV/AIDS, homeless populations and migrant farmworkers.

The Housing Trust Funds' Affordable Housing Match Program provides funding to nonprofit organizations to attract or meet requirements for affordable housing grants or government programs. An example of an eligible use includes direct match for state, federal or private grants or loans to address the needs of people with alcohol and substance abuse issues.

### **PERSONS WITH HIV/AIDS (SPECIAL NEEDS)**

Human Immunodeficiency Virus (HIV) is the virus that causes Acquired Immunodeficiency Syndrome (AIDS). HIV infects cells and attacks the immune system, which weakens the body and makes it especially susceptible to other infections and diseases. According to the Texas Department of State Health Services (DSHS), as of December 2007, there were 62,714 reported

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<sup>10</sup>Maxwell, J.C. (2009, June). Substance abuse trends in Texas: June 2009. Retrieved from [http://www.utexas.edu/research/cswe/gcattc/documents/Texas2009\\_002.pdf](http://www.utexas.edu/research/cswe/gcattc/documents/Texas2009_002.pdf).

<sup>11</sup>Texas Department of State Health Services. (2007, December 12). Substance abuse statistics: Texas statewide totals. Retrieved from <http://www.dshs.state.tx.us/sa/research/statewide-totals/>

persons living with HIV/AIDS in Texas.<sup>12</sup> Because of increased medical costs or the loss of the ability to work, people with HIV/AIDS may be at risk of losing their housing arrangements.

DSHS addresses the housing needs of AIDS patients through the Housing Opportunities for Persons with AIDS Program (HOPWA), which is a federal program funded by HUD. In Texas, HOPWA funds provide emergency housing assistance, which funds short-term rent, mortgage and utility payments to prevent homelessness; and tenant-based rental assistance, which enables low-income individuals to pay rent and utilities until there is no long a need or until they are able to secure other housing. In addition to the DSHS statewide program, the cities of Austin, Dallas, Fort Worth, Houston, San Antonio and El Paso receive HOPWA funds directly from HUD.

*Policy-Driven Action:* The Housing Tax Credit and Housing Trust Fund programs address the needs of people with HIV/AIDS.

According to the *2011 Housing Tax Credit Program QAP*, the HTC program offers additional points during the award process for developments that propose to set aside 5 percent of the units for persons with special needs, including persons with HIV/AIDS, persons with alcohol/or drug addictions, Colonia residents, persons with disabilities, victims of domestic violence, homeless populations and migrant farm workers.

The Housing Trust Funds' Affordable Housing Match Program provides funding to nonprofit organizations to attract or meet requirements for affordable housing grants or government programs. An example of an eligible use includes direct match for state, federal or private grants or loans to address the needs of persons with Human Immunodeficiency Virus (HIV) is the virus that causes Acquired Immunodeficiency Syndrome (AIDS).

### **PUBLIC HOUSING RESIDENTS (SPECIAL NEEDS)**

According to HUD data, there are 63,416 units of public housing and 155,770 Section 8 Housing Choice Vouchers in Texas.<sup>13</sup> TDHCA believes that the future success of Public Housing Authorities (PHAs) will center on ingenuity in program design, emphasis on resident participation towards economic self-sufficiency and partnerships with other organizations to address the needs of this population. While TDHCA does not have any direct or indirect jurisdiction over the management or operations of public housing authorities, it is important to maintain a relationship with these service providers.

*Policy-Driven Action:* TDHCA has developed a strong relationship with the Texas Housing Association and the Texas chapter of the National Association of Housing and Redevelopment Officials, which represent the public housing authorities of Texas. TDHCA has worked to promote programs that will repair substandard housing and develop additional affordable housing units. In addition, the Housing Tax Credit Program may also be used for the redevelopment of public housing authority property.

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<sup>12</sup>Texas Department of Health, HIV/STD Epidemiology Division, Surveillance Branch, Texas HIV/STD surveillance report: 2007 Annual Report, Austin, TX: 1. Retrieved from Texas HIV/STD Annual Report 2007; <http://www.dshs.state.tx.us/hivstd/info/annual/2007.pdf>

<sup>13</sup> HUD. (2010, November 11). Housing authority profiles. Retrieved from <https://pic.hud.gov/pic/haprofiles/haprofilelist.asp>.

## COLONIA RESIDENTS (SPECIAL NEEDS)

Major issues affecting colonias include high rates of unemployment, extremely low incomes, lack of sufficient infrastructure for water and sewer service, higher rates of certain diseases, lack of educational resources, substandard housing and use of contract for deed. The latter two issues are directly related to housing. Housing in colonias is often constructed by residents using only available materials; professional builders are not often used.<sup>14</sup> According to 2000 Census data, colonias have a 75 percent homeownership rate. Despite this rate, colonia homes are inadequate: 4.9 percent of colonia dwellings lack kitchen facilities and 5.3 percent lack plumbing facilities. It is estimated that 50 percent of colonia residents lack basic water and sewage systems: 51 percent use septic tanks, 36 percent use cesspools, 7 percent use outhouses and 6 percent use other wastewater systems.<sup>15</sup>

*Policy-Driven Action:* The Office of Colonia Initiatives (OCI), HOME and Housing Tax Credit programs all address the special needs of colonia residents.

In 1996, in an effort to place more emphasis on addressing the needs of colonias, the Office of Colonia Initiatives (OCI) at TDCHA was created and charged with the responsibility of coordinating all Departments and legislative initiatives involving border and colonia issues and managing a portion of the Department's existing programs targeted at colonias. The fundamental goal of the OCI is to improve the living conditions and lives of border and colonia residents and to educate the public regarding the services that the Department has to offer.

As part of its plan to improve the living conditions in colonias, OCI offers OCI Border Field Offices. The three OCI border field offices provide technical assistance to the counties and Colonia Self-Help Centers.

The HOME Program also administers the Contract for Deed Conversion Program to assist households in the colonias. Contract for Deed Conversion facilitates homeownership by converting contracts for deed into traditional mortgages.

According to the 2011 Housing Tax Credit Program QAP, the HTC program offers additional points during the award process for developments that propose to set aside 5 percent of the units for persons with special needs, including Colonia residents, persons with alcohol and/or drug addictions, persons with disabilities, victims of domestic violence, persons with HIV/AIDS, homeless populations and migrant farm workers.

## MIGRANT FARM WORKERS (SPECIAL NEEDS)

According to the U.S. Department of Health and Human Service Migrant and Seasonal Farm worker Enumeration Profiles Study in 2000, a seasonal farm worker describes an individual whose principal employment (at least 51 percent of time) is in agriculture on a seasonal basis and who has been so employed within the preceding twenty-four months; a migrant farm worker meets the same definition, but establishes temporary housing for purposes of employment. As of 2000, the U.S. Department of Health and Human Services estimated that there are 361,414 migrant and

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<sup>14</sup>Federal Reserve Bank of Dallas. (n.d.). Texas colonias. Retrieved from <http://www.dallasfed.org/ca/pubs/colonias.html>

<sup>15</sup>Moncada, N. (2001). A Colonias Primer. A briefing presented to the U.S. Department of Housing and Urban Development. Retrieved from <http://www.nationalmortgagenews.com/nmn/plus93.htm>.

seasonal farm workers and families residing in Texas. Of this population, 26 percent reside in Cameron, Hidalgo and Starr Counties.<sup>16</sup>

Farm workers have a particularly difficult time finding available, affordable housing because of extremely low and sporadic incomes and mobility. Many of the small, rural communities where migrant workers may seek employment do not have the rental units available for the seasonal influx. Overcrowding and substandard housing are significant housing problems for farm workers.<sup>17</sup> In addition, migrant workers may not be able to afford security deposits, pass credit checks, or commit to long-term leases.

*Policy-Driven Action:* TDHCA addresses farm worker issues by licensing and inspecting migrant farm worker housing and conducting periodic studies on farm worker needs. In addition, the Community Service Block Grant and Housing Tax Credit programs serve seasonal farm workers. In HB1099, the 79<sup>th</sup> Texas Legislative Session transferred the license and inspection migrant farm worker housing facilities from the Texas health and Human Service Commission to TDHCA.

Additionally, the bill directed TDHCA to complete a study on quantity, availability, need and quality of migrant farm labor housing facilities in Texas. See <http://www.tdhca.state.tx.us/ppa/housing-center/pubs.htm#reports> for a copy of the report.

During the 2010 Community Service Block Grant State Discretionary Funds Notice of Fund Availability cycle, TDHCA awarded \$214,594 of Community Service Block Grant State discretionary funds to fund two organizations serving migrant seasonal farm workers: the County of Hidalgo Community Services Agency and to Community Council of South Central Texas. The Department also awarded \$225,000 to two Native American tribes, Urban Inter-Tribal Center of Texas and Alabama-Coushatta Tribe of Texas. The Department's Community Service Block Grant State Plan approved by U.S. Department of Health and Human Services includes Native Americans and migrant farm worker populations as special populations category eligible for Community Service Block Grant State discretionary funds.

According to the *2011 Housing Tax Credit Program QAP*, the Housing Tax Credit Program offers additional points during the award process for developments that propose to set aside 5 percent of the units for persons with special needs, including migrant farm workers, person with alcohol and/or drug addictions, Colonia residents, persons with disabilities, victims of domestic violence, persons with HIV/AIDS and homeless populations.

The Housing Trust Fund has programmed \$2,000,000 in funds to Rural Housing Expansion Program, which may be used to develop or rehabilitate housing for persons with special needs including, but not limited to, migrant farm workers. Additionally, the Housing Trust Funds' Affordable Housing Match Program provides funding to Nonprofit Organization to attract or meet requirements for affordable housing grants or government programs. An example of an eligible use includes direct match for state, federal or private grants or loans to help meet the housing needs of migrant farm workers.

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<sup>16</sup>Larson, A. (2000, September). Migrant and seasonal farm worker enumeration profiles study: Texas. *US Department of Health and Human Services, health Resources and Services Administration, Bureau of Primary Health Care*. Retrieved from [http://www.ncfh.org/enumeration/PDF10 Texas.pdf](http://www.ncfh.org/enumeration/PDF10%20Texas.pdf).

<sup>17</sup>Holden, C. (2001, October). Monograph no. 8: housing. Buda, TX: national center for farm worker health inc. *Migrant Health Issues*: 40. Retrieved from <http://www.ncfh.org/docs/08%20-%20housing.pdf>

## **SECTION 5: STIMULUS PROGRAMS**

According to the National Bureau of Economic Research, the United States experienced a severe recession from December 2007 to June of 2010,<sup>18</sup> dubbed the Great Recession. While the Great Recession has officially ended, the effects of the decrease in income and job losses are still being felt throughout Texas.

As a reaction to the recession, the federal government created programs to alleviate the stress of the economic downturn. Beginning with the Housing and Economic Recovery Act (HERA) of 2008, the federal government began to address the high rates of foreclosures. The American Recovery and Reinvestment Act (ARRA) of 2009 followed and the federal government set a goal of creating new jobs as well as saving existing ones; spurring economic activity and investing in long-term economic growth; and fostering unprecedented levels of accountability and transparency in government spending. Additionally, some temporary programs were not created through either of the recovery acts, but were created to address the recession. Programs created to stem the economic downturn, regardless of funding source, are included in this chapter.

TDHCA administers several programs created by the funds meant to stimulate the economy. These programs are grouped and discussed in their own chapter rather than the Annual Report and Action Plan because of their temporary nature; most of them will conclude in two to three years. In addition, these programs are based on a multiyear model, not a fiscal year model. The reporting for these programs is from the beginning of each program to the fall of 2010. However, temporary programs are mentioned in the Action Plan's Housing Support Continuum for clarity because of their administration through the Department and their creation to serve the needs of low- to moderate-income Texans.

The following table provides summary information about each of the Department's programs funded through the stimulus.

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<sup>18</sup> The National Bureau of Economic Research. 2010, September 30. The national bureau of economic research. Retrieved from <http://www.nber.org/>.

## Texas Department of Housing and Community Affairs Stimulus Programs

<b>Program</b>	<b>Funding</b>
Community Services Block Grant Program ARRA	\$48,148,071
Homebuyer Tax Credit Programs: <ul style="list-style-type: none"> <li>90-Day Down Payment Assistance Program (DPAP)</li> <li>Mortgage Advantage Program (MAP)</li> </ul>	DPAP: \$4,043,738 MAP: \$531,445
Homelessness Prevention and Rapid Re-Housing Program	\$41,472,772
Housing Tax Credit Recovery Act Programs : <ul style="list-style-type: none"> <li>Housing Tax Credit Exchange Program (HTC Exchange)</li> <li>Tax Credit Assistance Program (TCAP)</li> </ul>	HTC Exchange: \$594,091,928 TCAP: \$148,354,769
National Foreclosure Mitigation Counseling Program (NFMC): <ul style="list-style-type: none"> <li>NFMC Round 2</li> <li>NFMC Round 3</li> <li>NFMC Round 4</li> <li>NFMC Round 5</li> </ul>	NFMC Round 2: \$491,490 NFMC Round 3: \$449,960 NFMC Round 4: \$58,293 NFMC Round 5: Application due 1/6/2010
Neighborhood Stabilization Program (NSP): <ul style="list-style-type: none"> <li>NSP 1</li> <li>NSP 3</li> </ul>	NSP 1: \$101,996,848 NSP 3: \$7,284,978
Weatherization Assistance Program ARRA	\$326,975,732
<b>Total</b>	<b>\$1,273,900,024</b>

## **COMMUNITY SERVICES BLOCK GRANT**

### **PROGRAM DESCRIPTION**

ARRA expanded the funds available for the Department's existing Community Services Block Grant (CSBG) Program. The CSBG funds are distributed through the U.S. Department of Health and Human Services (USHHS). TDHCA received \$48,148,071 in CSBG ARRA funds. CSBG is administered through the Community Affairs Division.

The CSBG Program funds eligible entities and activities that support the intent of the CSBG Act. CSBG ARRA subrecipients were highly encouraged to utilize funds to implement employment and education projects which would have a long term impact on assisting low-income individuals. The funds could also be utilized to provide administrative support for other anti-poverty programs, such as head Start and Meals on Wheels and to provide direct services such as short-term rental assistance and transportation. For non-ARRA CSBG, individuals who received assistance needed to have income at or below 125 percent of the federal poverty guidelines; CSBG ARRA assistance raised the income limit to 200 percent of the federal poverty guidelines. This income limit increase resulted in the eligibility of more households in Texas.

Ninety-nine percent of the new funding available through ARRA was made available to the CSBG-eligible entities. One percent of funding was used to promote the enrollment of low-income persons in federal, state and local benefits programs. This one percent is being utilized to support the purchase of a uniform database management software for the Texas 211 Information and Referral Service which informs Texans of services and benefits available.

### **IMPLEMENTATION AND ALLOCATION**

The Department submitted the CSBG ARRA plan to USHHS on May 28, 2009 and received notice of approval on July 24, 2009. The Department applied the Existing CSBG allocation formula to the ARRA funds available for the CSBG-eligible entities. Allocations were based on two factors: (1) the number of persons living in poverty within the designated service-delivery area for each organization and (2) a calculation of population density. Poverty population was given 98 percent weight and the ratio of inverse population density was given two percent weight. The formula also included a base award for each organization before the factors were applied, as well as a minimum award, also known as a floor.

Sub-recipient contracts began August 1, 2009 and ended on September 30, 2010.



**STATUS OF FUNDS**

This program has been successfully completed within the timeframe allowed. ARRA required that all CSBG ARRA funds be fully obligated by September 30, 2010 and fully expended by December 29, 2010. Based on projections provided by CSBG ARRA subrecipients, the Department anticipates an expenditure rate of 99.6% by the conclusion of the close-out period on December 29, 2010.

Of the total award of \$48,148,071, one percent (\$481,480) was used for benefits coordination, as referenced in Program Description above. There were no administrative funds for CSBG ARRA. Therefore, \$47,666,590 was allocated to subrecipients, as shown in the chart below. The table below shows the status of the CSBG ARRA program as of September 2010.

<b>Agency</b>	<b>County Served</b>	<b>Allocation</b>	<b>Persons Served</b>	<b>Black</b>	<b>White</b>	<b>Other</b>	<b>Hispanic</b>	<b>Non-Hispanic</b>
Aspermont Small Business Development Center, Inc.	Haskell, Jones, Kent, Knox, Stonewall, Throckmorton	\$173,304	111	0	65	46	44	67
Bee Community Action Agency	Aransas, Bee, Kenedy, Kleberg, Live Oak, McMullen, Refugio	\$1,430,692	2,445	1,112	763	570	1,082	1,363
Big Bend Community Action Committee, Inc.	Brewster, Culberson, Hudspeth, Jeff Davis, Presidio	\$ 440,027	1,228	84	534	610	625	603
Brazos Valley Community Action Agency, Inc.	Brazos, Burleson, Chambers, Grimes, Leon, Liberty, Madison, Montgomery, Robertson, Walker, Waller, Washington	\$224,240	216	2	43	171	169	47
Cameron And Willacy Counties Community Projects, Inc.	Cameron, Willacy	\$1,537,698	911	390	385	136	87	824
Central Texas Opportunities, Inc.	Brown, Callaghan, Coleman, Comanche, Eastland, McCullough, Runnels	\$265,575	636	43	100	493	489	147
City Of Austin, Health And Human Services Dept	Travis	\$332,866	506	35	297	174	182	324
City Of Fort Worth Parks & Community Services Department	Tarrant	\$300,631	44	13	23	8	7	37
City Of Lubbock	Lubbock	\$382,915	117	0	13	104	102	15
City Of San Antonio, Department Of Community Initiatives	Bexar	\$454,914	2,336	786	338	1,212	1,172	1,164

Agency	County Served	Allocation	Persons Served	Black	White	Other	Hispanic	Non-Hispanic
Combined Community Action, Inc.	Austin, Bastrop, Colorado, Fayette, Lee	\$300,525	729	37	640	52	587	142
Community Action Committee Of Victoria	Calhoun, De Witt, Goliad, Gonzales, Jackson, Lavaca, Victoria	\$365,276	764	130	267	367	357	407
Community Action Corp. Of South Texas	Brooks, Jim Wells, San Patricio	\$288,213	873	0	0	873	872	1
Community Action Inc., Of Hays, Caldwell And Blanco Counties	Blanco, Caldwell, Hays	\$321,938	643	24	40	579	579	64
Community Action Program, Inc.	Mitchell, Shackelford, Stephens, Taylor	\$824,995	1,276	61	365	850	838	438
Community Action Social Services & Education, Inc.	Maverick	\$413,334	101	0	8	93	93	8
Community Council Of Reeves County	Loving, Reeves, Ward, Winkler	\$150,000	81	0	0	81	79	2
Community Council Of South Central Texas	Atascosa, Bandera, Comal, Frio, Gillespie, Guadalupe, Karnes, Kendall, Kerr, Medina, Wilson	\$426,295	279	142	122	15	17	262
Community Council Of Southwest Texas	Edwards, Kinney, Real, Uvalde, Val Verde, Zavala	\$1,685,879	1,544	614	582	348	268	1,276
Community Services Agency Of South Texas, Inc.	Dimmit, La Salle	\$424,732	1,255	162	342	751	631	624
Community Services Of Northeast Texas, Inc.	Bowie, Camp, Cass, Marion, Morris	\$4,285,529	5,962	4,413	542	1,007	921	5,041
Community Services, Inc.	Anderson, Collin, Denton, Ellis, Henderson, Hunt, Kaufman, Navarro, Rockwall, Van Zandt	\$150,000	192	88	17	87	87	105
Concho Valley Community Action Agency	Coke, Concho, Crockett, Irion, Kimble, Menard, Reagan, Schleicher, Sterling, Sutton, Tom Green	\$803,569	1,059	523	328	208	229	830
Economic Action Committee Of The Gulf Coast	Matagorda	\$2,290,345	6,723	106	86	6,531	6,467	256

Agency	County Served	Allocation	Persons Served	Black	White	Other	Hispanic	Non-Hispanic
Economic Opportunities Advancement Corporation Of Pr Xi	Bosque, Falls, Freestone, Hill, Limestone, McLennan	\$2,214,992	562	295	65	202	109	453
El Paso Community Action Program, Project Bravo, Inc.	El Paso	\$1,318,657	1,797	999	228	570	538	1,259
Galveston County Community Action Council, Inc.	Brazoria, Fort Bend, Galveston, Wharton	\$1,508,614	1,136	601	412	123	102	1,034
Greater East Texas Community Action Program (Getcap)	Angelina, Cherokee, Gregg, Houston, Nacogdoches, Polk, Rusk, San Jacinto, Smith, Trinity, Wood	\$7,209,002	15,073	8,210	1,037	5,826	4,865	10,208
Gulf Coast Community Services Association	Harris	\$2,757,585	2,539	2	148	2,389	2,490	49
Hidalgo County Community Services Agency	Hidalgo	\$742,653	579	147	248	184	144	435
Hill Country Community Action Association, Inc.	Bell, Coryell, Hamilton, Lampasas, Llano, Mason, Milam, Mills, San Saba	\$150,000	625	2	11	612	611	14
Institute Of Rural Development, Inc.	Duval	\$626,462	807	191	174	442	433	374
Northeast Texas Opportunities, Inc	Delta, Franklin, Hopkins, Lamar, Rains, Red River, Titus	\$395,338	1,334	492	705	137	102	1,232
Nueces County Community Action Agency	Nueces	\$833,581	843	27	129	687	659	184
Panhandle Community Services	Armstrong, Briscoe, Carson, Castro, Childress, Collingsworth, Dallam, Deaf Smith, Donley, Gray, Hall, Hansford, Hartley, Hemphill, Hutchinson, Lipscomb, Moore, Ochiltree, Oldham, Parmer, Potter, Randall, Roberts, Sherman, Swisher, Wheeler	\$972,381	4,202	579	1,354	2,269	2,168	2,034
Pecos County Community Action Agency	Crane, Pecos, Terrell	\$152,828	221	0	15	206	196	25

Agency	County Served	Allocation	Persons Served	Black	White	Other	Hispanic	Non-Hispanic
Rolling Plains Management Corporation	Archer, Baylor, Clay, Cottle, Foard, Hardeman, Jack, Montague, Wichita, Wilbarger, Young	\$499,859	595	125	276	194	178	417
South East Texas Regional Planning Commission	Hardin, Jefferson, Orange	\$3,124,174	5,698	878	584	4,236	4,297	1,401
South Plains Community Action Association	Bailey, Cochran, Garza, Hockley, Lamb, Lynn, Terry, Yoakum, Crosby, Dickens, Floyd, Hale, King, Motley	\$1,894,395	2,557	27	2,165	365	2,424	133
South Texas Development Council	Jim Hogg, Starr, Zapata	\$465,702	540	0	0	540	540	-
Texas Neighborhood Services	Erath, Hood, Johnson, Palo Pinto, Parker, Somervell, Wise	\$854,434	1,492	488	860	144	133	1,359
Texoma Council Of Governments	Cooke, Fanin, Grayson	\$589,476	1,639	97	444	1,098	922	717
Tri-County Community Action, Inc.	Harrison, Jasper, Newton, Panola, Sabine, San Augustine, Shelby, Tyler, Upsher	\$354,311	673	249	403	21	17	656
Urban League Of Greater Dallas	Dallas	\$ 610,310	1,245	725	435	85	31	1,214
Webb County Community Action Agency	Webb	\$869,850	871	0	6	865	858	13
West Texas Opportunities, Inc.	Andrews, Borden, Dawson, Ector, Gaines, Glasscock, Howard, Martin, Midland, Fisher, Nolan, Scurry, Upton	\$966,654	1,405	239	311	855	846	559
Williamson-Burnet County Opportunities, Inc.	Burnet, Williamson	\$281,840	667	153	166	348	331	336
<b>Total</b>		<b>\$47,666,590</b>	<b>77,131</b>	<b>23,291</b>	<b>16,076</b>	<b>37,764</b>	<b>38,978</b>	<b>38,153</b>

## **HOMEBUYER TAX CREDIT PROGRAMS**

ARRA created a tax credit program for qualifying taxpayers who bought a home before December 1, 2009. The Department created two programs in late Spring 2009 to help Texas families take advantage of the ARRA tax credit program for first-time homebuyers. The 90-day Down Payment Assistance Program (DPAP) and Mortgage Advantage Program (MAP) both provided short-term loans at 0 percent interest to eligible families in exchange for them filing for and receiving the federal first-time homebuyer tax credit. Upon receipt, borrowers were required to either repay the 2<sup>nd</sup> lien in full or make monthly payments for the duration of the term of the loan. Due to the overwhelming popularity of the program and limited availability of funds, applications were only accepted through September 23, 2009.

The ARRA homebuyer tax credit program allowed homebuyers to claim a tax credit on either their 2008 or 2009 tax return. Homebuyers do not have to repay the credit to the IRS if the home remains their main residence for 36 months after the purchase date. Homebuyers can claim 10 percent of the purchase price up to \$8,000 for individuals or married couples, or \$4,000 for married couples filing separately. Taxpayers whose adjusted gross income is less than \$75,000 for individual filers or \$150,000 for joint filers were eligible to claim the credit. A first-time homebuyer is an individual or a married couple who has not owned a principal residence during the three-year period ending on the date of the purchase. Homebuyers applying for the Department's DPAP or MAP needed to complete a homebuyer education course, be eligible to claim the federal tax credit and file the appropriate IRS forms to receive the credit.

### **90-DAY DOWN PAYMENT ASSISTANCE PROGRAM**

#### **PROGRAM DESCRIPTION**

The Department's Board gave staff the authority to utilize up to \$5 million in Supplemental Bond Contingency Reserve Funds for down payment and closing cost assistance. The 90-day DPAP allowed a maximum of \$7,000 for this purpose. DPAP offered 90 days interest-free for the homebuyer to access the tax credit and repay the loan. If the homeowner did not repay the loan within the specified period, the homeowners were responsible for repayment of a second lien note with a two year term and an interest rate of 10 percent.

### **MORTGAGE ADVANTAGE PROGRAM**

#### **PROGRAM DESCRIPTION**

The Department's Board gave staff the authority to utilize up to \$2.5 million from funds within the Mortgage Credit Certificate (MCC) Program and Mortgage Revenue Bond (MRB) Program 70. Like DPAP, MAP provided short-term loans at 0 percent interest to eligible families in exchange for them filing for and receiving the federal first-time homebuyer program tax credit. MAP funds were only available in conjunction with the Department's First Time Homebuyer Program or the Mortgage Credit Certificate Program. MAP allowed a maximum of \$6,000 for down payment and/or closing cost assistance interest-free for 120 days for the homebuyer to access their tax credit and repay the loan. If the homeowner did not repay the loan within the specified period, the homeowners were responsible for repayment of a second lien note with a five year term and an interest rate of 7 percent.

## IMPLEMENTATION AND ALLOCATION FOR DPAP AND MAP

The TDHCA Board approved the use of funds for the Mortgage Advantage Program on April 23, 2009. On May 21, 2009 the TDHCA Board approved the use of Supplemental Bond Contingency Funds for the 90-day Down Payment Assistance Program.

First-time homebuyers accessed this program through a participating lender. The second lien for qualified borrowers was processed by TDHCA's Texas Homeownership Division. Although applications were accepted through September 23, 2009, loans were allowed to close up to December 1, 2009.

### **STATUS OF FUNDS**

DPAP and MAP have been successfully completed within the timeframe allowed. A total of 756 households received DPAP and 98 households received MAP. A total of \$4,043,738 was loaned as a result of DPAP and a total of \$531,445 was loaned as a result of MAP. As of the end of state fiscal year 2010 (August 31, 2010), \$3,318,853 in principal and interest were repaid to the Department.

#### *90-Day Down Payment Assistance Funds*

County	Region	Allocation	Households Served
ATASCOSA	9	\$ 3,373	1
BASTROP	7	\$ 4,000	1
BELL	8	\$ 47,124	9
BEXAR	9	\$ 458,753	89
BRAZORIA	6	\$ 51,886	8
CAMERON	11	\$ 17,153	4
COLLIN	3	\$ 170,964	28
COMAL	9	\$ 6,900	1
CORYELL	8	\$ 8,749	2
DALLAS	3	\$ 314,871	61
DEAF SMITH	1	\$ 6,100	2
DENTON	3	\$ 148,327	24
ECTOR	12	\$ 20,329	4
EL PASO	13	\$ 87,342	18
ELLIS	3	\$ 40,495	8
FORT BEND	6	\$ 145,869	24
GAINES	12	\$ 7,000	1
GALVESTON	6	\$ 64,771	12
GRAYSON	3	\$ 3,233	1
GUADALUPE	9	\$ 25,251	5
HARDIN	5	\$ 4,551	1
HARRIS	6	\$ 905,127	164
HAYS	7	\$ 12,879	2
HENDERSON	4	\$ 7,470	2
HIDALGO	11	\$ 3,815	1
HOOD	3	\$ 10,682	2
HUNT	3	\$ 7,312	2
JEFFERSON	5	\$ 21,670	5
JOHNSON	3	\$ 39,350	8

County	Region	Allocation	Households Served
KAUFMAN	3	\$ 25,895	5
KERR	9	\$ 6,382	1
LIBERTY	6	\$ 3,741	1
LUBBOCK	1	\$ 25,292	5
MATAGORDA	6	\$ 4,516	1
MCLENNAN	8	\$ 8,131	2
MEDINA	9	\$ 7,000	1
MIDLAND	12	\$ 10,623	2
MONTGOMERY	6	\$ 72,022	14
NUECES	10	\$ 77,928	17
PARKER	3	\$ 23,095	5
POTTER	1	\$ 19,819	5
RAINS	4	\$ 4,000	1
RANDALL	1	\$ 69,613	13
ROCKWALL	3	\$ 18,732	3
RUSK	4	\$ 11,154	2
SAN PATRICIO	5	\$ 5,935	1
SMITH	4	\$ 23,657	5
TARRANT	3	\$ 527,418	102
TOM GREEN	12	\$ 32,580	7
TRAVIS	7	\$ 185,710	30
UPSHUR	4	\$ 4,173	1
VAN ZANDT	4	\$ 4,418	1
WALLER	6	\$ 7,000	1
WEBB	11	\$ 41,502	8
WILLIAMSON	7	\$ 178,056	32
<b>Total</b>		<b>\$ 4,043,738</b>	<b>756</b>

*Mortgage Assistance Program Funds*

County	Region	Allocation	Households Served
BASTROP	7	\$ 3,150	1
BELL	8	\$ 5,619	1
BEXAR	9	\$ 87,032	16
BRAZORIA	6	\$ 19,000	3
DALLAS	3	\$ 37,442	7
DENTON	3	\$ 17,000	3
FORT BEND	6	\$ 12,000	2
GALVESTON	6	\$ 4,000	1
GUADALUPE	9	\$ 6,000	1
HARRIS	6	\$ 225,489	42
JOHNSON	3	\$ 5,640	1
MONTGOMERY	6	\$ 4,909	1
TARRANT	3	\$ 28,551	5
TRAVIS	7	\$ 49,458	9
WILLIAMSON	7	\$ 26,155	5
<b>Total</b>		<b>\$ 531,445</b>	<b>98</b>

## **HOMELESS PREVENTION AND RAPID RE-HOUSING PROGRAM**

### PROGRAM DESCRIPTION

ARRA created the Homelessness Prevention and Rapid Re-Housing Program (HPRP) to enable person who are homeless or at risk of homelessness to maintain housing. The HPRP funds are administered through the U.S. Department of Housing and Urban Development (HUD). The Department received \$41,472,772 in HPRP funds. HPRP is administered through the Community Affairs Division.

The intent of HPRP is to transition program participants to stability, either through their own means or with public assistance, as appropriate. HPRP is not intended to provide long-term support for program participants (assistance in limited to 18 months). This program was created in response to the financial stress on individuals and households due to the impact of the current economic downturn. HPRP funds homeless prevention assistance to individuals and households who would otherwise become homes and assists in re-housing persons rapidly who are homeless, as defined by Section 103 of the McKinney-Vento Homeless Assistance Act (42 U.S.C. 11303). To be eligible, households must have income at or below 50 percent of the area median income.

Two target populations facing housing instability are eligible to receive funding under HPRP. The first target population eligible for homeless prevention assistance includes individuals and families who are currently housed but are at risk of becoming homeless; they may need temporary rent or utility assistance to prevent them from becoming homeless or assistance to move to another unit. The second target population eligible for rapid re-housing assistance includes individuals and families who are experiencing homelessness (e.g. residing in emergency or transitional shelters or places not intended for habitation) and need temporary assistance in order to obtain and retain housing.

Homelessness Prevention services to at-risk populations include:

- Assistance to locate, secure, and/or maintain housing, including mediation or outreach to property owner to help avoid eviction;
- Assistance for certain financial needs, such as utility payment, utility security deposit assistance, housing search and moving costs;
- Counseling and other activities to help repair credit ratings; and
- Case management to ensure that appropriate programs are accessed to help achieve and maintain self-sufficiency.

The Department set aside \$2,073,639 of HPRP funds for a Pilot Program targeted to applicants interested in providing homelessness prevention services and case management to one or more targeted subpopulations. Five agencies were awarded funds under the Pilot Program. The targeted subpopulations are:

- persons with a history of past institutionalization (including prisons, mental health institutions and hospitals);
- persons with mental health and substance abuse issues;
- persons with physical disabilities and other chronic health issues, including HIV/AIDS;
- and youth aging out of the foster care system.

The individuals must be at risk of homelessness and meet the HPRP Eligible Program Participant guidelines.



## IMPLEMENTATION AND ALLOCATION

The Department submitted a substantial amendment to its Consolidated Plan 2008 Action Plan that also served as the Department's application for HPRP funds to HUD in May 2009 and HUD approved the Department's substantial amendment on June 26, 2009.

TDHCA released a Notice of Funding Availability (NOFA) for the HPRP funds, authorized by its Governing Board based on public input for both competitive portions of the HPRP funds. Applications were due May 29, 2009. Eligible applicants included units of general local government and private nonprofit organizations with an exemption under Section 501(c)(3) of the Internal Revenue Code exemption and whose professional activities included the promotion of social welfare and the prevention or elimination of homelessness.

To allocate funds regionally across the State, the Department used a regional allocation based on the 13 Uniform State Service Regions. Calculation of regional allocations utilized U.S. Census data for individuals in poverty as well as unemployment figures for December 2008, January and February 2009 provided by the Texas Workforce Commission.

### **STATUS OF FUNDS**

The Department awarded HPRP funds to 58 eligible applicants. The contracts start date was September 1, 2009 and will end August 31, 2011. As required by ARRA, 60 percent of the HPRP funds must be expended within two years and 100 percent within three years or no later than July 16, 2012. The Department is on target to meet this deadline.

The following table shows the amount of funds awarded to HPRP subrecipients and the expended amounts from the beginning of the HPRP program to the end of the 2010 state fiscal year (August 31, 2010). Expenditures by subrecipients are \$19,757,245. Of the total award of \$41,472,772, 2.5% (\$1,036,819) was for administration for TDHCA. The total amount allocated to subrecipients was \$40,435,953.

No.	Agency	County Served	Award Amount	2009/2010 EXPENDITURES as of 9/2010	Persons Served	HH Served	White	Black	Other	Hispanic	Non-Hispanic
1	Abilene Regional MHMR Center	Taylor, Jones, Callahan, Shackelford, Stephens	\$84,297	\$50,466	188	79	136	44	8	32	156
2	*Any Baby Can Of Austin, Inc.	Travis	\$341,507	\$135,942	287	67	248	35	4	237	50
3	*Caritas Of Austin	Travis	\$600,000	\$249,893	222	218	101	119	2	39	183
4	Caritas Of Austin	Travis	\$1,000,000	\$611,140	669	371	423	225	21	147	522
5	Catholic Charities Diocese Of Fort Worth, Inc.	Cooke, Wise, Denton, Palo Pinto, Parker, Erath, Hood, Johnson, Somervell	\$500,000	\$176,998	265	104	242	10	13	45	220
6	Catholic Charities Diocese Of Fort Worth, Inc.	Cooke, Wise, Denton, Palo Pinto, Parker, Erath, Hood, Johnson, Somervell	\$1,000,000	\$435,111	289	139	255	32	2	27	262
7	Catholic Charities Of Central Texas	Bastrop, Blanco, Burnet, Caldwell, Fayette, Hays, Lee, Llano, Travis, Williamson	\$651,717	\$334,575	410	130	225	112	73	127	283
8	Catholic Charities Of Dallas, Inc.	Dallas, Collin, Grayson, Fannin, Rockwall, Hunt, Kaufman, Ellis, Navarro	\$1,000,000	\$585,357	536	200	279	246	11	110	426
9	Christian Community Action	Denton	\$1,000,000	\$529,070	460	174	261	183	16	109	351
10	City Of Brownsville	Cameron	\$1,000,000	\$199,535	299	118	297	2	0	299	0
11	City Of Dallas	Dallas	\$790,316	\$583,935	1,677	759	391	1,279	7	242	1,435
12	City Of Denton	Denton	\$826,697	\$267,587	715	210	474	150	91	116	599
13	City Of Irving	Dallas	\$1,000,000	\$283,384	214	100	145	66	3	87	127
14	City Of San Antonio, Department Of Community Initiatives	Bexar	\$1,000,000	\$493,459	502	149	352	60	90	333	169
15	Community Storehouse	Denton, Tarrant, Wise	\$999,955	\$484,828	481	136	330	91	60	95	386
16	Corpus Christi Metro Ministries, Inc.	Nueces	\$624,500	\$397,832	1,002	366	909	79	14	757	245
17	Crisis Center Of The Plains	Bailey, Briscoe, Castro, Crosby, Floyd, Hale, Hall, Lamb, Motley, Parmer, Swisher	\$308,500	\$189,894	1,163	285	1,060	100	3	645	518

Stimulus Programs

No.	Agency	County Served	Award Amount	2009/2010 EXPENDITURES as of 9/2010	Persons Served	HH Served	White	Black	Other	Hispanic	Non-Hispanic
18	*Dallas County Mental Health Mental Retardation Center	Dallas	\$320,905	\$133,592	266	154	105	136	25	41	225
19	East Texas Crisis Center, Inc.	Smith, Henderson, Van Zandt, Wood, Rains	\$201,679	\$80,123	509	206	408	96	5	107	402
20	El Paso Center For Children	El Paso	\$438,818	\$209,564	71	47	65	1	5	69	2
21	*El Paso Coalition For The Homeless	El Paso	\$414,489	\$134,674	90	65	83	7	0	78	12
22	El Paso County	El Paso	\$955,351	\$276,188	155	105	139	16	0	123	32
23	Families In Crisis, Inc.	Bell, Coryell	\$400,437	\$349,632	353	139	162	180	11	49	304
24	Family Place, The	Dallas	\$998,843	\$606,636	969	341	349	469	151	294	675
25	Family Violence Prevention Services, Inc.	Bexar	\$167,827	\$86,088	66	26	57	1	8	30	36
26	Grayson County Juvenile Alternatives Inc	Grayson, Fannin, Cooke	\$669,133	\$317,410	417	171	282	122	13	36	381
27	Houston Area Urban League	Fort Bend, Harris	\$644,727	\$312,218	186	112	39	147	0	30	156
28	Houston Area Women's Center	Harris	\$599,749	\$312,264	114	45	47	61	6	38	76
29	Loaves And Fishes Of The Rio Grande Valley, Inc.	Cameron, Willacy	\$937,120	\$171,584	197	57	196	1	0	184	13
30	Love I.N.C. Of Nacogdoches	Nacogdoches, Angelina, San Augustine, Shelby, Sabine	\$998,401	\$368,676	715	254	348	359	8	67	648
31	Memorial Assistance Ministries	Harris	\$1,000,000	\$548,905	481	143	275	189	17	280	201
32	Mid-Coast Family Services, Inc.	Calhoun, Dewitt, Goliad, Gonzales, Jackson, Lavaca, Victoria	\$495,513	\$290,794	833	301	684	126	23	527	306
33	Montgomery County Women's Center	Montgomery	\$1,000,000	\$448,958	399	132	245	128	26	61	338
34	New Hope Counseling Center, Inc.	Harris, Fort Bend	\$522,522	\$286,011	354	144	82	259	13	82	272
35	New Life Housing Foundation-Erath County	Erath	\$468,999	\$159,464	136	47	134	0	2	18	118

No.	Agency	County Served	Award Amount	2009/2010 EXPENDITURES as of 9/2010	Persons Served	HH Served	White	Black	Other	Hispanic	Non-Hispanic
36	New Life Housing Foundation-Medina County	Medina	\$453,765	\$187,079	181	63	178	1	2	173	8
37	New Life Housing Foundation-Walker County	Walker	\$750,878	\$782,807	420	172	110	307	3	39	381
38	Northwest Assistance Ministries	Harris	\$1,000,000	\$653,818	463	169	88	372	3	37	426
39	Randy Sams' Outreach Shelter, Inc.	Bowie	\$511,892	\$186,913	723	383	289	420	14	15	708
40	Rockwell Fund, Inc.	Fort Bend, Galveston, Harris, Montgomery	\$998,000	\$432,930	503	151	243	246	14	125	378
41	Salvation Army For The DFW Metroplex Command	Dallas, Collin, Denton, Ellis, Tarrant	\$880,103	\$261,561	225	94	18	206	1	17	208
42	Salvation Army Of Abilene	Taylor, Jones, Callahan, Runnels, Nolan	\$400,000	\$181,269	272	109	184	86	2	112	160
43	Salvation Army Of Corpus Christi	Nueces	\$447,912	\$200,288	462	149	410	38	14	363	99
44	Salvation Army Of Galveston	Galveston	\$387,500	\$127,450	187	93	98	89	0	39	148
45	Salvation Army Of Houston	Harris	\$999,118	\$699,216	705	271	111	466	128	198	507
46	Salvation Army Of Kerrville	Kerr, Bandera, Edwards, Gillespie, Kendall, Kimble, Real	\$999,849	\$594,099	1,079	402	874	56	149	369	710
47	Salvation Army Of McAllen	Hidalgo	\$250,330	\$7,501	3	3	3	0	0	3	0
48	Salvation Army Of Midland	Midland	\$402,338	\$399,109	974	354	762	212	0	491	483
49	Salvation Army Of Tyler	Smith	\$810,255	\$313,380	1,033	525	387	635	11	146	887
50	Salvation Army Of Waco	McLennan, Falls, Bosque, Hill, Limestone, Freestone	\$999,980	\$429,207	1,241	475	600	630	11	279	962
51	San Antonio Metropolitan Ministry, Inc.	Bexar	\$1,000,000	\$769,247	2,003	734	1,486	462	55	1214	789
52	SEARCH	Harris	\$1,000,000	\$388,737	115	82	18	97	0	6	109
53	*SEARCH	Harris	\$396,738	\$188,173	60	50	19	41	0	13	47

*Stimulus Programs*

No.	Agency	County Served	Award Amount	2009/2010 EXPENDITURES as of 9/2010	Persons Served	HH Served	White	Black	Other	Hispanic	Non-Hispanic
54	Shelter Agencies Families In East Texas	Titus, Camp, Morris, Franklin, Hopkins, Lamar, Red River, Delta	\$538,350	\$261,705	322	125	175	146	1	59	263
55	Texas Rio Grande Legal Aid, Inc.	El Paso	\$251,023	\$132,515	399	120	372	26	1	352	47
56	Urban League Of Greater Dallas	Dallas	\$1,000,000	\$496,853	489	225	112	377	0	43	446
57	Wesley Community Center	Harris	\$995,920	\$313,731	288	120	62	194	32	53	235
58	Youth And Family Alliance DBA Lifeworks	Travis	\$1,000,000	\$647,874	448	160	321	110	17	268	180
	<b>Total</b>		<b>\$40,435,953</b>	<b>\$19,757,245</b>	<b>28,285</b>	<b>11,123</b>	<b>16,748</b>	<b>10,348</b>	<b>1,189</b>	<b>9,975</b>	<b>18,310</b>

\* These subrecipients were awarded funds for pilot projects.

#### ADDITIONAL RESOURCES

See the substantial Amendment to the Consolidated Plan 2008 Action plan for the Homelessness Prevention and Rapid Re-Housing Program (HPRP) as approved by HUD posted on the TDHCA website at <http://www.tdhca.state.tx.us/recovery/detail-homelessness.htm>.

## ***HOUSING TAX CREDIT RECOVERY ACT PROGRAMS***

Two ARRA programs are administered by the Department to assist with the existing Low Income Housing Tax Credit (HTC) Program, the Tax Credit Assistance Program and the Housing Tax Credit Exchange Program. The HTC Program is an existing Department program and is the primary program used to develop affordable rental housing for working families. Through the HTC Program, the federal government encourages private investment in affordable rental housing by providing investors a dollar-for-dollar reduction on their federal tax liability for every dollar of eligible construction expenses. The current economic crisis has decreased demand for tax credits by investors. As a result, the pricing of tax credits has plummeted and many approved developments now lack the total funding needed for completion. This devaluation undermines the ability to develop housing with recently awarded tax credits.

### ***HOUSING TAX CREDIT EXCHANGE PROGRAM***

#### **PROGRAM DESCRIPTION**

Through ARRA, the Housing Tax Credit Exchange Program (HTC Exchange) administered through the U.S. Department of Treasury (Treasury) allows developments allocated HTCs in 2007, 2008, 2009 and 2010 to return their tax credits by December 31, 2010. The Department can exchange the returned credits with the Treasury for cash at a rate of \$0.85 for each dollar in credit returned. The total amount of national funding is estimated at \$3 billion and the Department received \$594,091,929. Administration of the program is led by the HTC Exchange Administrator and shared by several Department divisions, including the HOME and Multifamily Finance Production divisions with support from the Real Estate Analysis and Program Services divisions.

The HTC program can only be used for the new construction or rehabilitation/reconstruction of rental properties affordable to households earning up to 60 percent of the Area Median Family Income (AMFI), as determined by HUD.

#### **IMPLEMENTATION AND ALLOCATION**

The Department submitted two applications for HTC Exchange funds to Treasury in 2009. The first application was submitted on November 24, 2009 for \$333,226,792 and was subsequently granted on December 10, 2009. The second application was submitted on December 30, 2010 for \$260,865,137 and was subsequently granted on January 13, 2010. The total HTC Exchange grant funds provided by the Treasury is \$594,091,928.

As of this writing, 85 applicants have closed/executed the Exchange Subaward agreements. The 85 developments represent \$577,750,427. Of the remaining \$16,341,501, \$15,646,100 has been conditionally awarded to 5 additional applicants that are expected to close on or before December 1, 2010. The remaining HTC Exchange funds of approximately \$695,000 may be disbursed to an applicant. The amount of remaining HTC Exchange funds is subject to change since the 5 remaining transactions may close with slightly different final Exchange award amounts, depending on final underwriting and review process. If it is not allocated, the funds will be returned to Treasury on January 1, 2011.

Eligible applicants include HTC applicants that:

- received an allocation of HTC for award years 2007, 2008, 2009, and/or 2010;
- have paid all required tax credit commitment fees; and

- intend to return 100 percent of their HTC allocation.

The 2007 and 2008 HTC developments with a legally binding tax credit carryover will have priority for the allocation of HTC Exchange funds. Requests for HTC Exchange funds will be distributed based on each applicant's original selection score and the application of a modified Regional Allocation Formula. Changes to the Regional Allocation Formula emphasize at-risk and rural developments. At-risk funding targets will increase to 20 percent from 15 percent and the funding targets for rural developments will increase to 40 percent from 20 percent.

### STATUS OF FUNDS

#### *HTC Exchange Funding as of November 8, 2010, Tax Credit Exchange Program*

FUNDING	Amount	Percent
Exchange funds committed to date (Executed Subawards)	\$ 577,750,427	97.25%
Exchange funds remaining (Per final REA/Subawards)	\$16,341,501	2.75%
Total Exchange dollars allocated to TDHCA from the Treasury Department	\$594,091,928	

There have been 7,795 units closed to date. The following table shows the allocated amounts and the awarded amounts from the beginning of HTC EX program to November 8, 2010.

#### *HTC Exchange Subaward Recipients as of November 8, 2010*

Deal Name	City	Closing Date	Low-Income Units	Total Units	Subaward Amount
377 Villas	Brownwood	12/31/2009	73	76	\$5,955,888
Abilene Seniors Apartments	Abilene	8/25/2010	92	92	\$8,668,329
Anson Park Seniors	Abilene	2/22/2010	80	80	\$7,518,709
Arbor Pines	Orange	7/20/2010	76	76	\$6,725,114
Arrowsmith	Corpus Christi	6/29/2010	70	70	\$3,755,601
Aurora Meadows	Eagle Pass	6/29/2010	76	76	\$9,642,000
Autumn Villas	Lorena	9/29/2010	16	16	\$903,082
Brazos Bend Villas	Fort Bend	7/7/2010	120	120	\$11,555,478
Buena Vida Apartments	Corpus Christi	7/13/2010	100	100	\$7,532,749
Cambridge Crossing	Corsicana	2/12/2010	58	60	\$5,010,115
Canyons Retirement Community	Amarillo	10/27/2010	106	111	\$7,899,892
Carpenter's Point	Dallas	3/15/2010	150	150	\$11,321,332



*Stimulus Programs*

Deal Name	City	Closing Date	Low-Income Units	Total Units	Subaward Amount
Casa Brazoria	Clute	5/27/2010	36	36	\$7,448,709
Cedar Street Apartments	Browfield	5/7/2010	48	48	\$3,883,800
Champion Homes at Bay Walk	Galveston	9/28/2010	192	192	\$10,987,246
Chelsea Senior Community	Houston	5/19/2010	150	150	\$15,066,382
Cherrywood Apartments	West	9/30/2010	44	44	\$2,458,658
Constitution Court	Copperas Cove	5/27/2010	108	108	\$8,838,615
Courtwood Apts	Eagle Lake	9/30/2010	50	50	\$2,052,965
Creekside Villas Senior Village	Buda	2/3/2010	144	144	\$12,055,533
Crestmoor Apartments	Burleson	6/24/2010	68	68	\$3,041,202
Crowley Fountainhead St. Charles	Crowley	6/29/2010	52	52	\$2,096,644
Floral Gardens	Houston	7/28/2010	100	100	\$11,786,975
Gardens at Clearwater	Kerrville	1/29/2010	80	80	\$6,989,490
Gholson Hotel	Ranger	6/29/2010	50	50	\$3,028,922
Greenhouse	Houston	6/30/2010	140	140	\$12,426,601
Hacienda Del Sol	Dallas	6/22/2010	55	55	\$8,643,534
Hampton Villages	Pampa	3/4/2010	76	76	\$10,001,457
Harris Manor	Pasadena	6/21/2010	193	201	\$6,414,471
Heights at Coral	Kingsville	7/2/2010	80	80	\$5,755,096
Heritage Park Vista	Ft. Worth	3/26/2010	135	140	\$10,707,151
Heritage Square	Texas City	5/20/2010	50	50	\$3,058,062
Highland Manor	LaMarque	2/23/2010	134	141	\$11,138,884
Holland House	Holland	6/21/2010	68	68	\$3,622,969
HVM Alta Vista Apartments	Marble Falls	7/14/2010	64	64	\$2,936,283
HVM Mid-Town Apartments	Tomball	7/14/2010	54	54	\$2,549,514
Hyatt Manor I and II Apartments	Gonzales	9/28/10 - Escrow	65	65	\$2,551,331
Jackson Village	Lake Jackson	4/26/2010	92	96	\$8,009,337
Lakeview Apartments	Tyler	7/21/2010	134	140	\$12,169,238

Stimulus Programs

Deal Name	City	Closing Date	Low-Income Units	Total Units	Subaward Amount
Las Palmas Gardens Apartments	San Antonio	9/30/2010	100	100	\$6,223,846
Legacy Villas	Eagle Pass	7/23/2010	64	64	\$8,100,000
Leona Apartments	Uvalde	5/20/2010	40	40	\$1,148,900
Lexington Apartments	Angelton	7/9/2010	80	80	\$2,997,690
Lincoln Terrace	Fort Worth	6/15/2010	72	72	\$7,894,851
Lufkin Apartments	Lufkin	7/22/2010	80	80	\$6,094,394
Malibu Apartments	Austin	6/10/2010	428	476	\$15,400,000
Meaghan Point	Elsa	5/26/2010	80	80	\$10,164,292
Melbourn Apartments	Alvin	4/29/2010	110	110	\$12,250,999
Millie Street Apartments	Longview	5/3/2010	59	60	\$4,800,000
Mineral Wells Pioneer Crossing	Mineral Wells	2/15/2010	80	80	\$5,300,934
Montgomery Meadows	Huntsville	3/19/2010	48	48	\$4,519,862
Northgate Apts and Rhomberg Apts	Burnet	9/28/10 - Escrow	60	60	\$2,712,282
Oak Manor/Oak Village	San Antonio	4/7/2010	229	229	\$12,171,481
Oak Tree Village	Dickinson	3/19/2010	36	36	\$3,197,117
Oakwood Apartments	Brownwood	9/29/2010	47	48	\$2,123,128
Park Place Apartments	Cleveland	5/20/2010	60	60	\$4,301,518
Park Ridge	Llano	6/28/2010	62	64	\$5,645,838
Park View Terrace	Pharr	6/11/2010	100	100	\$9,498,011
Peachtree Seniors	Balch Springs	9/22/2010	144	144	\$14,834,619
Prairie Village Apartments	Rogers	9/30/10 - Escrow	24	24	\$1,279,003
Premier on Woodfair	Houston	7/9/2010	390	408	\$10,781,101
Residences at Stalcup	Fort Worth	5/4/2010	92	92	\$7,279,740
San Gabriel	Liberty Hill	6/2/2010	71	76	\$6,028,000
Sante Fe Seth Heritage Crossing	Santa Fe	7/9/2010	68	72	\$6,051,451
Senior Villages at Huntsville	Huntsville	5/21/2010	36	36	\$4,023,653

Deal Name	City	Closing Date	Low-Income Units	Total Units	Subaward Amount
Sierra Meadows	Houston	6/30/2010	85	90	\$9,104,580
Southern View Apartments	Ft. Stockton	2/4/2010	47	48	\$3,807,300
Stone Hearst Seniors	Beaumont	6/10/2010	36	36	\$4,176,653
Stoneleaf at Dalhart	Dalhart	3/26/2010	76	76	\$6,150,599
Suncrest	El Paso	6/15/2010	100	100	\$3,362,746
Tierra Point	Karnes City	6/11/2010	76	80	\$8,597,850
Trebah Vilalges	Katy	3/5/2010	121	129	\$9,392,459
Tremont Apartments	Killeen	7/22/2010	112	112	\$10,224,660
Trinity Gardens	Liberty	7/7/2010	76	76	\$6,943,395
Turner Street	Palestine	6/16/2010	59	60	\$4,840,000
Village Place Apartments	Lorena	9/30/2010	32	32	\$ 1,747,030
Villages at Snyder	Snyder	3/12/2010	80	80	\$9,277,302
Villas at Beaumont	McAllen	5/7/2010	36	36	\$3,367,917
Villas on Raiford	Carrollton	8/19/2010	172	180	\$10,542,031
Vista Bonita Apartments	Houston	5/19/2010	118	118	\$10,822,758
Wentworth Apartments	Atascocita	4/28/2010	90	90	\$9,757,269
Weslaco Apartments	Weslaco	7/13/2010	120	120	\$10,021,149
West End Baptist Manor Apartments	San Antonio	9/30/2010	50	50	\$3,198,456
Whispering Oaks	Goldthwaite	8/27/2010	24	24	\$1,386,205
<b>TOTAL AWARDED</b>			<b>7,649</b>	<b>7,795</b>	<b>\$577,750,427</b>
<b>REMAINING TO BE AWARDED</b>					<b>\$16,341,501</b>
<b>TOTAL</b>					<b>\$ 594,091,928</b>

**ADDITIONAL RESOURCES**

For more information, see the Department's website at <http://www.tdhca.state.tx.us/recovery/detail-htc-exchange.htm>.

## **TAX CREDIT ASSISTANCE PROGRAM**

### **PROGRAM DESCRIPTION**

The Tax Credit Assistance Program (TCAP) provides funding through HUD to compensate for the current state of the investor market for Housing Tax Credits (HTCs). TDHCA received \$148,354,769 in TCAP funding. TCAP is administered through TDHCA's HOME division.

TCAP is modeled after the HOME Program which is also funded through HUD. ARRA seeks to address the loss in value of HTCs by allowing the Department to award TCAP funds to HTC developments adversely affected by current HTC market conditions. Eligible recipients for this funding are 2007, 2008 and 2009 HTC awardees. The HTC Program can only be used for the new construction or rehabilitation/reconstruction of housing units or adaptive reuse of commercial properties to provide housing units affordable to households earning up to 60 percent of the Area Median Family Income (AMFI), as determined by HUD.

### **IMPLEMENTATION AND ALLOCATION**

The TCAP Plan was submitted to HUD by June 3, 2009 after a five-day public comment period. The Department revised the TCAP Plan on July 16, 2009 and HUD approved the Plan on July 23, 2009.

The Department released TCAP funds through a competitive process open to eligible entities. TDHCA held four application rounds with applications for the fourth round accepted until December 31, 2010. TCAP funds were allocated according to the HTC Regional Allocation Formula distributing funds to 13 state regions, and within those regions, to urban and rural areas. The HTC Regional Allocation Formula is based on regional need for affordable housing and includes an at-risk set-aside of 15 percent and rural set-aside of 20 percent. TCAP funds must be expended by February 16, 2012.

### **STATUS OF FUNDS**

TCAP is currently over-subscribed based on the funding requests at application and the number of active applications. All (100%) of the funds have been conditionally awarded. The conditions to final award are: 1) Application Review; 2) Underwriting Review; and 3) Previous Participation Review.

A conditional award becomes an award when a TCAP Written Agreement has been fully executed. The award amount is shown in the first table below. The conditional award amount is shown in the second table below.

*Funding as of November 18, 2010, Tax Credit Assistance Program*

<b>FUNDING</b>	<b>Amount</b>	<b>Percent</b>
<b>TCAP Funds Awarded</b>	<b>\$134,167,200.00</b>	<b>90%</b>
<b>TCAP Funds Conditionally Awarded</b>	<b>\$20,592,168.00</b>	<b>14%</b>
<b>Amount Over-Subscribed</b>	<b>(\$6,404,599.00)</b>	
<b>Total TDHCA TCAP Funds</b>	<b>\$148,354,769.00</b>	

*Contractor Allocation and Awards as of November 18, 2010, Tax Credit Assistance Program*

<b>Applicant Name</b>	<b>Project City</b>	<b>Total TCAP Award*</b>	<b>TCAP Loan Closed</b>	<b>Total Amount Drawn</b>	<b>Low-Income Units</b>	<b>Total Units</b>
Akard Walk Residential, LLC	Dallas	\$4,028,185.00			200	200
Beaumont Grace Lake Townhomes, L.P.	Beaumont	\$2,200,000.00	9/30/2010		112	128
Beaumont Leased Housing Associates I, LP	Beaumont	\$3,409,016.00	7/19/2010	\$2,556,762	150	150
Beaumont Leased Housing Associates II, LP	Beaumont	\$2,261,410.00	7/19/2010	\$1,696,058	90	90
Beechnut Oaks LP	Houston	\$1,684,640.00	7/2/2010	\$421,160	144	144
Boerne Terraces at Cibolo Apartments, LP	Boerne	\$514,854.00	3/4/2010	\$514,854	150	150
Bowie Garden Apartments, LP	Brownsville	\$2,827,801.00	6/29/2010		86	86
Brownstone Pearland Senior Village, Ltd.	Pearland	\$1,800,000.00	4/20/2010	\$900,000	126	126
Buda Huntington Partners, Ltd.	Buda	\$1,593,040.00	2/11/2010	\$1,194,780	116	120
Cevallos Lofts, Ltd.	San Antonio	\$7,000,000.00	4/6/2010		63	252
Chicory Court VI, LP	Brownsville	\$2,950,000.00	11/1/2010	\$2,950,000	132	132
Corban Townhomes, L.P.	Corpus Christi	\$1,600,000.00	11/15/2010		128	128

*Stimulus Programs*

Costa Esmeralda, Ltd.	Waco	\$5,200,000.00	5/17/2010	\$1,300,000	112	112
Costa Ibiza , Ltd.	Houston	\$1,500,000.00			216	216
Costa Mariposa, Ltd.	Texas City	\$2,500,000.00	8/9/2010	\$1,875,000	252	252
Costa Rialto, Ltd.	Houston	\$1,500,000.00			216	216
Costa Vizcaya II, Ltd.	Houston	\$1,025,000.00	10/29/2010		116	116
Costa Vizcaya, Ltd.	Houston	\$1,500,000.00			252	252
Crestshire Village, Ltd.	Dallas	\$3,350,000.00	8/3/2010		74	74
DDC Belmont, Ltd.	Leander	\$3,900,000.00	8/17/2010		168	192
Desert Villas, Ltd.	El Paso	\$3,100,000.00	5/12/2010	\$1,550,000	94	94
Encino Pointe, Ltd.	San Marcos	\$2,500,000.00	9/8/2010	\$1,875,000	252	252
Fairway Townhomes Housing, L.P.	Dallas	\$1,352,350.00	4/14/2010	\$1,352,350	297	302
Four Seasons at Clear Creek, Ltd.	Fort Worth	\$5,365,000.00	7/21/2010		92	96
Glenwood Trails LP	Deer Park	\$1,200,000.00			114	114
Horizon Meadows Apartments, Ltd.	La Marque	\$2,490,000.00	5/26/2010	\$562,901	96	96
Jason Avenue Residential LP	Amarillo	\$2,200,000.00	3/31/2010	\$1,650,000	252	252
Kerrville Clearwater Paseo Apartments, LP	Kerrville	\$2,440,146.00	12/31/2009	\$2,440,146	73	76
Lexington Court Phase II, LTD	Kilgore	\$1,296,300.00	2/12/2010	\$972,225	76	76
Mariposa Ella Blvd. LP	Houston	\$3,556,213.00	9/14/2010		180	180
Mesquite Terrace, Ltd.	Pharr	\$2,736,597.00	9/23/2010	\$2,736,597	106	106
Montabella Pointe, Ltd.	San Antonio	\$1,755,000.00	10/20/2010		144	144
Onion Creek Housing Partners, Ltd.	Fort Worth	\$1,500,000.00	5/5/2010	\$1,500,000	224	224
Palmas Apartments, Ltd.	El Paso	\$7,533,861.00	5/4/2010	\$5,650,396	172	172

*Stimulus Programs*

PK Hillwood Apartments, LP	Weimar	\$994,497.00	10/4/2010		24	24
San Angelo River Place Apartments, LP	Tom Green	\$980,345.00	5/12/2010	\$735,259	120	120
San Elizario Palms, Ltd.	San Elizario	\$680,000.00			80	80
SDC Fiji Senior, LP	Dallas	\$5,550,000.00	5/19/2010	\$4,162,500	130	130
Senior Living at Emory, LP	Lubbock	\$2,746,454.00			102	102
Silsbee Oakleaf Estates, LP	Silsbee	\$529,396.00	9/20/2010	\$529,396	80	80
South Acres Ranch II, Ltd.	Houston	\$690,000.00	7/12/2010		48	49
South Acres Ranch, Ltd.	Houston	\$750,000.00			77	80
TF Development, LP	Dallas	\$1,412,476.00	11/9/2010		144	160
The Grand Reserve-Waxahachie, Ltd.	Waxahachie	\$3,420,000.00	1/13/2010	\$2,565,000	80	80
The Mirabella, Ltd.	San Antonio	\$6,175,000.00	4/14/2010		172	172
Timber Village Apartments II, Ltd.	Marshall	\$1,259,000.00	9/29/2010		72	72
Trinity Quality Housing, LP	Fort Worth	\$4,950,523.00	5/14/2010	\$3,712,893	168	168
UHF Magnolia Trace LP	Dallas	\$2,488,000.00	10/13/2010		112	112
UHF Tuscany Villas Housing, LP	Plano	\$1,855,000.00	9/16/2010		90	90
Vista Ridge Senior Community, L.P.	Lewisville	\$3,408,272.00	2/3/2010	\$2,556,204	120	120
Woodmont Apartments, Ltd.	Fort Worth	\$2,500,000.00	8/17/2010	\$1,875,000	252	252
WOV Apartments, LP	Houston	\$2,408,824.00	6/25/2010	\$1,806,618	232	232
<b>TOTAL</b>		<b>\$134,167,200</b>	<b>n/a</b>	<b>\$93,331,480</b>	<b>7,178</b>	<b>7,443</b>

\* Based on date TCAP Written Agreement fully executed by all parties

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*Conditional Awards as of November 18, 2010, Tax Credit Assistance Program*

<b>Applicant Name</b>	<b>Project City</b>	<b>Low-Income Units</b>	<b>Total Units</b>	<b>Total TCAP requested</b>
ARDC San Marcos, Ltd.	San Antonio	252	252	\$2,000,000.00
ARDC Sutton, Ltd.	San Antonio	186	194	\$750,000.00
Beaumont Leased Housing Associates I, LP	Beaumont	150	150	\$618,990.00
Beaumont Leased Housing Associates II, LP	Beaumont	90	90	\$328,565.00
BETCO-Bowie Housing, L.P.	Bowie	42	48	\$2,000,000.00
Boerne Terraces at Cibolo Apartments, LP	Boerne	150	150	\$3,000,000.00
Boerne Terraces at Cibolo Apartments, LP	Boerne	150	150	\$5,000,000.00
HFI Wyndham Park Apartments, L.P.	Baytown	184	184	\$1,489,613.00
Presidio Palms, Ltd.	San Elizario	80	80	\$450,000.00
San Angelo River Place Apartments, LP	Tom Green	120	120	\$2,005,000.00
Senior Living at Emory, LP	Lubbock	102	102	\$450,000.00
The Colony Senior Community, L.P.	The Colony	145	145	\$1,500,000.00
The Gibraltar Senior, Ltd.	Clute	48	48	\$1,000,000.00
<b>TOTAL</b>		<b>1,699</b>	<b>1,713</b>	<b>\$20,592,168</b>

**ADDITIONAL RESOURCES**

For more information regarding TCAP funds, see the Department's TCAP website at <http://www.tdhca.state.tx.us/recovery/detail-tcap.htm>.



## **NEIGHBORHOOD STABILIZATION PROGRAM (NSP)**

The Neighborhood Stabilization Program (NSP) is a HUD-funded program. TDHCA received NSP 1 funding and is eligible to receive funds under NSP 3.

### **NSP 1**

#### **PROGRAM DESCRIPTION**

The purpose of the program is to redevelop into affordable housing or acquire and hold abandoned and foreclosed properties in areas that are documented to have the greatest potential for declining property values as a result of excessive foreclosures. Units of local governments and nonprofit affordable housing providers are eligible to apply for these funds.

NSP 1 was authorized by HERA as a supplemental allocation to the Community Development Block Grant Program through an amendment to the existing *2008 State of Texas Consolidated Plan One-Year Action Plan*.

According to the NSP 1 Action Plan Substantial Amendment, each subrecipient will be required to set aside at least 35% of their non-administrative allocation to benefit households with incomes less than or equal to 50% of area median family income (AMFI). The balance of the subrecipient award will be used by the subrecipient to purchase the abandoned or foreclosed properties to rehabilitate and sell to households earning 120% AMFI or below.

#### **IMPLEMENTATION AND ALLOCATION**

TDHCA and the Texas Department of Rural Affairs TDRA have worked together to administer the \$102 million in funds received from HUD. TDHCA is taking the lead role in this partnership.

- Direct Awards \$61 million (more urban areas)
- Select Pool \$19 million (more rural/smaller communities)
- Land Bank \$11 million
- Administration \$10 million

#### **STATUS OF FUNDS**

Because NSP is a multi-year program, most funds have not yet reached households; information on households served will be included in the 2012 State Low Income Housing Plan and Annual Report. The following tables show the allocated amounts per region and the awarded amounts from the beginning of the NSP program to the obligation date of October 2010.

#### *NSP 1 Obligations as of October 2010*

<b>Subrecipient</b>	<b>Total Subrecipient Obligations</b>
Abilene Neighborhoods in Progress	\$5,000.00
Affordable Homes of South Texas, Inc.	\$3,638,760.10
Austin Habitat for Humanity, Inc.	\$1,209,600.00
Brownsville Housing Authority	\$2,934,248.95
Bryan-College Station Habitat for Humanity	\$94,500.00
Builders of Hope CDC	\$2,123,898.00
Central Dallas Community Development Corporation	\$1,159,375.00

<b>Subrecipient</b>	<b>Total Subrecipient Obligations</b>
City of Austin	\$1,796,876.75
City of Beaumont	\$1,121,413.00
City of Bryan	\$220,731.00
City of El Paso	\$354,375.00
City of Galveston	\$1,053,258.90
City of Garland	\$1,505,659.02
City of Harlingen	\$762,816.56
City of Houston	\$3,353,519.00
City of Huntsville	\$1,533,609.00
City of Irving	\$2,940,540.00
City of Laredo	\$1,807,441.51
City of Lubbock	\$716,874.70
City of Odessa	\$1,493,126.34
City of Port Arthur	\$1,418,352.53
City of San Angelo	\$525,000.00
City of San Marcos	\$365,701.29
City of Seguin	\$1,193,690.76
City of Terrell	\$49,554.35
City of Waelder	\$800,886.80
Community Development Corporation of Brownsville	\$3,868,571.00
Covenant Community Capital Corporation	\$5,796,000.00
Enterprise Community Partners, Inc.	\$6,009,618.42
FC Austin One Housing Corporation	\$4,682,918.74
Fort Worth Affordability, Inc.	\$4,724,901.00
Fort Worth Affordability, Inc.	\$6,863,850.00
Frazier Revitalization, Inc.	\$960,787.24
Housing Authority of the City of San Benito	\$525,000.00
Housing Authority of the County of Hidalgo	\$1,228,634.36
Inclusive Communities Project	\$1,868,139.11
Midland County Housing Authority	\$1,061,949.00
Neighborhood Housing Services of Waco, Inc.	\$1,036,186.20
Plano Housing Corporation	\$5,828.94
San Antonio Alternative Housing Corporation	\$3,307,928.00
Tarrant County Housing Partnership	\$5,630,397.05
Texas State Affordable Housing Corporation	\$6,068,750.00
Texoma Housing Finance Corporation	\$8,651,259.38
Travis County Housing Finance Corporation	\$427,479.00

*NSP 1 Activity Funding as of October 2010*

<b>Activities</b>	<b>Total Funds</b>
Homebuyer Financing	<b>\$1,019,320.00</b>
Homebuyer Financing Setaside (benefits households at 50% AMFI)	<b>\$1,166,193.52</b>
Purchase and Rehabilitation	<b>\$9,196,317.60</b>
Purchase and Rehabilitation Setaside (benefits households at 50% AMFI)	<b>\$37,370,884.75</b>
Land Bank	<b>\$11,284,087.64</b>
Clearance and Demolition	<b>\$2,610,250.21</b>
Redevelopment	<b>\$4,688,799.40</b>
Redevelopment Setaside (benefits households at 50% AMFI)	<b>\$24,723,872.97</b>
Administration	<b>\$4,837,279.91</b>

**ADDITIONAL RESOURCES**

The NSP 1 Substantial Amendment and the Notice of Funding Availability (NOFA) may be accessed from the TDHCA website at <http://www.tdhca.state.tx.us/nsp/index.htm>. For more information, contact Marni Holloway, NSP Manager, at (512) 475-3726.

***NSP 3*****PROGRAM DESCRIPTION**

The purpose and eligible uses of funds under NSP3 duplicate those of NSP1, with an additional requirement to focus on rental housing.

**IMPLEMENTATION AND ALLOCATION**

A Roundtable will be held on December 3, 2010 to gather public input on the plan for use of NSP3 funds and the draft Substantial Amendment required by HUD will be presented to the TDHCA Governing Board at their January meeting. After a public comment period, the Amendment must be submitted to HUD by March 1, 2011. Funds will be available in the second quarter of 2011.

**STATUS OF FUNDS**

NSP3 was created by the Dodd-Frank Wall Street Reform Act on July 21, 2010. The allocation formula provides \$18,038,242 of Neighborhood Stabilization funds to the State of Texas. An amount of \$10,753,264 will be granted directly to communities impacted by the foreclosure crisis and TDHCA will receive \$7,284,978 to be distributed statewide.

**ADDITIONAL RESOURCES**

The NSP 3 information may be accessed on the TDHCA website at <http://www.tdhca.state.tx.us/nsp/index.htm>. For more information, contact Marni Holloway, NSP Manager, at (512) 475-3726.

## ***NATIONAL FORECLOSURE MITIGATION COUNSELING PROGRAM (NFMC)***

The Department applied for and received NFMC Round 2, NFMC Round 3 and NFMC Round 4. The Department is in the process of applying for NFMC Round 5.

### ***NFMC ROUND 2***

#### **PROGRAM DESCRIPTION**

HERA gave authority to NeighborWorks America to continue the National Foreclosure Mitigation Counseling (NFMC) Program, originally authorized by the FY 2008 Consolidated Appropriations Act. NFMC funds are federal funds available for foreclosure intervention counseling, training and administration expenses. The purpose of the program is to expand and supplement foreclosure counseling. All funds are targeted to "areas of greatest need" which are defined as areas experiencing a high rate of subprime lending, delinquent loans and foreclosure starts.

The three NFMC funding categories are Counseling Funds, Program-Related Support and Operational Oversight. Counseling funds are used to provide financial counseling to homeowners in danger of foreclosure. As described by NeighborWorks America, "Many clients in the early stages of delinquency may benefit from brief counseling sessions that result in an Action Plan they can follow to get back on track and prevent foreclosure. More complex workouts, sometimes involving negotiations with mortgage lenders or servicers, require staff with additional expertise and will take longer to resolve."<sup>19</sup> Program-Related Support are funds used to support the direct costs associated with increasing effectiveness and efficiency of the foreclosure programs, such as funding outreach to delinquent clients, collecting data and uploading quarterly reports. Operational Oversight is only available for intermediaries and state housing finance agencies and is for the administration of the program.

The HUD-approved housing counseling agencies have written plans for providing counseling to homeowners in danger of foreclosure. Eligible recipients of foreclosure intervention counseling must be owner-occupants of single-family (one-to-four unit) properties with mortgages in default or danger of default. Many of the partner organizations work with toll-free foreclosure prevention hotlines.

#### **IMPLEMENTATION AND ALLOCATION**

In October 2008, TDHCA partnered with six HUD-approved foreclosure mitigation counseling organizations that met the NeighborWorks' experience threshold in order to create an application for funding for NFMC Round 2. In December 2008, TDHCA was awarded \$491,490 for NFMC Round 2. At the September 4, 2008 TDHCA Board meeting, staff received approval to use up to \$250,000 in deobligated Housing Trust Fund funds for match to secure foreclosure mitigation assistance. To receive NFMC funds, the grantee must provide a 20 percent match for the first \$500,000 in funding it receives. Of the \$250,000 in Housing Trust Fund matching funds approved by TDHCA's Board, \$98,298 was provided as match by TDHCA.

Of the NFMC amount, \$27,090 was allocated by NeighborWorks America for Operational Oversight of the grant. TDHCA jointly administered the program with the Texas State Affordable Housing Corporation (TSAHC).

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<sup>19</sup> NeighborWorks America. (2010, January 19) National foreclosure mitigation counseling program funding announcement for round 4 funds. Retrieved from <http://www.nw.org/network/nfmcp/documents/Round4FundingAnnouncementRedlinedFINAL.pdf>.

Funding was awarded to the partner nonprofit organization and local units of government included in the application submitted to NeighborWorks America. NFMC Round 2 reimbursed for counseling performed between January 1, 2009 and December 31, 2009. For NFMC Round 2, 30 percent of the funds were targeted to low-income or minority homeowners and low-income and minority neighborhoods.

Matching funding categories were designed similarly to NFMC funds. Counseling Match reimbursed Sub-grantees for counseling sessions if the Sub-grantee had exceeded Round 2 production goals or if the Sub-grantee had re-counseling a household that had received sub-standard counseling from a non-TDHCA-funded agency. Because Counseling Match was provided with funds from the Housing Trust Fund, the households served with Counseling Match had to be in the 0-80 percent area median family income category. Capacity-Building Match was modeled after NFMC's Program-Related Support. Capacity-Building Match was awarded based on a percentage of the counseling funds allocated by NeighborWorks America. Operational Oversight Match was allocated to TSAHC for program set up, sub-grantee technical assistance and auditing.

#### STATUS OF FUNDS

The final counseling sessions were uploaded in June 2010. NFMC Round 2 is in program review by NeighborWorks America. After review, NeighborWorks America will release the final draw.

#### Households served by MSA, NFMC Round 2

MSA/Location	Households (HH) Served	Counseling Ending in Foreclosure	HHs <50% AMFI	HHs 50-79% AMFI	HHs 80-100% AMFI	HHs >100% AMFI	White	Black	Other	Hispanic
Austin/Round Rock	393	1	147	138	66	42	328	51	14	201
Dallas/Fort Worth/Arlington	265	12	102	87	63	13	109	134	22	63
El Paso	65	0	61	4	0	0	3	3	59	58
Houston/Sugar Land/Baytown	281	2	112	44	42	83	113	162	6	80
San Antonio	125	0	16	29	27	53	113	12	0	98
Rural - Texas	7	1	3	2	2	0	6	1	0	0
<b>Total</b>	<b>1,136</b>	<b>16</b>	<b>441</b>	<b>304</b>	<b>200</b>	<b>191</b>	<b>672</b>	<b>363</b>	<b>101</b>	<b>500</b>

The foreclosure rate for households that received counseling was 1.4 percent compared to the Texas foreclosure rate of about 2 percent at the end of 2009.<sup>20</sup> Sixty-five percent of households served had incomes under 80 percent AMFI. Forty-one percent of households served were racial minorities and 44 percent were ethnic minorities.

The most successful tool used by counseling agencies in NFMC Round 2 was bringing the mortgage current, which was successful for 167 households. Other tools commonly used included initiating a forbearance agreement or initiating a repayment plan (137 households) and negotiation of mortgage modifications (127 households). Due to the nature of the counseling process, counseling may continue for many months while the counselors and homeowners negotiate with the servicer. The outcomes of the counseling sessions are illustrated in the table below.

<sup>20</sup> Houston Business Journal. (2010, February 19). Texas foreclosure rate hits 2%. Retrieved from <http://www.bizjournals.com/houston/stories/2010/02/15/daily45.html>.

## Counseling Outcomes by Households Served, NFMC Round 2

Counseling Outcomes	Households
Bankruptcy	12
Brought mortgage current (with or without rescue funds)	167
Counseled and referred to another organization for assistance (e.g. legal, social service, emergency)	8
Counseled on debt management or referred to debt management agency	2
Currently in negotiation with servicer; outcome unknown	382
Currently Receiving Foreclosure Prevention/Budget Counseling	158
Foreclosure put on hold or in moratorium; final outcome unknown	7
Homeowner(s) sold property (not short sale)	10
Initiated Forbearance Agreement/Repayment Plan	137
Mortgage foreclosed	16
Mortgage modified	127
Mortgage refinanced	5
Obtained partial claim loan from FHA lender	5
Other	19
Pre-foreclosure sale/short sale	8
Withdrew from counseling	74
<b>Total</b>	<b>1,137</b>

## Funding by Organization, NFMC Round 2

Counseling Agency	Metropolitan Statistical Areas Served	NFMC Funds Allocated	NFMC Funding Drawn	% NFMC Funds Drawn	Matching Funds Allocated/Expended	% Match Funds Drawn
City of San Antonio	San Antonio	\$65,880.00	\$64,507.50	97.9%*	\$9,783.00	100%
Credit Coalition	Beaumont/Port Arthur, Houston/Sugar Land/Baytown	\$11,160.00	11,160.00	100%	\$2,397.00	100%
El Paso Community Action Agency, Project Bravo	El Paso	\$16,740.00	\$16,740.00	100%	\$3,595.50	100%
Frameworks Community Development Corporation	Austin/Round Rock	\$128,700.00	\$128,700.00	100%	\$18,532.50	100%
Gulf Coast Community Services Association	Houston/Sugar Land/Baytown	\$104,040.00	\$101,872.50	97.9%*	\$16,263.00	100%
North Texas Housing Coalition	Dallas/Fort Worth/Arlington	\$137,880.00	\$135,007.50	97.9%*	\$22,083.00	100%
Texas Department of Housing and Community Affairs	N/A - Grantee	\$5,000.00	\$4,322.75	86.5%*	\$0.00	100%
Texas State Affordable Housing Corporation	N/A – Administrator	\$22,090.00	\$18,827.50	85.2%*	\$25,644.00**	100%
<b>Total</b>		<b>\$491,490.00</b>	<b>\$481,137.75</b>	<b>97.8%</b>	<b>\$98,298.00</b>	<b>100%</b>

\*Does not include final draw; NeighborWorks America will release final draw after it approves the final review.

\*\*TSAHC was allocated matching funds to establish the program oversight and fiscal process.

### **NFMC ROUND 3**

#### **PROGRAM DESCRIPTION**

The Omnibus Appropriations Act of 2009 (Public law 111-8) continued the NFMC Program, Round 3. The purpose of NFMC Round 3 is the same as prior NFMC Rounds.

#### **IMPLEMENTATION AND ALLOCATION**

In August 2009, TDHCA partnered with nine HUD-approved foreclosure mitigation counseling organizations to submit an application for NFMC Round 3 to NeighborWorks America. In October 2009, TDHCA was awarded \$449,960 for NFMC Round 3. To receive NFMC funds, the grantee must provide a 20 percent match for the first \$500,000 in funding it receives. For matching funds, \$89,992 was made available by combined funds from TDHCA and TSAHC.

Of the NFMC amount, \$24,800 was allocated by NeighborWorks America for administration of the grant. TDHCA jointly administered the program with the Texas State Affordable Housing Corporation (TSAHC).

Funding was awarded to the partner nonprofit organization and local units of government included in the application submitted to NeighborWorks America. NFMC Round 3 reimburses for counseling performed between July 1, 2009 and June 30, 2010. Due to an adjustment to the allocation of counseling sessions between Metropolitan Statistical Areas, an extension was requested and received to extend the counseling performance period to December 31, 2010. For NFMC Round 3, 50 percent of the funds will be targeted to low-income or minority homeowners and 15 percent of the funds will be targeted to low-income and minority neighborhoods.

Counseling Match reimbursed Sub-grantees for counseling sessions if the Sub-grantee had exceeded Round 3 production goals. Because half of the Counseling Match was provided with funds from the Housing Trust Fund, half of the households served with Counseling Match had to be in the 0-80 percent area median family income category. Capacity-Building Match was modeled after NFMC's Program-Related Support. Capacity-Building Match was available up to \$2,000 for each Sub-grantee. Because NFMC was running efficiently, there was no need to allocate TSAHC Operational Oversight Match for Round 3.

#### **STATUS OF FUNDS**

The final counseling sessions were uploaded in August 2010. NFMC Round 3 is in its final reporting stage; once this is complete, the final draw will be released from NeighborWorks America. All counseling sessions were completed before NeighborWorks America's deadline.

## Households served by MSA, NFMC Round 3

	Households (HH) Served	Counseling Ending in Foreclosure	HHs <50% AMFI	HHs 50-79% AMFI	HHs 80-100% AMFI	HHs >100% AMFI	White	Black	Other	Hispanic
Austin/Round Rock	418	19	178	125	54	61	325	77	16	177
Beaumont/Port Arthur	5	1	3	2	0	0	3	2	0	0
Brownsville/Harlingen	86	2	35	23	10	18	86	0	0	79
Corpus Christi	145	3	42	39	16	48	134	11	0	95
Dallas/Fort Worth/Arlington	182	3	60	63	45	14	114	53	15	67
El Paso	115	2	115	0	0	0	8	0	107	105
Houston/SugarLand/Baytown	118	1	37	27	20	34	46	64	8	32
McAllen/Edinburg/Mission	206	3	67	62	28	49	201	2	3	193
San Antonio	149	1	26	58	37	28	133	8	8	117
Rural – Texas	22	1	6	5	4	7	22	0	0	12
<b>Total</b>	<b>1,446</b>	<b>36</b>	<b>569</b>	<b>404</b>	<b>214</b>	<b>259</b>	<b>1,072</b>	<b>217</b>	<b>157</b>	<b>877</b>

The foreclosure rate for households that received counseling was 2.4 percent compared to the Texas foreclosure rate of about 2 percent 2009.<sup>21</sup> This percentage is slightly higher than the statewide average foreclosure rate, probably because these borrowers were already in financial distress and at risk of foreclosure when they sought help from the NFMC program. Sixty-seven percent of households served had incomes under 80 percent AMFI. Twenty-six percent of households served were racial minorities and 61 percent of households served were ethnic minorities.

The most successful tool used by counseling agencies was initiating a forbearance agreement or initiating a repayment plan, which was successful for 210 households. Other tools commonly used included negotiation of mortgage modifications (164 households) and bringing the mortgage current (89 households). Due to the nature of the counseling process, counseling may continue for many months while the counselors and homeowners negotiate with the servicer. The outcomes of the counseling sessions are illustrated in the table below.

<sup>21</sup> Ibid, 3.



## Counseling Outcomes by Households Served, NFMC Round 3

Counseling Outcome	Households
Bankruptcy	84
Brought mortgage current (with or without rescue funds)	89
Counseled and referred to another organization for assistance (e.g. legal, social service, emergency)	37
Counseled on debt management or referred to debt management agency	4
Currently in negotiation with servicer; outcome unknown	588
Executed a Deed-in-Lieu	4
Foreclosure put on hold or in moratorium; final outcome unknown	8
Home lost due to tax sale or condemnation	1
Homeowner(s) sold property (not short sale)	12
Initiated forbearance agreement/repayment plan	210
Mortgage foreclosed	36
Mortgage modified	164
Mortgage refinanced	7
Obtained partial claim loan from FHA lender	5
Other	7
Pre-foreclosure sale/short sale	28
Withdrew from counseling	162
<b>Total</b>	<b>1,446</b>

## Funding by Organization, NFMC Round 3

Counseling Agency	Metropolitan Statistical Areas Served	NFMC Funding Allocated	NFMC Funding Drawn	% NFMC Funds Drawn	Matching Funds Allocated/Expended	% Match Drawn
Consumer Credit Counseling Service (CCCS) of South Texas	Brownsville/Harlingen, McAllen/Edinburg/Mission, Corpus Christi	\$91,800.00	\$89,805.00	97.8%*	\$51,192.00	100%
CCCS of Greater San Antonio	San Antonio	\$25,650.00	\$24,753.75	96.5%*	\$2,000.00	100%
Credit Coalition	Beaumont/Port Arthur, Houston/Sugar Land/Baytown	\$14,160.00	\$13,852.50	97.8%*	\$3,950.00	100%
El Paso Community Action Agency, Project Bravo	El Paso	\$26,100.00	\$25,533.75	97.8%*	\$6,200.00	100%
Frameworks Community Development Corporation	Austin/Round Rock	\$137,700.00	\$134,831.25	97.9%*	\$7,400.00	100%
Gulf Coast Community Services Association	Houston/Sugar Land/Baytown	\$17,430.00	\$17,051.25	97.8%*	\$2,000.00	100%

Counseling Agency	Metropolitan Statistical Areas Served	NFMC Funding Allocated	NFMC Funding Drawn	% NFMC Funds Drawn	Matching Funds Allocated/ Expended	% Match Drawn
North Texas Housing Coalition	Dallas/Fort Worth/Arlington	\$81,570.00	\$79,800.00	97.8%*	\$11,000.00	100%
New Vision Housing Alliance	Houston/Sugar Land/Baytown	\$3,600.00	\$3,525.00	97.9%*	\$2,000.00	100%
Our Casas Residents Council	San Antonio	\$19,167.00	\$19,167.00	100%	\$4,250.00	100%
Texas Department of Housing and Community Affairs	N/A - Grantee	\$7,983.00	\$7,983.00	100%	\$0.00	100%
Texas State Affordable Housing Corporation	N/A – Administrator	\$24,800.00**	\$24,180.00	95%*	\$0.00	100%
<b>Total</b>		<b>\$449,940.00</b>	<b>\$440,482.5</b>	<b>97.9%*</b>	<b>\$89,992.00</b>	<b>100%</b>

\*Does not include final draw; requirements to receive the final draw have not been released from NeighborWorks America.

\*\*TSAHC was allocated \$16,817 in Operational Oversight and \$7,983 in Program-Related Support funds to facilitate data collection and submission of quarterly reports.

#### **NFMC ROUND 4**

##### **PROGRAM DESCRIPTION**

The Consolidated Appropriations Act of 2010 (Public Law 111-117) appropriated \$65 million to NeighborWorks America for the continuation of NFMC. The purpose of NFMC Round 4 is the same as previous NFMC funds.

##### **IMPLEMENTATION AND ALLOCATION**

In February 2010, TDHCA partnered with twelve HUD-approved foreclosure mitigation counseling organizations to submit an application for NFMC Round 4 to NeighborWorks America. In April 2010, TDHCA was awarded \$58,293 for NFMC Round 4. Because of the small size of the award, only seven Sub-grantees were funded. For matching funds, \$11,658.60 was made available by combined funds from TDHCA and TSAHC.

Of the NFMC amount, \$3,213 was allocated for administration of the grant. TDHCA jointly administers the program with the TSAHC. An additional \$4,486.50 in Program-Related Support is allocated to TSAHC for data collection and submission of quarterly reports.

Based on the Metropolitan Statistical Area allocation awarded by NeighborWorks America and the capacity of the counseling agencies, seven of the twelve counseling agencies included in the original application were funded. For NFMC Round 4, 50 percent of the funds will be targeted to low-income or minority homeowners and 15 percent of the funds will be targeted to low-income and minority neighborhoods. NFMC Round 4 reimburses for counseling performed between December 1, 2009 and December 31, 2010.

Only Counseling Match was used as an expense category for matching funds. Because Counseling Match was provided with funds from the Housing Trust Fund, half of the households served with Counseling Match have to be in the 0-80 percent area median family income category. Counseling Match will reimburse Sub-grantees for counseling sessions if the Sub-grantee had exceeded Round 4 production goals. Counseling match was awarded up to \$5,829.30 on a first-come, first-served basis.

## STATUS OF FUNDS

Round 4 began during the week of October 25, 2010 and is on schedule to finish by December 31, 2010. As of this writing, Draw 1, out of five draws, has been received. Matching funds were available for counseling agencies that performed over and above what was in their contract, up to \$5,829.30. In the first draw request from Sub-grantees, all the matching funds were allocated.

## Funding by Organization, NFMC Round 4

Counseling Agency	Metropolitan Statistical Areas Served	NFMC Funding Allocated	NFMC Funding Drawn	% NFMC Funding Drawn	Matching Funds Allocated	% Match Drawn
Consumer Credit Counseling Service (CCCS) of Greater Dallas	Amarillo, Tyler	\$999.00	\$0	0%	0	0%
CCCS of South Texas	Brownsville/Harlingen, McAllen/Edinburg/Mission, Corpus Christi, Victoria	\$7,492.50	\$1,800	24%	0	0%
Credit Coalition	Beaumont/Port Arthur, Houston/Sugar Land/Baytown, Rural	\$4,536.00	\$1,050	23.1%	0	0%
El Paso Community Action Agency, Project Bravo	El Paso	\$1,332.00	\$420	31.5%	\$5,829.30	0%
Frameworks Community Development Corporation	Austin/Round Rock	\$14,319.00	\$3,150	30%	\$5,829.30	0%
North Texas Housing Coalition	Dallas/Fort Worth/Arlington	\$18,315.00	\$4,350	23.8%	0	0%
Our Casas Residents Council	San Antonio	\$3,600.00	\$750	20.1%	0	0%
Texas Department of Housing and Community Affairs	N/A - Grantee	\$2,000.00	\$700	35%	0	0%
Texas State Affordable Housing Corporation	N/A – Administrator	\$5,699.50*	\$2,157.05	37.8%	0	0%
<b>Total</b>		<b>\$58,293.00</b>	<b>\$14,377.05</b>	<b>24.7%</b>	<b>\$11,658.60</b>	<b>0%</b>

\*TSAHC was allocated \$1,213.00 in Operational Oversight and \$4,486.50 in Program-Related Support funds to facilitate data collection and submission of quarterly reports.

## ADDITIONAL RESOURCES

Homeowners in danger of foreclosure can find a HUD-approved foreclosure counselor at <http://www.findaforeclosurecounselor.org>. For additional information on the NFMC program, see the NeighborWorks America website at <http://www.nw.org/network/nfmcp/>.

**NFMC ROUND 5**

## PROGRAM DESCRIPTION

The federal FY 2011 budget will continue the NFMC Program, Round 5. The purpose of NFMC Round 5 is the same as previous NFMC Rounds.

#### IMPLEMENTATION AND ALLOCATION

In December 2010, TDHCA sent out an invitation to all HUD-approved housing counselors, with contact information found on HUD's website at <http://www.hud.gov/offices/hsg/sfh/hcc/hcs.cfm>. TDHCA will partner with interested HUD-approved Housing counselors to submit an application to Neighborworks America by January 6, 2011. To receive NFMC funds, the grantee must provide a 20 percent match for the first \$500,000 in funding it receives and 10 percent match for any amount in excess of \$500,000.

#### ADDITIONAL RESOURCES

Homeowners in danger of foreclosure can find a HUD-approved foreclosure counselor at <http://www.findaforeclosurecounselor.org>. For additional information on the NFMC program, see the NeighborWorks America website at <http://www.nw.org/network/nfmcpl/>.

## **WEATHERIZATION ASSISTANCE PROGRAM**

### DESCRIPTION OF PROGRAM

The Weatherization Assistance Program (WAP) is funded through the U.S. Department of Energy (DOE). ARRA expands the Department's existing Weatherization Assistance Program, which was previously funded approximately \$13,000,000 per year through the DOE and the U.S. Health and Human Services' Low Income Home Energy Program (LIHEAP). The Department received \$326,975,727 in WAP Recovery Funds. WAP is administered through the Community Affairs Division.

The Weatherization Assistance Program allocates funding to help households control energy costs through the installation of weatherization measures and through energy conservation education. Activities include measures to reduce air infiltration, such as replacement of doors and windows, repairing of holes and caulking; installation of ceiling, wall and floor insulation; replacement of energy inefficient appliances and heating and cooling units; and energy education to help families reduce their energy consumption.

The ARRA WAP program is able to benefit from the success of the pre-existing program. The Recovery Act allowed the increase of the income limit for households served from 125 percent to 200 percent of federal poverty guidelines and the Department has increased the income limits to 200 percent. This income limit increase will result in the eligibility of more households in Texas. The Recovery Act increased the maximum percentage of funds that can be used for training and technical assistance from 10 to 20 percent of the total award amount. ARRA also raised the monetary cap (WAP funds only) that may be spent on each household from \$3,044 in 2009 to \$6,500. Priority households include the elderly, persons with disabilities, families with young children, households with the highest energy costs or needs in relation to income (highest home energy burden) and households with high energy consumption.

### IMPLEMENTATION AND ALLOCATION

The Department submitted a Plan for WAP ARRA funds to DOE on March 23, 2009. The DOE approved the Department's WAP Plan and the release of half the total funds on July 10, 2009.

The allocation formula for WAP uses the following five factors and corresponding weights to distribute funds to all 254 counties in Texas through the existing network of providers: non-elderly poverty household factor (40 percent); elderly poverty household factor (40 percent); inverse poverty household density factor (5 percent); median income variance factor (5 percent); and weather factor (10 percent).

The pre-existing Weatherization Assistance Program is administered by an existing subrecipient network comprised of 32 agencies that provide weatherization services to all 254 counties in Texas. Moreover, 11 cities were temporarily added to the existing network because of the significant increase in Recovery Act WAP funding compared to the historical WAP funding and the short timeframe for expenditure.

The projections for Recovery Act WAP awarded in 2009 with performance period lasting until March 2012: \$326,975,732 funding allocated to weatherize 33,908 units. Note that ARRA WAP is a one-time multiyear funding award.

The TDHCA Weatherization Training Academy is an educational service of TDHCA which manages WAP. The TDHCA Weatherization Training Academy is funded by the U.S. Department of Energy and ARRA. TDHCA established the Training Academy with the purpose of providing quality training and technical assistance to the members of the WAP subrecipient network. To be eligible to attend and receive training and technical assistance, individuals must be members of the TDHCA subrecipient network or an authorized subcontractor of the TDHCA WAP subrecipient network. The Training Academy is not available to the general public. Training Academy courses include Basic and Advanced Weatherization, Weatherization Program Management, Lead Safe Renovator, Multifamily Weatherization, NEAT/MHEA Weatherization Audit, Mobile Home Weatherization, and HVAC Weatherization.

**STATUS OF FUNDS**

The following tables show the allocated amounts per region and the awarded amounts from the beginning of WAP program to October 31, 2010.

As of November 2010, the WAP Training Academy had provided 145 classes, trained a total of 1,928 students and provided a total of 62 days of technical assistance. The Training Academy timeline is from October 2009 through March 2012

Funding Category	Amount
Sub-recipients Program	\$291,372,343
Sub-recipients Training and Technical Assistance	\$5,571,225
Subs. Total	\$296,943,567 *

Funding Category	Amount
State Administrative funds	\$14,349,967
State Training and Technical Assistance	\$15,682,198 (\$4,767,170 used for training academy)
State Total	\$30,032,165
Grand Total	\$326,975,732

\*The total distributed to Sub-recipients differs between this chart and the spreadsheet below due to funds held by TDHCA that were received from Sub-recipients that were terminated from the program.

#	Subrecipient	Counties Served	Allocation	Expenditures	HH Served	White	Black	Hispanic
1	Alamo Area Council of Governments	Atascosa, Bandera, Bexar, Comal, Frio, Gillespie, Guadalupe, Karnes, Kendall, Kerr, Medina, Wilson	\$ 14,519,919	\$ 4,469,194	994	199	177	578
2	Alamo Area Council of Governments for Community Council of South Central TX	Atascosa, Bandera, Comal, Frio, Gillespie, Guadalupe, Karnes, Kendall, Kerr, Medina, Wilson	\$ 1,000,000	\$ 80,764	17	6	1	10
3	Bee Community Action Agency	Bee, Live Oak, McMullen, Refugio	\$ 1,137,192	\$ 301,977	49	2	15	32
4	Big Bend Community Action Committee, Inc.	Brewster, Crane, Culberson, Hudspeth, Jeff Davis, Pecos, Presidio, Terrell	\$ 2,376,922	\$ 911,728	120	9	-	111
5	Brazos Valley Community Action Agency, Inc.	Brazos, Burleson, Grimes, Leon, Madison, Montgomery, Robertson, Walker, Waller, Washington	\$ 6,012,088	\$ 1,676,445	291	139	102	47
6	Brazos Valley Community Action Agency, Inc. for City of Huntsville	Walker	\$ 500,000	\$ 105,265	7	1	5	1
7	Cameron and Willacy Counties Community Projects, Inc.	Cameron, Willacy	\$ 5,253,463	\$ 2,440,786	410	8	-	402
8	Cameron and Willacy Counties Community Projects, Inc. for Community Devl. Corp. of Brownsville	Cameron	\$ 500,000	\$ -	-	-	-	-
9	City of Arlington	Tarrant	\$ 2,188,456	\$ 840,490	166	82	43	32
10	City of Austin - Austin Energy	Travis	\$ 5,969,774	\$ 1,285,665	230	68	66	86
11	City of Beaumont	Jefferson	\$ 1,506,338	\$ 470,045	111	13	94	4
12	City of Brownsville	Cameron	\$ 3,281,585	\$ 1,801,759	184	2	-	182
13	City of Corpus Christi	Nueces	\$ 3,163,472	\$ 1,028,427	372	24	21	327

#	Subrecipient	Counties Served	Allocation	Expenditures	HH Served	White	Black	Hispanic
14	City of Dallas Department of Housing	Dallas	\$ 13,306,985	\$ 3,224,364	438	27	332	78
15	City of El Paso	El Paso	\$ 8,020,066	\$ 2,175,797	442	42	181	215
16	City of Fort Worth	Tarrant	\$ 5,270,464	\$ 1,938,303	317	66	212	29
17	City of Houston	Harris	\$ 23,571,279	\$ 3,093,264	683	81	343	226
18	City of Laredo	Webb	\$ 3,395,441	\$ 279,950	38	-	-	38
19	City of Lubbock	Lubbock	\$ 2,544,609	\$ 840,216	145	48	34	63
20	City of Lubbock	Lubbock	\$ 2,234,926	\$ 1,038,483	153	85	18	50
22	City of Odessa	Ector	\$ 1,175,064	\$ 651,937	108	28	16	63
23	City of San Antonio	Bexar	\$ 12,432,609	\$ 5,199,426	996	180	123	689
24	Combined Community Action, Inc.	Austin, Bastrop, Blanco, Caldwell, Colorado, Fayette, Fort Bend, Hays, Lee	\$ 3,461,915	\$ 1,926,371	290	168	54	68
25	Combined Community Action, Inc. for Fort Bend Community Revitalization Projects	Fort Bend	\$ 1,000,000	\$ 126,602	13	2	8	2
26	Community Action Committee of Victoria	Aransas, Brazoria, Calhoun, De Witt, Goliad, Gonzales, Jackson, Lavaca, Matagorda, Victoria, Wharton	\$ 4,766,792	\$ 2,279,553	483	203	88	190
27	Community Action Corp. of South Texas	Brooks, Hidalgo, Jim Wells, Kenedy, Kleberg, San Patricio	\$ 10,913,796	\$ 5,029,494	879	88	8	783
28	Community Action Corp. of South Texas for the City of McAllen	Hidalgo	\$ 1,580,866	\$ 409,131	95	4	-	90
29	Community Action Program, Inc.	Brown, Callahan, Comanche, Eastland,	\$ 329,424	\$ 276,923	43	33	4	6



#	Subrecipient	Counties Served	Allocation	Expenditures	HH Served	White	Black	Hispanic
		Haskell, Jones, Kent, Knox, Shackelford, Stephens, Stonewall, Taylor, Throckmorton						
30	Community Action Program, Inc. - For City OF Abilene	Taylor	\$ 116,053	\$ 116,052	13	5	2	5
31	Community Action Program, Inc. for Abilene Neighborhoods in Progress	Taylor	\$ 7,333	\$ 7,333	1	-	1	-
32	Community Council of Reeves County	Loving, Reeves, Ward, Winkler	\$ 800,361	\$ 367,483	50	2	3	45
33	Community Services Agency of South Texas, Inc.	Dimmit, Edwards, Kinney, La Salle, Maverick, Real, Uvalde, Val Verde, Zavala	\$ 3,685,430	\$ 853,691	135	9	1	125
34	Community Services, Inc.	Anderson, Collin, Denton, Ellis, Henderson, Hood, Hunt, Kaufman, Johnson, Navarro, Palo Pinto, Parker, Rockwall, Smith, Van Zandt	\$ 9,778,693	\$ 2,599,653	430	288	97	40
35	Community Services, Inc. - For City of Denton	Denton	\$ 748,195	\$ 69,698	15	11	1	2
36	Community Services, Inc. - For City of Lewisville	Denton	\$ 294,106	\$ 22,548	3	2	-	1
37	Community Services, Inc. - For City of Tyler	Smith	\$ 869,039	\$ 93,824	13	1	11	1
38	Community Services, Inc. - For City of Plano	Collin	\$ 603,588	\$ 39,101	10	6	3	1
39	Community Services, Inc. for Greenville Electric Utility System	Hunt	\$ 500,000	\$ 95,917	16	9	7	-
40	Community Services, Inc. for Life Rebuilders Inc.	Ellis, Kaufman	\$ 1,000,000	\$ 9,459	-	-	-	-

#	Subrecipient	Counties Served	Allocation	Expenditures	HH Served	White	Black	Hispanic
41	Concho Valley CAA - For City of San Angelo	Tom Green	\$ 843,434	\$ 396,775	54	19	3	32
42	Concho Valley Community Action Agency	Coke, Coleman, Concho, Crocket, Irion, Kimble, McCulloch, Menard, Reagan, Runnels, Schleicher, Sterling, Sutton, Tom Green	\$ 1,000,000	\$ 225,706	100	7	11	82
43	Concho Valley Community Action Agency for Rebuilding Together (San Angelo)	Tom Green	\$ 3,620,250	\$ 768,572	31	1	3	26
44	Dallas County - DCHHS - For City of Carrollton	Dallas	\$ 384,835	\$ 322,101	47	1	2	44
45	Dallas County- DCHHS - For City of Garland	Dallas	\$ 1,208,954	\$ 703,430	109	27	26	35
46	Dallas County - DCHHS - For City of Grand Prairie	Dallas	\$ 890,641	\$ 738,555	111	14	15	62
47	Dallas County - DCHHS - For City of Irving	Dallas	\$ 1,285,388	\$ 764,842	135	26	5	104
48	Dallas County- DCHHS - For City of Mesquite	Dallas	\$ 532,174	\$ 225,873	33	16	9	7
49	Dallas County - DCHHS - For City of Richardson	Dallas	\$ 361,390	\$ 232,896	70	8	3	57
50	Dallas County Department of Health and Human Services	Dallas	\$ 13,476,216	\$ 6,080,607	856	85	452	299
51	Dallas County Department of Health and Human Services for Rebuilding Together (Greater Dallas)	Dallas	\$ 1,000,000	\$ 490,054	77	38	16	23
52	Economic Opportunities Advancement Corporation of PR XI	Bosque, Falls, Freestone, Hill, Limestone, McLennan	\$ 3,800,849	\$ 1,683,115	226	101	107	7

#	Subrecipient	Counties Served	Allocation	Expenditures	HH Served	White	Black	Hispanic
53	El Paso Community Action Program, Project Bravo, Inc.	El Paso	\$ 7,272,128	\$ 2,927,433	500	8	2	490
54	El Paso Community Action Program, Project Bravo, Inc. For El Paso Collaborative for Comm/Econ Development	El Paso	\$ 998,820	\$ 162,926	34	-	-	34
55	El Paso Community Action Program, Project Bravo, Inc. for City of Socorro	El Paso	\$ 500,000	\$ 140,685	24	-	-	24
56	EOAC of Planning Region XI - For City of Waco	McLennan	\$ 1,769,084	\$ 915,965	131	13	102	15
57	Fort Worth, City of, Department of Housing	Tarrant	\$ 7,624,994	\$ 2,856,670	498	164	110	41
58	Greater East Texas Community Action Program (GETCAP)	Angelina, Cherokee, Gregg, Houston, Nacogdoches, Polk, Rusk, San Jacinto, Trinity, Wood	\$ 5,848,602	\$ 1,638,857	258	128	121	9
59	Hill Country CAA- For City of Killeen	Bell	\$ 707,722	\$ 135,476	20	8	10	1
60	Hill Country Community Action Association, Inc.	Bell, Burnet, Coryell, Erath, Hamilton, Lampasas, Llano, Mason, Milam, Mills, San Saba, Somervell, Williamson	\$ 4,433,555	\$ 1,545,187	200	146	4	49
61	Hill Country Community Action Association, Inc. for City of Georgetown	Williamson	\$ 500,000	\$ 49,069	7	6	-	1
62	Hill Country Community Action Association, Inc. for Williamson Burnet County Opportunities	Burnet, Williamson	\$ 500,000	\$ 172,202	23	19	3	1

#	Subrecipient	Counties Served	Allocation	Expenditures	HH Served	White	Black	Hispanic
63	Institute of Rural Development, Inc.	Duval	\$ 451,415	\$ 105,050	27	-	-	27
64	Nueces County Community Action Agency	Nueces	\$ 3,169,161	\$ 1,914,988	292	34	53	205
65	Panhandle Community Services	Armstrong, Briscoe, Carson, Castro, Childress, Collingsworth, Dallam, Deaf Smith, Donley, Gray, Hall, Hansford, Hartley, Hemphill, Hutchinson, Lipscomb, Moore, Ochiltree, Oldham, Parmer, Potter, Randall, Roberts, Sherman, Swisher, Wheeler	\$ 6,186,247	\$ 858,847	306	228	14	62
66	Panhandle Community Services - For City of Amarillo	Randall	\$ 1,581,844	\$ 593,590	99	30	40	19
67	Programs for Human Services, Inc.	Chambers, Galveston, Hardin, Jefferson, Liberty, Orange	\$ 6,397,787	\$ 3,300,756	525	222	243	30
68	Rolling Plains - For City of Wichita Falls	Wichita	\$ 821,832	\$ 497,921	114	56	39	19
69	Rolling Plains Management Corporation	Archer, Baylor, Cottle, Clay, Foard, Hardeman, Jack, Montague, Wichita, Wilbarger, Wise, Young	\$ 8,435,638	\$ 1,092,994	225	171	16	30
70	Sheltering Arms Sr Svcs for City of Pasadena*	Harris	\$ 1,431,646	\$ -	-	-	-	-
71	Sheltering Arms, Inc.	Harris	\$ 22,352,062	\$ 9,067,206	2,374	225	1,780	308
72	South Plains Community Action Association	Bailey, Cochran, Crosby, Dickens, Floyd, Garza, Hale, Hockley, King, Lamb,	\$ 1,643,044	\$ 777,472	129	33	6	90

#	Subrecipient	Counties Served	Allocation	Expenditures	HH Served	White	Black	Hispanic
		Lynn, Motley, Terry, Yoakum						
73	South Plains Community Action Association	Jim Hogg, Starr, Zapata	\$ 1,795,845	\$ 634,051	106	44	5	57
74	South Texas Development Council		\$ 1,827,920	\$ 343,373	85	-	-	85
75	Texoma Council of Governments	Bowie, Camp, Cass, Cooke, Delta, Fannin, Franklin, Grayson, Hopkins, Lamar, Marion, Morris, Rains, Red River, Titus	\$ 5,963,409	\$ 2,931,665	519	369	133	14
76	Travis County	Travis	\$ 4,622,699	\$ 549,333	196	5	36	153
77	Tri-County Community Action, Inc.	Harrison, Jasper, Newton, Panola, Sabine, San Augustine, Shelby, Tyler, Upshur	\$ 3,489,424	\$ 211,064	15	6	9	-
78	Webb County Community Action Agency	Webb	\$ 2,426,009	\$ 599,128	91	-	-	91
79	West Texas Opp. - For City of Midland	Midland	\$ 766,683	\$ 237,425	48	8	14	26
80	West Texas Opportunities, Inc.	Andrews, Borden, Dawson, Ector, Fisher, Gaines, Glasscock, Howard, Martin, Midland, Mitchell, Nolan, Scurry, Upton	\$ 4,999,064	\$ 2,264,369	449	181	60	207
			<b>\$296,737,008</b>	<b>\$ 97,333,345</b>	<b>17,904</b>	<b>4,388</b>	<b>5,523</b>	<b>7,488</b>

\*\*Allocation made in SFY 2010, reporting to begin in SFY 2011.

Some Subrecipients were awarded multiple ARRA WAP contracts on behalf of cities that opted to not participate in the program.

**ADDITIONAL RESOURCES**

See the Department plan approved by DOE; U. S. Department of Energy State Plan, ARRA; and Weatherization Assistance Program for Low-Income Persons posted on the TDHCA website at <http://www.tdhca.state.tx.us/recovery/detail-wap.htm>

## **SECTION 6: DISASTER RECOVERY**

Similar to the Stimulus Programs, Disaster Recovery programs are temporary programs targeted to certain areas to address specific issues arising from events in time. Because of the large amount of funds the Disaster Recovery division administers and because Disaster Recovery is based on a multi-year schedule and not a state fiscal year schedule, the Disaster Recovery Division has its own chapter in the State Low Income Housing Plan and Annual Report (this document). The Disaster Recovery Division primarily administers Community Development Block Grant Disaster Recovery Programs.



Eduardo and Ana Cardenas receiving the keys to their home, the 1,500<sup>th</sup> home rebuilt after Hurricane Rita under the Community Development Block Grant Disaster Recovery Program.

### ***CDBG DISASTER RECOVERY PROGRAMS RITA ROUND 1 AND ROUND 2 OVERVIEW***

The 2005 hurricane season was one of the most extreme in recorded history. The gulf coast of Texas was hit by several huge storms that caused tremendous destruction. In August, Hurricane Katrina made landfall in Louisiana and then in September, 2005, Hurricane Rita made landfall near Sabine Pass on the southeast Texas Gulf Coast. The rages of Hurricane Rita left over 75,000 homes in southeast Texas severely damaged or destroyed. Of these homes, approximately 40,000 homeowners were uninsured. As a result of Hurricane Katrina, Texas experienced an influx of evacuees from Louisiana. It is estimated that Texas absorbed more than 400,000 evacuees shortly after the storms. The overall impact of Hurricanes Katrina and Rita in Texas was widespread and evident. According to the Federal Emergency Management Agency (FEMA), 640,968 Katrina and Rita applicants for assistance were residing in Texas as of February 1, 2006.

The State of Texas prepared the *Texas Rebounds* report to estimate the financial impact of Hurricanes Rita and Katrina. The report indicates a total of \$2.017 billion is needed to meet the needs presented by Hurricanes Rita and Katrina.

<b><i>Texas Rebounds Summary of Recovery Needs – Rita &amp; Katrina<sup>22</sup></i></b>	
Housing Assistance	\$367 million
Public Safety	\$18.7 million
Community & Economic Development	\$71.1 million
Critical Infrastructure	\$498.3 million
Agriculture, Forestry and Rural Assistance	\$170.0 million
Social Services and Emergency Assistance	\$125.1 million
Transportation Infrastructure	\$54.4 million
Workforce Services	\$115 million
Educational Services	\$412.6 million
Navigation and Waterway Repairs	\$59.0 million
Health Care and Mental Health Services	\$126.2 million
<b>TOTAL</b>	<b>\$2.017 billion</b>

<sup>22</sup> Office of the Governor. (2006, February) Texas Rebounds: Helping our Communities and Neighbors Recover from Hurricanes Rita and Katrina. Retrieved from <http://www.governor.state.tx.us/files/press-office/Texas-Rebounds.pdf>.

However, to date, the State of Texas has been allocated only \$503.19 million in Community Development Block Grant (CDBG) disaster recovery funds. The CDBG disaster recovery funds in combination with FEMA funds, Small Business Administration (SBA) efforts and other assistance, do not fulfill the financial needs to achieve long-term sustainable and resilient recovery.

In an effort to help states recover from these devastating storms, Congress appropriated funds through the U.S. Department of Housing and Urban Development (HUD)'s CDBG program. Texas received an initial allocation from HUD of \$74,523,000 in February 2006 (Public Law 109-148). Recognizing the ongoing need, Congress made a second appropriation in June 2006 (Public Law 109-234) resulting in \$428,671,849 to the State of Texas. The Texas Department of Housing & Community Affairs (TDHCA) was designated as the lead agency for these two disaster recovery CDBG allocations. The Texas Department of Rural Affairs (TDRA) administered the non-housing funds in agreement with TDHCA. The funds must meet one of HUD's national objectives of urgent need, removal of slum or blight, or households with incomes not exceeding 80 percent Area Median Family Income (AMFI).

**RITA ROUND 1 ACTIVITIES AND ALLOCATION**

*Hurricane Rita First Supplemental (\$74.5 million), Public Law 109-148*

The first round of funding (Rita Round 1) of \$74.5 million was administered by the three Councils of Governments (COGs) in the affected areas. Over fifty-six percent of the Rita Round 1 funding was dedicated to housing activities to help the residents of southeast Texas recover. The Houston-Galveston Area Council (HGAC), the South East Texas Regional Planning Commission (SETRPC) and Deep East Texas Council of Governments (DETCOG) utilized their CDBG allocation to provide assistance to households in their local counties and cities with the greatest need. The CDBG disaster recovery program operated under a reimbursement program, meaning that funds were reimbursed to the COG once program expenditures were made.

Housing activities under Rita Round 1 included single-family demolition, repair, rehabilitation, reconstruction and new construction as appropriate for the specific local needs.

**RITA ROUND 1 REPORTING**

Rita Round 1 represents the first of two awards to help restore and rebuild in areas of the State most directly impacted by Hurricane Rita. As of October 2010 all construction activities were complete for Rita Round 1 funding. COGs continue to draw funds for reimbursement, even though construction is complete. Also, approximately \$218,000 in unobligated funds has been transferred to Rita Round 2 to assist the same population under the Texas Homeowner Assistance Program.

**Construction Activities Complete as of September 30, 2010**

- 531 single family homes rehabilitated or reconstructed

**Financial Summary**

COGs	Current Budget	Admin \$ Drawn To Date	Project \$ Drawn To Date	Total Drawn	% of Funds Drawn
DETCOG	\$6,674,546.00	\$674,361.00	\$6,000,185.00	\$6,674,546.00	100.00%
H-GAC	\$6,657,096.00	\$928,253.75	\$5,314,868.64	\$6,243,122.39	93.78%
SETRPC	\$27,421,536.00	\$3,182,367.87	\$22,584,778.33	\$25,767,146.20	93.97%
<b>Totals</b>	<b>\$40,753,178.00</b>	<b>\$4,784,982.62</b>	<b>\$33,899,831.97</b>	<b>\$38,684,814.59</b>	<b>94.92%</b>



***The following counties were included in the COG housing programs:***

***DETCOG:*** Angelina, Jasper, Nacogdoches, Newton, Polk, Sabine, San Augustine, San Jacinto, Shelby, Trinity and Tyler

***H-GAC:*** Brazoria, Chambers, Fort Bend, Galveston, Harris, Liberty, Montgomery and Walker

***SETRPC:*** Hardin, Jefferson and Orange

***RITA ROUND 2 ACTIVITIES AND ALLOCATION***

***Hurricanes Rita and Katrina 2<sup>nd</sup> Supplemental (\$428.6 million), Public Law 109-234***

Texas received a second round of funding of \$428.6 million in August 2006 for long-term recovery assistance. The 2nd Supplemental is referred to as Rita Round 2 and is the second allocation of CDBG funding to help restore and rebuild in areas of the State most directly impacted by Hurricane Rita. These funds also address needs of Katrina evacuees in Houston and Harris County.

The action plan for the second round of CDBG funding for disaster recovery was approved by HUD in April 2007. The housing funds are divided among a Homeowners Assistance Program, the Sabine Pass Restoration Program, the Multifamily Rental Housing Stock Preservation Program, the Restoration of Critical Infrastructure Program and the City of Houston and Harris County Public Service and Community Development Program, which are described below. The City of Houston and Harris County received assistance to address increased demands in public services, law enforcement, judicial services and community development in areas that have experienced a dramatic population increase due to an influx of Hurricane Katrina evacuees.

The Homeowner Assistance Program is available for homeowners with incomes up to 80 percent of AMFI whose homes were damaged by Hurricane Rita. All grant amounts or deferred forgivable loans are based on damage to the dwelling and used for rehabilitation and new construction. The goal of the state-administered Housing Assistance Program (HAP) under Rita Round 2 is to replace or rehabilitate approximately 2,500 homes. Unlike the application process for Rita Round 1 in which the homeowners applied to COGs, for Rita Round 2 homeowners who experienced damage during Hurricane Rita were able to apply directly to the State-run Texas Homeowner Assistance Program and Sabine Pass Restoration Program. The HAP program is no longer accepting homeowner applications because the program was oversubscribed and the congressional appropriation did not provide enough funding for all homeowners.

The Sabine Pass Restoration Program provides three types of assistance to residents in the area. The first type, home rehabilitation and reconstruction assistance, was available for homeowners with income up to 150 percent of AMFI. The second type of assistance was for homeowners needing elevation assistance to defray the costs of elevating rehabilitated or reconstructed homes that increases a home's ability to survive another storm event. The last type of assistance for Sabine Pass residents was grants to eligible homeowners with more than 50 percent damage of their home's market value to purchase a new home in the Rita Gulf Opportunity Zone.

Federal rules require at least 10.6% of the disaster assistance to be used for rental housing. TDHCA Multifamily Rental Housing Stock Preservation Program is made available in the form of a grant or loan to the owners of affordable rental properties that were damaged by Hurricane Rita to rehabilitate the properties or build units to replace those damaged by the storm. Property owners applied directly to the State-administered program.

***RITA ROUND 2 REPORTING***

Rita Round 2 represents the second of two awards to help restore and rebuild in areas of the State most directly impacted by Hurricane Rita.

**Construction Activities as of September 30, 2010:**

**Homeowner Assistance Program (HAP)**

As of October 2010 Rita Round 2 CDBG disaster recovery funds have assisted over 2,200 homes. The program is on target to close out at the end of 2010.

- 2,073 homes rehabilitated or reconstructed
- 191 homes currently under construction

**Multifamily Rental Programs**

Texas utilized over \$82 million in a state-administered affordable rental program to replace or rehabilitate seven rental developments in the affected areas. The State also allocated \$26 million to the City of Houston and Harris County to rehabilitate 3 rental developments.

- 1,083 rental units have been rehabilitated or reconstructed
- 794 rental units are currently under construction

**Financial Summary**

Activity	Current Budget	Cumulative Expenditures	Balance Remaining	Percentage Expended
Homeowner Assistance Program (HAP)*	\$210,371,273.00	\$171,535,715.26	\$38,835,557.74	81.54%
Sabine Pass Restoration Program (SPRP)	\$12,000,000.00	\$8,816,643.21	\$3,183,356.79	73.47%
Rental Housing Stock Restoration Program (RHSRP)**	\$82,779,333.00	\$76,169,743.53	\$6,609,589.47	92.02%
City of Houston's Community Development Program	\$41,500,000.00	\$32,134,398.28	\$9,365,601.72	77.43%
Harris County's Public Service Program	\$20,000,000.00	\$11,845,703.24	\$8,154,296.76	59.23%
Restoration of Critical Infrastructure Program (TDRA)	\$42,000,000.00	\$33,376,329.13	\$8,623,670.87	79.47%
State Administrative Funds (Admin Funds)	\$19,933,592.00	\$11,701,441.89	\$8,232,150.11	58.70%
<b>Grand Total</b>	<b>\$428,584,198.00</b>	<b>\$345,579,974.54</b>	<b>\$83,004,223.46</b>	<b>80.63%</b>

\*The following counties were included in HAP:

Angelina, Brazoria, Chambers, Fort Bend, Galveston, Hardin, Harris, Jasper, Jefferson, Liberty, Montgomery, Nacogdoches, Newton, Orange, Polk, Sabine, San Augustine, San Jacinto, Shelby, Trinity, Tyler and Walker

\*\*The following counties were served with the RHSRP:

Jefferson and Orange

**Rita Multifamily Rental Properties**

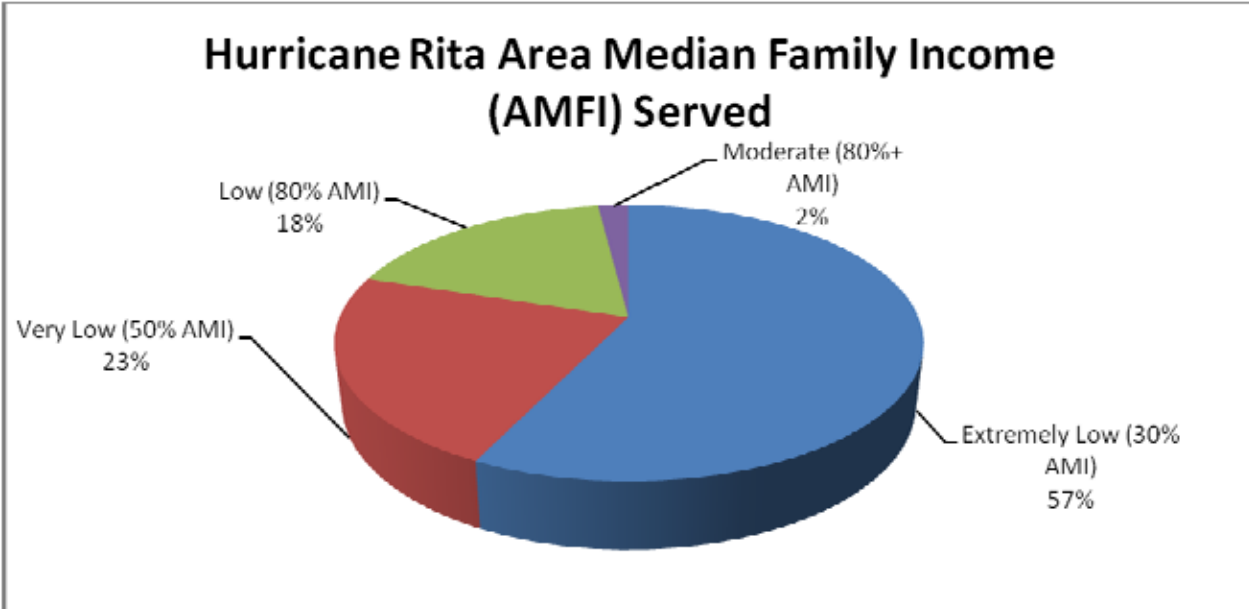
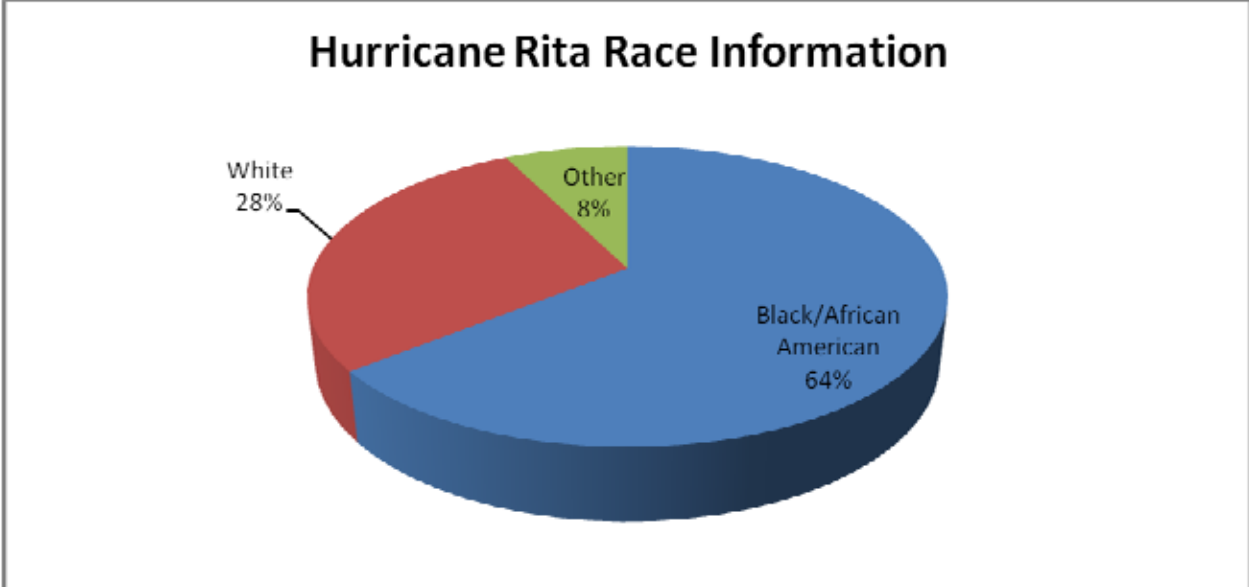
Project Name	Applicant Name	Project County	Project City	Low Income Units	Total Units	Award Amount
Cypresswood Estates	Harris County / Harris County Housing Authority	Harris	Houston	45	88	\$5,574,826.00
Fondren Court	City of Houston / 10700, LLC	Harris	Houston	177	345	\$9,850,000.00
Regency Walk	City of Houston / Regency Walk, LLC	Harris	Houston	309	606	\$10,150,000.00
Pointe North	158 Pointe North, LLC	Jefferson	Beaumont	158	158	\$13,778,332.00
Orange Navy Homes	Orange Navy, L.P.	Orange	Orange	140	140	\$15,821,439.00
Virginia Estates Apartments	Virginia Estates, L.P.	Jefferson	Beaumont	110	110	\$6,707,534.00
Brittany Place II	Chicory Court-Brittany Place II, L.P.	Jefferson	Port Arthur	100	100	\$13,077,366.00
Brittany Place I	Chicory Court-Brittany Place II, L.P.	Jefferson	Port Arthur	96	96	\$11,046,835.00
Gulfbreeze Plaza I	The Housing Authority of the City of Port Arthur	Jefferson	Port Arthur	86	86	\$ 9,067,577.00
Gulfbreeze Plaza II	The Housing Authority of the City of Port Arthur	Jefferson	Port Arthur	148	148	\$13,280,250.00

**RITA ROUNDS 1 AND 2 REPORTING**

Households Served by Type of Activity for the Homeowner Assistance Program and Sabine Pass Restoration Program

County	Replacement of Manufactured Housing Unit	Rehabilitation of stick-built home	Reconstruction of stick-built home
Jefferson	45	229	1,185
Tyler	50	5	34
Jasper	143	20	129
Newton	105	10	89
Orange	47	10	161
Angelina	9	0	11
Polk	15	0	11
Sabine	26	1	12
San Augustine	8	0	4
San Jacinto	7	0	3
Hardin	35	3	77
Shelby	2	0	1
Nacogdoches	4	0	4
Liberty	68	3	32
Chambers	34	1	11
Galveston	3	0	7
Harris	1	0	3
Montgomery	1	0	0
Trinity	2	0	0

County	Replacement of Manufactured Housing Unit	Rehabilitation of stick-built home	Reconstruction of stick-built home
Walker	5	0	0
<b>Total</b>	<b>610</b>	<b>282</b>	<b>1,774</b>



## ***CDBG DISASTER RECOVERY PROGRAMS IKE ROUND 1 AND ROUND 2 OVERVIEW***

In 2008, within a 52-day time frame Hurricanes Ike, Gustav and Dolly impacted eastern Texas. Hurricane Ike was the largest and most damaging at a Category 4 and caused great damage to Galveston and other Texas coastal areas. Hurricane Ike was enormous at 900 miles wide and comparable to the size of West Virginia. Hurricane Dolly, a Category 2 storm, overwhelmed the south Texas coast including the Rio Grande Valley. Hurricane Dolly was the most destructive storm to hit the Rio Grande Valley in over four decades. Hurricane Gustav, while noteworthy, did not result in significant damage.

The State of Texas prepared the *Texas Rebounds* report to estimate the financial impact of Hurricanes Dolly and Ike. The report indicates a total of \$29.4 billion is needed to meet the needs presented by Hurricanes Dolly and Ike.

<b><i>Texas Rebounds Summary of Recovery Needs<sup>23</sup> - Dolly &amp; Ike</i></b>	
Housing Assistance	\$3.4 billion
Critical Infrastructure	\$1.9 billion
Economic Development	\$.05 billion
Economic Development – Gulf Opportunity Zone	\$14.3 billion
Forestry, Agriculture and Fisheries	\$1.1 billion
Social Services & Facilities	\$1.4 billion
Transportation Facilities	\$0.5 billion
Workforce Services & Facilities	\$0.6 billion
Educational Services & Facilities	\$0.7 billion
Navigation & Waterway Facilities	\$3.2 billion
Health Care & Mental Health Services & Facilities	\$0.2 billion
Utility Infrastructure	\$1.6 billion
<b>TOTAL</b>	<b>\$29.4 billion</b>

However, to date, the State of Texas has been allocated only \$3.1 billion in CDBG disaster recovery funds. In combination with FEMA funds, SBA efforts and other assistance, the CDBG disaster recovery funds still do not fulfill the financial needs to achieve long-term sustainable and resilient recovery.

### ***IKE AND DOLLY ROUND 1 ACTIVITIES AND ALLOCATION***

*Hurricane Ike and Dolly First Supplemental Appropriation (\$1.3 billion) Public Law 110-329*

To assist the recovery efforts of the areas across the United States declared major disasters in 2008, HUD provided \$1,315,990,193 to Texas in CDBG funds for public infrastructure, economic development and housing under Public Law 110-329. The Office of the Governor designated TDRA the lead agency for Hurricane Ike and Dolly funding. TDHCA is partnered with TDRA for disaster recovery and will administer the housing portion of the funding.

Of the disaster recovery CDBG funding granted in 2008, 50 percent of the funds had to be used to support activities benefiting low- and moderate-income persons and up to 50 percent of the funds

<sup>23</sup> Texas Department of Rural Affairs & Texas Department of Housing & Community Affairs. (2010, May 25), State of Texas Plan for Disaster Recovery – Revised Amendment No. 1, Consolidated Security, Disaster Assistance and Continuing Appropriations Act, Public Law 110-329.

may be used for activities of urgent need or the elimination of slums and blight. According to the federal register notice regarding the allocations of these funds, at least 10.6 percent or \$139,743,911, of the funding amount must be used for affordable rental housing. Of this amount, 4.47 percent, or \$58,834,914 has been set aside for TDHCA affordable rental housing stock restoration; the remaining required 6.13 percent, or \$80,908,997 will be met or exceeded through rental activities administered by the Subrecipients of these funds. The *State of Texas Plan for Disaster Recovery* prepared by TDRA was approved by HUD in March 2009.

Awardees of CDBG Hurricanes Dolly and Ike Recovery funding primarily include city and county governments and Councils of Government. Under the Ike Round 1 housing program, 18 Subrecipients administer the CDBG disaster recovery funds. The Subrecipients service areas included in the federally-declared disaster counties after Hurricanes Ike and Dolly. Housing programs offered by these Subrecipients include programs to assist homeowners with damaged or destroyed homes, down payment assistance, repair or replacement assistance for rental housing and other activities designed to address disaster-related needs. Storm hardening, demolition and elevation of structures out of flood prone areas are also recovery eligible activities. Subrecipients chose which activities they want to administer based on local need assessments. TDHCA closed applications and awarded contracts with all Subrecipients in December 2009.

TDHCA reestablished the application process of Rita Round 1: households apply to the Subrecipients and not to the State directly. Housing programs offered by the 18 Subrecipients are oversubscribed; to date approximately 12,000 applications have been accepted for homeowner assistance in programs expected to assist no more than 5,000 applicants. Although, some Subrecipients are still taking Ike Round 1 individual homeowner applications based on their program capacity. Homeowners who do not receive assistance under Round 1 could be eligible to receive assistance under the Ike and Dolly Round 2 program.

#### **IKE AND DOLLY ROUND 1 REPORTING**

TDHCA awarded \$621,448,377 for housing activities related to CDBG Disaster Recovery Funding in the hurricane impacted areas with reported housing damage. This funding is comprised of \$562,613,464 that has been awarded to 18 Subrecipients and \$59,926,832 for rental set-aside.

#### **Summary of Activities as of September 30, 2010**

##### **Rental Program**

The State awarded rental assistance under the TDHCA affordable rental program to 13 rental developments.

- Over \$59 million has been awarded to 13 multifamily developments in the hurricane impacted area.
- 1,981 rental units are anticipated to be rehabilitated or reconstructed by the Ike and Dolly awardees.

## Financial Summary

Subrecipient Awards	Current Budget	Cumulative Expenditures	Balance Remaining	Percentage Expended
City of Galveston	\$160,432,233.00	\$2,417,982.42	\$158,014,250.58	1.51%
Galveston County	\$99,503,498.00	\$3,135,206.99	\$96,368,291.01	3.15%
South East Texas Regional Planning Commission	\$95,000,000.00	\$864,895.31	\$94,135,104.69	0.91%
City of Houston	\$87,256,565.00	\$14,875,328.88	\$72,381,236.12	17.05%
Harris County	\$56,277,229.00	\$4,174,159.36	\$52,103,069.64	7.42%
Houston-Galveston Area Council of Governments	\$11,076,980.00	\$0.00	\$11,076,980.00	0.00%
Liberty County	\$8,878,923.00	\$0.00	\$8,878,923.00	0.00%
Montgomery County	\$6,909,237.00	\$185,344.38	\$6,723,892.62	2.68%
Deep East Texas Council of Governments	\$5,931,070.00	\$187,317.73	\$5,743,752.27	3.16%
Cameron County	\$3,093,750.00	\$0.00	\$3,450,000.00	0.00%
Hidalgo County	\$2,000,000.00	\$80,584.98	\$1,919,415.02	4.03%
City of Brownsville	\$1,635,318.00	\$0.00	\$1,635,318.00	0.00%
Fort Bend County	\$1,582,107.00	\$19,479.00	\$1,562,628.00	1.23%
Brazos Valley Affordable Housing Corporation	\$948,930.00	\$0.00	\$1,425,868.00	0.00%
Willacy County	\$541,287.00	\$0.00	\$948,930.00	0.00%
East Texas Council of Governments (ETCOG)	\$415,117.00	\$19,055.55	\$396,061.45	4.59%
City of Mission	\$209,638.00	\$2,746.04	\$206,891.96	1.31%
Chambers County	\$20,921,582.00	\$0.00	\$277,676.00	0.00%
<b>Total:</b>	<b>\$562,613,464.00</b>	<b>\$25,962,100.64</b>	<b>\$536,651,363.36</b>	<b>4.61%</b>

## Multifamily Rental Properties

Project Name	Project County	Project City	Applicant Name	LI Units	Total Units	Award Amount
Orange Navy II	Orange	Orange	Orange Navy II, LP	36	36	\$ 3,450,000.00
Tidwell Estates	Harris	Houston	Tidwell Estates, Ltd.	99	132	\$ 277,676.00
Beacon Bay Townhomes	Cameron	Port Isabel	Housing Associates of Port Isabel, Ltd.	76	76	\$ 816,898.00
2101 Church Street	Galveston	Galveston	2101 Church Street, LLC	46	83	\$ 5,000,000.00
Fountains Of Westchase	Harris	Houston	ELP Simon, LP	147	288	\$ 2,390,000.00
Towers at Clear Lake	Harris	Houston	Towers CL, Ltd.	108	196	\$ 5,000,000.00
Union Acres Apartments	Shelby	Center	Union Acres Trust	100	100	\$ 3,003,389.00
Champion Homes at Bay Walk	Galveston	Galveston	Chicory Court VII, L.P.	192	192	\$ 5,000,000.00
Champion Homes at Marina Landing	Galveston	Galveston	Chicory Court I, L.P.	256	256	\$ 10,000,000.00
Lexington Square Apartments	Brazoria	Angleton	NHDC Lexington Square, LLC	80	80	\$ 1,425,868.00
Colony of Humble	Harris	Humble	NHDC Colony, LLC	175	200	\$ 6,296,670.00
Arthur Robinson Apartments	Orange	Orange	Housing Authority of the City of Orange	112	160	\$ 10,000,000.00
Countryside Village Apartments	Harris	Humble	NHDC Countryside Village, LLC	182	182	\$ 7,266,331.00

Because Disaster Recovery is a multi-year program, information on households served will be included in the 2012 State Low Income Housing Plan and Annual Report.

**IKE AND DOLLY ROUND 2 ACTIVITIES AND ALLOCATION**

*Hurricane Ike and Dolly Second Supplemental Appropriation (\$1.7 billion) Public Law 110-329*

The State of Texas received a second allocation in spring 2009 for \$1,743,001,247. To incorporate rules governing the receipt and use of the second allocation of funds, the First Amendment to the *State of Texas Plan for Disaster Recovery* was prepared by TDRA and approved by HUD in June 2010. The State is working with its Subrecipients under Ike and Dolly Round 1 to administer the second round of funding. Over \$1 billion will be used for housing specific activities. TDHCA anticipated that it will award \$805,195,286 to its Subrecipients and will oversee over \$174 million in affordable rental assistance. Similar to Ike Round 1, households affected by Hurricane Ike may apply to the Subrecipient and not to the State directly.

As a condition of HUD’s June 2010 approval, the State of Texas entered into a Conciliation Agreement with two housing advocacy groups to address fair housing concerns under Round 2 funding. As a requirement of the Conciliation Agreement, TDHCA must complete an Analysis of Impediments (AI) before the majority of funds may be released. TDHCA anticipates the completion of the AI and release of funding at the beginning of 2011. The Conciliation Agreement requires the State and its Subrecipients to include outreach, assistance and activities not previously included in disaster recovery funding. In addition, according to the Conciliation Agreement, 55 percent of the funds must benefit households of low to moderate income (80% AMFI). For more information on the Conciliation Agreement and ongoing activity under Ike Round 2 please visit our website at [www.tdhca.state.tx.us/cdbg](http://www.tdhca.state.tx.us/cdbg).

Subrecipient jurisdictions will develop housing programs under Ike/Dolly Round 2 that have the same basic program elements as offered under Ike/Dolly Round 1. The combined Ike/Dolly Round 1 and 2 housing programs must appropriately and proportionally address the following housing needs of owners and renters and lower-income households:

- Homeowner repair, rehabilitation and replacement;
- Rental repairs, rehabilitation and replacement, including new construction to replace damaged or destroyed multifamily housing stock;
- Down payment assistance;
- Activities designed to relocate families outside of floodplains;
- Activities that address slum and blighted areas designated as such by the local jurisdiction; and
- Activities designed to address environmental hazards including local code compliance, storm mitigation activities and elevation assistance.

In addition to funding awarded to Subrecipients, TDHCA will administer several targeted programs, which exceed established minimum requirements set forth by HUD, including:

**Ike Round 2 Activities Administered by TDHCA<sup>24</sup>**

Program	Summary	Funding Amount
Affordable Rental Housing Recovery Program*	Addresses restoration of single-family rental housing stock; restoration of projects with project-based rental assistance including public housing rental stock; restoration of multifamily rental stock; one for one replacement of all family and elderly public housing units in the City of Galveston damaged or destroyed by Hurricane Ike; and construction, reconstruction, replacement or	\$174,000,000

<sup>24</sup> Ibid, 2.



Program	Summary	Funding Amount
	rehabilitation of family and elderly public housing units damaged or destroyed by the hurricanes	
Texas Title Clearance & Legal Assistance Program	Program will help low-income Texans overcome title clearance and legal obstacles and fully realize the benefits of hurricane recovery programs and homeownership.	\$500,000
Texas Housing Reconstruction Demonstration Pilot Program	This statutorily-required pilot program will identify and demonstrate alternative approaches to rebuilding housing following a natural disaster. The pilot is projected to build 60 homes. Funds will be offered on a competitive basis in Harris and Galveston Counties and the Lower Rio Grande Valley Development Council (LRGVDC) region.	\$6,000,000
Subsidized Housing Rebuilding Program	This program, to be administered by the appropriate COG, for the sole benefit of low- and moderate-income persons with unmet housing needs resulting from the hurricanes, with priority given to addressing issued identified with public housing and affordable rental housing damaged or destroyed by the hurricanes.	\$100,000,000
Impacted Area Buyout Program	TDHCA shall fund relocation and buyout assistance for low and moderate income victims of the hurricanes living in FEMA designated "High Risk Areas" and areas of high minority and poverty concentration as approved by TDHCA.	\$18,000,000
Moving-to-Opportunity Program	TDHCA will work with stakeholders to prepare a request to HUD for an allocation of additional Housing Choice Vouchers, or assistance in developing alternative tenant-based rental assistance for eligible households. Contingent on federal appropriations, TDHCA shall propose to establish a Moving-to-Opportunity Program, operating by Public Housing Authorities, to permit renter households in areas affected by the hurricanes to locate alternative rental housing in higher opportunity areas.	Contingent on securing federal funds

\* - Allocated to H-GAC, SETRPC and LRGVDC

**IKE AND DOLLY ROUND 2 REPORTING**

TDHCA awarded \$ 979,495,139 for housing activities related to CDBG Disaster Recovery Funding in the hurricane impacted areas. This funding includes \$174,299,853 for affordable rental housing.

**Amount Allocated for Round 2**

COGs	General Housing	Program Specific Activities: Affordable Rental Program*	Total Housing
Houston-Galveston Area Council**	\$521,261,621	\$126,095,018	\$384,970,743
South East Texas Regional Planning Commission**	\$157,007,878	\$33,096,235	\$190,104,113
Lower Rio Grande Valley Development Council	\$106,925,787	\$15,108,600	\$122,034,387
Deep East Texas Council of Governments	\$20,000,000	-	\$20,000,000
<b>TOTAL</b>	<b>\$805,195,286</b>	<b>\$174,299,853</b>	<b>\$979,495,139</b>

\* Administered through a competition by the State.

\*\*H-GAC and SETRPC have HUD-required set-aside allocation amounts to Harris, Galveston and Orange Counties over and above the allocations established through the regional MODs.

Additional information about CDBG Disaster Recovery for Hurricanes Dolly and Ike can be found online at [www.TDRA.state.tx.us](http://www.TDRA.state.tx.us) or [www.TDHCA.state.tx.us](http://www.TDHCA.state.tx.us) for housing activities. For more information, contact TDRA at (512) 936-9701.

## **SECTION 7: PUBLIC PARTICIPATION**

TDHCA strives to include the public in policy, program and resource allocation decisions that concern the Department. This section outlines how the public is involved with the preparation of the plan and includes a summary of public comment.

- *Participation in TDHCA Programs:* Discusses efforts to ensure that individuals of low income and their community-based institutions participate in TDHCA programs
- *Citizen Participation in Program Planning:* Discusses affirmative efforts to ensure the involvement of individuals of low income and their community-based institutions in the allocation of funds and the planning process

### ***PARTICIPATION IN TDHCA PROGRAMS***

Texas is an economically, regionally and demographically diverse state. The Department recognizes this by establishing criteria to distribute funds based on the priorities established in TDHCA's governing statute. It is incumbent upon TDHCA to increase the public's awareness of available funding opportunities so that its funds will reach those in need across the state.

Below are the approaches taken by TDHCA to achieve this end:

- Throughout the year, the TDHCA staff reaches out to interested parties at informational workshops, roundtables and conferences across the state to share information about TDHCA programs. Organizations interested in becoming affordable housing providers are actively encouraged to contact TDHCA for further technical assistance in accessing TDHCA programs.
- The Department's Division of Public Affairs is responsible for media releases, attends conferences and maintains conference information booths on behalf of TDHCA, as well as coordinates media interviews and speaking events.
- The *TDHCA Program Guide* provides a comprehensive, statewide housing resource guide for both individuals and organizations across the state. The *Program Guide* provides a list of housing and housing-related programs operated by TDHCA, HUD and other federal and state agencies.
- The TDHCA website, through its provision of timely information to consumers, is one of TDHCA's most successful marketing tools and affordable housing resources.
- TDHCA also operates a listserv e-mail service, where subscribed individuals and entities can receive email updates on TDHCA information, announcements and trainings.
- TDHCA is involved with a wide variety of committees and workgroups, which serve as valuable resources to gather input from people working at the local level. These groups share information on affordable housing needs and available resources and help TDHCA to prioritize these needs.

### ***CITIZEN PARTICIPATION IN PROGRAM PLANNING***

The Department values and relies on community input to direct resources to meet its goal and objectives. In an effort to provide the public with an opportunity to more effectively give input on the Department's policies, rules, planning documents and programs, the Department has consolidated its public hearings into six hearings for program area Rules. In addition to these

annual public hearings, individual program sections hold various hearing and program workshops throughout the year. Furthermore, the TDHCA Board accepts extensive public comment on programmatic and related policy agenda items at monthly board meetings.

The Department ensures that all programs allow the citizen participation and public hearing requirements as outlined in the Texas Government Code. Hearing locations are accessible to all who choose to attend and are held at times accessible to both working and non-working persons. The Department maintains a voluntary membership e-mail list which it uses to notify all interested parties of public hearing and public comment periods. Additionally, pertinent information is posted as an announcement in the *Texas Register* and on TDHCA's website. Participation and comments are encouraged and can be submitted either at a public hearing or in writing via mail, fax, or email.

### ***PREPARATION OF THE PLAN***

Section 2306.0722 of the Texas Government Code mandates that the Department meet with various organizations concerning the prioritization and allocation of the Department's housing resources prior to preparation of the Plan. As this is a working document, there is no time at which the Plan is static. Throughout the year, research was performed to analyze housing needs across the state, focus meetings were held to discuss ways to prioritize funds to meet specific needs and public comment was received at program-level public hearing as well as at every Governing Board meeting.

The Department met with various organizations concerning the prioritization and allocation of the Department's resources and all forms of public input were taken into account in its preparation. Several program areas conducted workgroups and public hearing in order to receive input that impacted policy and shaped the direction of TDHCA programs.

### ***PUBLIC HEARING***

The draft version of the *2011 State of Texas Low Income Housing Plan and Annual Report* was submitted to the TDHCA Board of Directors for approval at the December 2010 Board meeting and will be released for public comment in accordance with §2306.0732 and §2306.0661.

During the comment period from January 10 to February 8, 2010, the public is encouraged to submit input toward the Plan in writing via mail, fax, or e-mail. A public hearing will be scheduled and notice will be published in the *Texas Register* and notice will be sent via a listserv announcement.

### ***PUBLIC COMMENT***

Public comments will be included in the final version of this document.

## **SECTION 8: 2011-2012 COLONIA ACTION PLAN**

### ***POLICY GOALS***

In 1996, TDHCA established the Office of Colonia Initiatives (OCI) to administer and coordinate efforts to enhance living conditions in colonias along the 150 mile Texas-Mexico border region. OCI's fundamental goal is to improve the living conditions of colonia residents and to educate the public regarding the services offered by the Department.

The OCI Division was created to do the following:

- Expand housing opportunities to colonia residents living along the Texas-Mexico border.
- Increase knowledge and awareness of programs and services available through the Department.
- Implement initiatives that promote improving the quality of life of colonia residents and border communities.
- Train and increase the capacity of organizations that serve the targeted colonia population.
- Provide consumer education to colonia and border residents.
- Develop cooperative working relationships between other state, federal and local organizations to leverage resources and exchange information.
- Promote comprehensive planning of communities along the Texas-Mexico border to meet current and future community needs.
- Solicit input from colonia residents on major funding decisions that will affect border communities.

### ***OVERVIEW***

The US-Mexico border region is dotted with hundreds of rural subdivisions called colonias, which are characterized by high levels of poverty and substandard living conditions. Several different definitions of colonias are used by various funding sources and agencies due to differing mandates. Generally, these definitions include the concepts that colonias are rural and lacking services such as public water and wastewater systems, paved streets, drainage and safe and sanitary housing. Colonias are mostly unincorporated communities located along the US-Mexico border in the states of California, Arizona, New Mexico and Texas, with the vast majority located in Texas.

While new colonias continue to develop, many have been in existence for over 50 years. A few colonia developments began as small communities of farm laborers employed by a single rancher or farmer while others originated as town sites established by land speculators as early as the 1900s. A majority of the colonias, however, emerged in the 1950s as developers discovered a large market of aspiring homebuyers who could not afford to purchase in cities or who did not have access to conventional financing mechanisms.

### ***POPULATION AND POVERTY***

Data updated in 2006 by the Texas Office of the Attorney General recorded 2,060 colonias in 30 counties within 150 miles of the Texas-Mexico border. However, approximately 1,700 of those colonias are concentrated in just seven counties directly abutting the US-Mexico border. It should be noted that these figures represent only the documented colonias. There may be many small, rural colonias that have not yet been recorded. Currently, Hidalgo County has the largest number of colonias, with 847 counted in 2006. The 13 counties running along the Texas-Mexico have an

average Hispanic or Latino population of 74.2 percent, as compared to the statewide average of 34.6 percent.

Between 2000 and 2005 many Texas border counties experienced rapid population growth. El Paso, Maverick, Webb, Zapata, Starr, Hidalgo and Cameron counties have shown an average increase in population of 12.3 percent, surpassing the state average increase of 9.6 percent. Simultaneously, a 5.4 percent average decrease in population has actually occurred in several counties that are adjacent to the border counties over the same time period. Counties experiencing large decreased include Hudspeth, Reeves, Pecos, Terrell, Edwards, Kinney, Duval, Jim Hogg and Brooks.

2003 U. S. Census data placed the median household income for Texas at \$39,967, while the median household income for the Texas-Mexico border counties averages a much lower \$26,606. Zavala County, near the border, posted the lowest median household income at \$18,553. In the larger border-region cities El Paso, McAllen, Brownsville, Corpus Christi and Laredo, the average median values of owner-occupied housing units in 2000 was \$69,640. Laredo had the highest home values at \$77,900.<sup>25</sup>

The particular need for affordable housing in the border region can be largely attributed to the poverty level of the rapidly growing population. Counties along the Texas-Mexico border shoulder some of the highest poverty rates in the state. According to 2003 U.S. Census data, the poverty level in the state of Texas stood at 16.2 percent, while the average poverty level of counties along the Texas-Mexico border was 25.3 percent. Furthermore, the four counties with the greatest number of colonias (Hidalgo, El Paso, Starr and Cameron), had an average poverty level of 31.5 percent, nearly double the state rate. Counties like Dimmit and Starr at 32.7 percent and 36.2 percent respectively, were even higher.

## **HOUSING**

According to a review completed by the Texas Comptroller's Office, most homebuilders would have a difficult time constructing houses for a sale price of less than \$60,000 to \$70,000. Housing in this price range would typically be affordable to workers earning \$12 to \$14 an hour (assuming a housing debt to income ratio of 33 percent with no additional debts). Some builders indicate that it is difficult to build lower-priced homes because many of the construction costs, including the cost of acquisition and site development, are fixed, regardless of the size of the home.<sup>26</sup> Land acquisition and development can add \$10,000 to \$20,000 to the cost of a house.

Owner-builder construction in colonias can face additional significant obstacles. First, federal rules, such as those that govern the HOME Program, prohibit the use of affordable housing funds to acquire land unless the affordable structure is built within 12 months. Second, lenders are typically reluctant to lend funds for owner-builder construction because these borrowers may have little or no collateral. Third, owner-builders may not be sufficiently skilled and may end up building substandard housing without appropriate supervision or guidance.

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<sup>25</sup> U.S. Census Bureau: State and County Quickfacts. <http://quickfacts.census.gov/qfd/states/48000.html> (Viewed July 27, 2006).

<sup>26</sup> *Bordering the Future: Homes of Our Own*. Windows on State Government. Texas Comptroller of Public Accounts. July 1998. Interview with Clark Wilson Homebuilders, November 20, 1997.

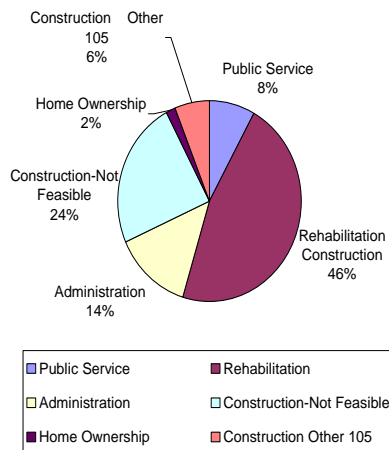
**COLONIA Beneficiaries**

The following table displays the total number of beneficiaries served by the Department’s Colonia Self-Help Center Program. This data is reported by the participating counties as part of their colonia needs assessments and provides a representation of the acute need for housing-related assistance in these communities. Each county conducts its own needs assessments, holds a public hearing and establishes the activities to be performed under the Colonia Self-Help Center program. Approximately 94% beneficiaries are of low to moderate income.

County	Total Population Beneficiaries	Total Low to Moderate Beneficiaries
Cameron/Willacy	7,723	6,258
El Paso	8,982	8,533
Hidalgo	3,573	3,215
Maverick	5,184	5,184
Starr	8,024	8,024
Val Verde	5,923	5,923
Webb	1,212	1,151
<b>Total</b>	<b>40,621</b>	<b>38,288</b>

The activities to be performed under the Colonia Self Help Center contracts include, homeownership classes, operating a tool lending library, construction skills classes, solid waste cleanup campaign, technology access, house to line connections, utility connections, rehabilitation, self-help small repair, reconstruction, new construction and down payment assistance.

**COLONIA SELF-HELP CENTERS**



Activity	Percentage
Public Service	8%
Rehabilitation Construction	46%
Administration	14%
Construction-Not Feasible	24%
Home Ownership	2%
Construction Other 105	6%

**PROGRAM PLAN**

TDHCA, through its Office of Colonia Initiatives, administers various programs designed to improve the lives of colonia residents. This action plan outlines how various initiatives and programs will be implemented for 2011 and 2012.

FY 2011 and 2012 Office of Colonia Initiatives Funding

Programs	Estimated Available Funding for FY 2011	Estimated Available Funding for FY 2012
Texas Bootstrap Loan Program	\$5,500,000.00	\$3,000,000.00
Colonia Self-Help Centers	\$1,800,000.00	\$1,800,000.00
<b>TOTAL</b>	<b>\$7,300,000.00</b>	<b>\$4,800,000.00</b>

**COLONIA SELF-HELP CENTERS**

In 1995, the 74<sup>th</sup> Legislature passed Senate Bill 1509 (Texas Government Code Subchapter §2306.581 - §2306.591), a legislative directive to establish colonia self-help centers (SHCs) in Cameron/Willacy, Hidalgo, Starr, Webb and El Paso counties. This program also allows the Department to establish a colonia SHC in a county designated as an economically distressed area. Maverick and Val Verde County have been so designated and now operate a colonia self-help center. Each county identifies five colonias to receive concentrated assistance. The operation of the colonia SHCs may be managed by a local nonprofit organization, local community action agency, or local housing authority that has demonstrated the capacity to operate a center.

These colonia SHCs provide concentrated on-site technical assistance to low and very low-income individuals and families. Assistance includes housing, community development, infrastructure improvements, outreach and education housing rehabilitation; new construction; surveying and platting; construction skills training; tool library access for self-help construction; housing finance; credit and debt counseling; infrastructure constructions and access; contract for deed conversions; and capital access for mortgages to improve the quality of life for colonia residents. The OCI provides technical assistance to the counties and SHCs through the three border field offices.

The colonia SHC program serves 35 colonias. The total number of beneficiaries for all SHCs is approximately 40,600 residents. The Department contracts with the counties, who subcontract with nonprofit organizations to administer the colonia SHC program or specific activities offered under the program. The counties oversee the implementation of contractual responsibilities and ensure accountability. County officials conduct a needs assessment to prioritize needed services within the colonias and then publish a Request for Proposal (RFP) to provide these services.

The Department designates a geographic area to receive the services provided by the colonia SHCs based upon funding proposals submitted by each county. In consultation with the Colonia Residents Advisory Committee (C-RAC) and the appropriate unit of local government, the Department designates up to five colonias in each service area to receive concentrated attention from the colonia SHCs. The C-RAC is a committee of colonia residents appointed by the TDHCA Governing Board which advises the Department regarding the needs of colonia residents and the types of programs and activities which should be undertaken by the colonia SHCs. Each county nominates two colonia residents to serve on the committee. The Department's Board of Directors appointed the C-RAC members. The C-RAC meets thirty days before a contract is scheduled to be considered for award by the Board. During this meeting, members of the C-RAC review the proposal and may make recommendations for the Board's consideration.

The operations of the colonia SHCs are funded by HUD through the Texas Community Development Block Grant Program (CDBG) 2.5 percent set-aside, which is approximately \$1.8 million per year. The CDBG funds are transferred to the Department through a memorandum of understanding with the Texas Department of Rural Affairs. CDBG funds can only be provided to eligible units of general local governments. Therefore, the Department must enter into a contract with each participating



county government. The Department provides administrative and general oversight to ensure programmatic and contract compliance. In addition, colonia SHCs are encouraged to seek funding from other sources to help them achieve their goals and performance measures.

### **BORDER FIELD OFFICES**

OCI manages three border field offices located in Edinburg, El Paso and Laredo. These border field offices act as a liaison between nonprofit organizations and units of local government and administer, at the local level, various OCI programs and services, provide technical assistance to nonprofits, for profits, units of general local government, community organizations and colonia residents along the 150 mile Texas-Mexico border region. The border field offices are partially funded from General Revue, Bond Funds and CDBG programs. OCI will continue to maintain these three border field offices.

The Border Field Officers anticipated approximately 900 technical assistance outreach efforts to nonprofit organizations and units of local government in 2011 and 2012 if funding remains consistent. The technical assistance may include providing guidance on program rules, reviewing financial draw submittals, testing policies and procedures, conducting workshops and trainings, inspections, draw processing, loan application reviews, file testing, monitoring and general compliance. In addition, The Border Field Officers anticipate approximately 1,000 technical assistance informational efforts to colonia residents and may include referrals to housing programs, social services, manufactured housing, debt and financial counseling, legal, homeownership and directory assistance to other local, state and national programs. It is projected that the Border Field Officers and the Self Help Center programs will provide 12,000 targeted technical assistance to individual colonia residents through the Self Help Centers.

### **TEXAS BOOTSTRAP LOAN PROGRAM**

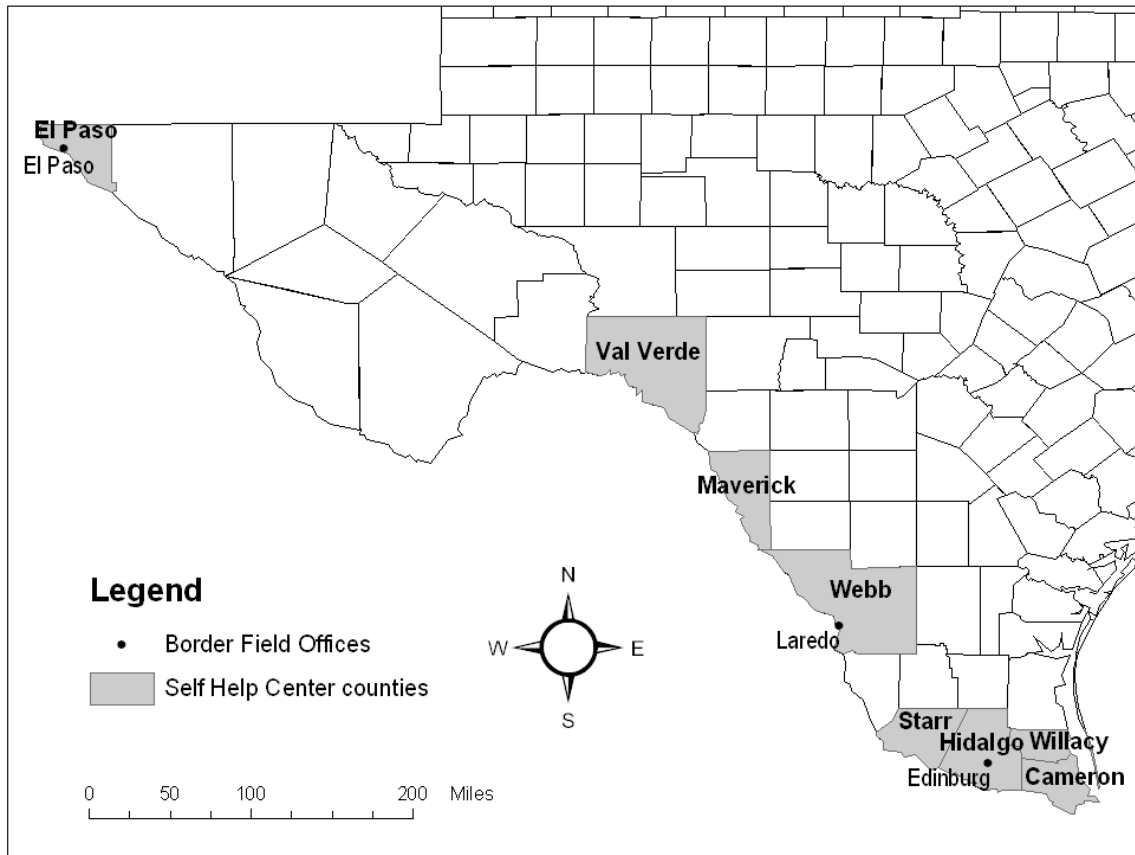
The Texas Bootstrap Loan Program is a statewide program that funds certified non-profit organizations and enables owner-builders to purchase real estate and construct or renovate a home. In 2009 the 81<sup>st</sup> Legislature amended this program under Senate Bill 679 with a legislative directive requiring continuation of an Owner Builder Loan Program through 2020. TDHCA is required under Section 2306.753(d) of the Texas Government Code, to set aside two-thirds of the available funds for owner-builders whose property is located in a county that is eligible to receive financial assistance under Subchapter K, Chapter 17, of the Water Code (called the 2/3 set aside). A county is only eligible to receive financial assistance under Subchapter K, Chapter 17, Water Code, if: 1) the county contains an area that meets the criteria for an economically distressed area under Section 17.92(1), Water Code; and 2) the county has adopted and enforces the model subdivision rules under Section 16,343, Water Code. The remaining one-third is available for the balance of the state (called the 1/3 set aside).

The Texas Bootstrap program promotes and enhances homeownership for very low-income Texans by providing funds to purchase or refinance real property on which to build new residential housing, construct new residential housing or improve existing residential housing throughout Texas. Participating owner-builders must provide a minimum of sixty-five percent (65%) of the labor required to build or rehabilitate the home. Section 2306.753(a) of the Texas Government Code directs TDHCA to establish a priority in directing funds to Owner-Builders with an annual income of less than \$17,500. The maximum loan amount using TDHCA funds may not exceed \$45,000 per Owner-Builder. The total amount of loans made with TDHCA and any other funding source may not exceed a combined \$90,000 per household. The Department committed \$12 million in Fiscal Year 2009 to implement this initiative from the Housing Trust Fund.

TDHCA is required under Section 2306.7581 (a-1) of the Texas Government Code, to make available at least \$3,000,000 each state fiscal year for mortgage loans to very low-income families (60% Area Median Family Income) not to exceed \$45,000 per unit. In addition to the 2010 & 2011 Fiscal year allocation of \$3,000,000 per year, TDHCA's Governing Board set-aside an additional \$3,500,000 for this program under the 2010/2011 Housing Trust Fund Plan. The remaining funds from FY 2009 in the amount of \$2,125,883 were re-allocated with the 2010/2011 allocation for a total of \$11,625,883.

In an effort to disseminate Texas Bootstrap funds across a broader network of providers and increase the Department's ability to efficiently assist households and expend funds, the OCI implemented a reservation system. The reservation system is a "ready to proceed" model that allows program funds to be expended rapidly and efficiently. Under the reservation system, participating nonprofit organization must be certified by TDHCA as a Nonprofit Owner-Builder Housing Program (NOHP) in accordance with Section 2306.755 of the Texas Government Code and must execute a Loan Origination Agreement with the Department in order to assure full compliance with program rules and guidelines. After being certified as an NOHP, the NOHP will then be able to submit individual loan applications to TDHCA on behalf of the owner-builder applicant on a first-come, first-served basis. A nonprofit is allowed to reserve up to \$900,000 at any given time under the 2/3 set-aside allocation. Nonprofits operating under the 1/3 set aside may reserve up to \$450,000. The reservations are for twelve months and nonprofits are required to meet specific performance benchmarks within that time period in order to retain the funding.

**Border Field Office and Colonia Self Help Centers**



**SECTION 9: TEXAS STATE AFFORDABLE HOUSING CORPORATION  
ANNUAL ACTION PLAN**

To be updated by TSAHC.

## **APPENDIX A**

### **LEGISLATIVE REQUIREMENTS FOR THE STATE OF TEXAS LOW INCOME HOUSING PLAN AND ANNUAL REPORT**

#### **SEC. 2306.072. ANNUAL LOW INCOME HOUSING REPORT**

- (a) Not later than March 18 of each year, the director shall prepare and submit to the board an annual report of the department's housing activities for the preceding year.
- (b) Not later than the 30<sup>th</sup> day after the date the board receives and approves the report, the board shall submit the report to the governor, lieutenant governor, speaker of the house of representatives, and member of any legislative oversight committee.
- (c) The report must include:
  - (1) a complete operating and financial statement of the department;
  - (2) a comprehensive statement of the activities of the department during the preceding year to address the needs identified in the state low income housing plan prepared as required by Section 2306.0721, including:
    - (A) a statistical and narrative analysis of the department's performance in addressing the housing needs of individuals and families of low and very low income;
    - (B) the ethnic and racial composition of individuals and families applying for and receiving assistance from each housing-related program operated by the department; and
    - (C) the department's progress in meeting the goals established in the previous housing plan;
  - (3) an explanation of the efforts made by the department to ensure the participation of individuals of low income and their community-based institutions in department programs that affect them;
  - (4) a statement of the evidence that the department has made an affirmative effort to ensure the involvement of individuals of low income and their community-based institutions in the allocation of funds and the planning process;
  - (5) a statistical analysis, delineated according to each ethnic and racial group served by the department, that indicates the progress made by the department in implementing the state low income housing plan in each of the uniform state service regions;
  - (6) an analysis, based on information provided by the fair housing sponsor reports required under Section 2306.0724 and other available data, of fair housing opportunities in each housing development that receives financial assistance from the department that includes the following information for each housing development that contains 20 or more living units:
    - (A) the street address and municipality or county in which the property is located;
    - (B) the telephone number of the property management or leasing agent
    - (C) the total number of units, reported by bedroom size;
    - (D) the total number of units, reported by bedroom size, designed for individuals who are physically challenged or who have special needs and the number of these individuals served annually;
    - (E) the rent for each type of rental unit, reported by bedroom size;
    - (F) the race or ethnic makeup of each project;
    - (G) the number of units occupied by individuals receiving government-supported housing assistance and the type of assistance received;

- (H) the number of units occupied by individuals and families of extremely low income, very low income, low income, moderate income, and other levels of income;
  - (I) a statement as to whether the department has been notified of a violation of the fair housing law that has been filed with the United States Department of Housing and Urban Development, the Commission on Human Rights, or the United States Department of Justice; and
  - (J) a statement as to whether the development has any instances of material noncompliance with bond indentures or deed restrictions discovered through the normal monitoring activities and procedures that include meeting occupancy requirement or rent restrictions imposed by deed restriction or financing agreements;
- (7) a report on the geographic distribution of low income housing tax credits, the amount of unused low income housing tax credits, and the amount of low income housing tax credits received from the federal pool of unused funds from other states; and
  - (8) a statistical analysis, based on information provided by the fair housing sponsor reports required by Section 2306.0724 and other available data, of average rents reported by county.

#### **SEC. 2306.0721. LOW INCOME HOUSING PLAN**

- (a) Not later than March 18 of each year, the director shall prepare and submit to the board an integrated state low income housing plan for the next year.
- (b) Not later than the 30<sup>th</sup> day after the date the board receives and approves the plan, the board shall submit the plan to the governor, lieutenant governor, and the speaker of the house of representatives.
- (c) The plan must include:
  - (1) an estimate and analysis of the housing needs of the following populations in each uniform state service region:
    - (A) individuals and families of moderate, low, very low, and extremely low income;
    - (B) individuals with special needs; and
    - (C) homeless individuals;
  - (2) a proposal to use all available housing resources to address the housing needs of the populations described by Subdivision (1) by establishing funding levels for all housing-related programs;
  - (3) an estimate of the number of federally assisted housing units available for individuals and families of low and very low income and individuals with special needs in each uniform state service region;
  - (4) a description of state programs that govern the use of all available housing resources;
  - (5) a resource allocation plan that targets all available housing resources to individuals and families of low and very low income and individuals with special needs in each uniform state service region;
  - (6) a description of the department's efforts to monitor and analyze the unused or underused federal resources of other state agencies for housing-related services and services for homeless individuals and the department's recommendations to ensure the full use by the state of all available federal resources for those services in each uniform state service region;
  - (7) strategies to provide housing for individuals and families with special needs in each uniform state service region;

- (8) a description of the department's efforts to encourage in each uniform state service region the construction of housing units that incorporate energy efficient construction and appliances;
  - (9) an estimate and analysis of the housing supply in each uniform state service region
  - (10) an inventory of all publicly and, where possible, privately funded housing resources, including public housing authorities, housing finance corporations, community housing development organizations, and community action agencies;
  - (11) strategies for meeting rural housing needs;
  - (12) a biennial action plan for colonias that:
    - (A) addresses current policy goals for colonia programs, strategies to meet the policy goals, and the projected outcomes with respect to the policy goals; and
    - (B) includes information on the demand for contract-for-deed conversions, services from self-help centers, consumer education, and other colonia resident services in counties some part of which is within 150 miles of the international boarder of the state;
  - (13) a summary of public comments received at a hearing under this chapter or from another source that concern the demand for colonia resident services described by Subdivision (12); and
  - (14) any other housing-related information that the state is required to include in the one-year action plan of the consolidated plan submitted annually to the United States Department of Housing and Urban Development.
- (d) The priorities and policies in another plan adopted by the department must be consistent to the extent practical with the priorities and policies established in the state low income housing plan.
  - (e) To the extent consistent with federal law, the preparation and publication of the state low income housing plan shall be consistent with the filing and publication deadlines required of the department for the consolidated plan.
  - (f) The director may subdivide the uniform state serve regions as necessary for purposes of the state low income housing plan.
  - (g) The department shall include the plan developed by the Texas State Affordable Housing Corporation under Section 2306.566 in the department's resource allocation plan under Subsection (c)(5).

#### **SEC. 2306.0722. PREPARATION OF PLAN AND REPORT**

- (a) Before preparing the annual low income housing report under Section 2306.072 and the state low income housing plan under Section 2306.0721, the department shall meet with regional planning commissions created under Chapter 391, Local Government Code, representatives of groups with an interest in low income housing, nonprofit housing organizations, managers, owners, and developers of affordable housing, local government officials, residents of low income housing, and members of the Colonia Resident Advisory Committee. The department shall obtain the comments and suggestions of the representatives, officials, residents, and members about the prioritization and allocation of the department's resources in regard to housing.
- (b) In preparing the annual report under Section 2306.072 and the state low income housing plan under Section 2306.0721, the director shall:
  - (1) coordinate local, state, and federal housing resources, including tax exempt housing bond financing and low income housing tax credits;
  - (2) set priorities for the available housing resources to help the neediest individuals;
  - (3) evaluate the success of publicly supported housing programs\

- (4) survey and identify the unmet housing needs of individuals the department is required to assist;
- (5) ensure that housing programs benefit an individual without regard to the individual's race, ethnicity, sex, or national origin;
- (6) develop housing opportunities for individuals and families of low and very low income and individuals with special housing needs;
- (7) develop housing programs through an open, fair, and public process;
- (8) set priorities for assistance in a manner that is appropriate and consistent with the housing needs of the populations described by Section 2306.0721(c)(1);
- (9) incorporate recommendations that are consistent with the consolidated plan submitted annually by the state to the United States Department of Housing and Urban Development;
- (10) identify the organizations and individuals consulted by the department in preparing the annual report and state low income housing plan and summarize and incorporate comments and suggestions provided under Subsection (a) as the board determines to be appropriate;
- (11) develop a plan to respond to changes in federal funding and programs for the provision of affordable housing;
- (12) use the following standardized categories to describe the income of program applicants and beneficiaries:
  - i. 0 to 30 percent of area median income adjusted for family size;
  - ii. more than 30 to 60 percent of area median income adjusted for family size;
  - iii. more than 60 to 80 percent of area median income adjusted for family size;
  - iv. more than 80 to 115 percent of area median income adjusted for family size; or
  - v. more than 115 percent of area median income adjusted for family size;
- (13) use the most recent census data combined with existing data from local housing and community service providers in the state, including public housing authorities, housing finance corporations, community housing development organizations, and community action agencies; and
- (14) provide the needs assessment information compiled for report and plan to the Texas State Affordable Housing Corporation.

#### **SEC. 2306.0723. PUBLIC PARTICIPATION REQUIREMENTS**

The Department shall consider the annual low income housing report to be a rule and in developing the report shall follow rulemaking procedures required by Chapter 2001.

#### **SEC. 2306.0724. FAIR HOUSING SPONSOR REPORT**

- (a) The Department shall require the owner of each housing development that receives financial assistance from the Department and that contains 20 or more living units to submit an annual fair housing sponsor report. The report must include the relevant information necessary for the analysis required by Section 2306.072(c)(6). In compiling the information for the report, the owner of each housing development shall use data current as of January 1 of the reporting year.
- (b) The Department shall adopt rules regarding the procedure for filing the report.
- (c) The Department shall maintain the reports in electronic and hard-copy formats readily available to the public at no cost.
- (d) A housing sponsor who fails to file a report in a timely manner is subject to the following sanctions, as determined by the Department:



- (1) denial of a request for additional funding; or
- (2) an administrative penalty in an amount not to exceed \$1,000, assess in the manner provided for an administrative penalty under Section 2306.6023.

**COMMUNITY AFFAIRS DIVISION  
BOARD ACTION REQUEST  
December 17, 2010**

**Action Item**

Presentation, Discussion, and Possible Action to rescind Resolution No. 11-006 and adopt new Resolution No. 11-015 for the 2011 Section 8 Payment Standards for Housing Choice Vouchers in Denton and Ellis Counties.

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

**WHEREAS**, 24 CFR §982.503, Voucher tenancy, states that a Public Housing Authority (PHA) must adopt a payment standard schedule that establishes voucher payment amounts for each Fair Market Rent (FMR) area in the PHA jurisdiction. The PHA must establish payment standard amounts for each “unit size.”

**WHEREAS**, the PHA’s voucher payment standard schedule shall establish a single payment standard for each unit size in an FMR area;

**WHEREAS**, the Department in operating as a PHA may establish the payment standard amount for a unit size at any level between 90 percent and 110 percent of the published FMR for that size unit;

**WHEREAS**, the payment standard amounts on the PHA schedule are used to calculate the monthly housing assistance payment for a family;

**WHEREAS**, the Department has reviewed the Payment Standards by geographic area, and wishes to establish a Payment Standard at 100 percent of FMR in the areas so referenced in the attached Payment Standards;

**WHEREAS**, the Department wishes to establish payment standards at 90 percent of FMR in the area so referenced in the attached Payment Standards; and

**WHEREAS**, such Payment Standards meet the guidelines of the Federal Registers, HUD Handbooks, Notices, Transmittals, and the needs of these communities.

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

The Governing Board hereby approves and adopts the attached Section 8 Payment Standards for Housing Choice Vouchers for each jurisdiction in which the Department participates as a PHA. The Payment Standards are attached as *Exhibit A*.

This Resolution shall be in full force and effect from and upon their adoption. The Department shall initiate the Payment Standards effective January 1, 2011.

Written notice of the date, hour, and place of the meeting of the Board at which this Resolution was considered, and the subject of this Resolution, was furnished to the Secretary of State and posted for at least seven (7) days preceding the convening of such meeting, on a bulletin board in the main office of the Secretary of State located at a place convenient to the public; that such place was readily accessible to the general public at all times from the time of such posting until the convening of such meeting; that such meeting was open to the public as required by law at all times during which this Resolution and the subject matter hereof was discussed, considered and formally acted upon, all as required by the Open Meetings Act, Chapter 551, Texas Government Code; and that written notice of the date, hour, and place of the meeting of the Board and of the subject of this Resolution was published in the *Texas Register* at least seven (7) days preceding the convening of such meeting, as required by the Texas Government Code, Chapter 2306, *Texas Register*, and Texas Government Code, respectively.

**PASSED AND APPROVED** this 17<sup>th</sup> day of December 2010.

### **Background**

We are bringing this item back to the board because HUD has directed that Denton County be at 90% and Ellis County at 100% of Fair Market Rent (FMR) respectively. They are receiving this because the U.S. Department of Housing and Urban Development (HUD) currently has a pilot program to more accurately determine FMRs in smaller markets. Based on HUD and TDHCA data, the best and more accurate FMR would be at the 90% level for Denton County while Ellis County is appropriately at 100% FMR.

HUD requires Public Housing Authorities (PHAs), such as the Texas Department of Housing and Community Affairs (the Department), to annually adopt a payment standard schedule that establishes voucher payment standard amounts for each FMR area in the PHA jurisdiction. The PHA must establish payment standard amounts for each "unit size," defined as the number of bedrooms (one-bedroom, two-bedrooms, etc.) in each housing unit.

The Department, operating as a PHA, may establish the payment standard amount at any level between 90 percent and 110 percent of the published FMR for that unit size. The Department operates its Housing Choice Voucher Program in 25 counties.

Staff recommends rescinding Resolution No. 11-006 and adopting new Resolution No. 11-015 for the 2011 Section 8 Payment Standards for Housing Choice Vouchers in Denton and Ellis Counties based on the new FMR set by Fort Worth HUD Office for the Dallas Metropolitan area. The other twenty-three counties approved by the board on November 10, 2010, will remain unchanged. The attached *Exhibit A* details the recommended amended payment standards for Denton and Ellis Counties.

## 2011 VOUCHER PAYMENT STANDARDS

	Bedroom Size					
	REGION	0 BR	1 BR	2 BR	3 BR	4 BR
<b><u>Atacosa County:</u></b>						
HUD FMR	S	406	472	623	787	810
Payment Standard		406	472	623	787	810
% of Payment Standard		100%	100%	100%	100%	100%
<b><u>Austin County:</u></b>						
HUD FMR	H	595	597	718	953	983
Payment Standard		595	597	718	953	983
% of Payment Standard		100%	100%	100%	100%	100%
<b><u>Bosque County:</u></b>						
HUD FMR	F	494	495	595	723	866
Payment Standard		494	495	595	723	866
% of Payment Standard		100%	100%	100%	100%	100%
<b><u>Brazoria County:</u></b>						
HUD FMR	H	585	652	749	1033	1109
Payment Standard		585	652	749	1033	1109
% of Payment Standard		100%	100%	100%	100%	100%
<b><u>Caldwell County:</u></b>						
HUD FMR	S	694	791	963	1296	1476
Payment Standard		694	791	963	1296	1476
% of Payment Standard		100%	100%	100%	100%	100%
<b><u>Chambers County:</u></b>						
HUD FMR	H	690	767	931	1241	1560
Payment Standard		690	767	931	1241	1560
% of Payment Standard		100%	100%	100%	100%	100%
<b><u>Colorado County:</u></b>						
HUD FMR	H	475	525	595	786	808
Payment Standard		475	525	595	786	808
% of Payment Standard		100%	100%	100%	100%	100%
<b><u>Comanche County:</u></b>						
HUD FMR	F	482	517	612	779	850
Payment Standard		482	517	612	779	850
% of Payment Standard		100%	100%	100%	100%	100%
<b><u>Denton County:</u></b>						
HUD FMR	F	<b>740</b>	<b>820</b>	<b>990</b>	<b>1290</b>	<b>1530</b>
Payment Standard		<b>666</b>	<b>738</b>	<b>894</b>	<b>1161</b>	<b>1377</b>
% of Payment Standard		<b>90%</b>	<b>90%</b>	<b>90%</b>	<b>90%</b>	<b>90%</b>
<b><u>Ellis County:</u></b>						
HUD FMR	F	<b>610</b>	<b>670</b>	<b>810</b>	<b>1050</b>	<b>1250</b>
Payment Standard		<b>610</b>	<b>670</b>	<b>810</b>	<b>1050</b>	<b>1250</b>
% of Payment Standard		<b>100%</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>
<b><u>Erath County:</u></b>						
HUD FMR	D	480	521	650	793	817
Payment Standard		480	521	650	793	817
% of Payment Standard		100%	100%	100%	100%	100%

	Bedroom Size					
	REGION	0 BR	1 BR	2 BR	3 BR	4 BR
<b><u>Falls County:</u></b>						
HUD FMR	F	392	535	602	768	797
Payment Standard		392	535	602	768	797
% of Payment Standard		100%	100%	100%	100%	100%
<b><u>Fort Bend County:</u></b>						
HUD FMR	H	690	767	931	1241	1560
Payment Standard		690	767	931	1241	1560
% of Payment Standard		100%	100%	100%	100%	100%
<b><u>Freestone County:</u></b>						
HUD FMR	F	392	535	602	787	811
Payment Standard		392	535	602	787	811
% of Payment Standard		100%	100%	100%	100%	100%
<b><u>Galveston County:</u></b>						
HUD FMR	H	690	767	931	1241	1560
Payment Standard		690	767	931	1241	1560
% of Payment Standard		100%	100%	100%	100%	100%
<b><u>Guadalupe County:</u></b>						
HUD FMR	S	613	682	842	1086	1319
Payment Standard		613	682	842	1086	1319
% of Payment Standard		100%	100%	100%	100%	100%
<b><u>Johnson County:</u></b>						
HUD FMR	F	673	716	871	1164	1289
Payment Standard		673	716	871	1164	1289
% of Payment Standard		100%	100%	100%	100%	100%
<b><u>Kerr County:</u></b>						
HUD FMR	S	598	647	728	939	968
Payment Standard		598	647	728	939	968
% of Payment Standard		100%	100%	100%	100%	100%
<b><u>Lee County:</u></b>						
HUD FMR	S	477	542	602	824	849
Payment Standard		477	542	602	824	849
% of Payment Standard		100%	100%	100%	100%	100%
<b><u>Llano County:</u></b>						
HUD FMR	S	615	619	814	974	1003
Payment Standard		615	619	814	974	1003
% of Payment Standard		100%	100%	100%	100%	100%
<b><u>McLennan County:</u></b>						
HUD FMR	F	596	597	742	929	959
Payment Standard		596	597	742	929	959
% of Payment Standard		100%	100%	100%	100%	100%
<b><u>Medina County:</u></b>						
HUD FMR	S	552	613	721	862	1049
Payment Standard		552	613	721	862	1049
% of Payment Standard		100%	100%	100%	100%	100%
<b><u>Navarro County:</u></b>						
HUD FMR	F	557	567	685	832	859
Payment Standard		557	567	685	832	859
% of Payment Standard		100%	100%	100%	100%	100%

	Bedroom Size					
	REGION	0 BR	1 BR	2 BR	3 BR	4 BR
<b><u>Waller County:</u></b>						
HUD FMR	H	690	767	931	1241	1560
Payment Standard		690	767	931	1241	1560
% of Payment Standard		100%	100%	100%	100%	100%
<b><u>Wharton County:</u></b>						
HUD FMR	H	477	536	595	787	811
Payment Standard		477	536	595	787	811
% of Payment Standard		100%	100%	100%	100%	100%

**OFFICE OF RECOVERY ACT ACCOUNTABILITY AND OVERSIGHT**

**BOARD REPORT ITEM  
December 17, 2010**

**Report Item**

Presentation and Discussion on a Status Report on the Implementation of the American Recovery and Reinvestment Act of 2009 (Recovery Act). This item provides an update on the status of the activity relating to each of the Recovery Act programs as well as a summary of the quarterly Section 1512 jobs reporting submitted for July 1, 2010 through September 30, 2010.

**Recovery Act Program Summary**

<b>Program</b>	<b>Activities</b>	<b>Program Status</b>	<b>Total Funding Expended to Date*  Percent Expended</b>	<b>Served to Date**</b>	<b>1512 Reported Data  Reported Program Expenditures^^  Jobs Created or Retained^</b>	<b>Timeline / Contract Period</b>
Weatherization Assistance Program	Minor home repair to increase energy efficiency, maximum \$6,500 per household.  Households at or below 200% of poverty.	<ul style="list-style-type: none"> <li>Amended WAP Plan submitted to DOE in March was approved June 7.</li> <li>Contracts executed for 100% of funds, subrecipients drawing funds.</li> <li>Deobligation /reobligation rule in effect. No deobligations to date.</li> <li>Second 50% of funds awarded to TDHCA on September 9, 2010.</li> </ul>	\$326,975,732 \$116,604,185 35.7%	21,768 households	\$83,060,258.23  943.33 jobs	<ul style="list-style-type: none"> <li>Obligation required by September 30, 2010. (Achieved)</li> <li>Recipients will be required to expend all funds within a two year contract period (August 31, 2011).</li> <li>Federal funding expiration date is March 31, 2012.</li> </ul>
Homelessness Prevention and Rapid Re-Housing Program	Rental asst, housing search, credit repair, deposits, moving cost assistance, & case management. Persons at or below 50% AMI.	<ul style="list-style-type: none"> <li>All contracts executed and subrecipients currently drawing funds.</li> <li>October 2010 letter from HUD indicating State on target for expending all funds.</li> </ul>	\$41,472,772 \$22,535,652 54.3%	27,906 persons	\$19,216,342.63  154.52 jobs	<ul style="list-style-type: none"> <li>HUD requires 60% of funds expended in 2 years; 100% in 3 years.</li> <li>Recipients will be required to expend all funds within a two year contract period (by August 21, 2011).</li> </ul>
Community Services Block Grant Program	Assists existing network of Community Action Agencies with	<ul style="list-style-type: none"> <li><b>COMPLETE</b></li> <li>All contracts expired on September 30, 2010.</li> </ul>	\$48,148,071 \$48,119,176	98,871 persons		<ul style="list-style-type: none"> <li>Program complete.</li> </ul>

Program	Activities	Program Status	Total Funding Expended to Date* Percent Expended	Served to Date**	1512 Reported Data Reported Program Expenditures^^ Jobs Created or Retained^	Timeline / Contract Period
	services including child care, job training, and poverty-related programs.  Persons at or below 200% of poverty.	Subrecipients have completed close out and the program is complete with 99.94% of funds expended.	99.96%		\$45,665,626.81  356.40 jobs	
Tax Credit Assistance Program	Provides assistance for 2007, 2008 or 2009 Housing Tax Credit awarded developments.  Households at or below 60% AMI.	<ul style="list-style-type: none"> <li>Written Agreements executed for 52 awards as of November 1, 2010.</li> <li>Forty-five (45) loans have closed;</li> <li>Amount Awarded: \$139,406,813 (94%)</li> <li>Amount Closed: \$123,009,015 (82.9%)</li> </ul>	\$148,354,769 \$53,184,847 35.85%	6,285 households	\$38,902,095.25  157.59 jobs	<ul style="list-style-type: none"> <li>Commitment of 75% of funds required by February 17, 2010. (Achieved)</li> <li>State must expend 75% of funds by Feb 17, 2011.</li> <li>Owners must expend 100% of funds by February 17, 2012.</li> </ul>
Housing Tax Credit Exchange Program^^^	Provides assistance to 2007, 2008 or 2009 Housing Tax Credit awarded developments.  Households at or below 60% AMI.	<ul style="list-style-type: none"> <li>Written agreements have been executed for 89 out of 89 awards as of December 6, 2010.</li> <li>Amount Awarded: \$594,091,929 (100%)</li> <li>Amount Closed: \$594,091,929 (100%)</li> </ul>	\$594,091,929 \$234,265,561 39.4%	8,015 households	9,151 jobs	<ul style="list-style-type: none"> <li>State must award all funds by December 31, 2010. (Achieved)</li> <li>Owners must incur 30% of costs by December 31, 2010.</li> <li>Unused funds to be returned by December 2011.</li> </ul>
Total			\$1,159,043,273 \$474,430,360  40.9%	126,777 persons  36,777 households	\$186,844,322.92  10,406.44 jobs	

\*This table includes updated expenditure data as of 12/10/10.

\*\*Total served data through 9/30/10 for HPRP and CSBG; 12/01/10 for WAP, 12/03/2010 for TCAP; and 12/10/2010 for HTC Ex. For TCAP and HTC Ex, households represent closed transactions.

^Jobs created or retained between 7/1/10 and 9/30/10. Note that Section 1512 reporting is not required for HTC Exchange and the figure includes total estimated jobs to be created or retained as reported to the U.S. Department of Treasury for 9/30/10.

^^ Program expenditures reported for each program includes subrecipient and TDHCA administrative expenses. Information is updated quarterly. Data was submitted to Recovery.gov for quarter ending 9/30/2010.

^^^ The Housing Tax Credit Exchange Program is not subject to 1512 reporting requirements.



**MULTIFAMILY FINANCE DIVISION  
BOARD ACTION REQUEST  
December 17, 2010**

**Requested Action**

Deny the appeal to waive the penalty reduction of the final score of any applications submitted in the 2011 application cycle from the Applicant or Affiliates of #08184, Washington Hotel Lofts.

WHEREAS, an application for tax credits was submitted for Washington Hotel Lofts during the 2008 competitive cycle; and

WHEREAS, an award of tax credits was made to Washington Hotel Lofts in July of 2008; and

WHEREAS, the Principal of the Applicant, for the above referenced application, returned the full credit allocation of credits after the Carryover Allocation deadline for Application #08184 Washington Hotel Lofts; and

WHEREAS, pursuant to §50.16(k) of the 2010 Qualified Allocation Plan, "If an Applicant returns a full credit allocation after the Carryover Allocation deadline required for that allocation, the Department will impose a penalty on the score for any Competitive Housing Tax Credit Applications submitted by that Applicant or any Affiliate of that Applicant for any Application in an Application Round occurring concurrent to the return of credits or if no Application Round is pending the Round immediately following the return of credits... The penalty will be assessed in an amount that reduces the Applicant's final awarded score by an additional 20%."; therefore

BE IT RESOLVED, that the appeal of Washington Hotel Lofts is hereby denied.

**Background**

Washington Hotel Lofts is a proposed 36-unit adaptive reuse of an existing 6-story hotel in downtown Greenville. The owner of Washington Hotel Lofts, Bill Scantland, was awarded a tax credit allocation in July of 2008. Conditions of the commitment notice were met and the owner met the requirements of Carryover in November 2008.

The owner was able to attract an investor for the tax credits subsequent to award, however, the investor was willing to invest in the proposed development only if the owner would apply for gap financing from the Department's Tax Credit Assistance Program (TCAP). The owner submitted a TCAP application in July 2009. The owner also

proceeded with pursuing the historic regulatory approvals for the development around this time.

According to the Development Owner's appeal, delays in putting together the TCAP financing and obtaining the required historic approvals to the investor's satisfaction led to the owner having insufficient time to place the Development into service by the December 31, 2010 deadline required by the original tax credit award. While the owner submitted multiple requests and suggestions for relief to the Department, both parties were unable to find a workable solution. As a result, the owner provided notice to the Department on November 11, 2010 that the tax credits awarded to Washington Hotel Lofts in the amount of \$429,157 would be returned.

The owner is requesting the Board to waive the penalty imposed on the final score of any applications submitted during the 2011 competitive cycle from the Applicant or Affiliates of #08184, Washington Hotel Lofts.

December 8, 2010

Mr. Mike Gerber  
Texas Department of Housing and Community Affairs  
221 East 11<sup>th</sup> Street  
Austin, Texas 78701

Re: Washington Hotel Lofts in Greenville (the "**Development**")  
TDHCA LIHTC No. 08184; TDHCA TCAP No. 09737

Dear Mr. Gerber:

This is a letter of appeal, being submitted on behalf of the Owner (as hereinafter defined). The Owner appeals TDHCA's determination that the Owner and its affiliates will be subjected to a penalty in the 2011 tax credit application round in the amount of 20% of the overall application score.

### **Background**

Washington Hotel Lofts, LLC (the "**Owner**") proposed the adaptive reuse of the 6-story Washington Hotel, which was built in downtown Greenville in 1926. The renovation would have resulted in 36 units of affordable housing for this rural community. Because of the historic nature of the building, additional layers of governmental review and approval are necessary to the development process. However, the historic nature of the building also makes it eligible for historic tax credits to provide additional financing support. The Owner's development team has extensive experience with historic rehabilitation and adaptive reuse and is one of the only teams to be doing this kind of work in Texas in recent years.

The Owner applied for housing tax credits for the Development and received a housing tax credit award in July 2008. As you know, the market for financing with housing tax credits at that time was seriously troubled. Finding an investor for a relatively small project in a rural community with the added burden of historic renovation was virtually impossible. The Owner continued to pursue financing options until passage of the American Recovery and Reinvestment Act ("**ARRA**") in February 2009 changed the landscape.

With the passage of ARRA, the Owner was able to attract the interest of Bank of America, which was willing to buy the housing tax credits and the historic tax credits and to make the construction loan, provided that the Development would seek and obtain gap financing from the ARRA Tax Credit Assistance Program ("**TCAP**"). At the time, the Owner also could have chosen to return the housing tax credits under the ARRA Exchange Program ("**Exchange**") and receive a cash infusion from

TDHCA. However, the Owner knew that both TDHCA and Congress wanted to encourage developments that could find a purchaser for the tax credits to use that opportunity. Exchange was intended for developments that could not otherwise utilize the tax credits to achieve financing.

The opportunity for TCAP funding gave the Development new life, and the Owner commenced to put the pieces together as quickly as possible. As we all know, it took TDHCA some time to formulate its policies and procedures for the award of TCAP funds. The Owner submitted its application for TCAP funds as soon as it could in July 2009 and commenced the environmental review clearance process. Although both TDHCA and the Owner were diligent in the processes for application review, environmental clearance, and underwriting, the TCAP Written Agreement was not received until six months later, on January 27, 2010.

Once the Owner applied for the TCAP funds, it began to pursue the historic regulatory approvals, as well. A brief summary of this work is attached as Exhibit A. The Texas Historical Commission made comments on the rehabilitation plan, to which the Owner responded. Once the Texas Historical Commission was satisfied, the Owner was able to submit Parts 1 and 2 of its Historic Preservation Certification Application to the National Park Service on January 29, 2010, just two days after the TCAP Written Agreement was received. At the same time, the Texas Historical Commission proceeded with nominating the property for the National Register.

During this time that the Owner was pursuing the TCAP funds and the appropriate federal and state historic approvals, it requested that Bank of America pursue its own due diligence and prepare for a financing closing. Bank of America refused to do so until its concerns about TDHCA's forms of TCAP documents were addressed to the bank's satisfaction. Once TDHCA and Bank of America reached an accord on the forms of TCAP documents, the bank determined that it would not be in a position to proceed with the equity investment or the construction loan until: (1) the Parts 1 and 2 approval had been received from the National Park Service and (2) the Texas Historical Commission, acting through its State Board of Review, had nominated the property for the National Register. The approval for Parts 1 and 2 was achieved on March 15 and April 16, 2010, respectively, but the nomination for the National Register was not completed until May 15, 2010. (The State Board of Review only meets three times per year, and May 15 was the first time the Development could be considered.)

Ultimately, the delays in putting the TCAP financing together and obtaining the requisite historical approvals to Bank of America's satisfaction led to another problem in May 2010 – the Owner would have insufficient time to place the Development into service by the December 31, 2010 deadline imposed by the tax credit program. The Owner submitted multiple requests and suggestions for relief to TDHCA, but the parties were unable to find a workable solution. One option considered was endeavoring to return the credits and have them reissued as 2010 tax credits; our Firm advised that such strategy was likely to be unsuccessful, given past action by the TDHCA Board.

Also at this critical decision-making juncture, the American Jobs and Closing Tax Loopholes Act (the "**Extender Act**") was working its way through Congress. The Owner hoped for passage of the Extender Act, which would have allowed it to return the tax credits, obtain ARRA Exchange funds, and proceed with the Development. Advocates in Washington, D.C. continued to express hope for the Extender Act. However, after the November elections, with no Extender Act and no relief for the placement in service date, the Owner was left with no choice but to return the credits. This resulted in a letter, attached as Exhibit B, saying that the Owner and its affiliates will be penalized on any application for tax credits in 2011.

In hindsight, the choice made by the Owner to syndicate the tax credits to Bank of America and pursue TCAP instead of Exchange financing put the Development at a substantial timing disadvantage. Under federal law and state policy, recipients of TCAP funds were required to adhere to their original housing tax credit placement in service date; recipients of Exchange funds were not required to adhere to the original housing tax credit placement in service date and were given more time to complete the work. Had the Owner chosen to disregard its commitment from Bank of America to buy the tax credits and proceeded with Exchange, it would have been able to complete the financing and renovation and place the Development into service within the timeframes given.

### Request

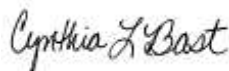
The Owner desires to reapply for tax credits for the Development in 2011. It remains committed to this effort and believes the financial markets have recovered sufficiently to make this project feasible. However, the points penalty is likely to make the application, and any other application for historic rehabilitation submitted by the Owner's affiliates, uncompetitive. Such a penalty is unjust, given the circumstances.

The Owner did everything possible to advance the Development. It could not have foreseen the delays in the implementation of the TCAP program or the issues that were raised by the Texas Historical Commission that delayed the historical approvals or the additional conditions that were imposed by Bank of America. The Owner was trying to honor the spirit of ARRA by giving a tax credit purchaser the opportunity to finance a deal and it put itself in a vulnerable position by doing so.

The Washington Hotel Lofts is an important and significant project. Few opportunities exist to save a historic landmark and put it to use in such a meaningful way. Few development teams have the experience and wherewithal to make this happen. Yet, without some assistance, the plans for the Washington Hotel Lofts will be lost.

We appreciate your consideration of this appeal to waive the penalty and would be happy to provide any additional information that may be needed for TDHCA to assist the Owner with its effort to bring this historic renovation to Greenville. If the Executive Director is unable to grant this appeal, we ask that it be heard at the Board's December meeting.

Sincerely,



Cynthia L. Bast

cc: Hollis Fitch  
Jim Sari  
Bill Scantland  
Tom Gouris  
Robbye Meyer  
Raquel Morales

## **Exhibit A**

### **Timeline of Historical Approval Activities**

- July 15, 2009           The Owner contacted the Texas Historical Commission for a 106 determination in connection with TDHCA environmental clearance requirements.
- August 18, 2009       The Texas Historical Commission replied that (1) the building is eligible for the National Register (NR) listing, (2) it was too early to make a 106 determination and (3) the agency had concerns regarding the then current renovation plans.
- September 24, 2009   The Owner met on site with Texas Historical Commission representatives in order to get first hand information of the condition of the existing historic fabric and further discuss the Commission's concerns.
- October 15, 2009      The Owner received Texas Historical Commission's recommendations for revisions that would address their concerns.
- November 2, 2009     The Owner contracted with MacRostie Historic Advisors to prepare the Part 1, Part 2 and NR nomination.
- November 13, 2009    The Owner submitted revised plans to the Texas Historical Commission, incorporating suggested modifications.
- November 18, 2009    The Texas Historical Commission forwarded the revised plans to the National Park Service (NPS) for input.
- December 28, 2009    The Owner received NPS preliminary review comments, which required additional plan revisions.
- January 8, 2010        Plan revisions were completed and forwarded to MacRostie to facilitate completion of Part 1 and Part 2.
- January 29, 2010      The Part 1 and Part 2 applications were completed and submitted to the Texas Historical Commission for review and approval.
- March 15, 2010        The Owner received NPS approval of Part 1.
- April 16, 2010         The Owner received NPS approval of Part 2.
- May 15, 2010          The Owner received the Texas Historical Commission's recommendation for NR listing.

**Exhibit B**

[attached]



TEXAS DEPARTMENT OF HOUSING AND COMMUNITY AFFAIRS

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

Rick Perry  
GOVERNOR

Michael Gerber  
EXECUTIVE DIRECTOR

BOARD MEMBERS  
C. Kent Conine, *Chair*  
Gloria Ray, *Vice Chair*  
Leslie Bingham Escareño  
Tom H. Gann  
Lowell A. Keig  
Juan S. Muñoz, Ph.D.

November 30, 2010

Bill Scantland  
Landmark Development

RE: Washington Hotel Lofts #08184

Dear Mr. Scantland:

The Texas Department of Housing and Community Affairs accepts the return of your annual housing tax credit allocation in the amount of \$429,157 for the development referenced above.

In accordance with §50.16(k) of the 2008 Qualified Allocation Plan and Rules, there will be a penalty reduction of twenty percent assessed to the final score of any applications submitted in the 2011 application cycle from the applicant or affiliates of the above referenced development.

Should you have any questions feel free to contact me at (512)475-2213 or by email at [robbye.meyer@tdhca.state.tx.us](mailto:robbye.meyer@tdhca.state.tx.us).

Sincerely,

A handwritten signature in black ink, appearing to read "Robbye G. Meyer".

Robbye G. Meyer  
Director of Multifamily Finance

MFF:rgm

C: file



**MULTIFAMILY FINANCE DIVISION  
BOARD ACTION REQUEST  
December 17, 2010**

**Requested Action**

Grant the appeal to waive the penalty on scoring for Application #10290, Magnolia Place Apartments.

WHEREAS, an application for tax credits was submitted for Magnolia Place Apartments on March 1, 2010; and

WHEREAS, the development was taken by Eminent Domain by the City of Houston eminent domain being a matter beyond the owner's controls and for which they should not be penalized after the award and Carryover of the above referenced application, and

WHEREAS, the principal of the Applicant, for the above referenced application, returned the full credit allocation of credits after the Carryover Allocation deadline for Application #09156 Park Lane Apartments; therefore

BE IT RESOLVED, that the appeal of Magnolia Place Apartments is hereby granted.

**Background**

Magnolia Place Apartments is on the Waiting List for 2010 tax credits. The principals of Magnolia Place Apartments, Brian Cogburn and Albert Magill, are also principals in the Park Lane Apartments which was awarded a tax credit allocation in July of 2009. They met the conditions of commitment for Park Lane and submitted a Carryover Allocation agreement, along with fees, on November 2, 2009.

After the allocation for Park Lane, the owners were given notice that the City of Houston was interested in acquiring the property. The owners have been in negotiations with the city for several months. They received notice on October 18, 2010 on the City's intention to take the land by eminent domain.

The owner notified the Department of the issue and requested a determination on the penalty points for subsequent applications and in particular, the Magnolia Place application. The owner was directed to return the credit allocation and that any determination or waiver of penalty points would need Board approval. The owner returned the credit allocation on December 2, 2010 reiterating their request that no penalty be applied since the return was out of their control.

Section 49.16(k) of the 2009 Qualified Allocation Plan and Rules, indicates that if an applicant returns a full credit allocation after the carryover allocation deadline, the Department is to impose a twenty percent reduction in the final score of any applications submitted in a concurrent or subsequent application round by the applicant or affiliates.

The Magnolia Place Apartments application would be assessed a thirty-nine point reduction in score and would no longer be second in the region on the Waiting List if the penalty were applied.

The Board would have good cause to waive the penalty for the Magnolia Place Application because they could not move forward with the development due to the City of Houston's taking by eminent domain. It should also be noted that unbeknownst to the owner, at the time of the return, there would have been sufficient funds available through previously returned awards, to fund the Magnolia Place Apartments, had they not returned their credit allocation for Park Lane Apartments.

# One Park Lane Partners, L.P.

December 2, 2010

Mr. Michael Gerber  
Executive Director  
Texas Department of Housing and Community Development  
221 East 11<sup>th</sup> Street  
Austin, Texas 78701-2410

Re: Park Lane Apartments TDHCA # 09-156,  
City of Houston Eminent Domain

Dear Mr. Gerber:

In order to update you after our October 18, 2010 meeting regarding Park Lane Apartments, please be advised that the City of Houston gave us Notice on November 5, 2010 (See Attached) of their intent to acquire the subject tract through condemnation for improvements within the "Bellaire West Drainage Improvements". As a result of this taking by the City of Houston of the subject site, we no longer will be able to use the LIHTC awarded to #09-156 One Park Lane Partners, L.P. on August 14, 2009.

For the last 12 months the City of Houston's actions have been under protest by the Principals of One Park Lane Partners, L.P. The Applicant signed the TDHCA Commitment and paid in excess of \$98,500 in Commitment Fees in hopes of completing the development. Additional pre development costs were incurred prior to the city's Notice of Intent. The return of the \$1,955,230 of Tax Credits is entirely out of the Applicants (#09-156) control and **we ask that any penalties associated with the return of credits be waived by the Department.**

Thank you in advance for your understanding in this matter and we hope that our track record of completing developments on a timely basis over the last 10 years reflects our commitment to the same mission as that of the TDHCA.

Should you need any additional information please feel free to contact us.

Sincerely



Brian Cogburn  
By: Park Lane Development, LLC  
Its: General Partner



Albert E. Magill, III  
By: Park Lane Development, LLC  
Its: General Partner

Cc: Tom Gouris, TDHCA  
Michael Lyttle, TDHCA



**SAN JACINTO**  
REALTY SERVICES, LLC

December 2, 2010

Mr. Michael Gerber  
Executive Director  
Texas Department of Housing and Community Development  
221 East 11<sup>th</sup> Street  
Austin, Texas 78701-2410

Re: Magnolia Place Apartments TDHCA # 10290,  
Houston, Texas

Dear Mr. Gerber:

It has come to my attention that One Park Lane Partners, L.P. (#09156) has released \$1,955,230 of Tax Credits as a result of the City of Houston's desire to take the development site by Eminent Domain.

As a result of Park Lane's release, it would appear that Magnolia Place (#10290) is next in line on the Waiting List to receive an award of a similar amount of credits. I would like to take this opportunity to assure you that we are ready to move forward with the Magnolia Place Apartments and have continued support from the City of Houston. We have contacted our Lenders, Syndicators and General Contractor who have all expressed a desire to bid on the development.

As a side note, all of our developments are complete and are experiencing high occupancies. We are excited about working on Magnolia Place Senior Apartments and cannot wait to get started.

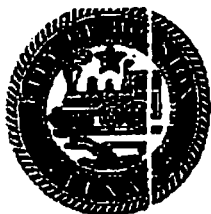
Thank you for your continued support and understanding related to the special circumstances related to the Park Lane condemnation.

Should you need any additional information please feel free to contact us.

Sincerely

Albert E. Magill, III

Cc: Tom Gouris, TDHCA  
Michael Lyttle, TDHCA



**CITY OF HOUSTON**  
Public Works and Engineering Department

**Annise D. Parker**

Mayor

Daniel W. Krueger, P.E., Director  
P.O. Box 1562  
Houston, Texas 77251-1562

www.houstontx.gov

November 5, 2010

**CERTIFIED MAIL  
RETURN RECEIPT REQUESTED  
7003 3450 0003 3449 8813**

Hill & Hill, P.C.  
Attn: J. Marcus Hill  
1770 St. James Place, Suite 115  
Houston, Texas 77056

**SUBJECT: BELLAIRE WEST DRAINAGE IMPROVEMENTS PROJECT**  
Parcel LY10-002: being a tract of land in fee containing 258,479 square feet  
WBS M-000283-0001-3  
Owner: Sunshine Development One, L.P.  
Property Address: 7515 Cook Rd., Houston, Texas 77072

Dear Mr. Hill:

The public necessity, created in part by the continued growth of our city, makes it necessary for the City of Houston to acquire the above-described property for the **BELLAIRE WEST DRAINAGE IMPROVEMENTS PROJECT**. Inasmuch as negotiations to purchase the property have not been successful to date, a final offer is being submitted to you on behalf of Sunshine Development One, L.P..

In accordance with authorization by the City Council of the City of Houston, you on behalf of the owner, Sunshine Development One, L.P., are hereby offered \$1,033,916.00 for the above-described property. Should this offer be acceptable to the owner, please call Harold H. Tyler at 713-837-0912, or contact him at the City of Houston, Department of Public Works and Engineering, Real Estate Branch, 611 Walker, Suite 1900, Houston, Texas 77002, so the necessary papers can be prepared.

Should the above stated offer not be accepted within five (5) days from the receipt of this letter, it must be considered as having been refused. Failure to accept this final offer will cause the City to commence condemnation proceedings to acquire the property. Thereafter, the Court will appoint three disinterested freeholders to serve as Special Commissioners and a date will be set for a hearing. You will be notified of the time and place set for the hearing. At the hearing, the Special Commissioners will consider the evidence presented and arrive at an award which will be filed with the Court.

Council Members: Brenda Starnig Jarvis Johnson Anna Chamberduck Wanda Adams MBoe Sullivan Al Hoang Oliver Pennington Edward Gonzalez  
James G. Rodriguez Stephen C. Costello Sus Lovell Melissa Noriega C.O. "Brad" Bradford Jolanda "Jo" Jones Controller: Ronald C. Green

**BELLAIRE WEST DRAINAGE IMPROVEMENTS PROJECT**

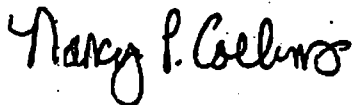
Parcel LY10-00

November 5, 2010

The City of Houston may then deposit the amount of the award with the Court, at which time the City of Houston will be entitled to take possession of the property involved. The City will have the right to demolish all improvements located on the property. Please note that when the City removes fences, gates, and/or any other improvements that enclose the property, the owner will be responsible for the safety and security for the remainder of their property.

After the deposit is made, the owner may withdraw their share of the award. If either the owner or the City of Houston is dissatisfied with the amount of the award, objections may be filed within the time prescribed by law, and the case subsequently tried before the Court as in other civil cases.

Sincerely,



Nancy P. Collins  
Senior Assistant Director -- Real Estate  
Planning and Development Services Division  
Department of Public Works and Engineering

NPT::GCT:JV:hht  
Typed:Y10002FO

1 Attachment: 1. Copy of field notes and drawing

None at this time

None at this time



None at this time

**MULTIFAMILY FINANCE DIVISION  
BOARD REPORT AND ACTION ITEM  
December 17, 2010**

**Requested Action**

Ratification and Approval of the Issuance of Commitments for Additional Awards from the 2010 Housing Tax Credit Application Waiting List.

**WHEREAS**, the Board has previously authorized the Executive Director to approve the award of housing tax credits to applications on the 2010 Waiting List subject to Ratification by the Board; therefore

It is hereby:

**RESOLVED**, that the issuance of commitments for the following applications, or as amended by the Board, is hereby ratified in the form presented to this meeting.

<b>TDHCA #</b>	<b>Development Name</b>	<b>Amount Request</b>	<b>City</b>	<b>Applicant</b>
10096	Orchard at Westchase	\$1,917,087	Houston	Stephan Fairfield
10290	Magnolia Place **	1,995,026	Houston	Bert McGill
10241	Timberland Trails Apts	\$858,909	Lufkin	John Matthews
10033	Sulphur Springs Pioneer	\$929,204	Sulphur Springs	Noor Jooma
10040	Ashton Senior Village	\$2,000,000	Schertz	Colby Denison

**Background**

In accordance with §2306.6711 of the Texas Government Code and §50.10(b) of the 2010 Qualified Allocation Plan and Rules, the Board approved a Waiting List of 210 application and authorized staff to issue commitments in order of priority based on Set-Aside and regional allocation goals.

Since the July meeting, the Department has received \$6,768,642 in annual tax credits returned from previous years or from applications that received awards at the July meeting that returned their 2010 award for remaining Exchange funds. Funds returned from a sub-region are returned to that sub-region to fund the next application. However, if the returned funds are insufficient to fund the next application, in the sub-region, then the funds are collapsed statewide and the next most underfunded sub-region receives the funds. The return of tax credits for the Exchange program creates an additional layer of consideration, as the funds were not actually lost to that sub-region. Allocating crediting in addition to the new Exchange funds would have double funded the sub-region when other sub-regions were underfunded. Therefore, credits returned as a result of Exchange, in addition to credits in sub-regions where no other applications existed (\$2,813,412) were returned statewide. While \$3,955,230 in two Ike region returns in addition to credits left over in July went back to the Ike area.

Staff has identified the following applications from the Waiting List to receive commitments of 2010 allocation. The Type Credit below indicates what credit pool the credits are awarded from. Ike is from the credits made available for developments in hurricane Ike affected counties and SW is the statewide collapse.

<b>TDHCA #</b>	<b>Development Name</b>	<b>Amount Request</b>	<b>Region</b>	<b>City</b>	<b>Applicant</b>	<b>Type Credit</b>
10096	Orchard at Westchase	\$1,917,087	6	Houston	Stephan Fairfield	Ike
10290	Magnolia Place **	1,995,026	6	Houston	Bert McGill	Ike
10241	Timberland Trails Apts	\$858,909	5	Lufkin	John Matthews	Ike/Reg
10033	Sulphur Springs Pioneer	\$929,204	4	Sulphur Springs	Noor Jooma	SW
10040	Ashton Senior Village	\$2,000,000	9	Schertz	Colby Denison	SW

With the approval and issuance of these commitments, the Department will have awarded a total of 71,709,110 for the 2010 housing tax credit application year.

Should the Board not grant the Magnolia Place Apartments appeal, earlier on the agenda, the next application on Waiting List would be #10080, Rolling Meadows which wins a tie at 192 points.

Three of the Developments on the recommended have been reviewed and underwritten by the Department (#10096, Orchard at Westchase, #10290, Magnolia Place and #10040, Ashton Senior). Two applications (#10241, Timberland Trails and #10033, Sulphur Springs) have not be reviewed for Threshold, underwriting or previous compliance. They must still be evaluated and underwritten by the Department. Therefore, their award is conditioned on such completion.

<b>Sub-Region</b>	<b>Available in Sub-Region</b>	<b>Awarded in 2010</b>	<b>Percent Under-Funded</b>	<b>Next Application</b>	<b>Development Name</b>	<b>Amount Requested</b>
Rural 4	950,285	518,601	45.43%	10033 *	Sulphur Springs	929,204
Urban 9	3,076,230	1,954,346	36.47%	10040 *	Ashton Senior	2,000,000
Urban 7	2,489,082	1,990,747	20.02%	10152 *	Shady Oaks	1,339,983
Urban 13	1,593,917	1,293,104	18.87%	10024 *	Canutillo Palms	2,000,000
Rural 3	1,102,732	895,498	18.79%	10090 *	Silver Spring	802,682
Urban 3	10,150,352	8,987,874	10.04%	10158 *	Sedona Ranch	1,940,000
Urban 6	9,080,579	8,582,166	5.50%	10080	Rolling Meadows	1,698,491
Urban 11	3,636,663	3,495,724	3.88%	10135 *	Canyon Creek	1,348,738
Rural 11	2,088,317	1,963,983	3.43	10151 *	Sunflower Estates	1,010,136

The (\*) above denotes applications that the Board forward committed 2011 allocation.

**Regional Awarded and Active Applications ("Regional A/F/N")  
2010 Competitive Housing Tax Credit Program Waiting List  
As of December 10, 2010**

**Estimated State Ceiling to be Allocated: \$45,989,408**

Region File #	Status <sup>1</sup>	Development Name	Address	City	Allocation <sup>2</sup>	Set-Asides <sup>3</sup> USDA NP	LI Units	Total Target <sup>4</sup> Units	Housing <sup>5</sup> Pop	Activity	Recommended* Credit	Owner Contact	TDHCA HOME	Final Score	Comment <sup>6</sup>	
<b>Region: 1</b>																
<b>Allocation Information for Region 1:</b>		<b>Total Credits Available for Region: \$1,763,189</b>					<b>Urban Allocation: \$1,079,863</b>				<b>Rural Allocation: \$683,326</b>					
<b>Applications Submitted in Region 1: Urban</b>																
10236	1 A	Viking Road Apts	Intersection of Viking Rd. and Ventura Rd.	Amarillo	Urban	<input type="checkbox"/> <input type="checkbox"/>	131	132	G	NC	\$1,417,000	Justin Zimmerman	<input type="checkbox"/>	191.0	Significant Sub-Regional Shortfall in Statewide Collapse	
							<b>Total:</b>	<b>131</b>	<b>132</b>			<b>\$1,417,000</b>				
							<b>Total:</b>	<b>131</b>	<b>132</b>			<b>\$1,417,000</b>				
<b>Applications Submitted in Region 1: Rural</b>																
10107	1 A	Tenth Street Apts	SE Corner Tenth St. and Whittenburg St.	Borger	Rural	<input type="checkbox"/> <input type="checkbox"/>	47	48	G	NC	\$583,000	Justin Zimmerman	<input type="checkbox"/>	157.0	Competitive in Region	
							<b>Total:</b>	<b>47</b>	<b>48</b>			<b>\$583,000</b>				
							<b>Total:</b>	<b>47</b>	<b>48</b>			<b>\$583,000</b>				
<b>2 Applications in Region</b>					<b>Region Total:</b>		<b>178</b>	<b>180</b>			<b>\$2,000,000</b>					

1 = Status of Award Abbreviation: Development Previously Awarded 2009 Housing Tax Credits=A, Forward Commitment from 2011 Ceiling=F, Not Recommended for Award=N.

2 = Allocation: Rural Regional Allocation or Urban Regional Allocation.

3 = Set-Aside Abbreviations: TRDO-USDA=USDA, Nonprofit=NP.

4 = Target Population Abbreviation: Intergenerational=I, Elderly=E, General=G.

5 = Housing Activity: New Construction=NC, Rehabilitation (includes Reconstruction)=RH, Adaptive Reuse=ADR.

6 = Comment: Reason for Recommendation

\* = Development is displaying the requested amount because a real estate analysis has not yet been completed.

Region	File #	Status <sup>1</sup>	Development Name	Address	City	Allocation <sup>2</sup>	Set-Asides <sup>3</sup> USDA NP	LI Units	Total Target <sup>4</sup> Units	Housing <sup>5</sup> Pop	Activity	Recommended* Credit	Owner Contact	TDHCA HOME	Final Score	Comment <sup>6</sup>
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Region: 2

<b>Allocation Information for Region 2:</b>	<b>Total Credits Available for Region:</b>	<b>\$834,111</b>	<b>Urban Allocation:</b>	<b>\$245,824</b>	<b>Rural Allocation:</b>	<b>\$588,287</b>
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<b>Applications Submitted in Region 2: Urban</b>																	
10246	2	A	Green Briar Village Phase II	901 Airport Dr.	Wichita Falls	Urban	<input type="checkbox"/>	<input type="checkbox"/>	36	36	G	NC	\$438,447	Randy Stevenson	<input type="checkbox"/>	202.0	Significant Sub-Regional Shortfall in Statewide Collapse
									<b>Total:</b>	<b>36</b>	<b>36</b>		<b>\$438,447</b>				
10108	2	N	Griffith Road Apts	SE corner of Griffith Rd. and Scottish Rd.	Abilene	Urban	<input type="checkbox"/>	<input type="checkbox"/>	83	84	G	NC	\$923,000	Michael B. Wilhoit	<input type="checkbox"/>	200.0	Not Competitive in Region
									<b>Total:</b>	<b>83</b>	<b>84</b>		<b>\$923,000</b>				
									<b>Total:</b>	<b>119</b>	<b>120</b>		<b>\$1,361,447</b>				
<b>Applications Submitted in Region 2: Rural</b>																	
10000	2	A	Mustang Heights Apts	Intersection of Arizona Ave. & I-20 frontage Rd.	Sweetwater	Rural	<input type="checkbox"/>	<input type="checkbox"/>	80	80	G	NC	\$952,875	Lucille Jones	<input type="checkbox"/>		Forward Commitment of 2010 Credits Made in 2009
									<b>Total:</b>	<b>80</b>	<b>80</b>		<b>\$952,875</b>				
10023	2	N	Burkburnett Pioneer Crossing for Seniors	109 Williams Dr.	Burkburnett	Rural	<input type="checkbox"/>	<input type="checkbox"/>	80	80	E	NC	\$927,718*	Noor Jooma	<input checked="" type="checkbox"/>	205.0	\$2M Cap Violation; Not Competitive in Region
									<b>Total:</b>	<b>80</b>	<b>80</b>		<b>\$927,718</b>				
									<b>Total:</b>	<b>160</b>	<b>160</b>		<b>\$1,880,593</b>				
<b>4 Applications in Region</b>							<b>Region Total:</b>		<b>279</b>	<b>280</b>			<b>\$3,242,040</b>				

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5 = Housing Activity: New Construction=NC, Rehabilitation (includes Reconstruction)=RH, Adaptive Reuse=ADR.

6 = Comment: Reason for Recommendation

\* = Development is displaying the requested amount because a real estate analysis has not yet been completed.

Region	File #	Status <sup>1</sup>	Development Name	Address	City	Allocation <sup>2</sup>	Set-Asides <sup>3</sup> USDA NP	LI Units	Total Units	Target <sup>4</sup> Pop	Housing <sup>5</sup> Activity	Recommended* Credit	Owner Contact	TDHCA HOME	Final Score	Comment <sup>6</sup>
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Region: 3

<b>Allocation Information for Region 3:</b>	<b>Total Credits Available for Region:</b> \$11,253,085	<b>Urban Allocation:</b> \$10,150,352	<b>Rural Allocation:</b> \$1,102,732
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Applications Submitted in Region 3: Urban																
10119	3	A	Race Street Lofts	2817/2812/2820/2822/2902 McLemore St.	Fort Worth	Urban	<input type="checkbox"/> <input type="checkbox"/>	36	36	G	RH	\$592,207	Jesus "Jay" Chapa	<input type="checkbox"/>	228.0	Competitive in Region
10153	3	A	Britain Way	1954 Shoaf	Irving	Urban	<input type="checkbox"/> <input type="checkbox"/>	168	168	G	RH	\$1,627,680	Deepak Sulakhe	<input checked="" type="checkbox"/>	225.0	Competitive in Region
10284	3	A	Atmos Lofts	1900 Jackson St.	Dallas	Urban	<input type="checkbox"/> <input type="checkbox"/>	107	107	G	ADR	\$1,336,488	Ted Hamilton	<input type="checkbox"/>	225.0	Competitive in Region
10079	3	A	Steeple Chase Farms	S. FM 1417 and Park Ave.	Sherman	Urban	<input type="checkbox"/> <input type="checkbox"/>	156	156	G	NC	\$1,996,605	Chris Dischinger	<input type="checkbox"/>	217.0	Competitive in Region
10136	3	A	Evergreen at Richardson	SWC of Renner Rd. & N. Star Rd.	Richardson	Urban	<input type="checkbox"/> <input type="checkbox"/>	170	170	E	NC	\$2,000,000	Don Maison	<input checked="" type="checkbox"/>	216.0	Competitive in Region
10171	3	A	HomeTowne at Garland	1520 Castle Dr.	Garland	Urban	<input type="checkbox"/> <input type="checkbox"/>	144	144	E	NC	\$1,434,894	Carla Simmons	<input type="checkbox"/>	216.0	Competitive in Region
<b>Total:</b>								<b>781</b>	<b>781</b>			<b>\$8,987,874</b>				
10200	3	F	Hillside West Seniors	Near 32 Pinnacle Park Blvd.	Dallas	Urban	<input type="checkbox"/> <input type="checkbox"/>	130	130	E	NC	\$1,632,728*	Brandon Bolin	<input type="checkbox"/>	216.0	Forward Commitment of 2011 Credits Made in 2010
10158	3	F	Sedona Ranch	6101 Old Denton Rd.	Fort Worth	Urban	<input type="checkbox"/> <input type="checkbox"/>	172	172	E	NC	\$1,940,000	Manish Verma	<input type="checkbox"/>	216.0	Forward Commitment of 2011 Credits Made in 2010
10117	3	F	Terrell Homes I	Scattered Sites (N. of Hwy 287, E. of Hwy 35W, S. of Hwy 30 and W. of MLK Jr. Hwy)	Fort Worth	Urban	<input type="checkbox"/> <input type="checkbox"/>	54	54	G	NC	\$1,136,782*	Jesus "Jay" Chapa	<input type="checkbox"/>	215.0	Forward Commitment of 2011 Credits Made in 2010
10232	3	F	Evergreen Residences- 3800 Willow	3800 Willow	Dallas	Urban	<input type="checkbox"/> <input type="checkbox"/>	100	100	G	SRO	\$1,151,210*	Graham Greene	<input type="checkbox"/>	210.0	Forward Commitment of 2011 Credits Made in 2010
10045	3	F	North Court Villas	South side Stonebrook Pkwy between Woodstream Dr & Preston Rd	Frisco	Urban	<input type="checkbox"/> <input type="checkbox"/>	150	150	G	NC	\$2,000,000*	Dru Childre	<input type="checkbox"/>	197.0	Forward Commitment of 2011 Credits Made in 2010
<b>Total:</b>								<b>606</b>	<b>606</b>			<b>\$7,860,720</b>				
10137	3	N	Evergreen at Wylie	Approx. the 600 to 700 Block of S. McCreary Rd.	Wylie	Urban	<input type="checkbox"/> <input type="checkbox"/>	160	160	E	NC	\$1,936,192*	Don Maison	<input checked="" type="checkbox"/>	215.0	Not Competitive in Region

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File #	Region Status <sup>1</sup>	Development Name	Address	City	Allocation <sup>2</sup>	Set-Asides <sup>3</sup> USDA NP	LI Units	Total Units	Target <sup>4</sup> Pop	Housing <sup>5</sup> Activity	Recommended* Credit	Owner Contact	TDHCA HOME	Final Score	Final Comment <sup>6</sup>
10093	3 N	Greenhaus at East Side Apts	4611 E. Side Ave.	Dallas	Urban	<input type="checkbox"/> <input checked="" type="checkbox"/>	24	24	G	NC	\$412,525*	Maria Machado	<input checked="" type="checkbox"/>	213.0	Not Competitive in Region
10134	3 N	Champion Homes at Copperridge	5602 Maple Ave.	Dallas	Urban	<input type="checkbox"/> <input type="checkbox"/>	107	107	G	NC	\$1,378,758*	Saleem Jafar	<input type="checkbox"/>	212.0	\$2M Cap Violation; Not Competitive in Region
10202	3 N	Brae Estates	3715 NE 28th St. and 3650 Kimbo Rd.	Fort Worth	Urban	<input type="checkbox"/> <input type="checkbox"/>	68	68	G	NC	\$1,292,507*	Kim McCaslin Schliker	<input type="checkbox"/>	212.0	Not Competitive in Region
10009	3 N	Creekside Village	3601 Miller Rd.	Rowlett	Urban	<input type="checkbox"/> <input type="checkbox"/>	116	116	E	NC	\$1,311,710*	Charles Holcomb	<input type="checkbox"/>	211.0	Not Competitive in Region
10075	3 N	Vermillion Park	Eastern Terminus of Emporium Square	Mesquite	Urban	<input type="checkbox"/> <input type="checkbox"/>	96	96	E	NC	\$1,000,000*	Clifton Phillips	<input type="checkbox"/>	210.0	Not Competitive in Region
10113	3 N	Promenade at Mercer Crossing	NWC of Whittington Pl. and Senlac Dr.	Farmers Branch	Urban	<input type="checkbox"/> <input type="checkbox"/>	124	124	E	NC	\$1,518,354*	Brad Kyles	<input type="checkbox"/>	209.0	Not Competitive in Region
10027	3 N	The Huntington at Greenville	300 Block S. Greenville Ave. and Main St.	Allen	Urban	<input type="checkbox"/> <input type="checkbox"/>	114	114	E	NC	\$1,387,546*	Mark Musemeche	<input type="checkbox"/>	207.0	Not Competitive in Region
10233	3 N	Kleberg Commons	12700 Kleberg Rd.	Dallas	Urban	<input type="checkbox"/> <input type="checkbox"/>	200	200	E	NC	\$2,000,000*	Dale Lancaster	<input type="checkbox"/>	203.0	Not Competitive in Region
10062	3 N	Willow Bay Apts	E. side of Boat Club Rd. and Cromwell Marine Creek Dr.	Fort Worth	Urban	<input type="checkbox"/> <input type="checkbox"/>	124	124	E	NC	\$1,631,681*	Mark Lechner	<input type="checkbox"/>	202.0	Not Competitive in Region
10221	3 N	Residences at Rowlett Creek	SWC of Firewheel Pkwy. & Castle Dr.	Garland	Urban	<input type="checkbox"/> <input type="checkbox"/>	160	160	G	NC	\$2,000,000*	Dan Allgeier	<input type="checkbox"/>	194.0	Not Competitive in Region
10089	3 N	Silver Spring at Chapel Hill	SWC of Bonds Ranch Rd. and Business 287/Saginaw Blvd.	Fort Worth	Urban	<input type="checkbox"/> <input type="checkbox"/>	100	100	E	NC	\$914,179*	Alice Wong	<input type="checkbox"/>	190.0	Not Competitive in Region
							<b>Total:</b>	<b>1,393</b>	<b>1,393</b>			<b>\$16,783,452</b>			
							<b>Total:</b>	<b>2,780</b>	<b>2,780</b>			<b>\$33,632,046</b>			
<b>Applications Submitted in Region 3:</b>		<b>Rural</b>													
10130	3 A	Meadow Vista	White Settlement Rd. (1/4 mile E. of FM 730)	Weatherford	Rural	<input type="checkbox"/> <input type="checkbox"/>	80	80	E	NC	\$895,498	Justin MacDonald	<input checked="" type="checkbox"/>	210.0	Competitive in Region
							<b>Total:</b>	<b>80</b>	<b>80</b>			<b>\$895,498</b>			
10090	3 F	Silver Spring at Forney	SEC of FM 548 and Reeder Ln.	Forney	Rural	<input type="checkbox"/> <input type="checkbox"/>	80	80	E	NC	\$802,682*	Alice Wong	<input type="checkbox"/>	209.0	Forward Commitment of 2011 Credits Made in 2010
							<b>Total:</b>	<b>80</b>	<b>80</b>			<b>\$802,682</b>			
10050	3 N	West Park Senior Housing	West Park Row and 44th St.	Corsicana	Rural	<input type="checkbox"/> <input checked="" type="checkbox"/>	48	48	E	NC	\$544,559*	Emanuel H. Glockzin, Jr.	<input checked="" type="checkbox"/>	207.0	Not Competitive in Region
10257	3 N	The Colony at Lake Granbury	SWC Hwy 4 & Thorp Springs Rd.	Granbury	Rural	<input type="checkbox"/> <input type="checkbox"/>	80	80	E	NC	\$964,787*	Rick J. Deyoe	<input checked="" type="checkbox"/>	207.0	Not Competitive in Region
10092	3 N	Silver Spring Grand Heritage	SWC of Hwy 78 and C.R. 484	Lavon	Rural	<input type="checkbox"/> <input type="checkbox"/>	80	80	E	NC	\$866,244*	Alice Wong	<input type="checkbox"/>	203.0	Not Competitive in Region

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6 = Comment: Reason for Recommendation

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Region	File #	Status <sup>1</sup>	Development Name	Address	City	Allocation <sup>2</sup>	Set-Asides <sup>3</sup>	LI	Total	Target <sup>4</sup>	Housing <sup>5</sup>	Recommended*Owner	TDHCA	Final	Comment <sup>6</sup>	
							USDA NP	Units	Units	Pop	Activity	Credit	Contact	HOME	Score	
	10059	3 N	Westway Place	44th St., off West Park Row	Corsicana	Rural	<input type="checkbox"/> <input checked="" type="checkbox"/>	40	40	G	NC	\$546,741*	Emanuel H. Glockzin, Jr.	<input checked="" type="checkbox"/>	201.0	Not Competitive in Region
	10018	3 N	Granbury Seniors	1300 N. Meadows Dr.	Granbury	Rural	<input type="checkbox"/> <input type="checkbox"/>	80	80	E	NC	\$1,019,323*	Ryan Wilson	<input type="checkbox"/>	200.0	Not Competitive in Region
<b>Total:</b>								<b>328</b>	<b>328</b>			<b>\$3,941,654</b>				
<b>Total:</b>								<b>488</b>	<b>488</b>			<b>\$5,639,834</b>				
<b>30 Applications in Region</b>								<b>Region Total: 3,268</b>	<b>3,268</b>			<b>\$39,271,880</b>				

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Region	File #	Status <sup>1</sup>	Development Name	Address	City	Allocation <sup>2</sup>	Set-Asides <sup>3</sup> USDA NP	LI Units	Total Units	Target <sup>4</sup> Pop	Housing <sup>5</sup> Activity	Recommended* Credit	Owner Contact	TDHCA HOME	Final Score	Comment <sup>6</sup>
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**Region: 4**

<b>Allocation Information for Region 4:</b>	<b>Total Credits Available for Region: \$1,696,890</b>	<b>Urban Allocation: \$746,605</b>	<b>Rural Allocation: \$950,285</b>
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Applications Submitted in Region 4: Urban																
10028	4 A	Pecan Ridge	NWC of Milam and 15th St.	Texarkana	Urban	<input type="checkbox"/>	<input type="checkbox"/>	124	124	G	RH	\$1,899,414	Naomi Byrne	<input type="checkbox"/>	225.0	Significant Sub-Regional Shortfall in Statewide Collapse
10198	4 A	Pinnacle at North Chase	E. side of N. Broadway, S. of Loop 323	Tyler	Urban	<input type="checkbox"/>	<input type="checkbox"/>	120	120	G	NC	\$1,473,851	Lisa Stephens	<input type="checkbox"/>	216.0	Competitive in Hurricane Ike Counties
								<b>Total:</b>	<b>244</b>	<b>244</b>			<b>\$3,373,265</b>			
								<b>Total:</b>	<b>244</b>	<b>244</b>			<b>\$3,373,265</b>			

Applications Submitted in Region 4: Rural																
10026	4 A	Silverleaf at Chandler II	801 FM 2010	Chandler	Rural	<input type="checkbox"/>	<input type="checkbox"/>	44	44	E	NC	\$518,601	J Michael Sugrue	<input checked="" type="checkbox"/>	211.0	Competitive in Region
								<b>Total:</b>	<b>44</b>	<b>44</b>			<b>\$518,601</b>			
10033	4 F	Sulphur Springs Pioneer Crossing for Seniors	Gossett Ln.	Sulphur Springs	Rural	<input type="checkbox"/>	<input type="checkbox"/>	80	80	E	NC	\$929,204*	Noor Jooma	<input checked="" type="checkbox"/>	210.0	Forward Commitment of 2011 Credits Made in 2010
								<b>Total:</b>	<b>80</b>	<b>80</b>			<b>\$929,204</b>			
10039	4 N	Paris Retirement Village II	1500 W. Washington St.	Paris	Rural	<input type="checkbox"/>	<input type="checkbox"/>	78	80	E	NC	\$864,182*	Joe Chamy	<input checked="" type="checkbox"/>	169.0	Not Competitive in Region
								<b>Total:</b>	<b>78</b>	<b>80</b>			<b>\$864,182</b>			
								<b>Total:</b>	<b>202</b>	<b>204</b>			<b>\$2,311,987</b>			
<b>5 Applications in Region</b>								<b>Region Total:</b>	<b>446</b>	<b>448</b>			<b>\$5,685,252</b>			

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Region	File #	Status <sup>1</sup>	Development Name	Address	City	Allocation <sup>2</sup>	Set-Asides <sup>3</sup> USDA NP	LI Units	Total Units	Target <sup>4</sup> Pop	Housing <sup>5</sup> Activity	Recommended* Credit	Owner Contact	TDHCA HOME	Final Score	Comment <sup>6</sup>
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**Region: 5**

<b>Allocation Information for Region 5:</b>	<b>Total Credits Available for Region: \$1,259,603</b>	<b>Urban Allocation: \$567,607</b>	<b>Rural Allocation: \$691,996</b>
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**Applications Submitted in Region 5: Urban**

10031	5 A	The Crossing	3705 E. Lucas	Beaumont	Urban	<input type="checkbox"/>	<input type="checkbox"/>	150	150	E	NC	\$1,555,992	Robert L. Reyna	<input type="checkbox"/>	201.0	Significant Sub-Regional Shortfall in Statewide Collapse	
<b>Total:</b>								<b>150</b>	<b>150</b>			<b>\$1,555,992</b>					
<b>Total:</b>								<b>150</b>	<b>150</b>			<b>\$1,555,992</b>					

**Applications Submitted in Region 5: Rural**

10283	5 A	Lufkin Pioneer Crossing	1805 N John Reddit	Lufkin	Rural	<input type="checkbox"/>	<input type="checkbox"/>	80	80	G	NC	\$936,578	Noor Jooma	<input checked="" type="checkbox"/>	211.0	Significant Sub-Regional Shortfall in Rural Collapse		
10279	5 A	Hudson Green	840 Mt. Carmel Rd.	Hudson	Rural	<input type="checkbox"/>	<input type="checkbox"/>	80	80	G	NC	\$919,550	H. Elizabeth Young	<input checked="" type="checkbox"/>	208.0	Competitive in Hurricane Ike Counties		
10271	5 A	Hudson Manor	4280 Old Union Rd.	Hudson	Rural	<input type="checkbox"/>	<input type="checkbox"/>	80	80	E	NC	\$955,313	H. Elizabeth Young	<input checked="" type="checkbox"/>	208.0	Competitive in Hurricane Ike Counties		
10126	5 A	Auburn Square	11.35 acres E. of 2390 N. Main St.	Vidor	Rural	<input type="checkbox"/>	<input checked="" type="checkbox"/>	80	80	G	NC	\$1,100,480	Vivian L. Ballou	<input checked="" type="checkbox"/>	204.0	Competitive in Hurricane Ike Counties		
<b>Total:</b>								<b>320</b>	<b>320</b>			<b>\$3,911,921</b>						
10241	5 N	Timberland Trails Apts	2205 N. Timberland Dr.	Lufkin	Rural	<input type="checkbox"/>	<input checked="" type="checkbox"/>	80	80	G	NC	\$858,909*	John D. Mathews	<input checked="" type="checkbox"/>	198.0	Not Competitive in Region		
<b>Total:</b>								<b>80</b>	<b>80</b>			<b>\$858,909</b>						
<b>Total:</b>								<b>400</b>	<b>400</b>			<b>\$4,770,830</b>						
<b>6 Applications in Region</b>								<b>Region Total:</b>	<b>550</b>	<b>550</b>			<b>\$6,326,822</b>					

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Region	File #	Status <sup>1</sup>	Development Name	Address	City	Allocation <sup>2</sup>	Set-Asides <sup>3</sup> USDA NP	LI Units	Total Units	Target <sup>4</sup> Pop	Housing <sup>5</sup> Activity	Recommended* Credit	Owner Contact	TDHCA HOME	Final Score	Comment <sup>6</sup>
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Region: 6

Allocation Information for Region 6:	Total Credits Available for Region: \$10,011,875	Urban Allocation: \$9,080,579	Rural Allocation: \$931,296
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Applications Submitted in Region 6: Urban																
10084	6 A	4415 Perry	4415 Perry St.	Houston	Urban	<input type="checkbox"/>	<input checked="" type="checkbox"/>	160	160	G	NC	\$920,833	Joy Horak-Brown	<input type="checkbox"/>	216.0	Competitive in Region
10142	6 A	Mason Senior Apartment Homes	W. side of Mason Rd., N. of Franz Rd.	Houston	Urban	<input type="checkbox"/>	<input type="checkbox"/>	120	120	E	NC	\$1,451,258	Kenneth G. Cash	<input type="checkbox"/>	216.0	Competitive in Region
10035	6 A	Zion Gardens	St. Charles & Webster St.	Houston	Urban	<input type="checkbox"/>	<input checked="" type="checkbox"/>	70	70	G	NC	\$953,930	L. David Punch	<input type="checkbox"/>	214.0	Competitive in Region
10178	6 A	Cypress Creek at Fayridge	NEC of Beltway 8 and Fayridge Dr.	Houston	Urban	<input type="checkbox"/>	<input type="checkbox"/>	148	151	G	NC	\$2,000,000	Stuart B. Shaw	<input type="checkbox"/>	210.0	Competitive in Region
10124	6 A	Golden Bamboo Village III	W. side of Synott Rd. (approx. 900LF N. of intersection of Synott Rd. & Bellaire Rd.)	Houston	Urban	<input type="checkbox"/>	<input checked="" type="checkbox"/>	130	130	E	NC	\$1,611,321	Michael CaoMy Nguyen	<input type="checkbox"/>	210.0	Competitive in Region
10266	6 A	Travis Street Plaza Apts	4500 Travis	Houston	Urban	<input type="checkbox"/>	<input type="checkbox"/>	192	192	G	NC	\$1,325,820	Tim Cantwell	<input type="checkbox"/>	210.0	Competitive in Hurricane Ike Counties
10115	6 A	Tuscany Place	N. side of Northpark Dr. (Approx. 1200LF East of TX Loop 494)	Kingwood	Urban	<input type="checkbox"/>	<input type="checkbox"/>	152	152	G	NC	\$2,000,000	Ben Amor	<input type="checkbox"/>	208.0	Competitive in Hurricane Ike Counties
10051	6 A	Parkway Ranch II	E. side of the approx. 10000 Block W. Montgomery	Houston	Urban	<input type="checkbox"/>	<input type="checkbox"/>	44	45	G	NC	\$962,945	W. Barry Kahn	<input type="checkbox"/>	206.0	Competitive in Hurricane Ike Counties
10094	6 A	Providence Town Square	3801 Center St.	Deer Park	Urban	<input type="checkbox"/>	<input type="checkbox"/>	165	188	E	NC	\$1,721,277	Chris Richardson	<input type="checkbox"/>	206.0	Competitive in Hurricane Ike Counties
10227	6 A	Tarrington Court Apts	Approx. 1/2 mile NEC of I-45 and S. Sam Houston Pkwy. E. on the SEC of the approx. 8000 Block of Sam Houston Pkwy. East	Houston	Urban	<input type="checkbox"/>	<input type="checkbox"/>	153	153	E	NC	\$1,983,107	J. Steve Ford	<input type="checkbox"/>	205.0	Competitive in Hurricane Ike Counties
10064	6 A	Cypress Gardens	Wallisville Rd. and Maxey Rd.	Houston	Urban	<input type="checkbox"/>	<input type="checkbox"/>	100	100	E	NC	\$1,380,254	Scott Brian	<input type="checkbox"/>	204.0	Competitive in Hurricane Ike Counties
10003	6 A	Champion Homes at Marina Landing	7302 Heards Ln.	Galveston	Urban	<input type="checkbox"/>	<input type="checkbox"/>	256	256	G	RH	\$1,643,824	Saleem Jafar	<input type="checkbox"/>		Forward Commitment of 2010 Credits Made in 2009
<b>Total: 1,690 1,717</b>											<b>\$17,954,569</b>					

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10184	6 N	Cypress Creek at Veterans Memorial	Approx. 8500 Block of Veterans Memorial Dr.	Houston	Urban	<input type="checkbox"/> <input type="checkbox"/>	148	152	G	NC	\$2,000,000*	Stuart B. Shaw	<input type="checkbox"/>	208.0	\$2M Cap Violation
10096	6 N	The Orchard at Westchase	3802 Rodgerdale	Houston	Urban	<input type="checkbox"/> <input checked="" type="checkbox"/>	153	153	E	NC	\$1,917,087	Stephan Fairfield	<input type="checkbox"/>	200.0	Not Competitive in Region
10290	6 N	Magnolia Place Apts	Wenda St. at the 9500 Block of Cullen Blvd.	Houston	Urban	<input type="checkbox"/> <input type="checkbox"/>	144	144	E	NC	\$1,995,026	Bert Magill	<input type="checkbox"/>	199.0	Not Competitive in Region
10186	6 N	Mariposa at Calder Drive	N. side of FM 517 approx. 1/5 mi W. of FM 646	League City	Urban	<input type="checkbox"/> <input type="checkbox"/>	172	176	E	NC	\$2,000,000*	Stuart B. Shaw	<input type="checkbox"/>	193.0	\$2M Cap Violation; Not Competitive in Region
10080	6 N	Rolling Meadows	S. Side of FM 518 Hwy	Kemah	Urban	<input type="checkbox"/> <input type="checkbox"/>	124	124	E	NC	\$1,698,491*	Chris Dischinger	<input type="checkbox"/>	192.0	Not Competitive in Region
10101	6 N	Lafayette Park Apts	Approx. 200 Block of Aldine Bender and 16000 Block of Cotillion Dr.	Houston	Urban	<input type="checkbox"/> <input type="checkbox"/>	150	150	E	NC	\$1,930,643*	William D. Henson	<input type="checkbox"/>	192.0	Not Competitive in Region
10250	6 N	Willow Meadow Place Apts	10630 Beechnut	Houston	Urban	<input type="checkbox"/> <input type="checkbox"/>	328	328	G	RH	\$2,000,000*	M. Dale Dodson	<input type="checkbox"/>	179.0	Not Competitive in Region
10128	6 N	Ventana Pointe	Red Oak Dr. & Butterfield Rd.	Houston	Urban	<input type="checkbox"/> <input type="checkbox"/>	96	96	E	NC	\$1,232,530*	Monique Allen	<input type="checkbox"/>	178.0	Not Competitive in Region
10229	6 N	Hannover Park	Approx. 2828 FM 2920	Spring	Urban	<input type="checkbox"/> <input type="checkbox"/>	142	142	I	NC	\$2,000,000*	Paula Burns	<input type="checkbox"/>	175.0	Not Competitive in Region
10228	6 N	Wintersprings Apts	Approx. 6000 Block of Atascocita Rd.	Humble	Urban	<input type="checkbox"/> <input type="checkbox"/>	156	156	E	NC	\$1,998,701*	J. Steve Ford	<input type="checkbox"/>	173.0	\$2M Cap Violation; Not Competitive in Region
							<b>Total:</b>	<b>1,613</b>	<b>1,621</b>			<b>\$18,772,478</b>			
							<b>Total:</b>	<b>3,303</b>	<b>3,338</b>			<b>\$36,727,047</b>			
<b>Applications Submitted in Region 6:</b>		<b>Rural</b>													
10061	6 A	Magnolia Trails	31000 Block of Nichols Sawmill Rd.	Magnolia	Rural	<input type="checkbox"/> <input type="checkbox"/>	80	80	E	NC	\$906,277	David Mark Koogler	<input type="checkbox"/>	212.0	Competitive in Region
							<b>Total:</b>	<b>80</b>	<b>80</b>			<b>\$906,277</b>			
							<b>Total:</b>	<b>80</b>	<b>80</b>			<b>\$906,277</b>			
<b>23 Applications in Region</b>							<b>Region Total:</b>	<b>3,383</b>	<b>3,418</b>			<b>\$37,633,324</b>			

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<b>Region: 7</b>															
<b>Allocation Information for Region 7:</b>		<b>Total Credits Available for Region: \$3,138,744</b>					<b>Urban Allocation:</b>			<b>\$2,489,082</b>	<b>Rural Allocation:</b>		<b>\$649,662</b>		
<b>Applications Submitted in Region 7: Urban</b>															
10002	7 A	Wildflower Terrace	NEC of Berkman Dr. & Tom Miller St.	Austin	Urban	<input type="checkbox"/> <input type="checkbox"/>	170	200	E	NC	\$1,990,747	Diana Mclver	<input type="checkbox"/>		Forward Commitment of 2010 Credits Made in 2009
							<b>Total:</b>	<b>170</b>	<b>200</b>			<b>\$1,990,747</b>			
10152	7 F	Shady Oaks	4320 S. Congress Ave.	Austin	Urban	<input type="checkbox"/> <input checked="" type="checkbox"/>	238	238	G	RH	\$1,339,983	Walter Moreau	<input type="checkbox"/>	225.0	Forward Commitment of 2011 Credits Made in 2010
							<b>Total:</b>	<b>238</b>	<b>238</b>			<b>\$1,339,983</b>			
10183	7 N	Cypress Creek at Four Seasons Farm	0.1 Miles East of Intersection of FM 150 and Lehman Rd.	Kyle	Urban	<input type="checkbox"/> <input type="checkbox"/>	148	151	G	NC	\$2,000,000*	Stuart B. Shaw	<input type="checkbox"/>	203.0	\$2M Cap Violation; Not Competitive in Region
10162	7 N	Promontory Pointe	NWC I-35 and Fleischer Dr.	Austin	Urban	<input type="checkbox"/> <input type="checkbox"/>	200	200	G	NC	\$1,875,000*	Sarah Andre	<input type="checkbox"/>	203.0	Not Competitive in Region
							<b>Total:</b>	<b>348</b>	<b>351</b>			<b>\$3,875,000</b>			
							<b>Total:</b>	<b>756</b>	<b>789</b>			<b>\$7,205,730</b>			
<b>Applications Submitted in Region 7: Rural</b>															
10143	7 A	Oak Creek Townhomes	1110 Broadway St.	Marble Falls	Rural	<input type="checkbox"/> <input type="checkbox"/>	80	80	G	RH	\$996,930	Dennis Hoover	<input checked="" type="checkbox"/>	193.0	Significant Sub-Regional Shortfall in Rural Collapse
							<b>Total:</b>	<b>80</b>	<b>80</b>			<b>\$996,930</b>			
10235	7 N	Villas of Giddings	40 lots in the Rolling Oaks subdivision	Giddings	Rural	<input type="checkbox"/> <input type="checkbox"/>	36	36	G	NC	\$751,056*	Jeffrey S. Spicer	<input checked="" type="checkbox"/>	192.0	Not Competitive in Region
							<b>Total:</b>	<b>36</b>	<b>36</b>			<b>\$751,056</b>			
							<b>Total:</b>	<b>116</b>	<b>116</b>			<b>\$1,747,986</b>			
<b>6 Applications in Region</b>						<b>Region Total:</b>	<b>872</b>	<b>905</b>			<b>\$8,953,716</b>				

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**Region: 8**

<b>Allocation Information for Region 8:</b>	<b>Total Credits Available for Region: \$2,380,425</b>	<b>Urban Allocation: \$1,750,542</b>	<b>Rural Allocation: \$629,883</b>
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Applications Submitted in Region 8:		Urban														
10077	8 A Fairways at Sammons Park	SWC of West Adams and 43rd St.	Temple	Urban	<input type="checkbox"/>	<input type="checkbox"/>	92	92	E	NC	\$1,000,000	Clifton Phillips	<input type="checkbox"/>	210.0	Competitive in Region	
<b>Total:</b>							<b>92</b>	<b>92</b>			<b>\$1,000,000</b>					
<b>Total:</b>							<b>92</b>	<b>92</b>			<b>\$1,000,000</b>					

Applications Submitted in Region 8:		Rural															
10007	8 A Mexia Gardens	NEC N. Bailey at E. Sumpter	Mexia	Rural	<input type="checkbox"/>	<input type="checkbox"/>	80	80	G	NC	\$812,214	Richard Brown	<input type="checkbox"/>	184.0	Significant Sub-Regional Shortfall in Rural Collapse		
<b>Total:</b>							<b>80</b>	<b>80</b>			<b>\$812,214</b>						
<b>Total:</b>							<b>80</b>	<b>80</b>			<b>\$812,214</b>						
<b>2 Applications in Region</b>							<b>Region Total:</b>	<b>172</b>	<b>172</b>			<b>\$1,812,214</b>					

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Region	File #	Status <sup>1</sup>	Development Name	Address	City	Allocation <sup>2</sup>	Set-Asides <sup>3</sup> USDA NP	LI Units	Total Units	Target <sup>4</sup> Pop	Housing <sup>5</sup> Activity	Recommended* Credit	Owner Contact	TDHCA HOME	Final Score	Comment <sup>6</sup>	
<b>Region: 9</b>																	
<b>Allocation Information for Region 9:</b>			<b>Total Credits Available for Region: \$3,742,759</b>					<b>Urban Allocation: \$3,076,230</b>			<b>Rural Allocation: \$666,529</b>						
<b>Applications Submitted in Region 9: Urban</b>																	
10169	9 A		La Risa	800 Babcock Rd.	San Antonio	Urban	<input type="checkbox"/> <input checked="" type="checkbox"/>	237	237	G	RH	\$1,954,346	Jerry Du Terroill	<input type="checkbox"/>	225.0	Competitive in Region	
								<b>Total:</b>	<b>237</b>	<b>237</b>			<b>\$1,954,346</b>				
10040	9 F		Ashton Senior Village	SEC of Borgfeld Rd. and FM 3009 (Roy Richard Dr.)	Schertz	Urban	<input type="checkbox"/> <input type="checkbox"/>	176	176	E	NC	\$2,000,000	Colby Denison	<input checked="" type="checkbox"/>	215.0	Forward Commitment of 2011 Credits Made in 2010	
10114	9 F		The Terrace at Haven for Hope	N. San Marcos & Perez St.	San Antonio	Urban	<input type="checkbox"/> <input checked="" type="checkbox"/>	140	140	G	NC	\$1,638,351*	Meghan Garza-Oswald	<input type="checkbox"/>	194.0	Forward Commitment of 2011 Credits Made in 2010	
								<b>Total:</b>	<b>316</b>	<b>316</b>			<b>\$3,638,351</b>				
10120	9 N		Montabella Senior	NWC of tract of land at NWC of Lakeview Dr. & Foster Rd.	San Antonio	Urban	<input type="checkbox"/> <input checked="" type="checkbox"/>	90	90	E	NC	\$1,161,397*	Susan Sheeran	<input type="checkbox"/>	212.0	Not Competitive in Region	
10076	9 N		Darson Marie Terrace	3142 Weir Ave.	San Antonio	Urban	<input type="checkbox"/> <input type="checkbox"/>	56	57	E	NC	\$703,739*	Richard Washington	<input type="checkbox"/>	212.0	Not Competitive in Region	
10160	9 N		Creekside Place	SWC of Turner Dr. & Morrison Dr.	New Braunfels	Urban	<input type="checkbox"/> <input checked="" type="checkbox"/>	176	176	E	NC	\$1,959,715*	Fernando S. Godinez	<input type="checkbox"/>	207.0	Not Competitive in Region	
10118	9 N		San Juan Square III	2200 Block of S. Calaveras St.	San Antonio	Urban	<input type="checkbox"/> <input checked="" type="checkbox"/>	139	139	G	NC	\$1,908,261*	David Casso	<input type="checkbox"/>	190.0	Not Competitive in Region	
								<b>Total:</b>	<b>461</b>	<b>462</b>			<b>\$5,733,112</b>				
								<b>Total:</b>	<b>1,014</b>	<b>1,015</b>			<b>\$11,325,809</b>				
<b>Applications Submitted in Region 9: Rural</b>																	
10131	9 A		Guadalupe Crossing	End of Sunflower Ln.	Comfort	Rural	<input type="checkbox"/> <input type="checkbox"/>	68	68	G	NC	\$858,688	Granger MacDonald	<input type="checkbox"/>	209.0	Significant Sub-Regional Shortfall in Rural Collapse	
								<b>Total:</b>	<b>68</b>	<b>68</b>			<b>\$858,688</b>				
10121	9 N		Mesquite Place	Tract of land on S. side County Rd. 4010 (Gilliam Rd.) approx. 1950LF	Pearsall	Rural	<input type="checkbox"/> <input type="checkbox"/>	80	80	G	NC	\$1,096,573*	Lucille Jones	<input checked="" type="checkbox"/>	203.0	Not Competitive in Region	
								<b>Total:</b>	<b>80</b>	<b>80</b>			<b>\$1,096,573</b>				
								<b>Total:</b>	<b>148</b>	<b>148</b>			<b>\$1,955,261</b>				
<b>9 Applications in Region</b>							<b>Region Total:</b>		<b>1,162</b>	<b>1,163</b>			<b>\$13,281,070</b>				

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Region	File #	Status	Development Name	Address	City	Allocation	Set-Asides	LI	Total	Target	Housing	Recommended*	Owner	TDHCA	Final	Score	Comment
							USDA NP	Units	Units	Pop	Activity	Credit	Contact	HOME			

**Region: 10**

<b>Allocation Information for Region 10:</b>	<b>Total Credits Available for Region:</b>	<b>\$1,571,844</b>	<b>Urban Allocation:</b>	<b>\$951,193</b>	<b>Rural Allocation:</b>	<b>\$620,651</b>
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**Applications Submitted in Region 10: Urban**

10125	10	A	Costa Tarragona II	2240 N. Padre Island Dr.	Corpus Christi	Urban	<input type="checkbox"/>	<input type="checkbox"/>	96	96	G	NC	\$1,333,459	John D. Bell	<input checked="" type="checkbox"/>	211.0	Significant Sub-Regional Shortfall in Statewide Collapse
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**Total: 96 96 \$1,333,459**

10132	10	N	Seaside Manor	SWC of FM 1069 and Gallion St.	Ingleside	Urban	<input type="checkbox"/>	<input type="checkbox"/>	100	100	E	NC	\$1,103,591*	Justin MacDonald	<input checked="" type="checkbox"/>	206.0	Not Competitive in Region
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**Total: 100 100 \$1,103,591**

**Total: 196 196 \$2,437,050**

**Applications Submitted in Region 10: Rural**

10220	10	A	Casa Ricardo	200 W. Yoakum Ave.	Kingsville	Rural	<input type="checkbox"/>	<input type="checkbox"/>	60	60	E	RH	\$650,580	Socorro "Cory" Hinosoja	<input checked="" type="checkbox"/>	218.0	Significant Sub-Regional Shortfall in Rural Collapse
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**Total: 60 60 \$650,580**

**Total: 60 60 \$650,580**

<b>3 Applications in Region</b>							<b>Region Total:</b>	<b>256</b>	<b>256</b>			<b>\$3,087,630</b>					
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Region	File #	Status <sup>1</sup>	Development Name	Address	City	Allocation <sup>2</sup>	Set-Asides <sup>3</sup> USDA NP	LI Units	Total Units	Target <sup>4</sup> Pop	Housing <sup>5</sup> Activity	Recommended* Credit	Owner Contact	TDHCA HOME	Final Score	Comment <sup>6</sup>	
<b>Region: 11</b>																	
<b>Allocation Information for Region 11: Total Credits Available for Region: \$5,724,980 Urban Allocation: \$3,636,663 Rural Allocation: \$2,088,317</b>																	
<b>Applications Submitted in Region 11: Urban</b>																	
10222	11	A	Citrus Gardens	2100 Grapefruit	Brownsville	Urban	<input type="checkbox"/> <input type="checkbox"/>	148	148	G	RH	\$1,807,115	Antonio Juarez	<input type="checkbox"/>	222.0	Competitive in Region	
10122	11	A	La Terraza at Lomas del Sur	E. side of Ejido Blvd. (approx. 2000LF S. of the intersection of Ejido Blvd. & Wormser Rd.)	Laredo	Urban	<input type="checkbox"/> <input type="checkbox"/>	128	128	G	NC	\$1,688,609	Carlos Villarreal	<input type="checkbox"/>	211.0	Competitive in Region	
								<b>Total:</b>	<b>276</b>	<b>276</b>			<b>\$3,495,724</b>				
10135	11	F	Champion Homes at Canyon Creek	1700 N. Minnesota Ave.	Brownsville	Urban	<input type="checkbox"/> <input type="checkbox"/>	100	100	G	NC	\$1,348,738*	Saleem Jafar	<input type="checkbox"/>	199.0	Forward Commitment of 2011 Credits Made in 2010	
								<b>Total:</b>	<b>100</b>	<b>100</b>			<b>\$1,348,738</b>				
10223	11	N	Sunset Terrace Senior Village	700 W. Egly	Pharr	Urban	<input type="checkbox"/> <input checked="" type="checkbox"/>	80	80	E	NC	\$837,980*	J. Fernando Lopez	<input checked="" type="checkbox"/>	193.0	Not Competitive in Region	
								<b>Total:</b>	<b>80</b>	<b>80</b>			<b>\$837,980</b>				
								<b>Total:</b>	<b>456</b>	<b>456</b>			<b>\$5,682,442</b>				
<b>Applications Submitted in Region 11: Rural</b>																	
10014	11	A	Artisan at Port Isabel	100 Hockaday and 100 Ash Dr.	Port Isabel	Rural	<input type="checkbox"/> <input type="checkbox"/>	74	74	G	RH	\$1,317,863	Ryan Wilson	<input checked="" type="checkbox"/>	216.0	Competitive in Region	
10262	11	A	Las Brisas Manor	1970 US Hwy 277 S.	Del Rio	Rural	<input type="checkbox"/> <input type="checkbox"/>	48	48	E	NC	\$646,120	Mark du Mas	<input checked="" type="checkbox"/>	215.0	Competitive in Region	
								<b>Total:</b>	<b>122</b>	<b>122</b>			<b>\$1,963,983</b>				
10151	11	F	Sunflower Estates	404 Lion's Villa Ave.	La Feria	Rural	<input type="checkbox"/> <input type="checkbox"/>	77	80	G	NC	\$1,010,136*	Sunny K. Philip	<input checked="" type="checkbox"/>	211.0	Forward Commitment of 2011 Credits Made in 2010	
								<b>Total:</b>	<b>77</b>	<b>80</b>			<b>\$1,010,136</b>				
								<b>Total:</b>	<b>199</b>	<b>202</b>			<b>\$2,974,119</b>				
								<b>Total:</b>	<b>655</b>	<b>658</b>			<b>\$8,656,561</b>				
<b>7 Applications in Region</b>																	

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File #	Region	Status <sup>1</sup>	Development Name	Address	City	Allocation <sup>2</sup>	Set-Asides <sup>3</sup>	LI	Total	Target <sup>4</sup>	Housing <sup>5</sup>	Recommended*	Owner	TDHCA	Final	Score	Comment
						USDA NP		Units	Units	Pop	Activity	Credit	Contact	HOME			

**Region: 12**

<b>Allocation Information for Region 12:</b>	<b>Total Credits Available for Region: \$1,058,829</b>	<b>Urban Allocation: \$466,309</b>	<b>Rural Allocation: \$592,520</b>
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Applications Submitted in Region 12:		Urban																
10103	12	A	Gateway Plaza Apts	NWC of Loop 250 and W. Hwy. 80	Midland	Urban	<input type="checkbox"/>	<input type="checkbox"/>	95	96	G	NC	\$1,077,000	Michael B. Wilhoit	<input type="checkbox"/>	200.0	Significant Sub-Regional Shortfall in Statewide Collapse	
									<b>Total:</b>	<b>95</b>	<b>96</b>			<b>\$1,077,000</b>				
									<b>Total:</b>	<b>95</b>	<b>96</b>			<b>\$1,077,000</b>				
<b>1 Applications in Region</b>									<b>Region Total:</b>	<b>95</b>	<b>96</b>			<b>\$1,077,000</b>				

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Region	File #	Status	Development Name	Address	City	Allocation	Set-Asides	LI	Total	Target	Housing	Recommended*	Owner	TDHCA	Final	Score	Comment
							USDA NP	Units	Units	Pop	Activity	Credit	Contact	HOME			

Region: 13

Allocation Information for Region 13:	Total Credits Available for Region:	\$2,219,470	Urban Allocation:	\$1,593,917	Rural Allocation:	\$625,553
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Applications Submitted in Region 13: Urban																		
10176	13	A	Canyon Square Village	8622 & 8624 N. Loop Rd.	El Paso	Urban	<input type="checkbox"/>	<input type="checkbox"/>	104	104	G	NC	\$1,293,104	Ike J. Monty	<input type="checkbox"/>	209.0	Competitive in Region	
									<b>Total:</b>	<b>104</b>	<b>104</b>			<b>\$1,293,104</b>				
10024	13	F	Canutillo Palms	Parcel directly South of Canutillo High School. 200 ft West of I-10	El Paso	Urban	<input type="checkbox"/>	<input type="checkbox"/>	172	172	G	NC	\$2,000,000*	R.L. "Bobby" Bowling IV	<input type="checkbox"/>	192.0	Forward Commitment of 2011 Credits Made in 2010	
									<b>Total:</b>	<b>172</b>	<b>172</b>			<b>\$2,000,000</b>				
									<b>Total:</b>	<b>276</b>	<b>276</b>			<b>\$3,293,104</b>				
Applications Submitted in Region 13: Rural																		
10022	13	A	Presidio Dolores Apts	12473 Cuatro Aces Circle	San Elizario	Rural	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	36	36	G	NC	\$704,577	Albert Davalos	<input type="checkbox"/>	161.0	Significant Sub-Regional Shortfall in Rural Collapse	
									<b>Total:</b>	<b>36</b>	<b>36</b>			<b>\$704,577</b>				
									<b>Total:</b>	<b>36</b>	<b>36</b>			<b>\$704,577</b>				
<b>3 Applications in Region</b>							<b>Region Total:</b>		<b>312</b>	<b>312</b>			<b>\$3,997,681</b>					
<b>101 Total Applications</b>									<b>11,628</b>	<b>11,706</b>			<b>\$135,025,190</b>					

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**At-Risk and USDA Awarded and Active Applications ("At-Risk A/F/N")  
2010 Competitive Housing Tax Credit Program Waiting List  
As of December 10, 2010**

**Estimated State Ceiling to be Allocated: \$8,115,778**

File #	Region Status <sup>1</sup>	Development Name	Address	City	Allocation <sup>2</sup>	Set-Asides <sup>3</sup> USDA NP AR	LI Units	Total Units	Target <sup>4</sup> Pop	Housing <sup>5</sup> Activity	Recommended* Credit	Owner Contact	TDHCA HOME	Final Score	Comment <sup>6</sup>
10058	9 A	Guild Park Apts	779 W. Mayfield	San Antonio	Urban	<input type="checkbox"/> <input checked="" type="checkbox"/> <input checked="" type="checkbox"/>	114	114	G	1 RH	\$1,127,186	Gilbert M. Piette	<input type="checkbox"/>	223.0	Competitive in At-Risk Set-Aside
10238	8 A	Prince Hall Plaza	700 Doris St.	Navasota	Rural	<input type="checkbox"/> <input type="checkbox"/> <input checked="" type="checkbox"/>	60	60	G	1 RH	\$624,203	K.T. (Ike) Akbari	<input checked="" type="checkbox"/>	219.0	Competitive in At-Risk Set-Aside
10239	3 A	Prince Hall Gardens	1800 E. Robert	Fort Worth	Urban	<input type="checkbox"/> <input type="checkbox"/> <input checked="" type="checkbox"/>	100	100	G	1 RH	\$1,064,555	K.T. (Ike) Akbari	<input type="checkbox"/>	211.0	Competitive in At-Risk Set-Aside
10150	9 A	Woodlawn Ranch Apts	330 W. Cheryl Dr.	San Antonio	Urban	<input type="checkbox"/> <input type="checkbox"/> <input checked="" type="checkbox"/>	200	252	G	1 NC	\$2,000,000	Stephen J. Poppoon	<input type="checkbox"/>	211.0	Competitive in At-Risk Set-Aside
10020	9 A	La Posada del Rey Apts	3135 Roosevelt Ave.	San Antonio	Urban	<input type="checkbox"/> <input checked="" type="checkbox"/> <input checked="" type="checkbox"/>	145	145	G	1 RH	\$1,375,120	Jennifer Chester	<input type="checkbox"/>	207.0	Competitive in At-Risk Set-Aside
10212	8 A	Longbridge Apts	921 N. Tyus St.	Groesbeck	Rural	<input checked="" type="checkbox"/> <input type="checkbox"/> <input checked="" type="checkbox"/>	28	28	G	1 RH	\$199,376	Dennis Hoover	<input checked="" type="checkbox"/>	206.0	Competitive in USDA Allocation
10226	3 A	Red Oak Apts	413 & 507 West Red Oak Rd.	Red Oak	Rural	<input checked="" type="checkbox"/> <input type="checkbox"/> <input checked="" type="checkbox"/>	116	116	G	1 RH	\$1,029,742	Paul Patierno	<input checked="" type="checkbox"/>	203.0	Competitive in USDA Allocation
10112	10 A	Country Village Apts	1500 Hackberry Ln.	Mathis	Rural	<input checked="" type="checkbox"/> <input type="checkbox"/> <input checked="" type="checkbox"/>	36	36	E	1 RH	\$270,645	Dennis Hoover	<input checked="" type="checkbox"/>	197.0	Competitive in USDA Allocation
10213	6 A	Heritage Square Apts	7626 Hwy 60 South	Wallis	Rural	<input checked="" type="checkbox"/> <input type="checkbox"/> <input checked="" type="checkbox"/>	24	24	G	1 RH	\$193,607	Dennis Hoover	<input checked="" type="checkbox"/>	196.0	Competitive in USDA Allocation
10211	4 A	Riverplace Apts	1304 West Ave. A	Hooks	Rural	<input checked="" type="checkbox"/> <input type="checkbox"/> <input checked="" type="checkbox"/>	28	40	G	1 RH	\$239,854	Dennis Hoover	<input checked="" type="checkbox"/>	184.0	Competitive in USDA Allocation
10253	6 A	Brookwood Apts	444 Jefferson St.	West Columbia	Rural	<input checked="" type="checkbox"/> <input type="checkbox"/> <input checked="" type="checkbox"/>	50	50	E	1 RH	\$321,049	Ronald Potterpin	<input checked="" type="checkbox"/>	183.0	Competitive in USDA Allocation
<b>Total:</b>							<b>901</b>	<b>965</b>			<b>\$8,445,337</b>				
10044	3 F	Wynnewood Seniors Housing	Approx. 1500 Block of S. Zang Blvd. (W. side of street)	Dallas	Urban	<input type="checkbox"/> <input checked="" type="checkbox"/> <input checked="" type="checkbox"/>	140	140	E	2 NC	\$1,606,374*	Brian L. Roop	<input type="checkbox"/>	204.0	Forward Commitment of 2011 Credits Made in 2010
<b>Total:</b>							<b>140</b>	<b>140</b>			<b>\$1,606,374</b>				
10274	4 N	Grand Manor Apts	2700 N. Grand Ave.	Tyler	Urban	<input type="checkbox"/> <input type="checkbox"/> <input checked="" type="checkbox"/>	120	120	G	3 RH	\$1,197,939*	Owen Metz	<input type="checkbox"/>	196.0	Not Competitive in Region**

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4 = Target Population Abbreviation: Intergenerational=I, Elderly=E, General=G.

5 = Housing Activity: New Construction=NC, Rehabilitation (includes Reconstruction)=RH, Adaptive Reuse=ADR.

6 = Comment: Reason for Recommendation

\* = Development is displaying the requested amount because a real estate analysis has not yet been completed.

\*\* = Property site is located in a Hurricane Ike County.

File #	Region Status <sup>1</sup>	Development Name	Address	City	Allocation <sup>2</sup>	Set-Asides <sup>3</sup> USDA NP AR	LI Units	Total Units	Target <sup>4</sup> Pop	Housing <sup>5</sup> Activity	Recommended* Credit	Owner Contact	TDHCA HOME	Final Score	Comment <sup>6</sup>	
10225	6 N	North MacGregor Arms	3533 N. MacGregor	Houston	Urban	<input type="checkbox"/> <input type="checkbox"/> <input checked="" type="checkbox"/>	64	64	G	3 RH	\$690,966*	Janet Miller	<input type="checkbox"/>	190.0	Not Competitive in Region	
<b>Total:</b>							<b>184</b>	<b>184</b>			<b>\$1,888,905</b>					
<b>14 Total Applications</b>								<b>1,225</b>	<b>1,289</b>			<b>\$11,940,616</b>				

1 = Status of Award Abbreviation: Development Previously Awarded 2009 Housing Tax Credits=A, Forward Commitment from 2011 Ceiling=F, Not Recommended for Award=N.

2 = Allocation: Rural Regional Allocation or Urban Regional Allocation.

3 = Set-Aside Abbreviations: TRDO-USDA=USDA, Nonprofit=NP, At-Risk=AR.

4 = Target Population Abbreviation: Intergenerational=I, Elderly=E, General=G.

5 = Housing Activity: New Construction=NC, Rehabilitation (includes Reconstruction)=RH, Adaptive Reuse=ADR.

6 = Comment: Reason for Recommendation

\* = Development is displaying the requested amount because a real estate analysis has not yet been completed.

\*\* = Property site is located in a Hurricane Ike County.



MULTIFAMILY FINANCE DIVISION

December 10, 2010

Competitive Housing Tax Credit Program

Development Information, Public Input and Board Summary

**The Orchard at Westchase, TDHCA Number 10096**

BASIC DEVELOPMENT INFORMATION

Site Address: 3802 Rodgerdale Development #: 10096  
 City: Houston Region: 6 Population Served: Elderly  
 County: Harris Zip Code: 77042 Allocation: Urban  
 HTC Set Asides:  At-Risk  Nonprofit  USDA  Rural Rescue HTC Housing Activity\*: NC  
 HOME Set Asides:  CHDO  Preservation  General

\*HTC Housing Activity: Rehabilitation=RH, Adaptive Reuse=ADR, New Construction=NC, Single Room Occupancy=SRO

OWNER AND DEVELOPMENT TEAM

Owner: Orchard Westchase LP  
 Owner Contact and Phone: Stephan Fairfield, (713) 223-1864  
 Developer: Orchard Westchase Development, L.L.C.  
 Housing General Contractor: TBD  
 Architect: Insite Architecture, Inc.  
 Market Analyst: O'Connor & Associates  
 Syndicator: N/A  
 Supportive Services: TBD  
 Consultant and Contact: N/A,

UNIT/BUILDING INFORMATION

Unit Breakdown:	<u>30%</u>	<u>40%</u>	<u>50%</u>	<u>60%</u>	Total Restricted Units:	153	
	5	0	133	15	Market Rate Units:	0	
	<u>Eff</u>	<u>1 BR</u>	<u>2 BR</u>	<u>3 BR</u>	<u>4 BR</u>	<u>5 BR</u>	
	0	89	64	0	0	0	
Type of Building:						Total Development Units:	153
<input type="checkbox"/> Duplex	<input checked="" type="checkbox"/> 5 units or more per building					Total Development Cost*:	\$19,894,459
<input type="checkbox"/> Triplex	<input type="checkbox"/> Detached Residence					Number of Residential Buildings:	3
<input type="checkbox"/> Fourplex	<input type="checkbox"/> Single Room Occupancy					HOME High Total Units:	133
<input type="checkbox"/> Townhome	<input type="checkbox"/> Transitional					HOME Low Total Units:	0

\*Note: If Development Cost = \$0, an Underwriting Report has not been completed.

FUNDING INFORMATION

	Applicant Request	Department Analysis*	Amort	Term	Rate
Competitive Housing Tax Credit Amount:	\$1,921,416	\$1,917,087			
HOME Activity Fund Amount:	\$0	\$0	0	0	0.00%
HOME CHDO Operating Grant Amount:	\$0	\$0			

\*Note: If an Underwriting Report has not been completed and the application is recommended for an award, the credit amount recommended is the Applicant Request (pending the Financial Feasibility Analysis).



MULTIFAMILY FINANCE DIVISION

December 10, 2010

Competitive Housing Tax Credit Program

Development Information, Public Input and Board Summary

The Orchard at Westchase, TDHCA Number 10096

PUBLIC COMMENT SUMMARY

Guide: "S" = Support, "O" = Opposition, "N" = Neutral, "NC" or Blank = No Comment

State and Federal Officials with Jurisdiction:

TX Senator: Huffman, District 17, NC Points: 0 US Representative: Green, District 9, NC
TX Representative: Thibaut, District 133, S Points: 14 US Senator: NC

Local Officials and Other Public Officials:

Mayor/Judge: NC Resolution of Support from Local Government [checked]
S, Oliver Pennington, Council Member, District G

Individuals and Businesses: In Support: 0 In Opposition: 1

Quantifiable Community Participation Input:

Community Input Other than Quantifiable Community Participation Input:

General Summary of Comment:

CONDITIONS OF COMMITMENT

- 1. Receipt, review, and acceptance, by Cost Certification, of documentation that an Affected Property Assessment Report (APAR), as recommended in the Phase I ESA, has been prepared and submitted to TCEQ; and that any subsequent recommendations have been implemented.
2. Receipt, review and acceptance, by Commitment, of a firm commitment from the City of Houston for the anticipated \$3 978 000 of HOME Funds with the terms of the funds clearly stated.
3. Should the terms or amounts of the proposed debt or equity change, the transaction should be reevaluated and an adjustment to the credit amount may be warranted.
4. Receipt of a firm commitment of funding from the City of Houston Housing and Community Development Department in the amount of \$3,978,000, or a commitment from a qualifying substitute source in an amount not less than \$3,978,000, as required by §50.9(i)(5) of the 2010 QAP. The commitment must clearly identify the terms of the funding provided. The Local Political Subdivision must attest to the fact that any funds committed were not first provided to the Local Political Subdivision by the Applicant, the Developer, Consultant, Related Party or any individual or entity acting on behalf of the proposed Application, unless the Applicant itself is a Local Political Subdivision or subsidiary. If the terms or amount of funding are different than those of the source for which points were awarded, the Application may be reevaluated for financial feasibility.



MULTIFAMILY FINANCE DIVISION

December 10, 2010

Competitive Housing Tax Credit Program

Development Information, Public Input and Board Summary

**The Orchard at Westchase, TDHCA Number 10096**

COMPLIANCE EVALUATION SUMMARY:

No unresolved issues of material non-compliance or audit findings:

Total # Developments in Portfolio:

Total # Monitored:

RECOMMENDATION BY THE EXECUTIVE AWARD AND REVIEW ADVISORY COMMITTEE IS BASED ON:

Competitive Housing Tax Credits:  Score: **200**  Meeting a Required Set-Aside Credit Amount\*: \$1,917,087

Recommendation: Not Recommended: Does not have a competitive score within its allocation type and region.

HOME Activity Funds:

Loan Amount: \$0

HOME CHDO Operating Expense Grant:

Grant Amount: \$0

Recommendation:

\*Note: If an Underwriting Report has not been completed, the credit amount recommended is the Applicant Request (pending the Financial Feasibility Analysis).





MULTIFAMILY FINANCE DIVISION

December 10, 2010

Competitive Housing Tax Credit Program

Development Information, Public Input and Board Summary

**Magnolia Place Apts, TDHCA Number 10290**

BASIC DEVELOPMENT INFORMATION

Site Address: Wenda St. at the 9500 Block of Cullen Blvd. Development #: 10290  
 City: Houston Region: 6 Population Served: Elderly  
 County: Harris Zip Code: 77051 Allocation: Urban  
 HTC Set Asides:  At-Risk  Nonprofit  USDA  Rural Rescue HTC Housing Activity\*: NC  
 HOME Set Asides:  CHDO  Preservation  General

\*HTC Housing Activity: Rehabilitation=RH, Adaptive Reuse=ADR, New Construction=NC, Single Room Occupancy=SRO

OWNER AND DEVELOPMENT TEAM

Owner: One Mag Partners, L.P.  
 Owner Contact and Phone: Bert Magill, 7137856006  
 Developer: San Jacinto Realty Services, L.L.C.  
 Housing General Contractor: William Taylor & Co., Inc.  
 Architect: Thompson Nelson Group  
 Market Analyst: Apartment Market Data, L.L.C.  
 Syndicator: Hudson Housing Capital  
 Supportive Services: TBD  
 Consultant and Contact: N/A,

UNIT/BUILDING INFORMATION

Unit Breakdown:	<u>30%</u>	<u>40%</u>	<u>50%</u>	<u>60%</u>	Total Restricted Units:	144
	0	0	130	14	Market Rate Units:	0
	<u>Eff</u>	<u>1 BR</u>	<u>2 BR</u>	<u>3 BR</u>	<u>4 BR</u>	<u>5 BR</u>
	0	72	72	0	0	0

Type of Building:

<input type="checkbox"/> Duplex	<input checked="" type="checkbox"/> 5 units or more per building	Total Development Units:	144
<input type="checkbox"/> Triplex	<input type="checkbox"/> Detached Residence	Total Development Cost*:	\$18,359,500
<input type="checkbox"/> Fourplex	<input type="checkbox"/> Single Room Occupancy	Number of Residential Buildings:	5
<input type="checkbox"/> Townhome	<input type="checkbox"/> Transitional	HOME High Total Units:	0
		HOME Low Total Units:	0

\*Note: If Development Cost = \$0, an Underwriting Report has not been completed.

FUNDING INFORMATION

	Applicant Request	Department Analysis*	Amort	Term	Rate
Competitive Housing Tax Credit Amount:	\$1,995,026	\$0			
HOME Activity Fund Amount:	\$0	\$0	0	0	0.00%
HOME CHDO Operating Grant Amount:	\$0	\$0			

\*Note: If an Underwriting Report has not been completed and the application is recommended for an award, the credit amount recommended is the Applicant Request (pending the Financial Feasibility Analysis).



MULTIFAMILY FINANCE DIVISION

December 10, 2010

Competitive Housing Tax Credit Program

Development Information, Public Input and Board Summary

Magnolia Place Apts, TDHCA Number 10290

PUBLIC COMMENT SUMMARY

Guide: "S" = Support, "O" = Opposition, "N" = Neutral, "NC" or Blank = No Comment

State and Federal Officials with Jurisdiction:

TX Senator: Ellis, District 13, NC Points: 0 US Representative: Green, District 9, NC
TX Representative: Edwards, District 146, S Points: 14 US Senator: NC

Local Officials and Other Public Officials:

Mayor/Judge: NC Resolution of Support from Local Government [checked]
S, Wanda Adams, City of Houston Council Member
District D

Individuals and Businesses: In Support: 0 In Opposition: 0

Quantifiable Community Participation Input:

Southeast Coalition of Civic Clubs, L.E. Chamberlain Letter Score: 24 S or O: S

The neighborhood in which the development has considered for development is an aging community. Our primary purpose for this new development is to improve the general welfare of our community with new growth and development. Our community residents are basically comprised of senior citizens. We need to revitalize our community with newer affordable housing for senior citizens.

Community Input Other than Quantifiable Community Participation Input:

General Summary of Comment:

CONDITIONS OF COMMITMENT

- 1. If any buildings, drives, parking areas, or amenities are located within the Flood Hazard Area, then receipt, review, and acceptance, by cost certification, of an architectural engineer's certification that the finished ground floor elevation for each building is at least one foot above the floodplain and that all drives, parking and amenities are not more than 6 inches below the floodplain, or a Letter of Map ("LOMA") or Letter of Map Revision ("LOMR-F") indicating that the development is no longer within the 100 year floodplain."
2. Receipt, review, and acceptance, by commitment, of a commitment from the General Partner One Mag Development, LLC to provide a loan to the partnership One Mag Partners, L.P. in the amount of \$920,000, with the terms of financing provided, including the rate, term and amortization period.
3. Receipt, review, and acceptance, by commitment, of a commitment from the City of Houston to provide a HOME loan to the General Partner One Mag Development, LLC in the amount of \$920,000, with the terms of financing provided, including the rate, term and amortization period.
4. Receipt, review, and acceptance, by Cost Certification, of an attorney opinion clearly establishing that the proposed HACDC loan can be considered to be a valid debt with the reasonable expectation that it will be repaid in full.
5. Should the terms or amounts of the proposed debt or equity change, the transaction should be reevaluated and an adjustment to the credit amount may be warranted.



MULTIFAMILY FINANCE DIVISION

December 10, 2010

Competitive Housing Tax Credit Program

Development Information, Public Input and Board Summary

**Magnolia Place Apts, TDHCA Number 10290**

COMPLIANCE EVALUATION SUMMARY:

No unresolved issues of material non-compliance or audit findings:

Total # Developments in Portfolio: **7**

Total # Monitored: **6**

RECOMMENDATION BY THE EXECUTIVE AWARD AND REVIEW ADVISORY COMMITTEE IS BASED ON:

Competitive Housing Tax Credits:  Score: **199**  Meeting a Required Set-Aside Credit Amount\*: \$0

Recommendation: Not Recommended: Does not have a competitive score within its allocation type and region.

HOME Activity Funds:

Loan Amount: \$0

HOME CHDO Operating Expense Grant:

Grant Amount: \$0

Recommendation:

\*Note: If an Underwriting Report has not been completed, the credit amount recommended is the Applicant Request (pending the Financial Feasibility Analysis).



MULTIFAMILY FINANCE DIVISION

December 10, 2010

Competitive Housing Tax Credit Program

Development Information, Public Input and Board Summary

**Timberland Trails Apts, TDHCA Number 10241**

**BASIC DEVELOPMENT INFORMATION**

Site Address: 2205 N. Timberland Dr. Development #: 10241  
 City: Lufkin Region: 5 Population Served: General  
 County: Angelina Zip Code: 75901 Allocation: Rural  
 HTC Set Asides:  At-Risk  Nonprofit  USDA  Rural Rescue HTC Housing Activity\*: NC  
 HOME Set Asides:  CHDO  Preservation  General

\*HTC Housing Activity: Rehabilitation=RH, Adaptive Reuse=ADR, New Construction=NC, Single Room Occupancy=SRO

**OWNER AND DEVELOPMENT TEAM**

Owner: Timberland Trails I, LP  
 Owner Contact and Phone: John D. Mathews, (972) 291-6200  
 Developer: Timberland Trails Developers, L.L.C.  
 Housing General Contractor: Galaxy Builders, Ltd  
 Architect: AG Associates Architects  
 Market Analyst: Patrick O'Conner & Associates  
 Syndicator: Raymond James Tax Credit funds, Inc.  
 Supportive Services: DETCOG  
 Consultant and Contact: Mary Henderson Associates,

**UNIT/BUILDING INFORMATION**

Unit Breakdown:	<u>30%</u>	<u>40%</u>	<u>50%</u>	<u>60%</u>	Total Restricted Units:	80	
	4	0	44	32	Market Rate Units:	0	
	<u>Eff</u>	<u>1 BR</u>	<u>2 BR</u>	<u>3 BR</u>	<u>4 BR</u>	<u>5 BR</u>	
	0	24	28	28	0	0	
Type of Building:						Total Development Units:	80
<input type="checkbox"/> Duplex	<input checked="" type="checkbox"/> 5 units or more per building					Total Development Cost*:	\$0
<input type="checkbox"/> Triplex	<input type="checkbox"/> Detached Residence					Number of Residential Buildings:	17
<input checked="" type="checkbox"/> Fourplex	<input type="checkbox"/> Single Room Occupancy					HOME High Total Units:	12
<input type="checkbox"/> Townhome	<input type="checkbox"/> Transitional					HOME Low Total Units:	19

\*Note: If Development Cost = \$0, an Underwriting Report has not been completed.

**FUNDING INFORMATION**

	Applicant Request	Department Analysis*	Amort	Term	Rate
Competitive Housing Tax Credit Amount:	\$858,909	\$0			
HOME Activity Fund Amount:	\$2,000,000	\$0	0	0	0.00%
HOME CHDO Operating Grant Amount:	\$0	\$0			

\*Note: If an Underwriting Report has not been completed and the application is recommended for an award, the credit amount recommended is the Applicant Request (pending the Financial Feasibility Analysis).



MULTIFAMILY FINANCE DIVISION

December 10, 2010

Competitive Housing Tax Credit Program

Development Information, Public Input and Board Summary

**Timberland Trails Apts, TDHCA Number 10241**

**PUBLIC COMMENT SUMMARY**

Guide: "S" = Support, "O" = Opposition, "N" = Neutral, "NC" or Blank = No Comment

**State and Federal Officials with Jurisdiction:**

TX Senator: Nichols, District 3, S

Points: 7

US Representative: Gohmert, District 1, NC

TX Representative: McReynolds, District 12, S

Points: 7

US Senator: NC

**Local Officials and Other Public Officials:**

Mayor/Judge: NC

Resolution of Support from Local Government

**Individuals and Businesses:** In Support: **0**

In Opposition: **0**

**Quantifiable Community Participation Input:**

**Community Input Other than Quantifiable Community Participation Input:**

Total Score for All Input: 6

Buckner Children and Family Service, S, Judy Morgan, administrator

Lufkin Rotary Club, S, Mark Dunn, President

**General Summary of Comment:**

**CONDITIONS OF COMMITMENT**



MULTIFAMILY FINANCE DIVISION

December 10, 2010

Competitive Housing Tax Credit Program

Development Information, Public Input and Board Summary

**Timberland Trails Apts, TDHCA Number 10241**

COMPLIANCE EVALUATION SUMMARY:

No unresolved issues of material non-compliance or audit findings:

Total # Developments in Portfolio:

Total # Monitored:

RECOMMENDATION BY THE EXECUTIVE AWARD AND REVIEW ADVISORY COMMITTEE IS BASED ON:

Competitive Housing Tax Credits:  Score: **198**  Meeting a Required Set-Aside Credit Amount\*: \$0

Recommendation: Not Recommended: Does not have a competitive score within its allocation type and region.

HOME Activity Funds:

Loan Amount: \$0

HOME CHDO Operating Expense Grant:

Grant Amount: \$0

Recommendation:

\*Note: If an Underwriting Report has not been completed, the credit amount recommended is the Applicant Request (pending the Financial Feasibility Analysis).



MULTIFAMILY FINANCE DIVISION

December 10, 2010

Competitive Housing Tax Credit Program

Development Information, Public Input and Board Summary

**Sulphur Springs Pioneer Crossing for Seniors, TDHCA Number 10033**

BASIC DEVELOPMENT INFORMATION

Site Address: Gossett Ln. Development #: 10033  
 City: Sulphur Springs Region: 4 Population Served: Elderly  
 County: Hopkins Zip Code: 75482 Allocation: Rural  
 HTC Set Asides:  At-Risk  Nonprofit  USDA  Rural Rescue HTC Housing Activity\*: NC  
 HOME Set Asides:  CHDO  Preservation  General

\*HTC Housing Activity: Rehabilitation=RH, Adaptive Reuse=ADR, New Construction=NC, Single Room Occupancy=SRO

OWNER AND DEVELOPMENT TEAM

Owner: SS Seniors, LLC  
 Owner Contact and Phone: Noor Jooma, (214) 448-0829  
 Developer: Accent Developers, L.L.C.  
 Housing General Contractor: Urban Progress, CDC  
 Architect: Terrance J. Wright  
 Market Analyst: Mark C. Temple & Associates, L.L.C.  
 Syndicator: Michel Associates, Ltd.  
 Supportive Services: N/A  
 Consultant and Contact: N/A,

UNIT/BUILDING INFORMATION

Unit Breakdown:	<u>30%</u>	<u>40%</u>	<u>50%</u>	<u>60%</u>	Total Restricted Units:	80	
	4	0	36	40	Market Rate Units:	0	
	<u>Eff</u>	<u>1 BR</u>	<u>2 BR</u>	<u>3 BR</u>	<u>4 BR</u>	<u>5 BR</u>	
	0	40	40	0	0	0	
Type of Building:						Total Development Units:	80
<input type="checkbox"/> Duplex	<input checked="" type="checkbox"/> 5 units or more per building					Total Development Cost*:	\$0
<input type="checkbox"/> Triplex	<input type="checkbox"/> Detached Residence					Number of Residential Buildings:	12
<input type="checkbox"/> Fourplex	<input type="checkbox"/> Single Room Occupancy					HOME High Total Units:	12
<input type="checkbox"/> Townhome	<input type="checkbox"/> Transitional					HOME Low Total Units:	8

\*Note: If Development Cost = \$0, an Underwriting Report has not been completed.

FUNDING INFORMATION

	Applicant Request	Department Analysis*	Amort	Term	Rate
Competitive Housing Tax Credit Amount:	\$929,204	\$0			
HOME Activity Fund Amount:	\$2,000,000	\$0	0	0	0.00%
HOME CHDO Operating Grant Amount:	\$0	\$0			

\*Note: If an Underwriting Report has not been completed and the application is recommended for an award, the credit amount recommended is the Applicant Request (pending the Financial Feasibility Analysis).



MULTIFAMILY FINANCE DIVISION

December 10, 2010

Competitive Housing Tax Credit Program

Development Information, Public Input and Board Summary

Sulphur Springs Pioneer Crossing for Seniors, TDHCA Number 10033

PUBLIC COMMENT SUMMARY

Guide: "S" = Support, "O" = Opposition, "N" = Neutral, "NC" or Blank = No Comment

**State and Federal Officials with Jurisdiction:**

TX Senator: Deuell, District 2, NC Points: 0 US Representative: Hall, District 4, NC  
TX Representative: Homer, District 3, S Points: 14 US Senator: NC

**Local Officials and Other Public Officials:**

Mayor/Judge: NC Resolution of Support from Local Government

**Individuals and Businesses:** In Support: 0 In Opposition: 0

**Quantifiable Community Participation Input:**

**Community Input Other than Quantifiable Community Participation Input:**

**General Summary of Comment:**

CONDITIONS OF COMMITMENT

1. Any underwriting conditions that will forward at the completion of underwriting.
2. Receipt of a firm commitment of funding from the Texas Department of Housing and Community Affairs for \$1.8M in HOME funds, or a commitment from a qualifying substitute source in an amount not less than \$1.8M, as required by §50.9(i)(5) of the 2010 QAP. The commitment must clearly identify the terms of the funding provided. If the terms or amount of funding are different than those of the source for which points were awarded, the Application may be reevaluated for financial feasibility.
3. Receipt of a firm commitment of funding from the Texas Department of Housing and Community Affairs for \$200,000 in HOME funds, or a commitment from a qualifying substitute source in an amount not less than \$200,000, as required by §50.9(i)(28) of the 2010 QAP. The commitment must clearly identify the terms of the funding provided. If the terms or amount of funding are different than those of the source for which points were awarded, the Application may be reevaluated for financial feasibility.





MULTIFAMILY FINANCE DIVISION

December 10, 2010

Competitive Housing Tax Credit Program

Development Information, Public Input and Board Summary

**Sulphur Springs Pioneer Crossing for Seniors, TDHCA Number 10033**

COMPLIANCE EVALUATION SUMMARY:

No unresolved issues of material non-compliance or audit findings:

Total # Developments in Portfolio: **2**

Total # Monitored: **0**

RECOMMENDATION BY THE EXECUTIVE AWARD AND REVIEW ADVISORY COMMITTEE IS BASED ON:

Competitive Housing Tax Credits:  Score: **210**  Meeting a Required Set-Aside Credit Amount\*: \$0

Recommendation: Not Recommended: Does not have a competitive score within its allocation type and region.

HOME Activity Funds:

Loan Amount: \$0

HOME CHDO Operating Expense Grant:

Grant Amount: \$0

Recommendation:

\*Note: If an Underwriting Report has not been completed, the credit amount recommended is the Applicant Request (pending the Financial Feasibility Analysis).



MULTIFAMILY FINANCE DIVISION

December 10, 2010

Competitive Housing Tax Credit Program

Development Information, Public Input and Board Summary

**Ashton Senior Village, TDHCA Number 10040**

BASIC DEVELOPMENT INFORMATION

Site Address: SEC of Borgfeld Rd. and FM 3009 (Roy Richard Dr.)      Development #: 10040  
 City: Schertz      Region: 9      Population Served: Elderly  
 County: Guadalupe      Zip Code: 78154      Allocation: Urban  
 HTC Set Asides:  At-Risk     Nonprofit     USDA     Rural Rescue    HTC Housing Activity\*: NC  
 HOME Set Asides:  CHDO     Preservation     General

\*HTC Housing Activity: Rehabilitation=RH, Adaptive Reuse=ADR, New Construction=NC, Single Room Occupancy=SRO

OWNER AND DEVELOPMENT TEAM

Owner: DDC Ashton, Ltd.  
 Owner Contact and Phone: Colby Denison, (512) 732-1226  
 Developer: DDC Investments, Ltd. (Crossroads Housing Dev. Corp.)  
 Housing General Contractor: TBD  
 Architect: Architettura, Inc.  
 Market Analyst: O'Connor & Associates  
 Syndicator: NEF, Inc.  
 Supportive Services: Better Texans, Inc  
 Consultant and Contact: N/A,

UNIT/BUILDING INFORMATION

Unit Breakdown:	<u>30%</u> <u>40%</u> <u>50%</u> <u>60%</u>	Total Restricted Units:	176
	27    0    62    87	Market Rate Units:	0
	<u>Eff</u> <u>1 BR</u> <u>2 BR</u> <u>3 BR</u> <u>4 BR</u> <u>5 BR</u>	Owner/Employee Units:	0
	0    64    112    0    0    0	Total Development Units:	176
Type of Building:		Total Development Cost*:	\$20,617,776
<input type="checkbox"/> Duplex	<input checked="" type="checkbox"/> 5 units or more per building	Number of Residential Buildings:	12
<input type="checkbox"/> Triplex	<input type="checkbox"/> Detached Residence	HOME High Total Units:	25
<input type="checkbox"/> Fourplex	<input type="checkbox"/> Single Room Occupancy	HOME Low Total Units:	11
<input type="checkbox"/> Townhome	<input type="checkbox"/> Transitional		

\*Note: If Development Cost = \$0, an Underwriting Report has not been completed.

FUNDING INFORMATION

	Applicant Request	Department Analysis*	Amort	Term	Rate
Competitive Housing Tax Credit Amount:	\$2,000,000	\$0			
HOME Activity Fund Amount:	\$2,000,000	\$0	0	0	0.00%
HOME CHDO Operating Grant Amount:	\$50,000	\$0			

\*Note: If an Underwriting Report has not been completed and the application is recommended for an award, the credit amount recommended is the Applicant Request (pending the Financial Feasibility Analysis).



MULTIFAMILY FINANCE DIVISION

December 10, 2010

Competitive Housing Tax Credit Program

Development Information, Public Input and Board Summary

Ashton Senior Village, TDHCA Number 10040

PUBLIC COMMENT SUMMARY

Guide: "S" = Support, "O" = Opposition, "N" = Neutral, "NC" or Blank = No Comment

**State and Federal Officials with Jurisdiction:**

TX Senator: Wentworth, District 25, S Points: 7 US Representative: Cuellar, District 28, NC  
TX Representative: Kuempel, District 44, S Points: 7 US Senator: NC

**Local Officials and Other Public Officials:**

Mayor/Judge: NC Resolution of Support from Local Government

**Individuals and Businesses:** In Support: 0 In Opposition: 0

**Quantifiable Community Participation Input:**

Gleaming Springs Neighborhood Association, Inc, Rebecca A. Scheffler Letter Score: 24 S or O: S  
Critical need for affordable housing for our senior citizens in our town.

**Community Input Other than Quantifiable Community Participation Input:**

**General Summary of Comment:**

CONDITIONS OF COMMITMENT

1. Receipt, review, and acceptance by commitment of evidence of the appropriate zoning change or a variance for the proposed development from the City.
2. Receipt, review, and acceptance, by the 10% Test, of documentation that a comprehensive noise assessment has been completed to determine the requirements for the proposed development to satisfy HUD guidelines, and that any subsequent recommendations have been incorporated into the development plans.
3. Receipt, review, and acceptance by commitment that the use of the HUD Utility model for the Subject has been approved by the Department, with allowance between \$77 and \$102 for 1BR units and between \$94 and \$131 for 2BR units, or alternatively confirmation that the Schertz Housing Authority Utility Allowances will be used.
4. Receipt, review, and acceptance, by Cost Certification, of documentation that all noise assessment recommendations were implemented.
5. Should the terms and rates of the proposed debt or syndication change, the transaction should be re-evaluated and an adjustment to the credit allocation amount may be warranted.
6. Receipt of a firm commitment of funding from the Texas Department of Housing and Community Affairs for \$2,000,000 in HOME funds, or a commitment from a qualifying substitute source in an amount not less than \$2,000,000, as required by §50.9(i)(5) of the 2010 QAP. The commitment must clearly identify the terms of the funding provided. If the terms or amount of funding are different than those of the source for which points were awarded, the Application may be reevaluated for financial feasibility.



MULTIFAMILY FINANCE DIVISION

December 10, 2010

Competitive Housing Tax Credit Program

Development Information, Public Input and Board Summary

**Ashton Senior Village, TDHCA Number 10040**

COMPLIANCE EVALUATION SUMMARY:

No unresolved issues of material non-compliance or audit findings:

Total # Developments in Portfolio: **9**

Total # Monitored: **4**

RECOMMENDATION BY THE EXECUTIVE AWARD AND REVIEW ADVISORY COMMITTEE IS BASED ON:

Competitive Housing Tax Credits:  Score: **215**  Meeting a Required Set-Aside Credit Amount\*: **\$0**

Recommendation: Not Recommended: Does not have a competitive score within its allocation type and region.

HOME Activity Funds:

Loan Amount: **\$0**

HOME CHDO Operating Expense Grant:

Grant Amount: **\$0**

Recommendation:

\*Note: If an Underwriting Report has not been completed, the credit amount recommended is the Applicant Request (pending the Financial Feasibility Analysis).

**MULTIFAMILY FINANCE DIVISION  
BOARD REPORT AND ACTION ITEM  
December 17, 2010**

**Requested Action**

Ratification of the award of Exchange program funds to the following two applications:

<b>TDHCA #</b>	<b>Development Name</b>	<b>Exchange Subaward Amount</b>	<b>City</b>	<b>Applicant</b>
09370	Riverplace Apartments	\$ 1,771,277	Hooks	Dennis Hoover
09366	Guadalupe Crossing	\$ 6,236,521	Comfort	Granger MacDonald
Total		<b>\$ 8,007,799</b>		

**WHEREAS**, the Board has previously authorized the Executive Director to approve the award of Exchange funds subject to Ratification by the Board.

It is hereby:

**RESOLVED**, that the award of funds is hereby ratified and approve as presented to this meeting.

**Background**

Staff is very pleased to report that all eighty-nine Exchange subawards have closed to date. These eighty-nine applications represent a 100% commitment of the entire \$594,091,928 Exchange funds available to TDHCA allocate for the US Treasury Department (see Exhibit A). The Exchange Portfolio will allow the development community to provide 8,015 affordable housing units for the residents of the State of Texas as well as over 9,000 jobs.

As a result of the previous Exchange Program Notice of Funding Availability (NOFA) approved by the Board on November 10, 2010, five additional applications have been awarded Exchange funds and all closed on or before the December 1, 2010 deadline. The additional five awards represent \$16,341,501 and allowed TDHCA to award 100% of the Exchange funds.

As additional background on the allocation of the awards; the two applications listed above were awarded because Country Village Apartments returned their award as they were able to obtain a syndicator for the credits. The LULAC Hacienda application was unable to close and returned the Exchange award. Staff awarded funds to the next application that could close as outlined and required in the NOFA which was Riverplace Apartments. The remaining funds were awarded to Guadalupe Crossing. The following five applications represent the final results of the Exchange NOFA funding awards:

<b>TDHCA #</b>	<b>Development Name</b>	<b>Exchange Subaward Amount</b>	<b>City</b>	<b>Applicant</b>
09362	Prince Hall Plaza	\$ 5,291,035	Navasota	K.T. Akbari
09367	Longbridge Apartments	\$ 1,694,696	Groesbeck	Dennis Hoover
09369	Heritage Square Apartments	\$ 1,347,972	Wallis	Dennis Hoover
09370	Riverplace Apartments	\$ 1,771,277	Hooks	Dennis Hoover
09366	Guadalupe Crossing	\$ 6,236,521	Comfort	Granger MacDonald
Total		<b>\$ 16,341,501</b>		

As a follow up item from staff's last update; all of the USDA applications that "closed into escrow" were able to close with USDA. Additionally, the three Exchange/USDA applications listed above (Longbridge, Heritage Square and Riverplace) closed on or before the December 1, 2010 deadline.

As of the publication of this report, \$237,113,043 in Exchange funds have been drawn, representing 39.91% of the total Exchange funds. As of December 10, 2010, forty-five of the eighty-nine subawardees have submitted and have met the 30% US Treasury Department Test. Of the remaining forty-four outstanding 30% Test submissions, thirty-six have met the test and are working with their accountants to submit the test in the coming days. The remaining deals (eight) have all indicated that they are working diligently to meet the test and feel positive they will be able to meet the 30% Test and submit the report on or before the December 15, 2010 deadline.

Staff will continue to report the status of the Exchange program and portfolio to the Board on a monthly basis and advising the Board of any issues that need Board resolution.

**[Exhibit A]  
 TDHCA EXCHANGE PROGRAM  
 CLOSED TRANSACTIONS  
 AS OF 12.1.10**

Closed Order	09 Exchange Number	Deal Name	Closing Date	Units	Low Income Units	City	Subaward Amount
1	09906	377 Villas	12.31.09	76	73	Brownwood, TX	\$ 5,955,888.00
2	09918	Gardens at Clearwater	1.29.10	80	80	Kerrville, TX	\$ 6,989,490.00
3	09930	Creekside Villas Senior Village	2.3.10	144	144	Buda, TX	\$ 12,055,533.00
4	09942	Southern View Apartments	2.4.10	48	47	Ft. Stockton, TX	\$ 3,807,300.00
5	09937	Cambridge Crossing	2.12.10	60	58	Corsicana, TX	\$ 5,010,115.00
6	09947	Mineral Wells Pioneer Crossing	2.15.10	80	80	Mineral Wells, TX	\$ 5,300,934.00
7	09920	Anson Park Seniors	2.22.10	80	80	Abilene, TX	\$ 7,518,709.00
8	09926	Highland Manor	2.23.10	141	134	LaMarque, TX	\$ 11,138,884.00
9	09949	Hampton Villages	3.4.10	76	76	Pampa, TX	\$ 10,001,457.00
10	09976	Trebah Vilalges	3.5.10	129	121	Katy, TX	\$ 9,392,459.00
11	09952	Villages at Snyder	3.12.10	80	80	Snyder, TX	\$ 9,277,302.00
12	09927	Carpenter's Point	3.15.10	150	150	Dallas, TX	\$ 11,321,332.00
13	09902	Oak Tree Village	3.19.10	36	36	Dickinson, TX	\$ 3,197,117.00
14	09931	Montgomery Meadows	3.19.10	48	48	Huntsville, TX	\$ 4,519,862.00
15	09914	Stoneleaf at Dalhart	3.26.10	76	76	Dalhart, TX	\$ 6,150,599.00
16	09928	Heritage Park Vista	3.26.10	140	135	Ft. Worth, TX	\$ 10,707,151.00
17	09921	Oak Manor/Oak Village	4.7.10	229	229	San Antonio, TX	\$ 12,171,481.00
18	09915	Jackson Village	4.26.10	96	92	Lake Jackson, TX	\$ 8,009,337.00
19	09912	Wentworth Apartments	4.28.10	90	90	Atascocita, TX	\$ 9,757,269.00
20	09907	Melbourn Apartments	4.29.10	110	110	Alvin, TX	\$ 12,250,999.00
21	09967	Millie Street Apartments	5.3.10	60	59	Longview, TX	\$ 4,800,000.00
22	09941	Residences at Stalcup	5.4.10	92	92	Fort Worth, TX	\$ 7,279,740.00
23	09923	Villas at Beaumont	5.7.10	36	36	McAllen, TX	\$ 3,367,917.00
24	09946	Cedar Street Apartments	5.7.10	48	48	Browfield, TX	\$ 3,883,800.00
25	09939	Vista Bonita Apartments	5.19.10	118	118	Houston, TX	\$ 10,822,758.00
26	09977	Chelsea Senior Community	5.19.10	150	150	Houston, TX	\$ 15,066,382.00
27	09943	Leona Apartments	5.20.10	40	40	Uvalde, TX	\$ 1,148,900.00
28	09944	Heritage Square	5.20.10	50	50	Texas City, TX	\$ 3,058,062.00
29	09945	Park Place Apartments	5.20.10	60	60	Cleveland, TX	\$ 4,301,518.00
30	09973	Senior Villages at Huntsville	5.21.10	36	36	Huntsville, TX	\$ 4,023,653.00
31	09924	Meaghan Point	5.26.10	80	80	Elsa, TX	\$ 10,164,292.00
32	09932	Constitution Court	5.27.10	108	108	Copperas Cove, TX	\$ 8,838,615.00
33	09981	Casa Brazoria	5.27.10	36	36	Clute, TX	\$ 7,448,709.00
34	09990	San Gabriel	6.2.10	76	71	Liberty Hill, TX	\$ 6,028,000.00
35	09970	Lufkin Apartments	7.22.10	80	80	Lufkin, TX	\$ 6,094,394.00
36	09993	Malibu Apartments	6.10.10	476	428	Austin, TX	\$ 15,400,000.00
37	09971	Stone Hearst Seniors	6.10.10	36	36	Beaumont, TX	\$ 4,176,653.00
38	09922	Park View Terrace	6.11.10	100	100	Pharr, TX	\$ 9,498,011.00
39	09351	Tierra Point	6.11.10	80	76	Karnes City, TX	\$ 8,597,850.00
40	09961	Lincoln Terrace	6.15.10	72	72	Fort Worth, TX	\$ 7,894,851.00
41	09925	Suncrest	6.15.10	100	100	El Paso, TX	\$ 3,362,746.00
42	09966	Turner Street	6.16.10	60	59	Palestine, TX	\$ 4,840,000.00
43	09934	Harris Manor	6.21.10	201	193	Pasadena, TX	\$ 6,414,471.00
44	09994	Holland House	6.21.10	68	68	Holland, TX	\$ 3,622,969.00
45	09963	Hacienda Del Sol	6.22.10	55	55	Dallas, TX	\$ 8,643,534.00
46	09958	Crestmoor Apartments	6.24.10	68	68	Burleson, TX	\$ 3,041,202.00
47	09948	Park Ridge	6.28.10	64	62	Llano, TX	\$ 5,645,838.00

**[Exhibit A]**  
**TDHCA EXCHANGE PROGRAM**  
**CLOSED TRANSACTIONS**  
**AS OF 12.1.10**

48	09354	Arrowsmith	6.29.10	70	70	Corpus Christi, TX	\$ 3,755,601.00
49	09953	Gholson Hotel	6.29.10	50	50	Ranger, TX	\$ 3,028,922.00
50	09905	Aurora Meadows	6.29.10	76	76	Eagle Pass, TX	\$ 9,642,000.00
51	09940	Crowley Fountainhead St. Charles	6.29.10	52	52	Crowley, TX	\$ 2,096,644.00
52	09986	Greenhouse	6.30.10	140	140	Houston, TX	\$ 12,426,601.00
53	09982	Sierra Meadows	6.30.10	90	85	Houston, TX	\$ 9,104,580.00
54	09352	Heights at Coral	7.2.10	80	80	Kingsville, TX	\$ 5,755,096.00
55	09911	Trinity Gardens	7.7.10	76	76	Liberty, TX	\$ 6,943,395.00
56	09983	Brazos Bend Villas	7.7.10	120	120	Fort Bend, TX	\$ 11,555,478.00
57	09910	Lexington Apartments	7.9.10	80	80	Angleton, TX	\$ 2,997,690.00
58	09919	Premier on Woodfair	7.9.10	408	390	Houston, TX	\$ 10,781,101.00
59	09987	Sante Fe Seth Heritage Crossing	7.9.10	72	68	Santa Fe, TX	\$ 6,051,451.00
60	09357	Weslaco Apartments	7.13.10	120	120	Weslaco, TX	\$ 10,021,149.00
61	09929	Buena Vida Apartments	7.13.10	100	100	Corpus Christi, TX	\$ 7,532,749.00
62	09916	HVM Mid-Town Apartments	7.14.10	54	54	Tomball, TX	\$ 2,549,514.00
63	09917	HVM Alta Vista Apartments	7.14.10	64	64	Marble Falls, TX	\$ 2,936,283.00
64	09968	Arbor Pines	7.20.10	76	76	Orange, TX	\$ 6,725,114.00
65	09936	Lakeview Apartments	7.21.10	140	134	Tyler, TX	\$ 12,169,238.00
66	09350	Tremont Apartments	7.22.10	112	112	Killeen, TX	\$ 10,224,660.00
67	09356	Legacy Villas	7.23.10	64	64	Eagle Pass, TX	\$ 8,100,000.00
68	09978	Floral Gardens	7.28.10	100	100	Houston, TX	\$ 11,786,975.00
69	09913	Villas on Raiford	8.19.10	180	172	Carrollton, TX	\$ 10,542,031.00
70	09956	Abilene Seniors Apartments	8.25.10	92	92	Abilene, TX	\$ 8,668,329.00
71	09996	Whispering Oaks	8.27.10	24	24	Goldthwaite, TX	\$ 1,386,205.00
72	09965	Peachtree Seniors	9.22.10	144	144	Balch Springs, TX	\$ 14,834,619.00
73	09995	Village Place Apartments	9.30.10	32	32	Lorena, TX	\$ 1,747,030.00
74	09997	Autumn Villas	9.29.10	16	16	Lorena, TX	\$ 903,082.00
75	09955	Oakwood Apartments	9.29.10	48	47	Brownwood, TX	\$ 2,123,128.00
76	09998	Prairie Village Apartments	9.30.10	24	24	Rogers, TX	\$ 1,279,003.00
77	09353	Hyatt Manor I and II Apartments	9.28.10	65	65	Gonzales, TX	\$ 2,551,331.00
78	09974	Courtwood Apts	9.30.10	50	50	Eagle Lake, TX	\$ 2,052,965.00
79	09992	Northgate Apts and Rhomberg Apts	9.28.10	60	60	Burnet, TX	\$ 2,712,282.00
80	09999	Cherrywood Apartments	9.30.10	44	44	West, TX	\$ 2,458,658.00
81	09989	Champion Homes at Bay Walk	9.28.10	192	192	Galveston, TX	\$ 10,987,246.00
82	09901	Las Palmas Gardens Apartments	9.30.10	100	100	San Antonio, TX	\$ 6,223,846.00
83	09903	West End Baptist Manor Apartments	9.30.10	50	50	San Antonio, TX	\$ 3,198,456.00
84	09951	Canyons Retirement Community	10.27.10	111	106	Amarillo, TX	\$ 7,899,892.00
85	09362	Prince Hall Plaza	12.1.10	60	60	Navasota, TX	\$ 5,291,035.00
86	09367	Longbridge Apartments	11.30.10	28	28	Groesbeck, TX	\$ 1,694,696.00
87	09369	Heritage Square Apartments	11.30.10	24	24	Wallis, TX	\$ 1,347,972.00
88	09370	Riverplace Apartments	11.30.10	40	28	Hooks, TX	\$ 1,771,277.00
89	09366	Guadalupe Crossing	12.1.10	68	68	Comfort, TX	\$ 6,236,521.00
				<b>8015</b>	<b>7857</b>		<b>\$ 594,091,928.00</b>

0                      REMAINING                      \$                      -  
\$                      594,091,928.00



**BOND FINANCE DIVISION**

**REPORT OF TDHCA FINANCIAL ADVISOR**

**December 17, 2010**

The Department's financial advisor, Gary Machak, with Raymond James and Associates, Inc., will provide an update on the financial markets.

**Municipal Bond Investor Weekly**

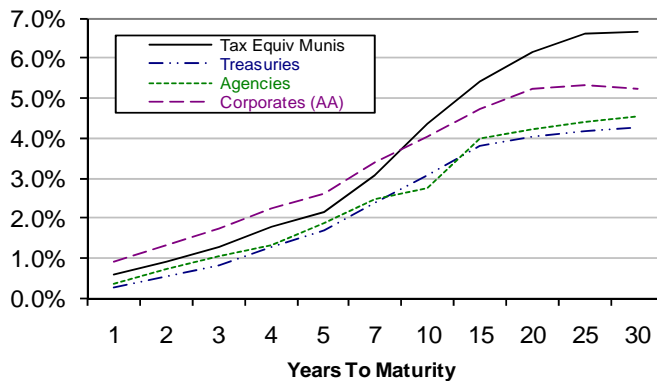
December 7, 2010

Carolyn Nees - (727) 567-2862, Carolyn.Nees@RaymondJames.com

**Week in Review**

Significant challenges remain in the municipal market as year end quickly approaches. For buyers, price trends (illustrated in the charts below) suggest tax-exempts offer relative value. The January reinvestment activity is expected to help balance the supply/demand dynamics that have influenced the recent volatility. Continued debate in Washington this week still leaves some uncertainty over tax measures and the extension of Build America Bonds. The outcomes for both of these issues are certain to influence the municipal market in 2011. A year-end review of municipal assets is strongly encouraged to consider the impact of these events on bond prices, as well as to audit for any changing credit characteristics in the portfolio. Your Financial Advisor can provide a complete Fixed Income Portfolio Analysis on request, at any time – even if bonds are held elsewhere.

**Comparative Yield Curves as of 12/02/10**



**Historic AAA Muni/Treasury Ratio (30-Year Maturity)**



Bond Yields (%) as of 12/02/2010 Close												
	1	2	3	4	5	7	10	15	20	25	30	
<b>Muni AAA G.O.<sup>1</sup></b>	0.37	0.60	0.84	1.15	1.39	1.99	2.83	3.53	4.00	4.29	4.34	
Weekly Change *	0	0	2	1	-1	0	1	2	3	3	3	
<b>Tax Equiv Munis<sup>2</sup></b>	0.57	0.92	1.29	1.77	2.14	3.06	4.35	5.43	6.15	6.60	6.68	
<b>Taxable AA Muni &amp; BAB<sup>3</sup></b>	0.95	1.40	1.86	2.32	2.77	3.61	4.60	5.49	6.30	7.17	7.28	
Weekly Change *	4	5	5	5	5	8	11	2	4	1	1	
<b>Treasuries<sup>3</sup></b>	0.26	0.55	0.83	1.28	1.68	2.37	3.07	3.79	4.03	4.19	4.25	
Weekly Change *	0	1	3	11	11	12	7	5	1	-2	2	
<b>Agencies<sup>3</sup></b>	0.38	0.73	1.06	1.32	1.88	2.46	2.74	3.98	4.21	4.41	4.56	
Weekly Change *	0	3	7	9	20	18	15	12	9	6	3	
<b>Corporates (AA)<sup>3</sup></b>	0.90	1.33	1.75	2.26	2.62	3.39	4.05	4.74	5.25	5.34	5.24	
Weekly Change *	-1	0	3	5	7	9	3	-3	-9	-13	71	

	Current	Last Week	Last Year
Dow Jones Industrial	11362	11092	10453
NASDAQ Composite	2579	2535	2185
Crude Oil	88.00	83.86	76.60
U.S. Dollar/Euro	1.32	1.34	1.50
Gold	1389	1373	1212

Short-Term Yields (%)			
	Current	Last Week	One Year Ago
Prime Rate	3.25	3.25	3.25
1-Month LIBOR	0.27	0.25	0.23
Fed Funds	0.20	0.20	0.13
1-Month T-Bill	0.15	0.15	0.06
SIFMA Weekly Index	0.27	0.30	0.22

Sources: (1) Municipal Market Data (2) Tax Equiv Yield calculations on AAA-rated tax exempt yields assume a 35% tax rate (3) Treasury, Agency, Corporate yields from Bloomberg. Lipper Total Returns from Lipper and The Wall Street Journal (YTD = Year To Date). Short Term Yields are from Bloomberg, Federal Reserve and Securities Industry and Financial Markets Association. The SIFMA Weekly Index is a 7-day high-grade market index comprised of tax-exempt variable rate demand obligations (VRDO's) that are not subject to AMT, are greater than \$10 million issuance size and have an AA or better rating. \* In Basis Points. \*\* Bloomberg as of close Thursday.

**Buyer Participation**

**Retail:** Active 1 to 3 and 20 plus years.

**ARB Accounts:** On the sidelines given market volatility and ratios.

**Bond Funds:** Net sellers this week due to redemptions.

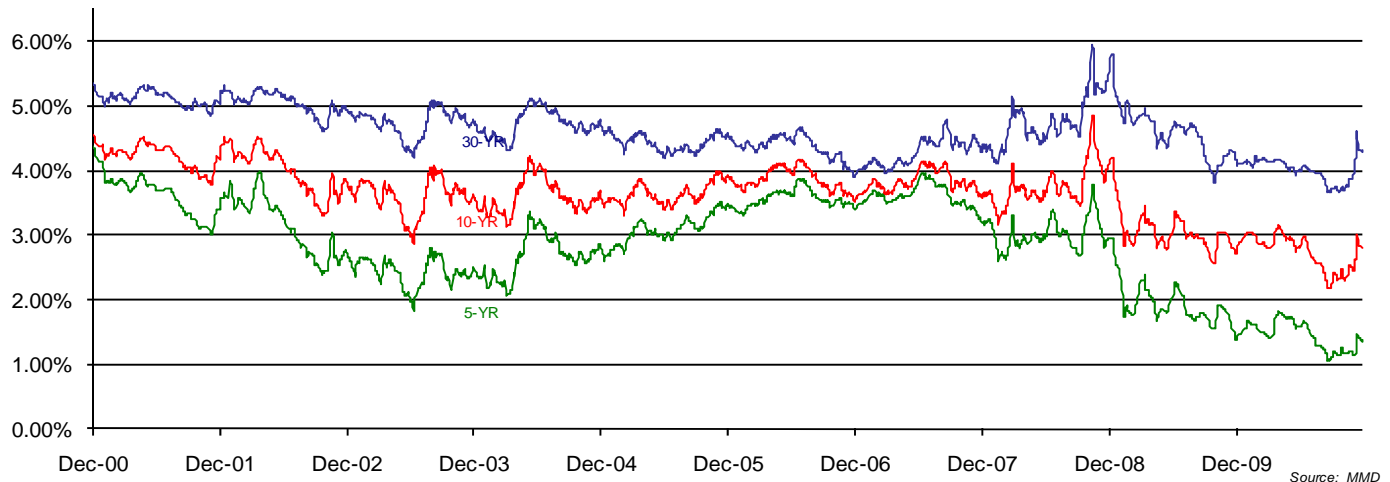
**Insurance Companies:** Participation slowing on taxable Build America Bonds as concerns over extension lingers.

**Bank Trust/Investment Advisors:** Continuing steady involvement with money to invest from 5 to 15 year range.

**Upcoming Economic Releases**

12/6	Auction 13- & 26-week bills
12/7	Auction 4-week bills, 3-year notes
12/8	Auction 10-year notes
12/9	Jobless Claims (12/04) Wholesale Trade (Oct)
12/10	Trade Balance (Oct) Consumer Sentiment (Mid-Dec) Treasury Budget (Nov)

**Historical Perspective on the Municipal Market  
AAA General Obligation (GO) Yields**



Source: MMD

**Rating Changes of Note**

**Atlantic County Utilities Authority NJ** solid waste revenue bonds downgraded by Moody's to Baa3 from Baa2.

**Big Creek Utility District TN** waterworks revenue refunding bonds downgraded to Ba1 from Baa1.

**Detroit Downtown Development Authority MI** tax increment bonds (Area No. 1) downgraded by Fitch to BBB- from BBB+.

**Saint Barnabas Health Care System** (issued via various NJ state authorities) upgraded by S&P and Fitch to BBB- from BB+ by both.

GO: general obligation, Source: S&P, Moody's, Fitch

**Week of 12/06 - New Issue Calendar** (\$ in billions)

Negotiated	\$ 10.5 (BAB \$5.50)
Competitive	\$ 1.5
Total	\$ 12.0

**Raymond James Participation** (\$ in millions)

\$1000 Texas Public Finance Authority, Co-Manager
\$468 Westchester County NY Health, Co-Manager
\$157 Birmingham AL Airport non-AMT, Co-Manager
\$120 West Virginia EDA Correctional, Co-Manager
\$80 Massachusetts State College Building Auth BABs, Co-Mgr
\$21 Brazos River Authority TX, Co-Manager
\$31 New York State HFA, Co-Manager
\$52 Beaumont TX GO, Co-Manager

For the full calendar, visit

[www.raymondjames.com/fixed\\_income\\_municipal\\_bonds\\_calendar.htm](http://www.raymondjames.com/fixed_income_municipal_bonds_calendar.htm)

BAB: Taxable Build America Bond, BQ: Bank Qualified, SG: Selling Group

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## Real Estate

November 24, 2010

Industry Brief

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## Housing: Industry Tidbit

## Texas Housing Update: October Sales Fall 26% Y/Y, Median Price Rises 2% Y/Y

- ◆ **Sales plunge 26% y/y.** Existing home sales in Texas dropped 26% y/y in October. This was more severe than the 19% y/y decline posted in September. In our view, the weaker y/y sales result was largely due to a more difficult year-ago comparison (+16% y/y in October 2009), as buying activity accelerated ahead of the tax credit's original November 30, 2009, deadline. Looking back over the past year and a half, we believe the two rounds of federal tax credits had a more substantial effect in Texas, given that \$8,000 represents a much higher percentage of the state's median home price compared to other regions. While we believe new contract activity is stable in the region, y/y sales results (representing closings) will likely remain negative at least through November, as the year-ago comparison is very difficult (+38% y/y in November 2009). Notably, statistics from local sources suggest the backlog of pending sales remains depleted, with pending contracts in the Houston area down 23% y/y (versus 17% y/y in September). North Texas (Dallas-area) pending sales are down 26% y/y (unchanged from the previous month).
- ◆ **Major market down 27% y/y.** Transaction activity in the four largest markets for public homebuilders (Austin, Dallas, Houston, and San Antonio) declined slightly more than the state as a whole, falling 27% y/y (as compared to a -21% y/y comparison in September). Drilling down, sales in Dallas deteriorated 29% y/y, whereas Houston fell 25% y/y. Additionally, Austin sales dropped 32% y/y, after falling 30% in September. San Antonio continues to register some of the least severe y/y declines among the major housing markets, but was still down 25% y/y in October. We believe home sales in the San Antonio market have been partially buoyed by military transfers and the Defense Base Closure and Realignment Commission (BRAC) initiative.
- ◆ **Inventory rises by 13% y/y.** October listings in Texas were up 13% y/y, but we were encouraged to see inventory fall 4% from September to 134,397 units, which is slightly more than the average seasonal sequential decline of 1%. For context, Texas listings represent 7.8 months of supply, which is up from 6.9 months of supply reported in October 2009, but still well-below the 10.5 months of existing home supply reported nationally as of October. Nevertheless, in all of the key homebuilding markets existing home inventory posted notable increases from year-ago levels. Specifically, the largest y/y increase among the major markets continues to be reported in Houston, where inventory grew by 21% y/y. Elsewhere, listings increased y/y for the eighth consecutive month in Austin, climbing 7% y/y. San Antonio listings grew by 9% y/y, after posting three consecutive months of 10% y/y increases. Meanwhile, Dallas reported a 16% increase in inventory, its fifth straight y/y increase, after 27 consecutive months of y/y declines.
- ◆ **Median home price increases 2% y/y.** After remaining flat y/y in September, the median home price increased 2% y/y in October. Over the last six months, y/y median price comparisons have oscillated in a narrow range between -2% and +2%. In our view, this suggests that prices have remained stable (in the context of normal seasonality) into the fall. Looking ahead, we believe fewer distressed listings in the near-term (due to the various foreclosure moratoriums) and normal seasonal declines in listed inventory should help keep prices stable. Moreover, at a median of \$145,100, Texas' existing home prices are 15% below the October national median price of \$170,500 (-0.9% y/y) and, in our view, will not experience the price declines registered in markets flooded with distressed property, even once foreclosure activity reaccelerates. On a local level, Dallas reported the median home price increased 2% y/y in October, while the median price in Houston ticked up 1% y/y. Elsewhere, San Antonio and Austin saw the median home price rise a relatively robust 7% y/y and 9% y/y, respectively.
- ◆ **Foreclosures are far fewer in Texas.** Third quarter mortgage delinquency data from the Mortgage Bankers Association revealed only 1.8% of loans (~65,900 mortgages, by our estimates) in the state were in foreclosure, versus 4.4% nationally. While slightly above the rest of the nation, the level of implied future foreclosure activity is still far less threatening than many other key states for the homebuilders. Specifically, 9.7% of Texas mortgages were delinquent versus 9.4% nationally and 10-13% in the states hardest hit by the foreclosure crisis. Additionally, according to Lender Processing Services, the "non-current" rate (delinquency rate + foreclosure rate) in Texas for October remained below the national average (11.1% versus 13.2%).
- ◆ **Texas faces fewer headwinds than most markets.** In our view, once a sustained recovery is underway, those homebuilders with a substantial presence in the area will ultimately benefit from Texas' 1) limited foreclosure overhang; 2) highly affordable housing markets; 3) business-friendly growth policies; and 4) relatively small percentage of borrowers in a negative equity situation. Specifically, based on data from First American Core Logic, only 11% of properties with a mortgage are "underwater" in Texas as of June (versus 23% nationally). Additionally, after ending its streak of 16 straight months of y/y declines in employment in May, job growth continued to accelerate in Texas during October. Specifically, based on seasonally-adjusted data provided by the Bureau of Labor Statistics, Texas payrolls rose by 172,800 jobs, or 1.7% y/y.

Please read domestic and foreign disclosure/risk information beginning on page 6 and Analyst Certification on page 6.

- ◆ **Builder Exposure.** For reference, as a percentage of their total 2009 unit closing volumes, Meritage, Ryland, and Lennar have the largest respective exposures to Texas.

Texas - Closings By Builder		
Company	% of Total Closings	2009 Texas Closings (Est.)
Meritage Homes	61%	2,482
The Ryland Group	28%	1,461
Lennar Corp.	28%	3,259
D.R. Horton	28%	5,078
Hovnanian Enterprises	27%	1,518
KB Home	25%	2,129
PulteGroup	17%	3,683
Taylor Morrison	9%	295
Standard Pacific Corp.	6%	220

Source: *Builder Magazine* and Raymond James.

Texas Home Sales													
% Change YoY	2009			2010									
	Oct.	Nov.	Dec.	Jan.	Feb.	Mar.	Apr.	May	June	July	Aug.	Sept.	Oct.
State-wide	16%	38%	1%	-5%	-2%	16%	26%	18%	-1%	-27%	-15%	-19%	-26%
Abilene	30%	37%	6%	3%	-13%	1%	2%	38%	-10%	-1%	-6%	-11%	-21%
Amarillo	18%	88%	20%	-29%	-1%	0%	29%	35%	-11%	-28%	0%	-18%	-19%
Arlington	15%	31%	-2%	-2%	6%	15%	24%	24%	-15%	-40%	-25%	-21%	-39%
Austin	35%	57%	5%	7%	4%	30%	30%	22%	-4%	-29%	-16%	-30%	-32%
Bay Area	25%	53%	-7%	-21%	-14%	10%	18%	29%	-11%	-26%	-22%	-22%	-16%
Beaumont	-7%	-10%	-15%	-36%	-22%	-1%	14%	11%	-1%	-21%	-7%	-15%	-9%
Brazoria County	10%	18%	9%	-18%	33%	31%	41%	-11%	-8%	30%	7%	-1%	-19%
Brownsville	0%	11%	-20%	19%	9%	50%	-30%	35%	-14%	-34%	28%	NA	NA
Bryan-College Station	14%	41%	-2%	2%	18%	17%	27%	6%	-5%	-38%	-21%	-5%	-31%
Collin County	19%	47%	1%	-18%	-10%	9%	32%	15%	-12%	-30%	-23%	-30%	-32%
Corpus Christi	24%	39%	8%	-11%	-2%	7%	24%	14%	-3%	-10%	0%	-6%	-25%
Dallas	12%	30%	0%	-9%	-10%	9%	25%	16%	-4%	-33%	-20%	-25%	-29%
Denton County	22%	45%	6%	1%	-16%	15%	45%	32%	-13%	-43%	-23%	-23%	-27%
El Paso	31%	57%	22%	-17%	11%	17%	38%	29%	53%	-13%	-10%	-5%	-23%
Fort Bend	17%	45%	-4%	-12%	-5%	17%	22%	12%	-5%	-21%	-15%	-15%	-29%
Fort Worth	10%	40%	-3%	-2%	3%	12%	27%	12%	5%	-34%	-15%	-19%	-36%
Galveston	160%	74%	24%	-44%	-3%	32%	21%	87%	-20%	5%	23%	14%	15%
Garland	9%	47%	-1%	-7%	-19%	11%	37%	30%	-2%	-33%	-34%	-14%	-40%
Harlingen	-16%	9%	24%	52%	2%	48%	4%	-4%	NA	-12%	-25%	NA	-24%
Houston	15%	35%	-2%	-9%	-3%	12%	27%	20%	1%	-26%	-16%	-19%	-25%
Irving	15%	45%	19%	10%	-3%	28%	40%	34%	-15%	-34%	-10%	-25%	-25%
Killeen-Fort Hood	34%	NA	-10%	22%	22%	10%	21%	22%	45%	13%	-28%	-7%	NA
Longview-Marshall	-6%	51%	-1%	22%	-12%	23%	64%	19%	11%	-29%	22%	-7%	NA
Lubbock	30%	70%	-13%	4%	-22%	22%	11%	-2%	-16%	-35%	-13%	-24%	-26%
Lufkin	14%	105%	-10%	7%	-21%	-2%	11%	-15%	2%	-22%	-13%	-22%	-26%
McAllen	-3%	36%	-1%	5%	2%	43%	44%	8%	-14%	-11%	1%	-31%	-25%
Montgomery County	18%	46%	7%	-1%	7%	12%	37%	17%	7%	-20%	-7%	-16%	-18%
Nacogdoches	18%	15%	25%	79%	NA	9%	79%	78%	-19%	-51%	54%	NA	-30%
Northeast Tarrant County	16%	39%	-4%	5%	1%	19%	38%	23%	-7%	-28%	-24%	-19%	-34%
Paris	0%	50%	-17%	44%	-38%	-18%	-3%	-22%	35%	-31%	-19%	-7%	-28%
Port Arthur	-32%	-33%	-49%	-36%	-21%	0%	-11%	-18%	-24%	-40%	-33%	-25%	-16%
San Angelo	12%	36%	-6%	-17%	-13%	16%	27%	-9%	-4%	-21%	-10%	-6%	-18%
San Antonio	23%	50%	5%	-2%	6%	26%	24%	18%	-2%	-26%	-11%	-11%	-25%
Sherman-Denison	-5%	54%	1%	11%	17%	27%	11%	31%	-16%	-10%	5%	-10%	-20%
Temple-Belton	41%	69%	2%	5%	-10%	40%	6%	0%	-10%	-20%	-19%	-28%	-29%
Texarkana	3%	24%	-14%	NA	17%	77%	49%	5%	-18%	4%	-1%	18%	-13%
Tyler	29%	36%	11%	7%	2%	8%	43%	31%	-12%	-22%	-15%	-19%	-26%
Victoria	20%	4%	-21%	29%	33%	10%	28%	60%	-12%	-12%	-19%	15%	NA
Waco	8%	37%	11%	NA	-11%	14%	37%	21%	-16%	-22%	-34%	-25%	-16%
Wichita Falls	-9%	51%	-14%	1%	-27%	16%	18%	9%	-19%	-35%	-5%	25%	-4%

Source: Real Estate Center at Texas A&M University, Raymond James & Associates, Inc.

Texas Median Price													
% Change YoY	2009			2010									
	Oct.	Nov.	Dec.	Jan.	Feb.	Mar.	Apr.	May	June	July	Aug.	Sept.	Oct.
State-wide	0%	4%	3%	3%	2%	3%	3%	-1%	-2%	1%	2%	0%	2%
Abilene	-26%	14%	1%	20%	1%	8%	-9%	-6%	7%	1%	13%	10%	18%
Amarillo	-5%	6%	-1%	3%	-3%	-6%	-3%	-6%	11%	1%	4%	7%	1%
Arlington	4%	3%	2%	0%	-1%	5%	3%	3%	-1%	1%	2%	2%	0%
Austin	-5%	-2%	4%	-1%	-3%	0%	-1%	-2%	3%	13%	4%	4%	9%
Bay Area	3%	5%	3%	17%	3%	5%	2%	-1%	-1%	0%	3%	1%	6%
Beaumont	-6%	-7%	-5%	30%	4%	-11%	-6%	-12%	-15%	-2%	-1%	-8%	6%
Brazoria County	NA	1%	-5%	-6%	-5%	1%	-10%	-8%	-7%	-3%	-13%	6%	-3%
Brownsville	NA	14%	36%	-13%	1%	5%	25%	10%	11%	-1%	8%	NA	NA
Bryan-College Station	1%	7%	6%	-2%	18%	-2%	6%	1%	1%	1%	0%	-2%	8%
Collin County	-5%	-3%	4%	4%	-1%	2%	-2%	-4%	9%	8%	8%	8%	6%
Corpus Christi	NA	6%	3%	-3%	-11%	13%	13%	0%	2%	-3%	8%	-5%	-1%
Dallas	-1%	5%	2%	2%	2%	6%	8%	-1%	1%	3%	3%	0%	2%
Denton County	-1%	2%	3%	8%	-3%	3%	2%	-2%	4%	6%	4%	2%	5%
El Paso	0%	-1%	-1%	3%	-4%	-5%	3%	5%	-1%	3%	6%	5%	3%
Fort Bend	0%	9%	5%	15%	6%	11%	4%	-2%	7%	0%	1%	4%	12%
Fort Worth	1%	1%	1%	0%	-1%	7%	3%	6%	-4%	-3%	2%	-2%	2%
Galveston	-7%	-7%	14%	58%	89%	49%	80%	19%	8%	25%	30%	-11%	14%
Garland	1%	12%	0%	-13%	-6%	13%	5%	-5%	-6%	-8%	-13%	-4%	-11%
Harlingen	2%	-7%	-11%	-2%	-14%	-21%	-13%	31%	NA	-17%	3%	NA	-8%
Houston	4%	10%	4%	8%	6%	5%	2%	-2%	-4%	-2%	-1%	-1%	1%
Irving	-16%	6%	1%	1%	-3%	-16%	29%	15%	0%	-5%	-5%	37%	1%
Killeen-Fort Hood	2%	NA	-2%	0%	-2%	-5%	7%	3%	11%	2%	1%	7%	NA
Longview-Marshall	2%	0%	1%	8%	1%	4%	-6%	-1%	3%	10%	-1%	1%	NA
Lubbock	-1%	3%	0%	0%	-2%	1%	0%	3%	1%	3%	-3%	14%	-1%
Lufkin	8%	-11%	4%	-8%	-11%	11%	-21%	3%	9%	8%	33%	3%	1%
McAllen	-7%	2%	12%	3%	7%	-1%	17%	8%	1%	13%	11%	-2%	-4%
Montgomery County	6%	4%	6%	9%	3%	6%	-4%	-5%	-6%	-2%	-5%	14%	8%
Nacogdoches	-4%	11%	8%	-38%	NA	7%	6%	-8%	1%	39%	19%	NA	-2%
Northeast Tarrant County	-6%	-2%	-4%	20%	0%	3%	1%	2%	1%	12%	8%	12%	8%
Paris	19%	9%	0%	98%	24%	-28%	87%	-12%	8%	-11%	-7%	-5%	23%
Port Arthur	-16%	12%	-28%	10%	-19%	-17%	-22%	-29%	-27%	-21%	-19%	-19%	18%
San Angelo	6%	5%	-13%	-19%	13%	-12%	2%	9%	7%	-2%	-2%	7%	-8%
San Antonio	-4%	-2%	4%	-5%	-1%	-1%	-4%	-3%	-3%	1%	8%	3%	7%
Sherman-Denison	19%	3%	4%	27%	42%	2%	7%	4%	10%	-13%	-27%	-28%	-1%
Temple-Belton	NA	-6%	-10%	-15%	-11%	7%	1%	12%	15%	-12%	-1%	5%	0%
Texarkana	6%	23%	23%	NA	23%	-40%	3%	1%	43%	8%	-6%	27%	-10%
Tyler	-2%	4%	-2%	20%	-3%	3%	0%	7%	0%	3%	10%	-6%	0%
Victoria	6%	2%	11%	-2%	-23%	13%	0%	-17%	2%	4%	-3%	-15%	NA
Waco	-9%	4%	8%	NA	13%	4%	-1%	-5%	1%	1%	21%	-15%	18%
Wichita Falls	1%	-2%	27%	-3%	-7%	-1%	4%	8%	15%	-10%	-12%	-17%	1%

Source: Real Estate Center at Texas A&M University, Raymond James & Associates, Inc.

Texas Months Supply													
	2009			2010									
	Oct.	Nov.	Dec.	Jan.	Feb.	Mar.	Apr.	May	June	July	Aug.	Sept.	Oct.
State-wide	6.9	6.6	6.3	6.6	6.8	7.1	7.0	7.5	7.6	8.0	8.0	7.9	7.8
Abilene	5.5	5.4	5.2	6.4	6.1	6.3	6.3	6.5	6.7	6.6	6.8	6.6	6.4
Amarillo	6.7	5.9	5.4	5.7	5.8	6.4	6.3	NA	6.1	7.0	6.8	6.8	6.8
Arlington	5.1	4.8	4.7	4.9	5.2	5.2	5.0	5.3	6.0	6.4	6.3	6.3	6.0
Austin	6.2	5.7	5.4	5.7	6.2	6.7	6.7	6.9	7.2	7.4	7.1	6.8	6.5
Bay Area	8.0	7.7	7.5	8.0	8.6	9.3	9.2	9.5	10.2	10.7	10.6	10.5	10.4
Beaumont	9.1	9.0	8.9	9.5	10.0	10.6	10.6	10.9	11.1	11.7	11.6	11.7	11.5
Brazoria County	9.1	9.0	8.7	9.2	9.1	9.1	8.6	8.9	9.2	9.6	9.9	10.0	10.2
Brownsville	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
Bryan-College Station	6.8	6.4	6.1	7.1	7.8	8.5	10.5	8.4	8.4	9.1	9.1	8.8	8.9
Collin County	4.7	4.4	4.2	4.5	4.9	5.2	5.1	5.3	5.6	6.1	6.1	6.0	5.9
Corpus Christi	10.8	10.4	10.1	9.4	9.7	9.8	NA	10.0	10.5	10.8	11.2	11.0	10.5
Dallas	5.9	5.7	5.3	5.7	6.1	6.3	6.2	6.5	6.8	7.2	7.2	7.2	7.1
Denton County	5.3	5.1	4.8	5.2	5.6	5.8	5.5	5.7	6.2	6.8	6.7	6.5	6.4
El Paso	8.5	8.1	NA	7.5	7.4	7.3	6.8	NA	6.8	6.8	6.9	6.9	7.0
Fort Bend	4.6	4.5	4.3	4.6	4.8	5.1	5.0	5.5	6.0	6.3	6.4	6.3	6.3
Fort Worth	6.5	6.3	6.2	6.4	6.5	6.5	6.4	6.7	6.9	7.3	7.3	7.3	7.3
Galveston	19.6	18.7	16.1	18.1	19.1	22.8	19.7	17.3	21.9	22.0	18.8	17.4	18.0
Garland	4.6	4.5	4.4	4.7	5.3	5.2	4.9	4.9	5.5	6.0	6.2	6.5	6.3
Harlingen	31.1	30.4	NA	28.3	NA	NA	26.5	26.3	NA	25.5	26.2	NA	27.4
Houston	6.4	6.3	6.0	6.3	6.6	6.9	6.7	7.0	7.5	7.9	8.0	7.9	7.9
Irving	7.2	7.0	6.5	6.9	6.9	7.2	6.9	7.4	7.8	8.3	8.3	7.9	7.8
Killeen-Fort Hood	7.7	NA	6.9	7.0	7.6	5.9	5.8	7.9	7.7	7.7	7.8	7.6	NA
Longview-Marshall	8.9	8.3	8.0	8.6	8.9	9.4	9.1	9.3	9.2	9.3	9.1	9.1	NA
Lubbock	5.2	5.1	4.9	5.3	5.6	5.7	5.6	5.9	6.5	7.0	7.4	7.3	7.4
Lufkin	NA	NA	NA	NA	NA	NA	NA	NA	8.6	9.3	9.4	9.3	9.0
McAllen	13.6	13.5	12.6	13.5	13.1	11.8	NA	14.4	12.3	12.5	12.5	12.7	12.9
Montgomery County	6.9	6.7	6.2	6.7	7.0	7.3	7.3	7.5	8.0	8.2	8.2	8.1	7.8
Nacogdoches	7.8	8.3	8.1	7.3	NA	NA	8.2	8.1	8.5	8.6	7.3	NA	7.5
Northeast Tarrant County	5.4	5.2	5.0	5.2	5.5	5.9	5.7	6.0	6.4	6.8	6.7	6.5	6.4
Paris	10.5	9.9	9.2	8.9	9.3	10.1	11.8	11.9	12.4	13.4	14.1	14.5	14.1
Port Arthur	10.2	8.4	8.5	11.2	8.1	9.4	9.2	8.7	9.4	10.4	12.4	11.4	12.8
San Angelo	5.3	5.1	4.8	5.3	5.1	5.3	5.7	5.9	6.5	6.7	7.0	7.0	6.4
San Antonio	7.7	7.4	7.2	7.5	7.8	8.1	7.8	7.9	8.2	8.4	8.3	8.2	8.1
Sherman-Denison	11.9	11.1	10.2	10.2	10.5	10.6	10.9	11.2	12.0	12.4	12.2	12.0	11.7
Temple-Belton	6.7	6.5	6.0	6.6	6.7	7.4	7.0	7.3	7.8	8.0	8.0	7.9	7.8
Texarkana	8.9	8.7	8.4	NA	8.0	7.7	8.4	8.6	8.5	9.1	9.3	9.0	9.0
Tyler	12.3	11.8	11.0	11.3	11.5	11.3	12.0	12.4	13.0	13.3	13.4	13.8	13.5
Victoria	7.9	7.6	7.3	6.9	6.6	6.3	6.4	7.1	7.2	6.9	7.0	8.2	NA
Waco	8.0	7.8	7.5	NA	8.0	8.2	8.1	NA	8.6	8.9	9.0	8.7	8.9
Wichita Falls	7.5	7.2	6.9	7.1	7.3	7.5	7.0	7.1	7.7	8.1	8.4	8.3	8.1

Source: Real Estate Center at Texas A&M University, Raymond James & Associates, Inc.

## Company Citations

Company Name	Ticker	Exchange	Currency	Closing Price	RJ Rating	RJ Entity
D.R. Horton, Inc.	DHI	NYSE	\$	10.06	3	RJ & Associates
KB Home	KBH	NYSE	\$	10.95	1	RJ & Associates
Lennar Corporation	LEN	NYSE	\$	14.86	2	RJ & Associates
PulteGroup Inc.	PHM	NYSE	\$	6.27	3	RJ & Associates
Standard Pacific Corporation	SPF	NYSE	\$	3.46	3	RJ & Associates
The Ryland Group, Inc.	RYL	NYSE	\$	14.39	3	RJ & Associates

Notes: Prices are as of the most recent close on the indicated exchange and may not be in US\$. See Disclosure section for rating definitions. Stocks that do not trade on a U.S. national exchange may not be approved for sale in all U.S. states. NC=not covered.



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**Strong Buy (SB1)** Expected to appreciate and produce a total return of at least 15% and outperform the S&P 500 over the next six months. For higher yielding and more conservative equities, such as REITs and certain MLPs, a total return of at least 15% is expected to be realized over the next 12 months.

**Outperform (MO2)** Expected to appreciate and outperform the S&P 500 over the next 12 months. For higher yielding and more conservative equities, such as REITs and certain MLPs, an Outperform rating is used for securities where we are comfortable with the relative safety of the dividend and expect a total return modestly exceeding the dividend yield over the next 12 months.

**Market Perform (MP3)** Expected to perform generally in line with the S&P 500 over the next 12 months and is potentially a source of funds for more highly rated securities.

**Underperform (MU4)** Expected to underperform the S&P 500 or its sector over the next six to 12 months and should be sold.

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**Strong Buy (SB1)** The stock is expected to appreciate and produce a total return of at least 15% and outperform the S&P/TSX Composite Index over the next six months.

**Outperform (MO2)** The stock is expected to appreciate and outperform the S&P/TSX Composite Index over the next twelve months.

**Market Perform (MP3)** The stock is expected to perform generally in line with the S&P/TSX Composite Index over the next twelve months and is potentially a source of funds for more highly rated securities.

**Underperform (MU4)** The stock is expected to underperform the S&P/TSX Composite Index or its sector over the next six to twelve months and should be sold.

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**Strong Buy (SB1)** Expected to appreciate and produce a total return of at least 25.0% over the next twelve months.

**Outperform (MO2)** Expected to appreciate and produce a total return of between 15.0% and 25.0% over the next twelve months.

**Market Perform (MP3)** Expected to perform in line with the underlying country index.

**Underperform (MU4)** Expected to underperform the underlying country index.

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Company Name	Disclosure
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overall economic conditions or industry- or company-specific occurrences. Only stocks rated Strong Buy (SB1) or Outperform (MO2) have target prices and thus valuation methodologies.

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### Specific Investment Risks Related to the Industry or Issuer

#### Housing Industry Risks

An investment in a homebuilder involves certain risks particular to the company and to the homebuilding industry in general. Prospective investors should carefully consider the appropriateness of the stock and carefully consider the following risk factors and other critical variables prior to making an investment.

#### General Risks

The homebuilding industry is cyclical and is significantly affected by changes in industry conditions, as well as in general and local economic conditions. Such changes include employment, availability of financing for homebuyers, interest rates, consumer confidence, levels of new and existing home for sales, demographic trends, rental rates, and housing demand. The homebuilding industry has historically been positively correlated with household formation, employment growth, wage growth, and housing affordability, while being negatively correlated with interest rates. These relationships infer a great deal of economic sensitivity. The industry is also susceptible to weather-related construction delays, seasonality of sales patterns, volatility in raw material and labor prices, and increasing governmental regulatory barriers to land development, all of which could impact the timing and profitability of home deliveries.

#### Government Subsidies

The housing market benefits from several government measures including, but not limited to, various tax incentives and credits, efforts on behalf of the Federal Reserve to keep mortgage rates low, the GSE's commitment to purchase conforming mortgages, and FHA financing. The sudden absence of any one of these subsidies, or other form of government support of the housing market, would likely be detrimental to the housing market.

#### Mortgage Delinquencies and Foreclosures

An increased number of mortgage delinquencies or foreclosures may result in elevated levels of "distressed" sales (sales of homes in a negative equity situation, seriously delinquent, in foreclosure, or bank-owned), which could pressure pricing and negatively impact the housing market.

#### Negative Equity

High levels of households "underwater" on their mortgage could prevent many homeowners from "moving-up" or relocating by selling their existing home through traditional channels. Moreover, appraisals utilizing distressed sales as comparables are leading to lower housing valuations, therefore creating a negative feedback effect.

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**BOND FINANCE DIVISION**

**BOARD ACTION REQUEST**

**December 17, 2010**

**Recommended Action**

Presentation, Discussion and Possible Action on Resolution No. 11-013 authorizing application to the Texas Bond Review Board for reservation of the 2010 single family private activity bond authority carryforward from the Unencumbered State Ceiling.

**Background**

At the beginning of each new TDHCA single family bond issuance, our Board petitions the Texas Bond Review Board to start the process in the form of a resolution followed by an application to draw down our private activity bond authority, also known as “volume cap”. Staff at this time is not seeking nor is the Board giving final approval of a bond program for 2011 with respect to the finance structure, target mortgage rates, timing and size of the issue. Staff will come back to the Board at a later date with a final structure for your review and approval.

Bond Finance is requesting authorization to draw down an amount not-to-exceed \$300 million of additional unreserved 2010 volume cap from the unencumbered state ceiling for our single family mortgage revenue bond program.

All volume cap will be used for future single family mortgage revenue bond and MCC programs.

The chart below outlines the Department’s available single family cap and intended uses for calendar year 2011.

<i>Sources as of December 1, 2010</i>	
2008 HERA Carryforward	\$ 30,000,000
2009 Carryforward	265,752,666
2010 Cap	208,212,971
2010 Additional Cap	112,000,000
2010 Additional HERA Cap	59,500,000
<i>2010 Additional Cap - Proposed</i>	<u>300,000,000</u>
Available Cap as of Dec 1, 2010	\$ 975,465,637
<i>Projected Uses</i>	
2010B MCC (closing December 13, 2010)	180,000,000
2011A RMRB (1 <sup>st</sup> Rollout of NIBP)	150,000,000
2011B RMRB (2 <sup>nd</sup> Rollout of NIBP)	150,000,000
2011C RMRB (3 <sup>rd</sup> Rollout of NIBP)	100,000,000
2010 Carryforward for Future Transactions	<u>395,465,637</u>
Total Uses	\$ 975,465,637

**Resolution No. 11-013**

**RESOLUTION AUTHORIZING REQUEST FOR UNENCUMBERED STATE CEILING; AND CONTAINING OTHER PROVISIONS RELATING TO THE SUBJECT**

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

WHEREAS, Section 146(a) of the Internal Revenue Code of 1986, as amended (the "Code") requires that certain "private activity bonds" (as defined in Section 141(a) of the Code) must come within the issuing authority's private activity bond limit for the applicable calendar year in order to be treated as obligations the interest on which is excludable from the gross income of the holders thereof for federal income tax purposes; and

WHEREAS, the private activity bond "State ceiling" (as defined in Section 146(d) of the Code) applicable to the State is subject to allocation, in the manner authorized by Section 146(e) of the Code, pursuant to Chapter 1372, Texas Government Code, as amended (the "Allocation Act"); and

WHEREAS, the Allocation Act provides that on the last business day of the year the Texas Bond Review Board (the "Bond Review Board") may assign as carryforward to state agencies at their request any State ceiling that is not reserved or designated as carryforward and for which no application for carryforward is pending (referred to herein as "Unencumbered State Ceiling"); and

WHEREAS, the Governing Body desires to request that Unencumbered State Ceiling for the year 2010 be assigned to the Department as carryforward;

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

Section 1 - Assignment of Unencumbered State Ceiling. The Department is authorized to submit a request to the Bond Review Board for assignment as carryforward to the Department of Unencumbered State Ceiling in an aggregate amount not to exceed \$300,000,000.

Section 2 - Authorization of Certain Actions. The Board authorizes the Executive Director, the staff of the Department, as designated by the Executive Director, and Bond Counsel to take such actions on its behalf as may be necessary to carry out the purposes of this Resolution.

Section 3 - Purposes of Resolution. The Board has expressly determined and hereby confirms that the Department's receipt of Unencumbered State Ceiling will accomplish a valid public purpose of the Department by providing for the housing needs of persons and families of low, very low and extremely low income and families of moderate income in the State.

Section 4 - Notice of Meeting. Written notice of the date, hour and place of the meeting of the Board at which this Resolution was considered and of the subject of this Resolution was furnished to the Secretary of State and posted on the Internet for at least seven (7) days preceding the convening of such meeting; that during regular office hours a computer terminal located in a place convenient to the public in the office of the Secretary of State was provided such that the general public could view such posting; that such meeting was open to the public as required by law at all times during which this Resolution and the subject matter hereof was discussed, considered and formally acted upon, all as required by the Open Meetings Act, Chapter 551, Texas Government Code, as amended; and that written notice of the date, hour and place of the meeting of the Board and of the subject of this Resolution was published in the Texas Register at least seven (7) days preceding the convening of such meeting, as required by the Administrative Procedure and Texas Register Act, Chapters 2001 and 2002, Texas Government Code, as amended. Additionally, all of the materials made available to the Board relevant to the subject of this Resolution were posted on the Department's website not later than the third day before the date of the meeting of the Board at which this Resolution was considered, and any documents made available to the Board by the Department on the day of the meeting were also made available in hard-copy format to the members of the public in attendance at the meeting, as required by Section 2306.032, Texas Government Code, as amended.

Section 5 - Effective Date. This Resolution shall be in full force and effect from and upon its adoption.

*[Execution page follows]*

PASSED AND APPROVED this 17th day of December, 2010.

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Chairman, Governing Board

ATTEST:

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Secretary to the Governing Board

(SEAL)



**BOND FINANCE DIVISION**

**BOARD ACTION REQUEST**

**December 17, 2010**

**Requested Action**

Presentation, Discussion and Possible Action on Resolution 11-009 authorizing the issuance of Residential Mortgage Revenue Bonds, Series 2011A and conversion of first tranche of 2009C (Program 77).

**Background**

As part of the United States Department of the Treasury's comprehensive plan to stabilize the U.S. housing market, the Homeowner Affordability and Stability Plan was announced on October 19, 2009 for state and local housing finance agencies (HFAs) in order to help support low mortgage rates and expand resources for low and middle income borrowers to purchase or rent homes that are affordable over the long term. As part of this initiative, the New Issue Bond Program (NIBP) was created to support new lending by HFAs with the issuance of bonds at below market rates.

At the November 9, 2009 Board Meeting, Resolution 10-006 was approved authorizing the issuance of \$300 million in principal amount of new money, taxable residential mortgage revenue bonds which were placed with Fannie Mae and Freddie Mac under the NIBP. The NIBP Bonds were settled on December 23, 2009 with a temporary variable interest rate that may be converted in tranches at the Department's election up to three times in 2010.

On September 1, 2010, the Department of the Treasury announced an extension of the NIBP to address the continuing difficulty of originating mortgages for HFAs across the nation. Modifications to the program include an extension of the escrow draw period from December 31, 2010 to December 31, 2011; provisions to allow additional interest rate resets; and an increase in the number of draws on the program from three to six.

Today, staff is seeking final approval of the first conversion of an amount not-to-exceed \$90 million principal amount of NIBP bonds to tax-exempt bonds and the issuance of not-to-exceed \$60 million principal amount of the shorter-term private market rate bonds for a total of not-to-exceed \$150 million of funds for mortgage loans.

Since May 2010, TDHCA has originated loans under Program 77 and has purchased mortgage-backed securities backed by these mortgage loans into our warehouse facility. As of December 10, 2010, approximately \$128 million in mortgage loans have been committed; of which approximately \$60 million have been purchased, and approximately \$36 million have been pooled and purchased by the Warehouse Provider.

As required by state law, 30% of the Department's bond proceeds will be set-aside for a period of not less than one year for families with income less than 80% of area median family income (AMFI). In addition, as required by federal tax law, 20% of bond proceeds will be set-aside for use in federally designated targeted areas within the State of Texas. Proceeds made available for

both set-asides - along with the remaining bond proceeds - will be marketed to mortgagors with up to five percent of down-payment assistance in the form of a 30-year term, zero percent interest second-lien, due on sale, mortgage loan. It is the intent of the Department to make down payment assistance available to all eligible borrowers; therefore staff requests the Board to waive the requirements of Texas Administrative Code, Title 10, Part 1, Chapter 7, Rule 7.3 that restricts down payment assistance to borrowers earning not more than 80 percent of the AMFI as allowed by Texas Administrative Code, Title 10, Part 1, Chapter 7, Rule 7.9.

TDHCA has issued seven Commitment Lots with unassisted first-lien mortgage rates between 4.20% and 4.99% and assisted first-lien mortgage rates between 4.95% and 5.74%. Once the mortgage loans have all been purchased, pooled, and delivered through the warehouse line, staff will come back to the Board to approve purchasing the resulting pools with bond proceeds. The first-lien mortgages will be securitized and all mortgages will be marketed to very low, low and moderate income residents of the State of Texas. TDHCA expects that approximately 1,300 new first-time homebuyers will be able to take advantage of this program.

The following table illustrates the various components of this proposed transaction.

<b>Program</b>	<b>Series</b>	<b>Amount</b>	<b>Purpose</b>	<b>Bond Description</b>
77	2009C	\$90,000,000	Tax-Exempt Conversion NIBP with Assistance (60%)	Fixed Rate Non-AMT
77	2011A	<u>\$60,000,000</u>	Tax-Exempt New Issue Shorter-term private market (40%)	Fixed-Rate Non-AMT
Total		<u>\$150,000,000</u>		

At the January 20, 2010 Board meeting, the following underwriting team was approved by the TDHCA Board:

<b>Firm</b>	<b>Role</b>
Morgan Keegan	Book-running Senior Managing Underwriter
JP Morgan	Co-Senior Managing Underwriter
George K. Baum	Senior Manager
Morgan Stanley	Senior Manager
Piper Jaffray	Co-Manager
Fidelity Capital	Co-Manager
First Southwest	Co-Manager

The following table provides certain key dates for this plan of finance.

<b>Program Schedule</b>	<b>Program 77</b>
TDHCA Board Approval Date	December 17, 2010
TDHCA TEFRA Hearing	January 7, 2011
Texas Bond Review Board Approval Date	January 20, 2011
Pricing Dates	TBD
Execute Bond Purchase Agreement	TBD
Pre-Closing/Closing Dates	TBD

**Resolution No. 11-009**

RESOLUTION AUTHORIZING THE FILING OF ONE OR MORE APPLICATIONS FOR RESERVATION WITH TEXAS BOND REVIEW BOARD WITH RESPECT TO QUALIFIED MORTGAGE BONDS; AUTHORIZING THE RELEASE OF A PORTION OF THE PROCEEDS OF THE TEXAS DEPARTMENT OF HOUSING AND COMMUNITY AFFAIRS RESIDENTIAL MORTGAGE REVENUE BONDS, SERIES 2009C FROM ESCROW AND THE CONVERSION THEREOF; AUTHORIZING THE ISSUANCE, SALE AND DELIVERY OF THE DEPARTMENT'S RESIDENTIAL MORTGAGE REVENUE BONDS, SERIES 2011A; APPROVING THE FORM AND SUBSTANCE AND AUTHORIZING THE EXECUTION AND DELIVERY OF THE THIRTY-FIRST SERIES SUPPLEMENT, THE DEPOSITORY AGREEMENT, THE BOND PURCHASE AGREEMENT, THE CONTINUING DISCLOSURE AGREEMENT AND THE OFFICIAL STATEMENT FOR THE SERIES 2011A BONDS; AUTHORIZING THE EXECUTION OF DOCUMENTS AND INSTRUMENTS NECESSARY OR CONVENIENT TO CARRY OUT THE SINGLE FAMILY MORTGAGE PURCHASE PROGRAM; AND CONTAINING OTHER PROVISIONS RELATING TO THE SUBJECT

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

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

WHEREAS, Section 103 and Section 143 of the Internal Revenue Code of 1986, as amended (the "Code"), provide that the interest on obligations issued by or on behalf of a state or a political subdivision thereof the proceeds of which are to be used to finance owner-occupied residences will be excludable from gross income of the owners thereof for federal income tax purposes if such issue meets certain requirements set forth in Section 143 of the Code; and

WHEREAS, Section 146(a) of the Code requires that certain "private activity bonds" (as defined in Section 141(a) of the Code) must come within the issuing authority's private activity bond limit for the applicable calendar year in order to be treated as obligations the interest on which is excludable from the gross income of the holders thereof for federal income tax purposes ("tax-exempt bonds"); and

WHEREAS, the private activity bond "State ceiling" (as described in Section 146(d) of the Code) applicable to the State is subject to allocation, in the manner authorized by Section 146(e) of the Code, pursuant to Chapter 1372, Texas Government Code, as amended (the "Allocation Act"); and

WHEREAS, the Allocation Act requires the Department, in order to reserve a portion of the State Ceiling for qualified mortgage bonds (the "Reservation") and satisfy the requirements of Section 146(a) of the

Code, to file an application for reservation (the "Application for Reservation") with the Texas Bond Review Board (the "Bond Review Board"), stating the maximum amount of the bonds requiring an allocation, the purpose of the bonds and the section of the Code applicable to the bonds; and

WHEREAS, the Allocation Act and the rules promulgated thereunder by the Bond Review Board (the "Allocation Rules") require that the Application for Reservation be accompanied by a copy of the certified resolution of the issuer authorizing the filing of the Application for Reservation; and

WHEREAS, the Board has determined to authorize the filing of one or more Applications for Reservation with respect to qualified mortgage bonds to be issued by the Department;

WHEREAS, the Texas Housing Agency (the "Agency") or the Department, as its successor, has, pursuant to and in accordance with the provisions of the Act, issued, sold and delivered its residential mortgage revenue bonds pursuant to the Residential Mortgage Revenue Bond Trust Indenture dated as of November 1, 1987 (as amended by supplemental indentures numbered First through Thirtieth and any amendments thereto, collectively, the "RMRB Indenture") between the Department, as successor to the Agency, and The Bank of New York Mellon Trust Company, N.A., as successor trustee (the "Trustee"), to implement the various phases of the Agency's (now the Department's) single family mortgage purchase program by providing funds to make and acquire qualifying mortgage loans (including participations therein through the purchase of mortgage backed securities ("Mortgage Certificates") issued and guaranteed by Fannie Mae ("Fannie Mae"), Federal Home Loan Mortgage Corporation ("Freddie Mac") or Government National Mortgage Association ("Ginnie Mae")) (referred to herein as "Mortgage Loans"); and

WHEREAS, Section 302 of the RMRB Indenture authorizes the issuance of additional bonds for the purposes of acquiring Mortgage Loans or participations therein, payment of costs of issuance, funding of reserves and refunding outstanding bonds or notes issued by the Department under the Act; and

WHEREAS, the Department issued, under the Act and the federal government's New Issue Bond Program ("NIBP"), its Residential Mortgage Revenue Bonds, Series 2009C (the "Series 2009C Bonds") pursuant to the RMRB Indenture and the Thirtieth Supplemental Residential Mortgage Revenue Bond Trust Indenture dated as of December 1, 2009, as amended by the First Amendment to Thirtieth Supplemental Residential Mortgage Revenue Bond Trust Indenture dated as of December 1, 2010, each between the Department and the Trustee (collectively, the "Thirtieth Series Supplement"); and

WHEREAS, in accordance with the Thirtieth Series Supplement and the provisions of the NIBP, the Department is entitled, on up to six separate dates occurring no later than December 31, 2011, to convert all or a portion of the Series 2009C Bonds previously issued as taxable bonds to tax-exempt bonds and, in connection with each such conversion, to release a portion of the proceeds of the Series 2009C Bonds held in escrow to be used with the proceeds of a series of tax-exempt Residential Mortgage Revenue Bonds to be issued in connection with the respective conversion (such bonds are referred to in the NIBP and herein as "Market Bonds") to acquire Mortgage Certificates; and

WHEREAS, the Governing Board previously adopted Resolution No. 10-016 authorizing the release of a portion of the Series 2009C Bonds from escrow and issuance of a series of Market Bonds to be known as Residential Mortgage Revenue Bonds, Series 2010A, but such release and issuance were not completed; and

WHEREAS, pursuant to Resolution No. 10-019, the Governing Board approved Program Guidelines setting forth the general terms of the Mortgage Loans and authorized execution and delivery of (i) a Warehousing Agreement for the acquisition and temporary warehousing of Mortgage Certificates acquired under the Department's single family mortgage purchase program, (ii) a Program Administration and Servicing Agreement setting forth the terms under which Bank of America, N.A., as master servicer, will review, acquire, package and service the Mortgage Loans, and (iii) a Compliance Agreement setting forth the terms under which Bank of America, N.A., as compliance agent, will review and examine certain documents in

connection with the Mortgage Loans to ensure compliance with the requirements of the Department set forth therein; and

WHEREAS, the Governing Board has determined to authorize the issuance of an additional series of the Department's Residential Mortgage Revenue Bonds, to be known as its Residential Mortgage Revenue Bonds, Series 2011A (the "Series 2011A Bonds") pursuant to the RMRB Indenture, for the purposes of providing funds to make and acquire qualifying Mortgage Loans through the purchase of Mortgage Certificates issued and guaranteed by Fannie Mae, Freddie Mac or Ginnie Mae, and to pay a portion of the costs of issuance; and

WHEREAS, the Governing Board desires to authorize the conversion, in accordance with the Thirtieth Series Supplement, of a portion of the Series 2009C Bonds from taxable bonds to tax-exempt bonds (such converted portion being the "Series 2009C-1 Bonds") and to authorize the release of the proceeds of the Series 2009C-1 Bonds currently held in escrow to be used with the proceeds of the Series 2011A Bonds to acquire Mortgage Certificates under the Department's single family mortgage purchase program designated as "Bond Program No. 77" (the Program); and

WHEREAS, the Governing Board desires to authorize the execution and delivery of the Thirty-First Supplemental Residential Mortgage Revenue Bond Trust Indenture (the "Thirty-First Series Supplement") in substantially the form attached hereto relating to the Series 2011A Bonds; and

WHEREAS, the Governing Board has determined to authorize the execution and delivery of a Ninth Supplement to Amended and Restated Depository Agreement (the "Depository Agreement"), by and among the Department, the Trustee and the Texas Treasury Safekeeping Trust Company, in substantially the form attached hereto to provide for the holding, administering and investing of certain moneys and securities; and

WHEREAS, the Governing Board has further determined that the Department should enter into one or more Bond Purchase Agreements relating to the sale of the Series 2011A Bonds (collectively, the "Bond Purchase Agreement") with Morgan Keegan & Company, Inc., as representative of the group of underwriters listed on Exhibit A to this Resolution (the "Underwriters"), and/or any other parties to the Bond Purchase Agreement as authorized by the execution thereof by an authorized representative of the Department named in this Resolution, in substantially the form attached hereto setting forth certain terms and conditions upon which the Underwriters and/or any other parties to the Bond Purchase Agreement will purchase the Series 2011A Bonds from the Department and the Department will sell the Series 2011A Bonds to the Underwriters and/or any other parties to the Bond Purchase Agreement; and

WHEREAS, the Governing Board desires to authorize the execution and delivery of a Continuing Disclosure Agreement (the "Continuing Disclosure Agreement") in substantially the form attached hereto between the Department and the Trustee; and

WHEREAS, the Governing Board has been presented with a draft of a preliminary official statement to be used in the public offering of the Series 2011A Bonds (the "Official Statement") and the Governing Board desires to approve such Official Statement in substantially the form attached hereto; and

WHEREAS, the Governing Board desires to approve the use of an amount not to exceed \$2,000,000 of Department funds for any purpose authorized under the Act and the RMRB Indenture, including to pay a portion of the costs of issuance of the Series 2011A Bonds, the conversion of the Series 2009C-1 Bonds and the release of the proceeds thereof, and to fund down payment and closing cost assistance; and

WHEREAS, the Governing Board desires to authorize the use of up to \$500,000 of 0% loan funds in connection with the Program made available from prior Residential Mortgage Revenue Bond issues of the Department; and

WHEREAS, the Governing Board desires to authorize the use of an amount not to exceed \$8,000,000 of funds on deposit under the RMRB Indenture to fund down payment and closing cost assistance loans and to waive the requirements of the Texas Administrative Code, Title 10, Part 1, Chapter 7, Rule 7.3 that restricts down payment assistance to borrowers earning not more than 80 percent of the area median family income and to make down payment assistance available, in the form of a second mortgage, to all eligible borrowers; and

WHEREAS, in accordance with Section 2306.142(m) of the Act, the Governing Board has determined that the issuance of bonds to finance Mortgage Loans to meet the credit needs of borrowers in underserved economic and geographic submarkets in the State is unfeasible or would damage the financial condition of the Department and desires to authorize the authorized representatives of the Department named in this Resolution to seek from the Texas Bond Review Board a waiver of the requirements of Section 2306.142(l) of the Act; and

WHEREAS, the Governing Board hereby determines that the purpose for which the Department may issue the Series 2011A Bonds constitutes "public works" as contemplated by Chapter 1371, Texas Government Code, as amended; and

WHEREAS, the Governing Board desires to approve the forms of the Thirty-First Series Supplement, the Depository Agreement, the Bond Purchase Agreement, the Continuing Disclosure Agreement and the Official Statement, in order to find the form and substance of such documents to be satisfactory and proper and the recitals contained therein to be true, correct and complete; and has determined to implement the Program in accordance with such documents by authorizing the issuance of the Series 2011A Bonds, the conversion of the Series 2009C-1 Bonds to tax-exempt bonds and the release of the proceeds thereof from escrow, the execution and delivery of such documents and the taking of such other actions as may be necessary or convenient to carry out the Program; NOW, THEREFORE,

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

ARTICLE I  
APPLICATIONS FOR RESERVATION

Section 1.1--Applications for Reservation. That the Board hereby authorizes Vinson & Elkins L.L.P., as Bond Counsel to the Department, to file on its behalf with the Bond Review Board one or more Applications for Reservation for qualified mortgage bonds to be issued and delivered within 180 days after receipt of a "reservation date," as defined in the Allocation Rules, in the maximum aggregate amount of \$150,000,000, together with any other documents and opinions required by the Bond Review Board as a condition to the granting of the Reservation.

Section 1.2--Authorization of Certain Actions. That the Board authorizes the Executive Director, the staff of the Department, as designated by the Executive Director, and Bond Counsel to take such actions on its behalf as may be necessary to carry out the actions authorized in Section 1.1.

ARTICLE II  
RELEASE OF SERIES 2009C BOND PROCEEDS FROM ESCROW;  
ISSUANCE OF SERIES 2011A BONDS; APPROVAL OF DOCUMENTS

Section 2.1--Release of Series 2009C Bond Proceeds from Escrow. That the conversion of a portion of Series 2009C Bonds to tax-exempt bonds and the release of the proceeds thereof from escrow in an amount not to exceed \$90,000,000 to occur concurrently with the delivery of the Series 2011A Bonds is hereby authorized in accordance with the Thirtieth Series Supplement; and the authorized representatives named herein each are hereby authorized to execute, attest, affix the Department's seal to and deliver such notices, documents and supplemental disclosure documents as are required by the Thirtieth Series Supplement to implement such release.

Section 2.2--Issuance, Execution and Delivery of the Series 2011A Bonds. That the issuance of the Series 2011A Bonds is hereby authorized, all under and in accordance with the RMRB Indenture, and that, upon execution and delivery of the Thirty-First Series Supplement, the authorized representatives named herein each are hereby authorized to execute, attest and affix the Department's seal to the Series 2011A Bonds and to deliver the Series 2011A Bonds to the Attorney General of the State (the "Attorney General") for approval, the Comptroller of Public Accounts of the State (the "Comptroller") for registration and the Trustee for authentication, and thereafter to deliver the Series 2011A Bonds to or upon the order of the Underwriters and/or any other parties pursuant to the Bond Purchase Agreement.

Section 2.3--Authority to Approve Form of Documents, Determine Interest Rates, Principal Amounts, Maturities and Prices. That the Chairman of the Governing Board or the Executive Director or the Chief of Agency Administration of the Department (i) are hereby authorized and empowered to determine whether the Series 2011A Bonds will be issued on a taxable or a tax-exempt basis and to determine whether the Series 2011A Bonds will be issued as new money bonds, refunding bonds, or governmental purpose bonds (or any combination thereof) and (ii) are hereby authorized and empowered, in accordance with Chapter 1371, Texas Government Code, as amended, to fix and determine the interest rates, principal amounts and maturities of, and the prices at which the Department will sell the Series 2011A Bonds to the Underwriters and/or any other parties to the Bond Purchase Agreement, all of which determinations shall be conclusively evidenced by the execution and delivery by the Chairman of the Governing Board or the Executive Director or the Chief of Agency Administration of the Department of the Thirty-First Series Supplement, the Bond Purchase Agreement, the Depository Agreement and the Official Statement; provided, however, that: (a) the interest rate on the Series 2011A Bonds shall not exceed 5.00% per annum; (b) the aggregate principal amount of the Series 2011A Bonds shall not exceed \$60,000,000; (c) the final maturity of the Series 2011A Bonds shall occur not later than July 1, 2041; (d) the price at which the Series 2011A Bonds are sold to the Underwriters and/or any other parties to the Bond Purchase Agreement shall not exceed in the aggregate 105% of the principal amount thereof; and (e) the Underwriters' discount or fee shall not exceed the amount approved by the Texas Bond Review Board. In no event shall the interest rate on the Series 2011A Bonds (including any default interest rate) exceed the maximum interest rate permitted by applicable law.

Section 2.4--Approval, Execution and Delivery of the Thirty-First Series Supplement. That the form and substance of the Thirty-First Series Supplement are hereby approved, and that the authorized representatives of the Department named in this Resolution each are hereby authorized to execute, attest and affix the Department's seal to the Thirty-First Series Supplement, and to deliver the Thirty-First Series Supplement to the Trustee.

Section 2.5--Approval of Depository Agreement. That the form and substance of the Depository Agreement are hereby approved and that the authorized representatives of the Department named in this Resolution each are hereby authorized to execute, attest and affix the Department's seal to the Depository Agreement and to deliver the Depository Agreement to the Trustee and to the Texas Treasury Safekeeping Trust Company.

Section 2.6--Approval, Execution and Delivery of the Bond Purchase Agreement. That the sale of the Series 2011A Bonds to the Underwriters and/or any other parties pursuant to the Bond Purchase Agreement is hereby approved and that the authorized representatives of the Department named in this Resolution each are hereby authorized to execute, attest and affix the Department's seal to the Bond Purchase Agreement and to deliver the Bond Purchase Agreement to the Underwriters and/or any other parties to the Bond Purchase Agreement.

Section 2.7--Approval of Continuing Disclosure Agreement. That the form and substance of the Continuing Disclosure Agreement are hereby approved and that the authorized representatives of the Department named in this Resolution each are hereby authorized to execute, attest and affix the Department's seal to the Continuing Disclosure Agreement and to deliver the Continuing Disclosure Agreement to the Trustee.

Section 2.8--Official Statement. That the Official Statement relating to the Series 2009C-1 Bonds and the Series 2011A Bonds, in substantially the form presented to the Governing Board, is hereby approved; that prior to the execution of the Bond Purchase Agreement, the authorized representatives of the Department named in this Resolution, acting for and on behalf of the Governing Board, are hereby authorized and directed to finalize the Official Statement for distribution by the Underwriters to prospective purchasers of the Series 2011A Bonds and to the holders of the Series 2009C-1 Bonds, with such changes therein as the authorized representatives of the Department named in this Resolution may approve in order to permit such an authorized representative, for and on behalf of the Governing Board, to deem the Official Statement relating to the Series 2011A Bonds final as of its date, except for such omissions as are permitted by Rule 15c2-12 of the Securities and Exchange Commission (“Rule 15c2-12”), such approval to be conclusively evidenced by the distribution of such Official Statement; and that within seven business days after the execution of the Bond Purchase Agreement, the authorized representatives of the Department named in this Resolution, acting for and on behalf of the Governing Board, shall cause the final Official Statement, in substantially the form of the Official Statement attached hereto, with such changes as such an authorized representative may approve, such approval to be conclusively evidenced by such authorized representative’s execution thereof, to be provided to the Underwriters in compliance with Rule 15c2-12 and to the holders of the Series 2009C-1 Bonds.

Section 2.9--Reserved.

Section 2.10--Execution and Delivery of Other Documents. That the authorized representatives of the Department named in this Resolution each are hereby authorized to execute, attest, affix the Department’s seal to and deliver such other agreements, advance commitment agreements, assignments, bonds, certificates, contracts, documents, instruments, releases, financing statements, letters of instruction, notices of acceptance, written requests and other papers, whether or not mentioned herein, as may be necessary or convenient to carry out or assist in carrying out the purposes of this Resolution, the RMRB Indenture, the Thirty-First Series Supplement, the Depository Agreement, the Bond Purchase Agreement and the Continuing Disclosure Agreement.

Section 2.11--Power to Revise Form of Documents. That, notwithstanding any other provision of this Resolution, the authorized representatives of the Department named in this Resolution each are hereby authorized to make or approve such revisions in the form of the documents attached hereto as exhibits as, in the judgment of such authorized representative, and in the opinion of Vinson & Elkins L.L.P., Bond Counsel to the Department, may be necessary or convenient to carry out or assist in carrying out the purposes of this Resolution, such approval to be evidenced by the execution of such documents by the authorized representatives of the Department named in this Resolution.

Section 2.12--Exhibits Incorporated Herein. That all of the terms and provisions of each of the documents listed below as an exhibit shall be and are hereby incorporated into and made a part of this Resolution for all purposes:

Exhibit B	-	Thirty-First Series Supplement
Exhibit C	-	Depository Agreement
Exhibit D	-	Bond Purchase Agreement
Exhibit E	-	Continuing Disclosure Agreement
Exhibit F	-	Official Statement

Section 2.13--Authorized Representatives. That the following persons are hereby named as authorized representatives of the Department for purposes of executing, attesting, affixing the Department’s seal to, and delivering the documents and instruments and taking the other actions referred to in this Article II: Chairman or Vice Chairman of the Governing Board, Executive Director or Acting Executive Director of the Department, Chief of Agency Administration of the Department, Director of Bond Finance of the Department, Director of Texas Homeownership of the Department and the Secretary to the Governing Board.



Section 2.14--Department Contribution. That the contribution of Department funds in an amount not to exceed \$2,000,000 to be used for any purpose authorized under the Act and the RMRB Indenture, including to pay a portion of the costs of issuance of the Series 2011A Bonds and the cost of conversion of the Series 2009C-1 Bonds and the release of the proceeds thereof, is hereby authorized.

Section 2.15--Use of 0% Loan Funds. That the use of up to \$500,000 of 0% loan funds in connection with the Program made available from prior Residential Mortgage Revenue Bond issues of the Department is hereby authorized.

Section 2.16--Use of RMRB Indenture Funds. That the use of an amount not to exceed \$8,000,000 of funds on deposit under the RMRB Indenture to fund down payment and closing cost assistance loans is hereby authorized and to waive the requirements of the Texas Administrative Code, Title 10, Part 1, Chapter 7, Rule 7.3 that restricts down payment assistance to borrowers earning not more than 80 percent of the area median family income and to make down payment assistance available, in the form of a second mortgage, available to all eligible borrowers.

### ARTICLE III APPROVAL AND RATIFICATION OF CERTAIN ACTIONS

Section 3.1--Submission to the Attorney General of Texas. That the Governing Board of the Department hereby approves the submission by the Department's Bond Counsel to the Attorney General of Texas, for his approval, of a transcript of the legal proceedings relating to the issuance, sale and delivery of the Series 2011A Bonds.

Section 3.2--Engagement of Other Professionals. That the Executive Director or the Director of Bond Finance is authorized to engage Causey Demgen & Moore Inc. as verification agent to perform such verifications, functions, yield calculations and subsequent investigations as necessary or appropriate to comply with the Bond Purchase Agreement and the requirements of the purchasers of the Series 2011A Bonds and Bond Counsel to the Department, provided such engagement is done in accordance with applicable State law.

Section 3.3--Certification of the Minutes and Records. That the Secretary and any Assistant Secretary to the Governing Board of the Department are hereby authorized to certify and authenticate minutes and other records on behalf of the Department for the Program, the issuance of the Series 2011A Bonds and all other Department activities.

Section 3.4--Approval of Requests for Rating from Rating Agencies. That the Executive Director, the Director of Bond Finance and the Department's consultants are authorized to seek ratings from Moody's Investors Service, Inc. and Standard & Poor's Ratings Services, a division of The McGraw-Hill Companies, Inc.

Section 3.5--Ratifying Other Actions. That all other actions taken or to be taken by the Executive Director and the Department's staff in connection with the Program and the issuance of the Series 2011A Bonds are hereby ratified and confirmed.

Section 3.6--Authority to Invest Funds. That the Executive Director or the Director of Bond Finance is hereby authorized to undertake all appropriate actions required under the RMRB Indenture and the Depository Agreement and to provide for investment and reinvestment of all funds held under the RMRB Indenture.

Section 3.7--Waiver from Texas Bond Review Board. That the Governing Board of the Department authorizes the authorized representatives of the Department named in this Resolution to seek from the Texas Bond Review Board a waiver of the requirements of Section 2306.142(l) of the Act in accordance with Section 2306.142(m) of the Act.

ARTICLE IV  
CERTAIN FINDINGS AND DETERMINATIONS

Section 4.1--Determination of Interest Rate. That the Governing Board of the Department hereby declares that the Department shall fix and determine the interest rates from time to time on the Mortgage Loans for the Program at the time and in accordance with the procedures set forth in the RMRB Indenture and that such rates shall be established at levels such that the Mortgage Loans for the Program will produce, together with other available funds, the amounts required to pay for the Department's costs of operation with respect to the Program and debt service on the Series 2011A Bonds and the Series 2009C-1 Bonds, and enable the Department to meet its covenants with and responsibilities to the holders of the bonds issued under the RMRB Indenture without adversely affecting the exclusion from gross income for federal income tax purposes of interest on any of such tax-exempt bonds or the rating thereof.

Section 4.2--Bonds to Finance Mortgage Loans in Underserved Economic and Geographic Markets. That, in accordance with Section 2306.142(m) of the Act, the Governing Board hereby finds that the issuance of bonds to finance Mortgage Loans to meet the credit needs of borrowers in underserved economic and geographic submarkets in the State is unfeasible or would damage the financial condition of the Department.

Section 4.3--Purpose of Series 2011A Bonds. The Governing Board hereby determines that the purpose for which the Department may issue the Series 2011A Bonds constitutes "public works" as contemplated by Chapter 1371, Texas Government Code, as amended.

ARTICLE V  
GENERAL PROVISIONS

Section 5.1--Limited Obligations. That the Series 2011A Bonds and the interest thereon shall be limited obligations of the Department payable solely from the trust estate pledged under the RMRB Indenture to secure payment of the bonds issued under the RMRB Indenture and payment of the Department's costs and expenses for the Program thereunder and under the RMRB Indenture, and under no circumstances shall the Series 2011A Bonds be payable from any other revenues, funds, assets or income of the Department.

Section 5.2--Non-Governmental Obligations. That the Series 2011A Bonds shall not be and do not create or constitute in any way an obligation, a debt or a liability of the State or create or constitute a pledge, giving or lending of the faith or credit or taxing power of the State.

Section 5.3--Purposes of Resolution. That the Governing Board of the Department has expressly determined and hereby confirms that the issuance of the Series 2011A Bonds and the furtherance of the Program contemplated by this Resolution accomplish a valid public purpose of the Department by providing for the housing needs of persons and families of low, very low and extremely low income and families of moderate income in the State.

Section 5.4--Notice of Meeting. That written notice of the date, hour and place of the meeting of the Board at which this Resolution was considered and of the subject of this Resolution was furnished to the Secretary of State and posted on the Internet for at least seven (7) days preceding the convening of such meeting; that during regular office hours a computer terminal located in a place convenient to the public in the office of the Secretary of State was provided such that the general public could view such posting; that such meeting was open to the public as required by law at all times during which this Resolution and the subject matter hereof was discussed, considered and formally acted upon, all as required by the Open Meetings Act, Chapter 551, Texas Government Code, as amended; and that written notice of the date, hour and place of the meeting of the Board and of the subject of this Resolution was published in the Texas Register at least seven (7) days preceding the convening of such meeting, as required by the Administrative Procedure and Texas Register Act, Chapters 2001 and 2002, Texas Government Code, as amended. Additionally, all of the materials made available to the Board relevant to the subject of this Resolution were posted on the Department's website not later than the third day before the date of the meeting of the Board at which this

Resolution was considered, and any documents made available to the Board by the Department on the day of the meeting were also made available in hard-copy format to the members of the public in attendance at the meeting, as required by Section 2306.032, Texas Government Code, as amended.

Section 5.5--Effective Date. That this Resolution shall be in full force and effect from and upon its adoption.

*[Signature page follows]*

PASSED AND APPROVED this 17th day of December, 2010.

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Chairman, Governing Board

ATTEST:

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Secretary to the Governing Board

(SEAL)

EXHIBIT A

List of Underwriters

Book-Running Senior Manager

Morgan Keegan & Company, Inc.

Co-Senior Manager

J.P. Morgan Securities Inc.

Senior Managers

George K. Baum & Company  
Morgan Stanley & Co.

Co-Managers

Piper Jaffray & Co.  
Fidelity Capital  
First Southwest Company

ALL DOCUMENTS REFERRED TO IN THE FOREGOING RESOLUTION ARE ATTACHED TO THE ORIGINAL COPY OF SAID RESOLUTION, WHICH IS ON FILE IN THE OFFICIAL RECORDS OF THE DEPARTMENT, AND EXECUTED COUNTERPARTS OF SUCH EXHIBITS ARE INCLUDED IN THE OFFICIAL TRANSCRIPT OF PROCEEDINGS RELATING TO THE SERIES 2011A BONDS.

**BOND FINANCE DIVISION**

**BOARD ACTION REQUEST**

**December 17, 2010**

**Recommended Action**

Presentation, Discussion and Possible Action on Resolution No. 11-010 authorizing the sale of mortgage certificates and redemption of bonds from Residential Mortgage Revenue Bonds Series 1998AB and 1999A and sale of mortgage certificates from Residential Mortgage Revenue Bonds Series 2000BCD.

**Background**

Bond Finance has affirmed the feasibility of executing a mortgage certificate sale and redemption of the Residential Mortgage Revenue Bonds (RMRB) 1998 Series AB and 1999 Series A. Given the current market conditions, this transaction will generate a present value benefit to the RMRB indenture.

The Department originally issued the bonds in 1998 and 1999. As of July 1, 2010, the 1998 Series AB and 1999 Series A have \$35.7 million in bonds and \$40 million in outstanding mortgage certificates.

The Department would accomplish this transaction by selling a portion of the MBS certificates sufficient to affect the required redemption. The Department may choose to retain higher yielding mortgage certificates from Series 1998AB and/or Series 1999A and may choose to liquidate lower yielding mortgage certificates remaining from the Series 2000BCD certificate sale in June 2010 that are currently held as residual assets. Raymond James will assist the Department in the disposition of the MBS certificates. Funds (net of cost of issuance) received from the sale of the MBS certificates will be used to redeem all of the outstanding bonds of the related bond series. The proposed sale of MBS certificates will strengthen the RMRB indenture.

**Resolution No. 11-010**

**RESOLUTION APPROVING THE SALE OF MORTGAGE CERTIFICATES RELATING TO  
SERIES 1998A/B AND SERIES 1999A RESIDENTIAL MORTGAGE REVENUE BONDS;  
AND CONTAINING OTHER PROVISIONS RELATING TO THE SUBJECT**

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

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

WHEREAS, the Department has previously issued its (i) Residential Mortgage Revenue Bonds, Series 1998A (the "Series 1998A Bonds") pursuant to the Residential Mortgage Revenue Bond Trust Indenture dated as of November 1, 1987 (as heretofore amended, collectively the "RMRB Indenture") between the Department, as successor to the Texas Housing Agency, and The Bank of New York Mellon Trust Company, N.A., as successor trustee (the "Trustee"), and the Eighth Supplemental Residential Mortgage Revenue Bond Trust Indenture dated as of November 1, 1998 (the "Eighth Series Supplement") between the Department and the Trustee, (ii) Residential Mortgage Revenue Refunding Bonds, Series 1998B (the "Series 1998B Bonds" and together with the Series 1998A Bonds, collectively the "Series 1998A/B Bonds" pursuant to the RMRB Indenture and the Ninth Supplemental Residential Mortgage Revenue Trust Indenture dated as of November 1, 1998 (the "Ninth Series Supplement") between the Department and the Trustee and (iii) Residential Mortgage Revenue Refunding Bonds, Series 1999A (the "Series 1999A Bonds") pursuant to the RMRB Indenture and the Tenth Supplemental Residential Mortgage Revenue Trust Indenture dated as of November 1, 1998 (the "Tenth Series Supplement" and together with the RMRB Indenture, the Eighth Series Supplement and the Ninth Series Supplement, collectively the "Indenture") between the Department and the Trustee; and

WHEREAS, the Department desires to sell a portion of the Mortgage Certificates (as defined in the Indenture) in order to effect the redemption of the outstanding Series 1998A/B Bonds and Series 1999A Bonds pursuant to the Indenture; and

WHEREAS, the Governing Board of the Department desires to approve the sale of the Mortgage Certificates, the redemption of the Series 1998A/B Bonds and the Series 1999A Bonds, the payment of the redemption premiums, if any, the payment of any costs associated with the transaction and the



execution and delivery of such documents and the taking of such other actions as may be necessary or convenient to carry out the provisions of this Resolution; NOW, THEREFORE,

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

## ARTICLE I SALE OF MORTGAGE CERTIFICATES

Section 1.1--Sale of Mortgage Certificates. The sale of Mortgage Certificates in an amount sufficient (i) to redeem the outstanding Series 1998A/B Bonds and Series 1999A Bonds, (ii) to pay any costs of the transaction, and (iii) to achieve tax compliance or maintain the ratings for bonds issued under the Indenture at a purchase price of no less than 103% (representing the weighted average sales price of all mortgage certificates sold) of the outstanding principal balance thereof is hereby authorized, all under and in accordance with the Indenture and subject to compliance with the terms of the Indenture.

Section 1.2--Redemption of Series 1998A/B Bonds and Series 1999A Bonds. The Executive Director or the Director of Bond Finance of the Department is hereby authorized and directed: (i) to instruct the Trustee to redeem the outstanding Series 1998A/B Bonds and Series 1999A Bonds in accordance with the Indenture and (ii) to take all other actions necessary to cause such redemption to occur including payment of any redemption premium for the Series 1998A/B Bonds and the Series 1999A Bonds.

Section 1.3--Execution and Delivery of Documents. The authorized representatives of the Department named in this Resolution are each hereby authorized to execute, attest, affix the Department's seal to and deliver such agreements, advance commitment agreements, assignments, bonds, certificates, contracts, documents, instruments, releases, financing statements, letters of instruction, notices of acceptance, written requests and other papers, whether or not mentioned herein, as may be necessary or convenient to carry out or assist in carrying out the purposes of this Resolution.

Section 1.4--Authorized Representatives. The following persons are each hereby named as authorized representatives of the Department for purposes of executing and delivering the documents and instruments referred to in this Article I: the Chairman of the Governing Board; the Vice Chairman of the Governing Board; the Secretary to the Governing Board; the Executive Director or the Acting Executive Director of the Department; the Chief of Agency Administration of the Department; and the Director of Bond Finance of the Department.

Section 1.5--Authorization to Pay Costs. The use of an amount not to exceed \$300,000 of the sales proceeds is authorized to be used to pay costs of the transaction.

Section 1.6--Authorization to Invest Funds. The Executive Director or the Director of Bond Finance is hereby authorized to invest any remaining proceeds from the sale of Mortgage Certificates in accordance with the Indenture.

## ARTICLE II APPROVAL AND RATIFICATION OF CERTAIN ACTIONS

Section 2.1--Engagement of Other Professionals. The Executive Director or the Director of Bond Finance is of the Department authorized to engage an accounting firm to perform such functions, audits, yield calculations and subsequent investigations as necessary or appropriate to comply with the Indenture

and the requirements of Bond Counsel to the Department, provided such engagement is done in accordance with applicable State law.

Section 2.2--Ratifying Other Actions. All other actions taken or to be taken by the Executive Director and the Department's staff in connection with the Mortgage Certificates are hereby ratified and confirmed.

### ARTICLE III GENERAL PROVISIONS

Section 3.1--Notice of Meeting. Written notice of the date, hour and place of the meeting of the Board at which this Resolution was considered and of the subject of this Resolution was furnished to the Secretary of State and posted on the Internet for at least seven (7) days preceding the convening of such meeting; that during regular office hours a computer terminal located in a place convenient to the public in the office of the Secretary of State was provided such that the general public could view such posting; that such meeting was open to the public as required by law at all times during which this Resolution and the subject matter hereof was discussed, considered and formally acted upon, all as required by the Open Meetings Act, Chapter 551, Texas Government Code, as amended; and that written notice of the date, hour and place of the meeting of the Board and of the subject of this Resolution was published in the Texas Register at least seven (7) days preceding the convening of such meeting, as required by the Administrative Procedure and Texas Register Act, Chapters 2001 and 2002, Texas Government Code, as amended. Additionally, all of the materials made available to the Board relevant to the subject of this Resolution were posted on the Department's website not later than the third day before the date of the meeting of the Board at which this Resolution was considered, and any documents made available to the Board by the Department on the day of the meeting were also made available in hard-copy format to the members of the public in attendance at the meeting, as required by Section 2306.032, Texas Government Code, as amended.

Section 3.2--Effective Date. This Resolution shall be in full force and effect from and upon its adoption.

*[Execution page follows]*

PASSED AND APPROVED this 17th day of December, 2010.

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Chairman, Governing Board

ATTEST:

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Secretary to the Governing Board

(SEAL)

**BOND FINANCE DIVISION**

**BOARD ACTION REQUEST**

**December 17, 2010**

**Recommended Action**

Presentation, Discussion and Possible Action on Resolution No. 11-011 authorizing the sale of mortgage certificates and redemption of bonds from Residential Mortgage Revenue Bonds Series 2001ABC and sale of mortgage certificates from Residential Mortgage Revenue Bonds Series 2000BCD.

**Background**

Bond Finance has affirmed the feasibility of executing a mortgage certificate sale and redemption of the Residential Mortgage Revenue Bonds (RMRB) 2001 Series ABC. Given the current market conditions, this transaction will generate a present value benefit to the RMRB indenture.

The Department originally issued the bonds in 2001. As of July 1, 2010, the 2001 Series ABC has \$36.5 million in bonds and \$33.5 million in outstanding mortgage certificates.

The Department would accomplish this transaction by selling a portion of the MBS certificates sufficient to affect the required redemption. The Department may choose to retain higher yielding mortgage certificates from Series 2001ABCDE and may choose to liquidate lower yielding mortgage certificates remaining from the Series 2000BCD certificate sale in June 2010 that are currently held as residual assets. Raymond James will assist the Department in the disposition of the MBS certificates. Funds (net of cost of issuance) received from the sale of the MBS certificates will be used to redeem all of the outstanding bonds of the related bond series. The proposed sale of MBS certificates will strengthen the RMRB indenture.

**Resolution No. 11-011**

**RESOLUTION APPROVING THE SALE OF MORTGAGE CERTIFICATES RELATING TO SERIES 2001A/B/C RESIDENTIAL MORTGAGE REVENUE BONDS; AND CONTAINING OTHER PROVISIONS RELATING TO THE SUBJECT**

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

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

WHEREAS, the Department has previously issued its (i) Residential Mortgage Revenue Bonds, Series 2001A (the "Series 2001A Bonds") pursuant to the Residential Mortgage Revenue Bond Trust Indenture dated as of November 1, 1987 (as heretofore amended, collectively the "RMRB Indenture") between the Department, as successor to the Texas Housing Agency, and The Bank of New York Mellon Trust Company, N.A., as successor trustee (the "Trustee"), and the Twentieth Supplemental Residential Mortgage Revenue Bond Trust Indenture dated as of October 1, 2001 (the "Twentieth Series Supplement") between the Department and the Trustee, (ii) Residential Mortgage Revenue Refunding Bonds, Series 2001B (the "Series 2001B Bonds") pursuant to the RMRB Indenture and the Twenty-First Supplemental Residential Mortgage Revenue Trust Indenture dated as of October 1, 2001 (the "Twenty-First Series Supplement") between the Department and the Trustee and (iii) Residential Mortgage Revenue Refunding Bonds, Series 2001C (the "Series 2001C Bonds" and together with the Series 2001A Bonds and the Series 2001B Bonds, collectively the "Series 2001A/B/C Bonds") pursuant to the RMRB Indenture and the Twenty-Second Supplemental Residential Mortgage Revenue Trust Indenture dated as of October 1, 2001 (the "Twenty-Second Series Supplement" and together with the RMRB Indenture, the Twentieth Series Supplement and the Twenty-First Series Supplement, collectively the "Indenture") between the Department and the Trustee; and

WHEREAS, the Department desires to sell a portion of the Mortgage Certificates (as defined in the Indenture) in order to effect the redemption of the outstanding Series 2001A/B/C Bonds pursuant to the Indenture; and

WHEREAS, the Governing Board of the Department desires to approve the sale of the Mortgage Certificates, the redemption of the Series 2001A/B/C Bonds, the payment of the redemption premiums, if any, the payment of any costs associated with the transaction and the execution and delivery of such

documents and the taking of such other actions as may be necessary or convenient to carry out the provisions of this Resolution; NOW, THEREFORE,

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

ARTICLE I  
SALE OF MORTGAGE CERTIFICATES

Section 1.1--Sale of Mortgage Certificates. The sale of Mortgage Certificates in an amount sufficient (i) to redeem the outstanding Series 2001A/B/C Bonds, (ii) to pay any costs of the transaction, and (iii) to achieve tax compliance or maintain the ratings for bonds issued under the Indenture at a purchase price of no less than 103% (representing the weighted average sales price of all mortgage certificates sold) of the outstanding principal balance thereof is hereby authorized, all under and in accordance with the Indenture and subject to compliance with the terms of the Indenture.

Section 1.2--Redemption of Series 2001A/B/C Bonds. The Executive Director or the Director of Bond Finance of the Department is hereby authorized and directed: (i) to instruct the Trustee to redeem the outstanding Series 2001A/B/C Bonds in accordance with the Indenture and (ii) to take all other actions necessary to cause such redemption to occur including payment of any redemption premium for the Series 2001A/B/C Bonds.

Section 1.3--Execution and Delivery of Documents. The authorized representatives of the Department named in this Resolution are each hereby authorized to execute, attest, affix the Department's seal to and deliver such agreements, advance commitment agreements, assignments, bonds, certificates, contracts, documents, instruments, releases, financing statements, letters of instruction, notices of acceptance, written requests and other papers, whether or not mentioned herein, as may be necessary or convenient to carry out or assist in carrying out the purposes of this Resolution.

Section 1.4--Authorized Representatives. The following persons are each hereby named as authorized representatives of the Department for purposes of executing and delivering the documents and instruments referred to in this Article I: the Chairman of the Governing Board; the Vice Chairman of the Governing Board; the Secretary to the Governing Board; the Executive Director or the Acting Executive Director of the Department; the Chief of Agency Administration of the Department; and the Director of Bond Finance of the Department.

Section 1.5--Authorization to Pay Costs. The use of an amount not to exceed \$300,000 of the sales proceeds is authorized to be used to pay costs of the transaction.

Section 1.6--Authorization to Invest Funds. The Executive Director or the Director of Bond Finance is hereby authorized to invest any remaining proceeds from the sale of Mortgage Certificates in accordance with the Indenture.

ARTICLE II  
APPROVAL AND RATIFICATION OF CERTAIN ACTIONS

Section 2.1--Engagement of Other Professionals. The Executive Director or the Director of Bond Finance is of the Department authorized to engage an accounting firm to perform such functions, audits, yield calculations and subsequent investigations as necessary or appropriate to comply with the Indenture and the requirements of Bond Counsel to the Department, provided such engagement is done in accordance with applicable State law.

Section 2.2--Ratifying Other Actions. All other actions taken or to be taken by the Executive Director and the Department's staff in connection with the Mortgage Certificates are hereby ratified and confirmed.

ARTICLE III  
GENERAL PROVISIONS

Section 3.1--Notice of Meeting. Written notice of the date, hour and place of the meeting of the Board at which this Resolution was considered and of the subject of this Resolution was furnished to the Secretary of State and posted on the Internet for at least seven (7) days preceding the convening of such meeting; that during regular office hours a computer terminal located in a place convenient to the public in the office of the Secretary of State was provided such that the general public could view such posting; that such meeting was open to the public as required by law at all times during which this Resolution and the subject matter hereof was discussed, considered and formally acted upon, all as required by the Open Meetings Act, Chapter 551, Texas Government Code, as amended; and that written notice of the date, hour and place of the meeting of the Board and of the subject of this Resolution was published in the Texas Register at least seven (7) days preceding the convening of such meeting, as required by the Administrative Procedure and Texas Register Act, Chapters 2001 and 2002, Texas Government Code, as amended. Additionally, all of the materials made available to the Board relevant to the subject of this Resolution were posted on the Department's website not later than the third day before the date of the meeting of the Board at which this Resolution was considered, and any documents made available to the Board by the Department on the day of the meeting were also made available in hard-copy format to the members of the public in attendance at the meeting, as required by Section 2306.032, Texas Government Code, as amended.

Section 3.2--Effective Date. This Resolution shall be in full force and effect from and upon its adoption.

*[Execution page follows]*

PASSED AND APPROVED this 17th day of December, 2010.

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Chairman, Governing Board

ATTEST:

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Secretary to the Governing Board

(SEAL)



**BOND FINANCE DIVISION**

**BOARD ACTION REQUEST**

**December 17, 2010**

**Recommended Action**

Presentation, Discussion and Possible Action on Resolution No. 11-012 authorizing the extension of the Department's Warehousing Agreement.

**Background**

On March 11, 2010, the Board passed Resolution 10-019 approving the Warehousing Agreement, Servicing Agreement, Compliance Agreement and Program Guidelines for Program 77 and authorized the Department to enter into a Warehousing Agreement with First Southwest Company and PlainsCapital Bank. Under the terms of the Warehousing Agreement which will expire on December 31, 2010, the Department agreed that the maximum total principal amount of certificates required to be warehoused by the Warehouse Providers on any particular date shall not exceed \$100 million without the written consent of the Warehouse Providers.

Staff requests an amendment to extend the Warehousing Agreement to December 31, 2011 for an amount not to exceed \$200 million to allow additional time to structure and close a bond transaction and to keep originating and purchasing mortgage loans in the interim. All terms will remain the same under the extended Warehousing Agreement except the collateral posting requirement will be reduced from \$5 million to \$1 million after December 31, 2010. The Department will receive one-twelfth of 0.75% of the outstanding balance of certificates in the warehouse facility during the prior month.

In the event the Warehousing Agreement is not extended, the Department will not be able to purchase additional certificates into the agreement after December 31, 2010 and all certificates currently in the warehouse would be required to be sold into a bond transaction by April 8, 2011. Additionally, if by that date bonds have not been sold to establish a mortgage loan acquisition account to purchase the certificates, Program 77 would be terminated.

## **Resolution No. 11-012**

RESOLUTION AUTHORIZING AMENDMENT OF WAREHOUSING AGREEMENT, WITH FIRST SOUTHWEST COMPANY AND PLAINSCAPITAL BANK; AUTHORIZING THE EXECUTION OF DOCUMENTS AND INSTRUMENTS RELATING TO THE FOREGOING; MAKING CERTAIN FINDINGS AND DETERMINATIONS IN CONNECTION THEREWITH; AND CONTAINING OTHER PROVISIONS RELATING TO THE SUBJECT

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

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

WHEREAS, the Department has previously entered into a Warehousing Agreement dated as of April 8, 2010 (the "Warehousing Agreement") with The Bank of New York Mellon Trust Company, N.A., as indenture trustee (the "Trustee"), First Southwest Company and PlainsCapital Bank (collectively, the "Warehouse Provider") and The Bank of New York Mellon Trust Company, N.A., as custodian (the "Custodian"); providing for the acquisition and temporary warehousing by the Warehouse Provider of qualifying mortgage-backed securities acquired under the Department's single family mortgage purchase program; and

WHEREAS, the Department, the Trustee, the Warehouse Provider and the Custodian now desire to amend the Warehousing Agreement pursuant to the terms of the Amended and Restated Warehousing Agreement (the "Warehousing Agreement Amendment"); and

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

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

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

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

ARTICLE I  
APPROVAL OF DOCUMENTS AND CERTAIN ACTIONS

Section 1.1---Authority to Approve Form and Certain Terms of Warehousing Agreement Amendment. The Executive Director or the Chief of Agency Administration of the Department are hereby authorized and empowered, in accordance with Chapter 1371, to fix and determine the terms of the Warehousing Agreement Amendment, all of which determinations shall be conclusively evidenced by the execution and delivery by the Chairman of the Governing Board or the Executive Director or the Chief of Agency Administration of the Department of the Warehousing Agreement Amendment; provided, however, that: (a) the principal amount of Mortgage Certificates that may be purchased under the Warehousing Agreement, as amended by the Warehousing Agreement Amendment, not exceed \$200,000,000; and (b) the Warehousing Agreement, as amended by the Warehousing Agreement Amendment, shall terminate on December 31, 2011.

Section 1.2--Approval, Execution and Delivery of Warehousing Agreement Amendment. The form and substance of the Warehousing Agreement Amendment are hereby approved and the authorized representatives of the Department named in this Resolution each are hereby authorized to execute, attest and affix the Department's seal to the Warehousing Agreement Amendment and to deliver the Warehousing Agreement Amendment to the Trustee, the Warehouse Provider and the Custodian.

Section 1.3--Execution and Delivery of Other Documents. The authorized representatives of the Department named in this Resolution are each hereby authorized to execute and deliver all agreements, including, without limitation, any amendment to the Escrow Agreement dated April 8, 2010, relating to the deposit of Collateral under the Warehousing Agreement, certificates, contracts, documents, instruments, releases, financing statements, letters of instruction, notices, written requests and other papers, whether or not mentioned herein, as may be necessary or convenient to carry out or assist in carrying out the purposes of this Resolution.

Section 1.4--Power to Revise Form of Documents. Notwithstanding any other provision of this Resolution, the authorized representatives of the Department named in this Resolution each are hereby authorized to make or approve such revisions in the form of the Warehousing Agreement Amendment as, in the judgment of such authorized representative, and in the opinion of Vinson & Elkins L.L.P., Bond Counsel to the Department, may be necessary or convenient to carry out or assist in carrying out the purposes of this Resolution, such approval to be evidenced by the execution of such documents by the authorized representatives of the Department named in this Resolution.

Section 1.5--Authorized Representatives. The following persons are hereby named as authorized representatives of the Department for purposes of executing, attesting, affixing the Department's seal to, and delivering the documents and instruments and taking the other actions referred to in this Article I: Chairman or Vice Chairman of the Governing Board, Executive Director or Acting Executive Director of the Department, Chief of Agency Administration of the Department, Director of Bond Finance of the Department, Director of Texas Homeownership of the Department and the Secretary to the Governing Board.

Section 1.6--Submission to the Attorney General of Texas. The Board hereby authorizes the submission by the Department's Bond Counsel to the Attorney General of Texas, for his approval, of a transcript of the legal proceedings relating to the authorization of the Warehousing Agreement Amendment.

Section 1.7--Ratifying Other Actions. All other actions taken or to be taken by the Executive Director and the Department's staff in connection with the Warehousing Agreement Amendment are hereby ratified and confirmed.

Section 1.8--Board Determination. The Governing Board has determined that the Warehousing Agreement Amendment is a "credit agreement" under Section 1371.001 of the Texas Government Code, as amended.

ARTICLE II  
GENERAL PROVISIONS

Section 2.1--Notice of Meeting. Written notice of the date, hour and place of the meeting of the Board at which this Resolution was considered and of the subject of this Resolution was furnished to the Secretary of State and posted on the Internet for at least seven (7) days preceding the convening of such meeting; that during regular office hours a computer terminal located in a place convenient to the public in the office of the Secretary of State was provided such that the general public could view such posting; that such meeting was open to the public as required by law at all times during which this Resolution and the subject matter hereof was discussed, considered and formally acted upon, all as required by the Open Meetings Act, Chapter 551, Texas Government Code, as amended; and that written notice of the date, hour and place of the meeting of the Board and of the subject of this Resolution was published in the Texas Register at least seven (7) days preceding the convening of such meeting, as required by the Administrative Procedure and Texas Register Act, Chapters 2001 and 2002, Texas Government Code, as amended. Additionally, all of the materials made available to the Board relevant to the subject of this Resolution were posted on the Department's website not later than the third day before the date of the meeting of the Board at which this Resolution was considered, and any documents made available to the Board by the Department on the day of the meeting were also made available in hard-copy format to the members of the public in attendance at the meeting, as required by Section 2306.032, Texas Government Code, as amended.

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

*[Execution page follows]*

PASSED AND APPROVED this 17th day of December, 2010.

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Chairman, Governing Board

ATTEST:

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Secretary to the Governing Board

(SEAL)

**COMMUNITY AFFAIRS DIVISION  
BOARD ACTION REQUEST  
December 17, 2010**

**Recommended Action**

Staff recommends Board approval of the plan to obligate the 2011 Comprehensive Energy Assistance Program (CEAP) contracts totaling an estimated \$51,150,611 to the 47 CEAP subrecipients by the formula described in 10 TAC Chapter 5 §5.403.

RESOLVED, that the CEAP awards for FY 2011 are approved, and

FURTHER RESOLVED, that the Executive Director is authorized to award additional CEAP funds, should they be made available by way of Congressional approval.

**Background**

The United States Department of Health and Human Services (USDHHS) awards LIHEAP funds annually to the State of Texas. Historically, the Department has allocated approximately 75 percent of available LIHEAP funding to the Comprehensive Energy Assistance Program (CEAP), the maximum allowable 15 percent to the Weatherization Assistance Program (WAP), and the remaining ten percent to program administration, at both the Subrecipient and state levels, as allowed by USDHHS. The Department is retaining 3% for TDHCA administration and awarding 7% to the Subrecipients for administration of the program.

The Department anticipates an award of \$86,630,051 in LIHEAP block grant funding; however, because this amount is not yet congressionally authorized, staff is recommending the Department authorize contract approvals at PY2008 funding levels (approximately \$51 million). For comparison, the Department received \$169,220,882 in LIHEAP funding in PY2009 and \$212,817,748 in PY2010. Upon final approval by the Congress and the President, staff will fully obligate any additional CEAP funds to the current awardees utilizing the existing formula as contract amendments. Subrecipients will be advised that funding commitments may fluctuate with the approval of a federal budget. Included in this recommendation is \$32,229,880 from PY2011 funding, the 10% hold over from PY2010 LIHEAP funding in the amount of \$17,074,621 and emergency contingency funding of \$1,846,111 from PY2010.

Staff is recommending a holdover of 10 percent of the PY2011 LIHEAP award for contingency funding or to be distributed in PY2012 which is allowable under LIHEAP guidelines. Staff also recommends approval to obligate additional PY2011 LIHEAP awards or unutilized balances associated with this action. The purpose of this holdover is to increase the Department's flexibility to address the needs of the low income population and minimize the impact of uncertain funding levels from the USDHHS.

The CEAP subrecipient network is comprised of 47 subrecipients that provide energy assistance services to all 254 counties in the state. CEAP can provide utility assistance to eligible client households. Additionally, some households can qualify for repair, replacement and/or retrofit of inefficient heating and cooling unit or appliances in their household or rental unit. An applicant seeking utility assistance applies to the CEAP subrecipient for assistance. The subrecipient determines income-eligibility, prioritizes status (this includes a review of the billing history to

determine energy burden and consumption), and determines which CEAP component is the most appropriate for that eligible applicant. If the CEAP applicant is eligible and meets program priorities, the CEAP subrecipient makes the utility payment to the utility company through a vendor agreement.

This action also authorizes that as any additional programmatic or administrative funds become available staff is authorized to apply the same formula and methodology among the same network of recipients to obligate those funds.

2011 CEAP Allocation Spreadsheet				
Contract Period 1/1/11-12/31/11				
	Contractor	2009	2010	2011
1	Aspermont Small Business Development Council	963,060	1,421,113	386,005
2	Bee Community Action Agency	721,519	1,063,810	289,174
3	Bexar Co. Community and Develoment Services	7,701,053	11,362,514	3,080,191
4	Big Bend Community Action Agency	1,054,546	1,556,076	422,582
5	Brazos Valley Community Action Agency	3,108,173	4,586,042	1,243,722
6	Cameron-Willacy Counties Community Projects Inc.	3,646,237	5,380,016	1,458,895
7	Caprock Community Action Association	1,277,030		
8	Central Texas Opportunities	1,453,196	2,144,220	581,973
9	Combined Community Action	1,020,753	1,506,183	409,060
10	Community Action Committee of Victoria, Texas	1,778,873	2,624,721	712,192
11	Community Action Corporation of S. Tx	1,093,156	1,613,105	438,037
12	Community Action Inc. of Hays, Caldwell	703,013	1,037,386	282,013
13	Community Action Program, Inc.	961,881	1,419,339	
14	Community Council of Reeves	481,521	710,619	193,458
15	Community Council of South Central TX	2,531,551	3,735,254	1,013,153
16	Community Council Southwest TX	1,475,669	2,177,421	590,970
17	Community Services Agency of South Texas	1,056,927	1,559,602	423,537
18	Community Services Inc	4,551,101	6,714,964	1,820,674
19	Community Services Northeast Texas	842,353	1,242,984	337,732
20	Concho Valley Community Action Agency	1,239,051	1,828,298	496,356
21	Dallas County Department of HHS	9,490,046	14,002,172	3,795,556
22	Economic Action Committee of the Gulf Coast	324,302	478,650	130,592
23	Economic Opportunities Advancement Corp. of Region XI	2,613,981	3,856,846	1,046,106
24	El Paso Community Action Program	5,080,860	7,496,732	2,032,539
25	Fort Worth Parks & Community Services	5,331,676	7,866,742	2,132,814
26	Galveston County Community Action Council	3,150,010	4,647,784	1,260,455
27	Greater E. Tx Community Actioin Program	5,121,110	7,554,385	2,048,163
28	Hidalgo County Community Services Agency	5,521,948	8,147,605	2,208,930
29	Hill Country Community Action Association	2,209,707	3,260,378	884,459
30	Institute of Rural Development, Inc- Provider TBD 2011	233,776	344,723	94,297
31	Kleberg County Human Services	1,055,121	1,556,982	422,827
32	Lubbock, City of, Community Development	1,721,006	2,539,591	689,121
33	Montgomery County Emergency Assistance	1,077,961	1,590,652	431,952
34	Northeast TX Opportunities	1,447,275	2,135,480	579,604
35	Nueces County Community Action Agency	2,165,003	3,194,474	866,598
36	Panhandle Community Services	4,309,233	6,358,107	1,723,964
37	Pecos County Community Action Agency	548,117	808,883	220,088
38	Programs for Human Services	3,158,289	4,659,971	1,263,758
39	Rolling Plains Manangement Corporation	2,069,856	3,053,026	1,212,590
40	San Angelo-Tom Green Co. Health Dept.	706,198	1,042,112	283,294
41	Senior Citizens of Texarkana	680,043	1,003,518	272,835
42	Sheltering Arms Senior Services	15,797,946	23,309,123	6,317,801
43	South Plains Community Action Assoc. Inc.	1,080,332	3,477,303	943,247
44	South Texas Development Council	1,210,980	1,788,087	485,458
45	Texas Neighborhood Services	1,756,976	2,592,441	703,443
46	Texoma Council Of Governments	1,183,331	1,746,060	474,068
47	Travis County Health and Human Services	3,198,032	4,718,617	1,279,651
48	Tri-County Community Action Inc.	2,392,987	3,530,298	957,609
49	Webb County Community Action Agency ON HOLD 2011	1,636,826	2,415,226	655,417
50	West Texas Opportunities	3,466,184	5,113,265	1,386,602
51	Williamson-Burnet Co. Opportunities, Inc.	562,556	830,141	225,849
	<b>Totals</b>	<b>127,962,331</b>	<b>188,803,041</b>	<b>51,209,411</b>



**COMMUNITY AFFAIRS DIVISION  
BOARD ACTION REQUEST  
DECEMBER 17, 2010**

**Requested Action**

Presentation, Discussion and Possible Action on the Program Year 2011 Community Services Block Grant (CSBG) Annual Allocation Recommendations.

**RESOLVED**, that the 2011 Allocation for the Community Services Block Grant (CSBG), estimated to be \$33,551,922, be and is hereby approved.

**Background**

The CSBG Act (42 USC 9907) requires that not less than 90% of annual CSBG funds shall be used by the State to make grants to eligible entities. The CSBG subrecipient network of CSBG eligible entities is currently comprised of 45 entities that provide services to all 254 counties in the State. The state is authorized to utilize up to five percent (5%) of the CSBG funds for administration. The Department sets aside the remaining five percent (5%) of the CSBG funds for state discretionary programs.

Per notice from the US Department of Health and Human Services, the estimated 2011 CSBG funds are \$33,551,922. Staff recommends that five percent (5%) of the Department's annual CSBG allocation, \$1,677,596, be used to cover state administrative costs, including salary and benefits for State CSBG staff, indirect costs, a portion of operating costs (space, telephone, staff travel, etc.), and capital expenditures (furnishings, equipment, etc.).

The Department recommends setting aside five percent (5%), \$1,677,596, of CSBG funds for discretionary purposes. The majority of the 2011 CSBG State discretionary funds will be made available on a competitive basis based on the Board's approval of the 2010 CSBG State Discretionary Notice of Funding Availability under a separate Board action item. Additionally, state CSBG Discretionary funds are available to provide assistance to eligible clients recovering from a disaster, including hurricanes and other events.

For the remainder of funds (\$30,196,729) the Department uses a multi-factor fund distribution formula, approved by the Governing Board and supported by the Community Action Network, to equitably provide CSBG funds throughout the State's 254 counties through the CSBG eligible entities. The formula incorporates the 2000 U.S. Census figures at 125% of poverty; a base of \$50,000; a \$150,000 floor (the minimum funding level); a 98% weighted factor for poverty population; and, a 2% weighted factor for the inverse ratio of population density. Appendix I reflects the proposed funding amounts for each of the 45 current eligible entities. There are currently five (5) unserved counties in Texas, which are out for bid (Duval, Mitchell, Shackelford, Stephens, and Taylor). The highest possible amount for allocation to these counties is reflected in the formula, although actual amounts will likely be lower.

## APPENDIX I

<b>CSBG PY 2010 Funding Allocation &amp; Estimated PY 2011 Funding Distribution</b>		
<b>Subrecipient Name</b>	<b>PY 2010 Final Allocation</b>	<b>Estimated PY 2011 Distribution</b>
Aspermont Small Business Development Center, Inc.	\$150,000.00	\$150,000.00
Austin, City of, Health and Human Services Department	\$892,679.00	\$889,658.00
Bee Community Action Agency	\$288,045.00	\$287,192.00
Big Bend Community Action Committee, Inc.	\$156,344.00	\$155,963.00
Brazos Valley Community Action Agency	\$957,988.00	\$954,733.00
Cameron and Willacy Counties Community Projects, Inc.	\$996,300.00	\$992,908.00
Central Texas Opportunities, Inc.	\$222,642.00	\$222,023.00
Combined Community Action, Inc.	\$202,968.00	\$202,420.00
Community Action Corporation of South Texas	\$253,188.00	\$252,460.00
Community Action Committee of Victoria	\$297,131.00	\$296,245.00
Community Action Inc. of Hays, Caldwell and Blanco Counties	\$202,903.00	\$202,355.00
Community Action Program, Inc.	\$242,422.00	NA*
Community Action Social Services & Education	\$195,388.00	\$194,867.00
Community Council of Reeves County	\$215,972.00	\$215,377.00
Community Council of South Central Texas, Inc.	\$523,003.00	\$521,307.00
Community Council of Southwest Texas, Inc.	\$271,754.00	\$270,959.00
Community Services Agency of South Texas	\$150,000.00	\$150,000.00
Community Services of Northeast Texas	\$279,664.00	\$278,841.00
Community Services, Inc.	\$1,048,427.00	\$1,044,848.00
Concho Valley Community Action Agency	\$278,710.00	\$277,891.00
Urban League of Greater Dallas	\$2,635,072.00	\$2,625,806.00
Economic Action Committee of The Gulf Coast	\$150,000.00	\$150,000.00
Economic Opportunities Advancement Corporation of Planning Region XI	\$509,926.00	\$508,277.00
El Paso Community Action Program, Project BRAVO, Inc.	\$1,417,351.00	\$1,412,450.00
Fort Worth, City of, Parks & Community Services Department	\$1,371,360.00	\$1,366,624.00
Galveston County Community Action Council, Inc.	\$824,300.00	\$821,524.00
Greater East Texas Community Action Program (GETCAP)	\$940,236.00	\$937,045.00
Gulf Coast Community Services Association	\$4,419,357.00	\$4,403,694.00
Hidalgo County Community Services Agency	\$1,702,521.00	\$1,696,598.00
Hill Country Community Action Association, Inc.	\$472,747.00	\$471,232.00
Institute for Rural Development	\$150,000.00	NA*
Lubbock, City of, Community Services Department	\$401,833.00	\$400,571.00
Northeast Texas Opportunities, Inc.	\$260,770.00	\$260,014.00
Nueces County Community Action Agency	\$528,243.00	\$526,529.00
Panhandle Community Services	\$612,957.00	\$610,939.00
Pecos County Community Action Agency	\$150,000.00	\$150,000.00
Rolling Plains Management Corporation	\$324,563.00	\$323,579.00
San Antonio, City of, Community Action Division	\$1,926,262.00	\$1,919,536.00
South Plains Community Action Association, Inc.*	\$330,446.00	\$329,441.00
South Texas Development Council	\$303,716.00	\$302,806.00
Southeast Texas Regional Planning Commission	\$540,970.00	\$539,210.00
Texas Neighborhood Services	\$379,259.00	\$378,078.00

Texoma Council of Governments	\$235,730.00	\$235,065.00
Tri-County Community Action, Inc.	\$391,974.00	\$390,748.00
Webb County Community Action Agency	\$550,379.00	\$548,585.00
West Texas Opportunities, Inc.	\$609,462.00	\$607,456.00
Williamson-Burnet County Opportunities, Inc.	\$191,499.00	\$190,992.00
Funds reserved for currently unserved counties **		\$529,883.00
<b>Total</b>	<b>\$30,156,461.00</b>	<b>\$30,196,729.00</b>
* No longer eligible entity		
** Reserved amount is purposely estimated high. Final amounts are expected to be lower, with excess funds to be rolled into formula distribution.		

**COMMUNITY AFFAIRS DIVISION  
BOARD ACTION REQUEST  
DECEMBER 17, 2010**

**Recommended Action**

Presentation, Discussion and Possible Action on the Program Year 2011 Community Services Block Grant (CSBG) Discretionary Notice of Funding Availability (NOFA).

**RESOLVED**, that the Executive Director is hereby authorized to release a Notice of Funding Availability for the Community Services Block Grant (CSBG) Discretionary Funds.

**Background**

The Department has set aside \$1,250,000 of its 2011 annual CSBG allocation for state discretionary projects which include the following categories for funding to be reflected in the CSBG Discretionary Funds NOFA: organizations serving migrant and seasonal farm workers and Native Americans; innovative and demonstration projects; statewide projects addressing hunger and homelessness; and statewide projects that provide training and technical assistance to CSBG eligible entities.

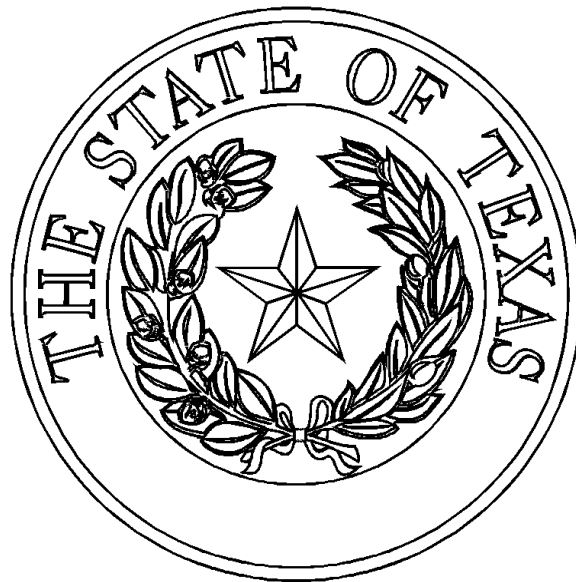
Upon Board approval, the NOFA for \$1,250,000 will be released to the public for application by CSBG eligible entities, private non-profit organizations, units of local government, and regional councils headquartered within the State of Texas. Applications for statewide initiatives and for organizations serving migrant and seasonal farm workers and Native Americans will be due February 1, 2011 with contracts to start on May 1, 2011. Applications for Innovative and Demonstration Projects will be due on February 22, 2011 with contracts to start on July 1, 2011.

Funds will be awarded on a competitive basis. The Department will assign a team of reviewers and use a standardized scoring instrument to evaluate and score each eligible application. The scoring instrument follows the content and order of the NOFA. The Department's Portfolio Management and Compliance Division will be consulted to determine if applicants have compliance issues which make an applicant's application ineligible for funding.

TEXAS DEPARTMENT OF  
HOUSING AND COMMUNITY AFFAIRS

NOTICE OF FUNDING AVAILABILITY (NOFA)

FFY 2011  
COMMUNITY SERVICES BLOCK GRANT (CSBG)  
STATE DISCRETIONARY FUNDS



APPLICATION PACKET  
DECEMBER 2010

TO: Interested Parties  
Community Services Block Grant Program

FROM: Michael DeYoung  
Director  
Community Affairs Division

DATE: December 22, 2010

SUBJECT: Notice of Funding Availability - FFY 2011 Texas Community Services  
Block Grant State Discretionary Funds

The Texas Department of Housing and Community Affairs (the Department) is pleased to provide you with the Notice of Funding Availability (NOFA) for the FFY 2011 Community Services Block Grant (CSBG) State Discretionary Funds. The source of the funds is the U.S. Department of Health and Human Services (HHS).

An announcement of the 2011 Community Services Block Grant (CSBG) State Discretionary Funds Notice of Funding Availability (NOFA) will appear in a December 31, 2010 *Texas Register*.

The funds available for competitive applications are limited to support local innovative or demonstration projects and to support statewide initiatives for specific population groups or purposes as outlined within the eligible activities listed in the NOFA.

The Department looks forward to receiving your submission in response to this NOFA. Questions pertaining to the content of this application packet or eligible activities may be directed to J. Al Almaguer, Senior Planner, at (512) 475-3908 [Al.Almaguer@tdhca.state.tx.us](mailto:Al.Almaguer@tdhca.state.tx.us). This application will be posted on the Department's web-site at <http://www.tdhca.state.tx.us/cs.htm#CSBG>.

## CSBG NOFA SUBMISSION INFORMATION

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**DEADLINE FOR RECEIPT OF STATEWIDE, MIGRANT AND SEASONAL FARMWORKER, AND NATIVE AMERICAN APPLICATIONS:**

Friday, February 1, 2011 by 5:00 pm CST

**DEADLINE FOR RECEIPT OF INNOVATIVE APPLICATIONS:**

Friday, February 22, 2011 by 5:00 pm CST

**TWO COPIES DUE:**

One Original, Two Complete Paper Copies, and One Electronic Version on CD

Applicants must submit one original and two complete copies of the application on or before the deadline. Applications that arrive after the deadline will not be considered. If you would like to confirm the Department's receipt of application, e-mail Kathie Watkins at [kathie.watkins@tdhca.state.tx.us](mailto:kathie.watkins@tdhca.state.tx.us) two weeks after your submission.

<b><u>Mailing Address:</u></b> (All U.S. Postal Service including Express)	Community Services Section Attn: Rita D. Gonzales-Garza Texas Department of Housing and Community Affairs Post Office Box 13941 Austin, Texas 78711-3941
<b><u>Courier Delivery:</u></b> (Fed Ex, UPS, Overnight, etc.)	1st Floor 221 East 11 <sup>th</sup> Street Austin, Texas 78701
<b><u>Hand Delivery:</u></b>	If you are hand delivering the application, contact Kathie Watkins at (512) 305-8869 or J. Al Almaguer (512) 475-3908 when you arrive at the lobby of our building so they may accept your application.

**Please note:** The Department strongly urges applicants to provide ample time for delivery of application packets. Applications sent through US Postal Service and overnight providers have the potential to be misdirected or not delivered within 24 hours.

Please use the following format for the narrative portion of the application:

- Minimum 11 font, double spaced
- Standard 8½ " x 11" paper with 1" margins
- The narrative must not exceed 10 consecutively numbered pages, double spaced.

Complete paper applications must be bound using binder clips. **DO NOT USE FOLDERS OR NOTEBOOKS OF ANY TYPE.** The original application must contain original signatures and original pictures. **Complete electronic copies must be on CD or DVD and in PDF format.** Adherence to submission guidance will be considered in scoring.

**Questions** pertaining to the content of this application packet may be directed to J. Al Almaguer, Senior Planner at (512) 475-3908. This application is posted on the Department's website: <http://www.tdhca.state.tx.us/cs.htm#CSBG>



**TIMELINE FOR  
FFY 2011 CSBG STATE DISCRETIONARY FUNDS NOFA**

<b>Statewide, MSFW &amp; Native American Applications</b>	<b>Innovative Applications</b>	<b>Action</b>
<b>December 20, 2010</b>	<b>December 20, 2010</b>	<b>The application will be available through the TDHCA Website:</b> <a href="http://www.tdhca.state.tx.us/cs.htm#CSBG">http://www.tdhca.state.tx.us/cs.htm#CSBG</a>
<b>February 1, 2011</b>	<b>February 22, 2011</b>	<b>Deadline for applicants to submit applications in response to NOFA for FFY 2011 CSBG State Discretionary Funds.</b>
<b>March 3, 2011</b>	<b>May 5, 2011</b>	<b>Department will complete reviewing and scoring of applications submitted in response to the NOFA.</b>
<b>March 14, 2011</b>	<b>June 10, 2011</b>	<b>The Department will begin negotiation of contracts with organizations selected for funding as approved by the TDHCA Board of Directors.</b>
<b>May 1, 2011</b>	<b>July 1, 2011</b>	<b>Contract Start Date</b>

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<b>NOFA Instructions</b>	<b>Page Number</b>
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### **Attachments and Appendix:**

Attachment A – Standard Form 424	
Attachment B - Roster for Board of Directors	
Attachment C - Attendance Roster for Board of Directors	
Attachment D - CSBG Budget Form and Budget Support Sheets and Certification of Board Approval Form	
Appendix 1 - Public Law 105-285, Title II CSBG	

# NOFA INFORMATION/INSTRUCTIONS

## **Background**

The Texas Department of Housing and Community Affairs (the Department) has been designated as the state agency to administer the Community Services Block Grant. On an annual basis, the Department receives block grant funds from the U.S. Department of Health and Human Services to ameliorate the causes of poverty within communities.

When the Department receives the State's annual award of CSBG funds, it reserves ninety percent (90%) of the allotment for CSBG eligible entities to provide services/assistance to the low-income population in all 254 counties. Five percent (5%) is reserved for state administration expenses and the remaining five percent (5%) is reserved for state discretionary use. This Notice of Funding Availability (NOFA) relates to the Department's proposed release and use of FFY 2011 CSBG State Discretionary Funds.

## **Eligible Activities/Types of Activities to be Funded**

There will be four categories of projects to be funded with 2011 CSBG State Discretionary Funds. Funds will be awarded on a competitive basis for serving low-income population groups and special populations and for supporting single innovative/demonstration projects or statewide initiatives as described below. Persons assisted must have annual income at or below 125% of the federal poverty income guidelines issued annually by the U.S. Department of Health and Human Services. The four categories are:

- Statewide Initiative Projects promoting one or more of the following: training and technical assistance to CSBG eligible entities in best practices and program and management development, supporting the Department by conducting surveys of CSBG eligible entities in areas of particular interest, maintaining data on services and capabilities of CSBG eligible entities, assisting eligible entities in conducting agency self-assessments and implementing improvements, and coordinating efforts among CSBG eligible entities and state and national associations targeting services to CSBG eligible entities and other assistance initiatives targeting low-income individuals; or projects targeting support and training and technical assistance to providers of assistance and services to the homeless and potentially homeless.
- New or Existing Projects Providing Assistance and Services for the Migrant and Seasonal Farmworker Population (MSFW).
- Projects Providing Assistance and Services for the Native-American Population.
- Innovative or Demonstration Projects promoting activities such as after-school child care; youth development; leadership training; individual development accounts; services for seniors; employment related projects; tax preparation services; transportation related

initiatives; healthy family initiatives; communal food sustenance cooperatives; projects related to residential energy conservation: or other innovative and unique service delivery activities.

In order to be considered a **demonstration project**, the project must be a new project that has not been operated by your organization for more than 12 months prior to the date of the application and must also be replicable by your organization or by another entity.

**Innovative projects** must propose a project which is a new or unique idea, a new method of delivering a service or conducting an activity, and must be a project which assists an individual and/or family to further their education or employment skills or results in the improvement of their financial situation.

Statewide, MSFW, and Native-American Projects contracts supported with competitive funds are to have a one-year duration from May 1, 2011 through April 30, 2012. Innovative Projects contracts supported with competitive funds are to have a one-year duration from July 1, 2011 through June 31, 2012. The availability of FFY 2011 CSBG funds to subrecipient organizations will be dependent on the funds made available to the State from the U. S. Department of Health and Human Services. The initial access to funds will be approximately 25% of proposed one-year contract budgets. Availability of additional funds for the year will be dependent on additional federal continuing resolutions or final appropriations for the 2011 Community Services Block Grant.

### **Eligible Applicant Organizations**

Organizations eligible to apply for the competitive FFY 2011 CSBG State Discretionary Funds include the following: CSBG eligible entities, private nonprofit organizations, units of local government, and regional councils of governments. Applicant organizations must be headquartered within the State of Texas.

### **Funds Available and Award Amounts**

Maximum award amounts will be \$125,000.

The four eligible categories have the following funds available:

Statewide Initiative Projects - \$250,000

Migrant and Seasonal Farmworker- \$250,000

Native-American - \$250,000

Innovative or Demonstration Projects - \$500,000

Applicants can only apply for one type of activity. The reasonableness of the amount of funds requested will be considered in the scoring of the application.

## **Selection Process**

Applications from eligible applicant organizations and without threshold deficiencies will be reviewed and scored by the Department. The Department will utilize a standard scoring instrument to evaluate, score, and rank each application. The scoring instrument will award points based on the applicant's response to the requested information in the NOFA packet.

Applicants proposing to provide services and direct client assistance to Migrant and Seasonal Farmworker populations and Native-American Populations are expected to utilize a significant portion of the CSBG funds to provide direct client assistance to these populations. Consideration will be given to projects utilizing a higher percentage of the CSBG for direct client assistance.

The Department will consider past performance in funding determinations. The Department reserves the right to make award decisions based on factors other than scoring to promote dissemination of services across service areas and geographic areas.

## **APPLICATION CONTENT**

### **I. Letter of Transmittal**

### **II. Table of Contents**

The table of contents must include page number(s) to indicate the location of all required items and components listed within this NOFA.

### **III. Project Narrative**

The narrative portion of the application must provide all the information requested. The narrative must be formatted with one-inch margins and double-spaced on 8 1/2"X 11" paper. Minimum font size is 11 pitch. The narrative must not exceed 10 pages.

Organize the project narrative with clear headings and subheadings and in the same order as the following outline. If any heading or subheading does not apply to your project, please indicate N/A next to it.

Below are the narrative questions which must be addressed and the possible points to be awarded and in parenthesis are considerations to be taken into account when awarding points.

#### **A. Organization Background**

1. Describe your organization's history and mission. Include information on the current staff size and the educational background and work experience of key management staff. 5 POINTS TOTAL.
2. Provide information about the board of directors, at a minimum, include information on any vacancies, a list of subcommittees, and information on how often the board and subcommittees meet. Consideration will be given to board members attendance at board meetings. 1 POINT TOTAL.
3.
  - a. Provide a description of the accounting operations in your organization. Provide the name the type of accounting software utilized. Provide the titles, experience and education of accounting staff and provide the duties assigned to those personnel. 2 POINTS TOTAL. (Consideration will be given to the adequacy of staffing and the experience and education of accounting staff.)
  - b. Describe how accounting duties will be maintained to assure adequate separation of duties. 1 POINT TOTAL.
  - c. Provide information on the mechanisms in place to gather performance data and report such data electronically to the Department. Include information on whether a manual system is utilized or a computerized database is utilized and the type of software utilized, etc. 1 POINT TOTAL. (Consideration will be given to the adequacy of the reporting mechanisms in regards to providing accurate performance data.)

4.
  - a. Description of the type(s) of services currently provided. 5 POINTS TOTAL. (Consideration will be given to the number and types of services provided.)
  - b. The staff titles for staff that provide direct services to clients and a brief description of their duties and of their experience and education. 1 POINT TOTAL. (Consideration will be given to the number of staff providing direct client services, their education, and experience.)
  - c. The total number of persons currently served annually by your organization. 1 POINT TOTAL. (Consideration will be given to the number of persons served.)
  - d. Information on office(s) or centers currently utilized to provide services. Include the city and county and physical address and the staffing at the centers. 5 POINTS TOTAL. (Consideration will be given to the capacity to deliver services to the target population.)

## **B. Proposed Project**

1. Provide a description of the proposed project. The description should include, at a minimum, the following:
  - a. The objective (purpose and goal(s)) of the proposed project, 10 POINTS TOTAL. (Consideration will be given to the objective of the proposed project.)
  - b. the proposed services and assistance to be provided to participants, 15 POINTS TOTAL. (Consideration will be given to the number and types of services provided).
  - c. The amount of CSBG funds to be utilized to provide direct client assistance; 20 POINTS TOTAL. (Consideration will be given to the number and types of services provided.)
  - d. information on how participants will be selected to receive services, 5 POINTS TOTAL.
  - e. A projection of the number of individuals to be served during the 12-month contract period. 10 POINTS TOTAL. (Consideration will be given to the number of persons proposed to be served.)
  - f. Information on office(s) or centers which will be utilized to provide services with the CSBG discretionary grant. Include the size of the facility, the city and county and physical address and the staffing at the centers. 15 POINTS TOTAL. (Consideration will be given to the capacity to deliver services to the target population).
  - g. The staff titles for staff who provide direct services to clients proposed to be served and a brief description of their duties and of their experience and education. 15 POINTS TOTAL. (Consideration will be given to the number of staff providing direct client services, their education, and experience.)
2. Explain if the proposed project is a demonstration project or an innovative project and provide information on what factors make the proposed project a demonstration project or an innovative project. 20 POINTS TOTAL. This only applies to applicants requesting funds under the Innovative or Demonstration Projects. This does not apply to applicants requesting funds for the Statewide Initiative Projects, projects providing assistance and

services for the Migrant and Seasonal Farmworker Population and projects providing assistance and services for the Native-American Population. (Consideration will be given to the innovativeness of the proposed project and the conceived value of the demonstration project.)

**C. Coordination Efforts**

1. Describe how your organization coordinates or plans to coordinate services within your service area to meet the various needs of the population to be served. 10 POINTS TOTAL. (Consideration will be given to the level of coordination, the number of entities with whom applicant coordinates, and the types of client services coordinated.)

**D. Previous Experience Serving Low-Income (if applicable)**

1. Describe any experience in administering programs serving low-income populations. 3 POINTS TOTAL.

**E. Unmet Need**

1. Provide a description of the specific unmet need(s) and gaps in services that your organization will meet and address if the proposed CSBG project is funded. Specify the specific services which will be provided and state whether the service is not currently provided in the community or is not being adequately provided by the existing service delivery system. 15 POINTS TOTAL. (Consideration will be given to the evaluation of the need for the proposed services and activities based on the information provided by the applicant and Department staff knowledge of information related to the service area.)

**F. Proposed Use of CSBG Funds**

1. Based on the proposed CSBG budget, provide a description of the activities and or operation and administration costs to be paid for with the CSBG funds. Provide such by category and sub-category. Refer to the budget forms provided for budget categories. 10 POINTS TOTAL. (Consideration will be given to the reasonableness of the total request, the amounts requested by category, the proposed use of CSBG funds, the amount to be utilized to provide direct client assistance, and the amount to be utilized for operations and administration.)
2. What percentage of the CSBG funds requested will be used for direct assistance to clients? What types of assistance will be provided with CSBG funds (i.e. rent, food, medication, etc.)? 15 POINTS TOTAL. (Consideration will be given to the proposed use of CSBG funds and the percentage amount to be utilized to provide direct client assistance. Points will be awarded based on percentage of funds requested which are budgeted for direct client assistance.)



## **G. Evaluation of Project**

1. Describe the benchmarks or measures to be used by your organization to measure the effectiveness of the services provided to your clients with CSBG funds and the methodology of the evaluation process. 15 POINT TOTAL. (Consideration will be given to the mechanisms set up to evaluate the effectiveness of the project at meeting the unmet needs in the service area.)

## **H. Single Audit**

1. One copy of the most recent audit, as required by the Single Audit Act. If your organization is not required to complete a single audit, provide a copy of the end-of-the-year financial statements including a balance sheet, income statement, and a statement of cash flows. Consideration will be given to any identified deficiencies and disallowed or questioned costs and to the ratio of assets to liabilities. 5 POINTS. (Full points will be awarded to agencies not required to submit a Single Audit.)

## **I. Conclusion**

1. What significant and beneficial impact(s) will the proposed project have on the low-income or special population to be served in your service area? Provide information on why the Department should consider funding your organization and the proposed project.

## **205 TOTAL MAXIMUM POINTS FOR INNOVATIVE, AND DEMONSTRATION PROJECTS**

## **185 POINTS TOTAL FOR STATEWIDE, MIGRANT AND SEASONAL FARMWORKER, AND NATIVE AMERICAN APPLICATIONS**

**Note:** The Points Total indicated for each question, indicates the maximum number of points which may be awarded for the particular item(s) or information requested. The Department may award anywhere from 0 points up to the total points indicated, in evaluating the information provided.

## **IV. Threshold Documents**

- A. A copy of existing Internal Revenue Service (IRS) ruling. All private non-profit organizations must document their status as a 501(c)(3) tax-exempt entity. The Department prefers that the ruling be on IRS letterhead which is legible and signed by the IRS District Director. Expired advanced rulings are not acceptable. Other documentation which may be utilized to document 501(c)(3) status may be a letter from the State of Texas Comptroller of Public Accounts. Local nonprofit affiliate of a State or national nonprofit status can be submitted if your organization is a subsidiary of a parent organization. In case of the latter, provide a copy of the page listing your organization in the documents filed with the IRS.

Failure to provide documentation of status as a 501(c)(3) tax-exempt entity will deem the application ineligible. Not applicable for units of local government

- B. Standard Form 424 utilizing Attachment A
- C. Roster for Board of Directors utilizing Attachment B.
- D. Attendance Roster for Board of Directors utilizing Attachment C.
- E. A completed 12-month 2011 CSBG Budget with Budget Support Sheets utilizing Attachment D forms.
- F. Articles of Incorporation. Failure to provide documentation will deem the application ineligible. Not applicable to units of local government.
- G. Bylaws.
- H. Copy of accounting/fiscal policies and procedures.
- I. One copy of the most recent audit, as required by the Single Audit Act. If your organization is not required to complete a single audit, provide a copy of the end-of-the-year financial statements including a balance sheet, income statement, and a statement of cash flows.
- J. Fidelity bond coverage documentation.
- K. Letter of Transmittal
- L. Table of Contents
- M. Certification of Board Approval

**NOTE: Failure to provide Threshold Documents will deem the application ineligible and the application will not be scored.**

Standard Form 424

IV. OMB Approval No. 0348-0043		2. DATE SUBMITTED	Applicant Identifier N/A
1. Type of Submission: : Application : Preapplication		3. DATE RECEIVED BY STATE N/A	State Identifier N/A
<input type="checkbox"/> Construction : <input type="checkbox"/> Construction <input type="checkbox"/> Non-Construction : <input type="checkbox"/> Non-Construction		4. DATE RECEIVED BY FEDERAL AGENCY N/A	Federal Identifier N/A
<b>5. APPLICANT INFORMATION</b>			
Legal Name:		Organizational Unit:	
Address (give city, county, state and zip code)		Name, and telephone number of the person to be contacted on matters involving this application (give area code)	
6. EMPLOYER IDENTIFICATION NUMBER (EIN): <input type="text"/> - <input type="text"/>		7. TYPE OF APPLICANT: (enter appropriate letter in box) <input type="checkbox"/>	
8. Type of Application <input type="checkbox"/> New <input type="checkbox"/> Continuation <input type="checkbox"/> Revision  If Revision, enter appropriate letter(s) in box(es) <input type="checkbox"/> <input type="checkbox"/> A. Increase Award B. Decrease Award C. Increase Award D. Decrease Duration Other (specify)		A. State H. Independent School District B. County I. State Controlled Institution of Higher Learning C. Municipal J. Private University D. Township K. Indian Tribe E. Interstate L. Individual F. Intermunicipal M. Profit Organization G. Special District N. Other (Specify): _____	
10. Catalog of Federal Domestic Assistance Number: <b>93-569</b> Title: <b>Community Services Block Grant</b>		9. Name of Federal Agency: <b>U.S. Department of Health and Human Services</b>	
12. Areas Affected for Proposed Project ( counties,):		11. Descriptive Title of Applicant's Project: <b>Community Services Block Grant Discretionary Project</b>	
<b>13. PROPOSED PROJECT:</b>		<b>14. CONGRESSIONAL DISTRICTS OF:</b>	
Start Date	Ending Date	a. Applicant	b. Project
<b>15. ESTIMATED FUNDING:</b>		<b>16. Is Application Subject To Review By State Executive Order 12372 Process?</b>	
a. Federal	\$ .00	a. Yes. This Preapplication/Application was Made Available to the State Executive Order 12372 Process for Review on: DATE _____	
b. Applicant	\$ xxxxxxxxxxxxxx	No. <input type="checkbox"/> Program Is Not Covered by E.O. 12372	
c. State	\$ xxxxxxxxxxxxxx	<input type="checkbox"/> Or Program Has not Been Selected by State for Review	
d. Local	\$ xxxxxxxxxxxxxx	<b>17. a. Is the Applicant Delinquent on Any Federal Debt?</b>	
e. Other	\$ xxxxxxxxxxxxxx	<input type="checkbox"/> Yes If "Yes" attach an explanation <input type="checkbox"/> No	
f. Program Income	\$ xxxxxxxxxxxxxx	b. Did you receive technical assistance from: Yes No	
g. TOTAL	\$	A TDHCA Independent Contractor? <input type="checkbox"/> <input type="checkbox"/>	
		A TDHCA Field Office? _____ <input type="checkbox"/> <input type="checkbox"/>	
		Other _____ <input type="checkbox"/> <input type="checkbox"/>	
<b>18. TO THE BEST OF MY KNOWLEDGE AND BELIEF, ALL DATA IN THIS APPLICATION, PREAPPLICATION ARE TRUE AND CORRECT. THE DOCUMENT HAS BEEN DULY AUTHORIZED BY THE GOVERNING BODY OF THE APPLICANT AND THE APPLICANT WILL COMPLY WITH ALL ASSURANCES AND CERTIFICATIONS IF ASSISTANCE IS AWARDED.</b>			
a. Typed Name of Authorized Representative (same as below)		b. Title	c. Telephone Number
d. Signature of Authorized Representative (Person authorized to execute contract, if awarded)			e. Date Signed

Name of Organization: \_\_\_\_\_

**Roster for Board of Directors**  
**For January 2010 - December 2010**

<b>Name</b>	<b>Appointment Date</b>	<b>Date Term Expires</b>	<b>Address</b>	<b>Phone</b>	<b>For CSBG Eligible Entity, Sector Representing</b>

I certify that this document identifies the Board of Directors.

Authorized Representative: \_\_\_\_\_

Date: \_\_\_\_\_

**Attendance Roster for \_\_\_\_\_ Board of Directors  
Period: January 2010 – December 2010**

Complete this form to document the attendance record for the Board of Directors.

Mark each box with an **A=Absent** or **P=Present** or **NM for no meeting** for the months indicated. If a member was not yet serving on board or policymaking entity, indicate **NA** in months not applicable.

**Name of Organization:** \_\_\_\_\_

<b>Name of Board Member</b>	<b>Nov</b>	<b>Dec</b>	<b>Jan</b>	<b>Feb</b>	<b>Mar</b>	<b>Apr</b>	<b>May</b>	<b>Jun</b>	<b>Jul</b>	<b>Aug</b>	<b>Sep</b>	<b>Oct</b>	<b>Nov</b>

**FFY 2011  
Attachment C**

**I certify that this document has the attendance record for the Board of Directors.**

Authorized Representative: \_\_\_\_\_

Date: \_\_\_\_\_

**Attachment D**

**Fiscal Year 2011**

**CSBG Budget and Budget Support Sheet Forms  
and Certification of Board Approval Form**

TEXAS DEPARTMENT OF HOUSING AND COMMUNITY AFFAIRS

Applicant [redacted]

FY 2011 COMMUNITY SERVICES BLOCK GRANT BUDGET CATEGORIES

Check appropriate box describing project:

- Migrant and Seasonal Farmworker Population;  Native-American Population;
- Innovative Project; or  Statewide Initiative Project

<u>BUDGET CATEGORIES</u>	<u>AMOUNT</u>
1. Personnel (Detailed on Budget Support Sheet B.1)	\$ [redacted]
2. Fringe Benefits (Detailed on Budget Support Sheet B.2)	\$ [redacted]
3. Travel (Detailed on Budget Support Sheet B.2)	\$ [redacted]
4. General Purpose Equipment (Detailed on Budget Support Sheet B.3)	\$ [redacted]
5. Supplies (Detailed on Budget Support Sheet B.2)	\$ [redacted]
6. Contractual (Detailed on Budget Support Sheet B.4)	\$ [redacted]
7. Other (Detailed on Budget Support Sheet B.5)	\$ [redacted]
8. Indirect Costs (Based on currently approved Plan) [redacted]% Base of [redacted]	\$ [redacted]
<b>TOTAL</b>	<b>\$ [redacted]</b>

Approval of this budget constitutes approval of equipment purchases in amounts less than \$5,000 per unit. Department’s prior written approval is required to purchase or lease of equipment with per-unit costs of \$5,000 or greater.

**COMMUNITY SERVICES BLOCK GRANT BUDGET  
FY 2011**

**BUDGET SUPPORT SHEET PERSONNEL**

**NAME OF APPLICANT:**

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<b>PERSONNEL</b>			
BUDGET CATEGORIES	NO. MOS.	% OF CSBG PARTICIPATION	AMOUNT OF CSBG FUNDS
<span style="border: 1px solid black; display: inline-block; width: 50px; height: 15px; background-color: #cccccc;"></span>	<span style="border: 1px solid black; display: inline-block; width: 50px; height: 15px; background-color: #cccccc;"></span>	%	<span style="border: 1px solid black; display: inline-block; width: 50px; height: 15px; background-color: #cccccc;"></span>
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<b>PAGE TOTAL</b>	<span style="border: 1px solid black; display: inline-block; width: 50px; height: 15px; background-color: #cccccc;"></span>	%	<span style="border: 1px solid black; display: inline-block; width: 50px; height: 15px; background-color: #cccccc;"></span>



**COMMUNITY SERVICES BLOCK GRANT BUDGET  
FY 2011**

**BUDGET SUPPORT SHEET FRINGE BENEFITS, TRAVEL, SUPPLIES**

NAME OF APPLICANT:

**FRINGE BENEFITS**

<b>F.I.C.A.</b>	<input type="text"/>	<input type="text"/>
<b>UNEMPLOYMENT</b>	<input type="text"/>	<input type="text"/>
<b>WORKMANS COMP. INSURANCE</b>	<input type="text"/>	<input type="text"/>
<b>HEALTH INSURANCE</b>	<input type="text"/>	<input type="text"/>
<b>OTHER</b> <input type="text"/>	<input type="text"/>	<input type="text"/>
<b>OTHER</b> <input type="text"/>	<input type="text"/>	<input type="text"/>
<b>CSBG BUDGETED AMOUNT</b>	<input type="text"/>	<input type="text"/>

**TRAVEL**

<b>LOCAL TRAVEL</b>	<input type="text"/>	@	<input type="text"/>	<input type="text"/>
	MILES		RATE	
<b>PER DIEM</b>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>
<b>OUT OF STATE TRAVEL</b>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>
<b>OTHER</b> <input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>
<b>OTHER</b> <input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>
<b>CSBG BUDGETED AMOUNT</b>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>

**SUPPLIES**

<b>OFFICE SUPPLIES</b>	<input type="text"/>	<input type="text"/>
<b>MAINTENANCE SUPPLIES</b>	<input type="text"/>	<input type="text"/>
<b>PROGRAM SUPPLIES</b>	<input type="text"/>	<input type="text"/>
<b>OTHER</b> <input type="text"/>	<input type="text"/>	<input type="text"/>
<b>OTHER</b> <input type="text"/>	<input type="text"/>	<input type="text"/>
<b>CSBG BUDGETED AMOUNT</b>	<input type="text"/>	<input type="text"/>

**COMMUNITY SERVICES BLOCK GRANT BUDGET  
FY 2011**

**BUDGET SUPPORT SHEET EQUIPMENT, PURCHASES, LEASES**

NAME OF APPLICANT:

<b>EQUIPMENT</b>				
Items with a per-unit acquisition cost of \$5,000 or greater will require the Department's <b>prior</b> written approval.				
DESCRIPTION	BRAND AND MODEL	UNIT COST	AMOUNT	% OF USAGE FOR CSBG
<b>PURCHASES</b>				
<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/> %
<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/> %
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<b>LEASES</b>				
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<b>PAGE TOTAL</b>				<input type="text"/>





Applicant: \_\_\_\_\_

**CERTIFICATION OF BOARD APPROVAL  
OF PROPOSED 2011 CSBG BUDGET**

On \_\_\_\_\_ the \_\_\_\_\_ Board  
(Date) (Name of Agency)  
of Directors reviewed and approved the attached FY 2011 CSBG Budget with a quorum of the governing board present.

The Executive Director is authorized to proceed with necessary negotiations with the Texas Department of Housing and Community Affairs.

\_\_\_\_\_  
(Signature of Board Chair)

\_\_\_\_\_  
(Date)

\_\_\_\_\_  
(Name of Board Chair)

**COMMUNITY AFFAIRS DIVISION  
BOARD ACTION REQUEST  
December 17, 2010**

**Recommended Action**

Presentation, Discussion and Possible Action to Ratify and Approve the award made by the Executive Director to the Community Action Corporation of South Texas of the CSBG, ARRA WAP, DOE WAP, LIHEAP WAP and CEAP programs for Duval County, the service area formerly served by the Institute for Rural Development.

**RESOLVED**, that the awards made to Community Action Corporation of South Texas, a Community Services Block Grant eligible entity, to administer the CSBG and operate the CEAP and the WAP in Duval County, are hereby ratified and approved as presented to this meeting.

**Background**

Due to identified unaddressed significant concerns over management and executive oversight in September 2010, the Department terminated the Community Services Block Grant, Comprehensive Energy Assistance and Weatherization Assistance Program contracts with the Institute of Rural Development, leaving Duval County unserved by these programs. The Department issued a Request for Applications for a permanent replacement provider which closed on October 29, 2010. In response to the Request for Applications, the Department received applications from Community Action Corporation of South Texas and Community Council of Southwest Texas, Inc.

The applicants have been reviewed by the Compliance and Asset Oversight Division and no issues of material non-compliance, unresolved audit findings or questioned or disallowed costs have been identified.

Based on the application review by the Department and assigned scores, as previously authorized by the Board, staff awarded these funds to Community Action Corporation of South Texas as the entity to be awarded the CSBG contract, effective December 17, 2010, through December 31, 2012, for the initial amount of \$55,131; the CEAP contract, effective January 1, 2011 through December 31, 2012, for the initial amount of \$283,294; the ARRA WAP contract, effective December 17, 2010 through August 31, 2011 in the amount of 311,965; the DOE WAP contract, effective December 17, 2010 through March 31, 2012 for the initial amount of \$8,676; and the LIHEAP WAP contract, effective December 17, 2010 through March 31, 2012 for the initial amount of \$57,181.

The initial contracts for Community Action Corporation of South Texas will be amended to reflect the Notice of Grant Awards periodically received by the Department.

Staff is requesting Board ratification of these awards.

**DISASTER RECOVERY DIVISION**

**BOARD ACTION REQUEST  
December 17, 2010**

**Recommended Action**

Approve requests for amendments to housing contracts administered by TDHCA for CDBG Hurricane Ike/Dolly Round 1 Funding for CDBG Disaster Recovery Contract Nos. 70090001, City of Houston and 70090003, Harris County.

**RESOLVED**, that the Executive Director and his designees are hereby authorized, empowered, and directed, for and on behalf of the Department, to cause the amendments, in the form presented to this meeting, to be executed and delivered to the City of Houston for Disaster Recovery Contract No. 70090001 and Harris County for 70090003 as presented to this meeting, and to make such non-substantive technical corrections as they may deem necessary to effectuate the foregoing.

**Background**

The City of Houston (City) is requesting an extension to their contract for sixteen months from August 2, 2011 to December 2, 2012. Harris County is requesting an increase to the maximum allowable assistance amount for homeowner, buyout, and downpayment assistance activities.

**City of Houston 70090001**

The City of Houston is requesting a contract extension for Contract No. 70090001. This request extends the contract end date from August 2, 2011 to December 2, 2012. The extension is requested to provide time for the City to obligate and expend funds under their single-family home repair program funded with disaster recovery funds. The City of Houston's contract with TDHCA for the CDBG Disaster Recovery funds reserved \$9,583,434 for repair, rehabilitation, and reconstruction of single family, owner-occupied homes.

The additional sixteen months will allow Houston to revise / update their list of approved contractors for the Single Family Home Repair (SFHR) program that funds rehabilitation and reconstruction projects. Contractors will be selected through the Request for Qualifications (RFQ) process. Reconstruction contracts over \$50,000 must be approved by the City of Houston's City Council.

The SFHR program has 194 planned rehabilitations and 48 planned reconstructions. The proposed extended deadline of December 2, 2012 will allow the City to post appropriate public notices, determine eligibility of households to participate, perform environmental reviews, conduct initial inspections, obtain City-required approvals from City Council, and complete construction activities within the extended contract time frame.

The City's SFHR program has approximately 2,380 unduplicated applications in the pipeline. About 27.1% (658) of these files have been or are in the process of being reviewed. Approximately 35.4% (233) of the reviewed applications were incomplete, did not qualify, or withdrew from consideration. An additional 26.7% (176) have duplication of benefits issues that need to be resolved prior to moving forward with their application. The City previously determined eligibility on 26.9% (177) households but current quality control processes require that this determination be rechecked to ensure compliance with

Hurricane Ike / Dolly requirements. At least another 3% (72) applicants are currently in the eligibility verification process.

**Harris County 70090003**

Harris County is proposing to amend Contract No. 70090003 by increasing the maximum assistance amount under their Homeowner Assistance, Buy-out, and Downpayment Assistance programs. The requested increase will allow for funding of projects costs beyond actual construction including lead-based paint assessments, asbestos assessments, inspection costs, appraisals, and hazard and flood insurance premiums. This increase is requested because the original maximum assistance levels established by the County did not account for costs beyond hard construction costs. The increase will result in maximum assistance levels that are consistent with other comparable Subrecipients administering similar programs and activities, and will not result in a reduction in the number of households served.

The County is also proposing to eliminate funds currently allocated under the Slum/Blight national program objective and reallocate funds as noted in the table below.

Budget Category	National Program Objective	Current	Revised	Change	Households Served
Downpayment Assistance	LMI	\$600,000	\$600,000	\$0	30
Homeowner Rehab, Reconstruction, New Construction	LMI	\$21,400,000	\$22,800,000	\$1,400,000	202
Homeowner Rehab, Reconstruction, New Construction	S/B	\$5,789,287	\$0	(\$5,789,287)	0
Homeowner Rehab, Reconstruction, New Construction	U/N	\$14,234,195	\$18,623,482	\$4,389,287	193
Acquisition-Buyout	LMI	\$1,650,000	\$1,650,000	\$0	11
Acquisition-Buyout	U/N	\$1,350,000	\$1,350,000	\$0	9
<b>TOTALS</b>		<b>\$45,023,482</b>	<b>\$45,023,482</b>	<b>\$0</b>	

The County is not currently projecting that the number of households to be served will decrease as a result of these modifications.



**DISASTER RECOVERY DIVISION**

**BOARD ACTION REQUEST**

**December 17, 2010**

**Recommended Action**

Presentation, discussion and possible action to approve Disaster Recovery Housing Program Guidelines

WHEREAS, in accordance with the provisions of the State of Texas' Conciliation Agreement resolving a fair housing complaint approved by the U. S. Department of Housing and Urban Development, a task force appointed by the Executive Director has been appointed and subsequently developed guidelines for the equitable administration of housing recovery programs funded with the second allocation of CDBG disaster recovery funds relating to Hurricanes Ike and Dolly (the "Task Force"), and

WHEREAS, the development of these guidelines is crucial to the distribution of approximately \$800,000,000 in disaster recovery housing to thousands of Texans in need and the ability to move forward with the application for the disbursement of these funds requires the guidelines to be approved for use by applicants, and

WHEREAS, this Board acknowledges the cooperative spirit in bringing together representatives of the regional planning authorities, TDHCA staff, and Complainants and allowing the public to participate through comments in open meetings and the extreme importance of moving forward in the most expeditious but fully compliant manner possible, and

It is hereby

RESOLVED, that the Executive Director or his designee are hereby authorized, empowered, and directed, for and on behalf of the Department, to approve and adopt as TDHCA policy the final version of the Disaster Recovery Housing Program Guidelines as recommended by the Task Force.

**Background**

The Conciliation Agreement requires a Disaster Recovery Housing Guidelines Task Force assembled from Council of Government (COG) representatives and TDHCA staff with ex-officio representation by the Complainants. The function of the task force was to develop guidelines to govern all housing programs carried out with Hurricanes Dolly and Ike Round 2 Disaster Recovery funds. The guidelines were originally presented to the Board on November 10, 2010, at which meeting it was determined to observe a second public comment period due to the extensive editing of the guidelines subsequent to the original posting and public comment

period. Once adopted by TDHCA, these guidelines will direct the available scope of housing activities carried out by Subrecipients of disaster recovery funding.

Summary of guidelines issued:

- General guidelines developed to provide direction for issues universal to all housing activities. All Subrecipients must offer the Homeowner Opportunity Program (HOP); therefore, the general guidelines reflect the requirements for the HOP program.
- Homeowner Program guidelines address the requirements under homeowner rehabilitation or reconstruction activities.
- Homebuyer Program guidelines provide guidance for the households relocating out of their properties destroyed by Hurricane Ike or Dolly.
- Rental guidelines were also developed to provide requirements under single and multifamily rental programs.

The guidelines provide:

- i. A list of housing Program activities (including appropriate relocation and buyout activities) from which Subrecipients may select and offer as housing Programs;
- ii. The cost and benefit criteria for each housing Program;
- iii. The Program participant eligibility and qualification criteria for each housing Program;
- iv. Housing quality standards for housing funded with Hurricane Recovery Funds;
- v. The priority factors that Recipients must consider in administering their overall housing Program, including prioritization for persons at various income levels, persons with special needs, and relocation Programs;
- vi. An evaluation of the income levels of disaster survivors and the establishment of reasonable guidelines to ensure that the housing needs of low, very low and extremely low-income households are assisted with housing in no less than the proportion to their relative percentages of the overall populations which suffered housing damage within the community being served by the Program;
- vii. Appropriate outreach and public awareness measures for housing Programs;
- viii. The recommendations will provide and allow for objectively determined regional adjustments for these criteria to reflect differences in the costs of delivery for benefits and the economic profile of local target populations.

The Disaster Recovery Division is requesting that the TDHCA Governing Board approve the recommendations of the Task Force and adopt the guidelines as TDHCA policy. Following this Action Request please find: the most recent public comment and reasoned responses; the original comment and responses; and the guidelines.

## **Public Comment (from 2<sup>nd</sup> posting): Hurricanes Dolly and Ike Round 2 Housing Program Guidelines**

### **Background**

The Texas Department of Housing and Community Affairs (TDHCA or the Department) partnered with the Texas Department of Rural Affairs (TDRA) in the administration of a Community Development Block Grant (CDBG) Disaster Recovery Program (Program) funded by the U.S. Department of Housing and Urban Development (HUD) under Public Law 110-329. TDHCA is the agency responsible for the administration of disaster funds allocated to housing activities. TDHCA contracts with Cities, Counties and Councils of Government to administer these funds at the local level and carry out eligible housing activities.

As called for in the Conciliation Agreement, Housing Guidelines were developed to serve as the basis for Hurricanes Dolly and Ike Round 2 housing programs. The Housing Guidelines consist of General Guidelines, which were developed to provide direction for issues that affect all of the housing programs. The General Guidelines are further divided into Part A, General Program Guidelines and Part B, Homeowner Opportunity Program (HOP). Activity-specific guidelines for Homeowner Assistance, Homebuyer Assistance and Rental Activities were created as separate documents. Applicants who qualify to fully participate in the HOP and elect to participate or decline to participate in a buyout of their original, storm-damaged property will be subject to either the Homebuyer Assistance Guidelines or the Homeowner Assistance Guidelines, depending upon their choice. These Round 2 Housing Guidelines do not replace or supersede the Guidelines developed by subrecipients under Round 1 funding, unless expressly amended to be included in those Guidelines.

### **Summary of Comments and Staff Response**

The following comments and staff responses are the results of the second posting of the guidelines. At the November 10, 2010 Board Meeting, TDHCA agreed to repost the guidelines due to the extensive comments and substantive changes to the guidelines subsequent to the original posting and public comment period. Public comments and the Department's responses are not presented in a specific chronological order. Following the comment number is a comment heading relating to the subject of the formally submitted public comment. The TDHCA Staff response is detailed underneath the respective comment number and comment heading. Following the comments and responses are the revised guidelines. As a result of public input, any language deleted from the proposed new section to the Disaster Recovery Program Guidelines is shown with a single strikethrough and modified language is shown with a single underline.

Comments were received by: (1) James R. (Bill) Fisher, Vice-President, Odyssey Residential Holdings, L.P.; (2) Zita Telkamp, Director, La Posada Providencia; (3) Ann Cass Williams, Executive Director, Proyecto Azteca, Chairperson of the Equal Voice Housing Coalition; (4) Peggy Colligan, Administrative Coordinator, City of Houston Community Development Department; (5) Chuck Wemple, Economic Development Program Manager, Houston-Galveston Area Council.

Bill Fisher

**Comment #1:** CDBG Loan Interest Rate

The loan for CDBG should allow interest rates at the option of the developer of 0% to AFR at their option?

*TDHCA Staff Response: Staff does not believe that this comment requires a change to the housing guidelines. The guidelines allow the terms of the loan/grant to be modified for other financial programs. Interest rates are in the exclusive authority of the Board and subject to underwriting.*

**Comment #2:** CDBG Loan

The language for the forgivable nature of the CDBG loan should be at the option of the developer\owner to include it or not include it. It could have adverse tax consequences to the developer\owner. The owner\developer may opt to repay it or to ask for forgiveness at a later time. All this flexibility should be allowed.

*TDHCA Staff Response: The CDBG Affordable Rental Program funds will be in the form of a 0% performance-based loan and will be forgiven when all contractual obligations have been met, including satisfactory completion of construction and compliance with the ten-year affordability period. The terms of the loan / grant may be modified by agreement, if necessary, given other requirements from other financial programs (i.e. tax credit programs, etc.). Subject to Board approval and financial feasibility of the development.*

Zita Telkamp

**Comment #3:** Damage by Hurricane Ike

Fortunately our La Posada's insurance reimbursed our ministry for approximately \$14,000 for the replacement of roofs on three of our buildings. We are grateful to the Lower Rio Grande Development Funds for funding to replace the fourth roof at the cost of \$4,950. We did not receive funding for the replacement of three trees that were destroyed; the three days clean-up after the hurricane was done by our clients. Hurricane Ike left no permanent damage. . .only clean-up!

*TDHCA Staff Response: Staff does not believe that this comment requires a change to the housing guidelines. Debris removal is an activity handled at the local level following a natural disaster.*

Ann Cass Williams

**Comment #4:** Floor Plans

In Attachment A of the first draft you called for six floor plans for 1, 2, and 3 bedroom homes. Now you are asking for 2, 3, and 4 bedroom plans.

*TDHCA Staff Response: Staff does not believe that this comment requires a change to the housing guidelines. The guidelines that were posted for public comment did not request floor plans. General Specifications will be provided by TDHCA for 2, 3, and 4*

*bedroom homes. General Guidelines Section VII addresses how the size of a home for which a household qualifies is determined.*

**Comment #5: Base Unit Design Criteria**

We question the Base Unit Design Criteria. It is impractical for Colonia residents. Two bedroom/1 bath and 3 bedroom/1 bath are more suitable for our families. We find the size of the homes larger than what is necessary. Coat closet? We live in a tropical location. We need practical, sustainable and functionally designed homes.

*TDHCA Staff Response: Staff does not believe that this comment requires a change to the housing guidelines. Floor plans are not part of the guidelines. Standardized construction specifications (for 2, 3 and 4 bedroom homes) will be developed by TDHCA. The subrecipient may engage an architect to allow for local architectural variations; however, basic square footage (within ranges), room requirements, building materials and general specifications must remain standardized for any home newly constructed or reconstructed with CDBG DR funding. Although Attachment A addresses the ranges of total square footage and provides three categories for 2, 3 and 4 bedroom homes with 2 bathrooms included in each category, it was not intended for 2 bathrooms to represent a minimum. One bathroom may be provided for two and three bedroom homes at the discretion of the subrecipient.*

Chuck Wemple

**Comment #6: Guidelines Clarification**

The Houston-Galveston Area Council has reviewed the reposted Draft Hurricanes Ike and Dolly Round 2 Housing Program Guidelines and appreciates the inclusion of comments previously by H-GAC regarding the original draft version. The majorities of the revisions are modifications to the text and add clarity to the guidelines, and do not appear to alter the intent of the document.

*TDHCA Staff Response: Staff thanks H-GAC for their comments.*

Peggy Colligan

**Comment #7: Concentration of Poverty**

Concern about concentration of poverty if requiring a minimum of 51% LMI and giving more points in scoring for restrictions that are greater than 51%. Is it possible to get a waiver of this requirement? For example, if you fund 20% of rehab costs or new construction with Hurricane Ike / Dolly Round 2 funds, can you just require 20% units restricted to LMI?

*TDHCA Staff Response: Staff does not believe that this comment requires a change to the housing guidelines. In order to qualify for the LMI national objective, a multifamily rental development a minimum of 51% of the units must be leased with rents affordable to low to moderate income residents. Concentration of poverty issues are reflective of neighborhood groups and not individual properties. The new developments must take such issues into account if they increase the poverty rate of a neighborhood group.*

**Comment #8: Substantiating Hurricane Damage**

It will be difficult to substantiate hurricane damage given the span of time that has occurred. HCDD Multifamily recommends that you can rehabilitate a project in an area that had hurricane damage and restrict repaired units to LMI, even if Hurricane damage cannot be substantiated.

*TDHCA Staff Response: Staff does not believe that this comment requires a change to the guidelines. HUD requires we substantiate storm damage for multifamily developments. Most rental property is covered by hazard insurance and would have filed an insurance claim immediately following the storm. However the General Program Guidelines in section VI (k) address how damage is documented in the absence of insurance or FEMA award.*

**Comment #9:** Definition of Manufactured Housing Unit

HCDD SFHR (TDHCA OCC) program staff reviewed the Proposed Guidelines for the Homeowner Assistance Program and the Homeowner Buyout Program for Hurricane Ike / Rita CDBG-DR. On page 5 of one of these, they saw the mention of MHU. This term was not defined until page 7 (MHU = Manufactured Housing Unit). It may be better if you add this into your listing of definitions or, at a minimum, provide the definition the first time the term shows up in the document.

*TDHCA Staff Response: Staff does not believe that this comment requires a change to the housing guidelines. The definition for Manufactured Housing Unit (MHU) is provided in the definition section of the General Program Guidelines. The definition of an MHU is a structure, transportable in one or more sections which, in the traveling mode is eight body-feet or more in width, or forty body-feet or more in length, or when erected on site, is at least 320 square feet, and which is built on a permanent chassis and is designed to be used as a dwelling with or without a permanent foundation when connected to the required utilities, and includes the plumbing, heating, air-conditioning, and electrical systems contained therein.*

## **Public Comment (Original Posting) Hurricanes Dolly and Ike Round 2 Housing Program Guidelines**

### **Background**

The Texas Department of Housing and Community Affairs (TDHCA or the Department) partnered with the Texas Department of Rural Affairs (TDRA) in the administration of a Community Development Block Grant (CDBG) Disaster Recovery Program (Program) funded by the U.S. Department of Housing and Urban Development (HUD) under Public Law 110-329. TDHCA is the agency responsible for the administration of disaster funds allocated to housing activities. TDHCA contracts with Cities, Counties and Councils of Government to administer these funds at the local level and carry out eligible housing activities.

As called for in the Conciliation Agreement, Housing Guidelines were developed to serve as the basis for Hurricanes Dolly and Ike Round 2 housing programs. The Housing Guidelines consist of General Guidelines, which were developed to provide direction for issues that affect all of the housing programs. The General Guidelines are further divided into Part A, General Program Guidelines and Part B, Homeowner Opportunity Program (HOP). Activity-specific guidelines for Homeowner Assistance, Homebuyer Assistance and Rental Activities were created as separate documents. Applicants who qualify to fully participate in the HOP and elect to participate or decline to participate in a buyout of their original, storm-damaged property will be subject to either the Homebuyer Assistance Guidelines or the Homeowner Assistance Guidelines, depending upon their choice. These Round 2 Housing Guidelines do not replace or supersede the Guidelines developed by subrecipients under Round 1 funding, unless expressly amended to be included in those Guidelines.

### **Summary of Comments and Staff Response**

Public comments and the Department's responses are not presented in a specific chronological order. Following the comment number is a comment heading relating to the subject of the formally submitted public comment. The TDHCA Staff response is detailed underneath the respective comment number and comment heading. Following the comments and responses are the revised guidelines. As a result of public input, any language deleted from the proposed new section to the Disaster Recovery Program Guidelines is shown with a single strikethrough and modified language is shown with a single underline.

Comments were received by: (1) Ann Cass Williams, Executive Director, Proyecto Azteca, Chairperson of the Equal Voice Housing Coalition; (2) Miles Arena, Houston-Galveston Area Council, Disaster Recovery Coordinator; (3) Peggy Colligan, Administrative Coordinator, City of Houston Community Development Department, (4) Apolonio Flores, Flores Residential, LC; (5) Judy Allen, Golden Triangle Homes; (6) Ralph Littleton, City of Houston Housing and Community Development Department; (7) Carol Borrego, Planner, Fort Bend County Community Development Department; (8) John Henneberger, Co-Director, Texas Low Income Housing Information Service; (9) Madison Sloan, Staff Attorney, Texas Appleseed; and Jennifer Barclay (10) Legal Contract Specialist, South East Texas Regional Planning Commission; (11) John Touchet, Concerned Citizen.

Ann Cass Williams

**Comment #1: Needs Assessment**

What if the needs assessment shows that more funding is needed for new rental units or rental replacement units than the \$15 million set aside money?

*TDHCA Staff Response: Staff does not believe that this comment requires a change to the housing guidelines. As a general response, the funds allotted in the State-administered set aside are the minimum allocation to meet the statutory requirements. The needs assessment should provide guidance to the community on the greatest need based on damages. Housing allocations should be based on the needs assessment. LRGVDC will indicate how the \$106,925,787 will be utilized in the Round 2 Phase 2 MOD and may elect to designate some of those funds as rental activities.*

**Comment #2: Subrecipient Definition**

Can we assume that in our case the Sub-recipient is the LRGVDC?

*TDHCA Staff Response: Staff does not believe that this comment requires a change to the housing guidelines. The MOD for the Lower Rio Grande Valley indicates that the potential subrecipient of Hurricane Dolly and Ike Round II of funding is the Lower Rio Grande Valley Development Council (LRGVDC).*

**Comment #3: Beneficiary Identification Timeline**

In 18 months from the start of the program, each Sub-recipient will have to identify enough eligible beneficiaries to reasonably expend all applicable funds. When does the 18 months start?

*TDHCA Staff Response: Staff agrees with the lack of clarity and the General Guidelines will be edited to state that the 18 month time frame will begin from the start date (effective date) of the contract between the parties for Round II.*

**Comment #4: Reimbursement**

Prior applicants may be considered but must re-qualify under new program. Is there the possibility for reimbursement for families that could not wait for Program II? For example: If there was a hole in their roof and they can show that they purchased materials and fixed the roof themselves, can they be reimbursed? Because of the length of time in implementing this, and Round I, it doesn't seem fair that folks would have to tolerate living in horrible conditions because the bureaucracy couldn't get its act together. If so, we assume there would be an exemption on the environmental.

*TDHCA Staff Response: Staff does not believe that this comment requires a change to the housing guidelines. For informational purposes, a compensation activity is not eligible; in other words, there will be no reimbursement directly to beneficiaries for repair expenses under this program. However, this does not mean that such an applicant cannot receive assistance. If additional repairs are needed to rehabilitate the home to a safe, sanitary and secure condition, those additional repairs can be completed. Also, if, despite the homeowner repairs, rehabilitating the home is not feasible, demolition and reconstruction or possibly new construction are eligible.*



**Comment #5: Targeting AMI**

Please do not stipulate that families cannot be helped if they are below a certain AMI. For example, in Round I it would preferably have been written that families at 30% AMI OR BELOW, could be helped.

*TDHCA Staff Response: Staff does not believe that this comment requires a change to the housing guidelines as there is no such stipulation in these guidelines. The targeted income groups in Round 2 should mirror the needs assessment.*

**Comment #6: General Guidelines: Acquisition of Damaged Property**

One of the bullets speaks of existing properties of those opting to relocate out of a floodplain or area of concentration that will not be rehabilitated with DR CDBG funds. To whom does the property then go? Is there a legal transfer to the County? Will these funds pay for such legal transactions?

*TDHCA Staff Response: Staff does not believe that this comment requires a change to the housing guidelines. Local communities will make the decisions as to whether the land is used for public purposes or transferred to non-profits where the ultimate outcome is known and eligible. Title transfers are eligible activity delivery expenses.*

**Comment #7: Homeowner Guidelines: Property Tax Provisions**

Property tax must be current, under a payment plan, deferral or exemption. Hidalgo County has no plans available for those who owe under \$2000. For those that owe more than \$2000 they are now requiring a 50% down payment and then a payment plan. What provisions can be made for those in Hidalgo County who owe less than \$2000, as Hidalgo County will not give a plan to families who owe less than \$2000.

*TDHCA Staff Response: Staff does not believe that this comment requires a change to the housing guidelines. We understand the concern, but believe this is a local issue that cannot be addressed in these guidelines. The key reason for the tax provisions is so the house will actually provide affordable housing for qualified applicants without the potential for foreclosure by taxing entities.*

**Comment #8: Homebuyer Guidelines Cap**

Homebuyer assistance (100% of down payment, reasonable closing costs, mortgage gap financing, etc.) offered to those at 120% AMI, maximum amount of \$40,000. Do we assume that these mortgages can go through a bank? Why is the cap at \$40,000?

*TDHCA Staff Response: Staff does not believe that this comment requires a change to the housing guidelines. Loans in addition to the down payment assistance are anticipated to be provided by third party lenders, including banks. The cap was established by the Guidelines Task Force and based upon the largest amount of similar homebuyer assistance activities conducted by subrecipients in previous rounds of funding. This program is not anticipated to be a major component of Round 2 due to the*

*likelihood of the activity's incompatibility with the anticipated results of the needs assessments.*

**Comment #9:** Program Objective: Inspection

While we understand that this is written to stipulate that as a protection against future damage from future hurricanes, the reality is that since Dolly we have been hit by another Hurricane Alex and two major tropical storms. People working the money from Round I are having difficulties getting TREC inspectors to attest that the damage is from Dolly. How does one distinguish damage from one hurricane to another? Who will do the inspections? 3<sup>rd</sup> Party Inspector? TREC inspector? Who will pay for the inspections?

*TDHCA Staff Response: Staff does not believe that this comment requires a change to the housing guidelines. The subrecipient of housing assistance funding will be responsible for doing the damage assessment inspections through qualified in-house inspectors or through procuring qualified outside inspectors. There are provisions to allow alternative documentation, including media reports, to support neighborhood-level storm damage when inspections are not adequate to differentiate between the causes of damage. Inspections are eligible activity delivery costs.*

**Comment #10:** Program Objective: Request for Proposals

Can we serve more than what we state in the RFP?

*TDHCA Staff Response: TDHCA staff is uncertain of the context of the question; however, in general procurement terms, outside of allowable change orders and/or contract amendments, it is not permissible to do more activities than those for which all bidders were allowed to submit proposals.*

**Comment #11:** Impacted Area Buyout

Who will provide the training for the real estate professionals?

*TDHCA Staff Response: Staff does not believe that this comment requires a change to the housing guidelines. The state and subrecipients will work together to make certain that all staff in the Homeowner Opportunity Program are sufficiently trained.*

**Comment #12:** Homebuyer Assistance Activity

Can we leverage USDA 502 or governmental loans?

*TDHCA Staff Response: Staff does not believe that this comment requires a change to the housing guidelines. More information would need to be provided as to what program this is anticipated to cover. In general, CDBG funds may be leveraged with other sources of funding; however, when combining funding sources, the most stringent rules of the respective program are typically enforced. CDBG Disaster Recovery funding utilizes a number of waivers of requirements which may be triggered by other funding sources.*

**Comment #13 (definition):** Building Code Requirement

It gives examples of IMM activities and then states as long as those improvements are not required to comply with local code requirements and did not exist on the housing unit prior to the storm damage. There is no local code in Hidalgo County. Do you want to recommend IRC, IBC, or TDHCA recognized code?

*TDHCA Staff Response: Staff does not believe that this comment requires a change to the housing guidelines. The General Guidelines require all reconstruction and new construction to meet International Residential Code (IRC) and International Building Code (IBC) as well as local building code where appropriate and other federal requirements such as the accessibility requirements under Section 504 of the Rehabilitation Act of 1973. All rehabilitation projects are required to meet, at a minimum, the Housing Quality Standards (HQS) and all applicable local codes and standards. For the purposes of Individual Mitigation Measures (IMM), the IRC and IBC should be utilized as benchmarks in areas without code requirements.*

**Comment #14 (definition):** Subrecipient Definition

Again, we understand that the COG, LRGVDC, is the sub-recipient. Are we correct to assume that those of us in the coalition (The Equal Voice Housing Coalition) would be procured contractors?

*TDHCA Staff Response: Staff does not believe that this comment requires a change to the housing guidelines as this is a local issue.*

**Comment #15 (definition):** Family Definition

We certainly hope that the TDHCA rules [for the Self-Help Colonia Program] requiring students to include scholarship money as part of family income is NOT going to be used with this program. Please clarify.

*TDHCA Staff Response: Staff does not believe that this comment requires a change to the housing guidelines as they require that the subrecipients follow HUD protocols (24 CFR Part 5) in establishing income.*

**Comment #16:** Documentation

Please supply specific documents that show exactly how you want it to read in order to meet the guidelines.

*TDHCA Staff Response: Staff does not believe that this comment requires a change to the housing guidelines. Sample documents will be made available.*

**Comment #17:** Program Marketing

We feel that an Affirmative Marketing Plan needs to be developed.

*TDHCA Staff Response: Staff does not believe that this comment requires a change to the housing guidelines. This is required under the single family homeowner program, including marketing of activities related to the HOP program.*

**Comment #18: Record Retention**

Is the record requirement for the Sub-recipient's subcontractors? Or, is it only for the Sub-recipient?

*TDHCA Staff Response: Staff does not believe that this comment requires a change to the housing guidelines. Any entity receiving CDBG DR funding is required to meet federal and state reporting requirements. The contract between TDHCA and the subrecipient will specify the reporting requirements which will be the sole responsibility of the subrecipient to retain and/or submit for review as directed. However, certain reporting requirements, such as those associated with Section 3 or Labor Standards, will require coordination with some of the subrecipient's subcontractors.*

**Comment #19: Complaints/Appeals Process**

Who receives the complaints?

*TDHCA Staff Response: Staff is addressing this issue by providing a stipulated appeal process. The General Guidelines will be edited to include the process.*

**Comment #20: Use of Prior Application**

Although we know that this is an entirely separate and different program than Round I, it seems only fair that people who applied for Round I should be given some sort of preference for assistance after they are re-qualified.

*TDHCA Staff Response: Staff does not believe that this comment requires a change to the housing guidelines. The Conciliation Agreement requires that funding be directed based on the needs assessment. To the extent that a Round 1 applicant meets the requirements of the affirmative marketing plan, the target income group for the needs assessment, and the Round 2 applicant requirements, the person can be served in Round 2.*

**Comment #21: Agency Selection & Conflict of Interest**

How are agencies going to be picked? What about conflict of interest?

*TDHCA Staff Response: Staff does not believe that this comment requires a change to the housing guidelines. Subrecipients must follow the state and federal requirements and laws on conflict of interest.*

**Comment #22: Septic**

Who will determine and what criteria will be used regarding septic work done on a case by case basis?

*TDHCA Staff Response: Staff does not believe that this comment requires a change to the housing guidelines. Qualified inspectors will be required to review the septic system replacement needs. All septic system repairs and replacements must meet local, state and federal requirements.*

**Comment #23: Relocation**

The program as designed must relocate persons in concentration of protected classes or poverty out of these conditions and not into other areas that have similar characteristics. What if someone wants to relocate to another Colonia where they have friends or relatives and that is NOT in a flood zone? Why should they not have that option? We are uncomfortable with the word must.

*TDHCA Staff Response: Staff acknowledges the need to clarify the housing guidelines. No person will be required to relocate, but they must be presented the option if they fit the targeted areas identified in the HOP guidelines. One goal of this program is to break up concentrations of poverty and protected classes. The protected classes in the Lower Rio Grande Valley might need special attention, but concentrations of poverty will be included in the HOP program and this would preclude moving from one concentrated area into another. The following language will be added to the guidelines:*

*There may be areas that require special attention for the purposes of relocation.*

**Comment #24:** Use of External Professionals

We recommend that there are capped fees.

*TDHCA Staff Response: Staff does not concur with this comment. To limit the fees, subrecipients can work with local communities to determine fair fees based on local availability. Staff believes that if you set a ceiling, in many cases it will be a minimum as well.*

**Comment #25:** Disposal of Acquisition Property

Will the property become green space or holding ponds for the County? Can a next door neighbor who chooses to elevate their home and not be relocated purchase the property? Will the program cover the costs to demolish the dilapidated structure?

*TDHCA Staff Response: Staff does not believe that this comment requires a change to the housing guidelines. Local communities can chose options as to whether the land is used for public purposes or transferred to non-profits where the ultimate outcome is known and eligible.*

**Comment #26:** Housing Standardization: Bedroom Size

Under General Guidelines, In Preferred Unit Sizes, it states: No CDBG DR built will be only 1 bedroom. We agree with the General Guidelines, no 1 bedroom homes should be built. We would like to add 4 bedrooms to the list because many of our families have 5 or more children and HUD requires 4 bedrooms in that case.

*TDHCA Staff Response: Staff does not believe that this comment requires a change to the housing guidelines. Four bedroom units are included in the general guidelines to accommodate larger households.*

**Comment #27:** Housing Standardization: Contractors

We think that each contractor ought to be able to submit plans for approval, carrying engineers stamp, etc. if they meet general HUD requirements, square footage, etc.

*TDHCA Staff Response: Staff does not believe that this comment requires a change to the housing guidelines. Qualified builders are expected to bid on replacement housing using their own construction plans as long as the plans meet the specifications and requirements established for the program.*

**Comment #28: Proof of Ownership**

What about families who have a contract for deed?

*TDHCA Staff Response: Staff does not believe that this comment requires a change to the housing guidelines. We believe that the guidelines provide a method for allowing the holders of contract for deed to prove ownership for the rehabilitation or reconstruction of the existing, storm-damaged home. However, the purchaser under a contract for deed does not have clear title to the property and therefore cannot participate in the HOP.*

**Comment #29: Types of Improvements**

Many families have butane gas tanks that are covered with a structure. Will that be allowed?

*TDHCA Staff Response: Staff does not believe that this comment requires a change to the housing guidelines. This would be addressed under the local allowances if there is a requirement for covered tanks.*

**Comment #30: Loan Repayment**

If the property is sold, transferred or vacated by the assisted homeowner for any single period that exceeds thirty (30) days during the three year forgivable loan period, the repayment terms of the Note will be enforced except in those cases addressed in the paragraph below. We are concerned about migrant farm workers who would be out of their homes for more than 30 days. They need to be added to the [guidelines], they should not have to repay.

*TDHCA Staff Response: Staff concurs with this comment and will add the following sentence to the Homeowner Guidelines:*

*Migrant farm workers who are recipients of a home under this program, may, when proven to be performing work for not more than six months, may leave a home vacant during the time of their employment, (but may not rent out the home), provided the recipient intends to return to the home.*

**Comment #31: Construction: Building Codes and Zoning Ordinances**

Who does the work write up? What protects a homeowner from a contractor who comes in exceedingly low who might in the end add charges to the amount? Could it read: Higher or lower than 15%?

*TDHCA Staff Response: Staff does not believe that this comment requires a change to the housing guidelines. Initial inspections, assessments of damages and work write-ups are conducted by qualified inspectors selected by the subrecipients who are separate and*

*apart from the building contractors. Procurement best practices (including pre-qualification of contractors) are available to ensure protection to the applicants.*

**Comment #32:** Town Hall Meetings/Colonia Challenges

For some of the issues that you have in the guidelines, like relocation, taxes, etc. I think it would behoove your department to have town hall meetings with potential recipients of the CDBG DR money to hear what their voices have to say about the challenges of relocating, taxes, migrant farm workers, etc.

So often when TDHCA develops guidelines, the practical aspect of such challenges to colonia families is disregarded. It simply is not to your benefit to ignore their voices. Yes, you have asked for comments, but I suggest that you go into the Colonias for your hearings and witness from the folks who live there. Most of the time when you have your hearings people are working and cannot attend. By so doing it certainly will offer them the respect that their voices are heard on a program that will affect them and give your department a taste of what life is like for them.

*TDHCA Staff Response: Staff does not believe that this comment requires a change to the housing guidelines. Staff plans public outreach to applicants and the guidelines require affirmative marketing tailored to the communities.*

Miles Arena

**Comment #33:** Eligible Activities & Expenditures

Please provide examples of eligible activities and expenditures under the “services” category.

*TDHCA Staff Response: Staff does not believe that this comment requires a change to the housing guidelines. To address the question, examples of services are real estate professionals and caseworkers.*

**Comment #34:** Procurement Requirements

Relating to Procurement Requirements, H-GAC recommends that TDHCA issue the Section 3 Plan requirements for TDHCA approval prior to the start of construction on any contract activity.

*TDHCA Staff Response: Staff does not believe that this comment requires a change to the housing guidelines. Staff will, however, develop a form for a Section 3 Plan.*

**Comment #35:** Homeowner Opportunity Program: Use of External Professionals

Provide guidance regarding which budget category these expenses should be assigned (i.e., planning, administration, or delivery).

*TDHCA Staff Response: Staff does not believe that this comment requires a change to the housing guidelines. External professionals’ fees that can be directly linked to an address may be charged as general administration or as activity delivery to the program line item.*

**Comment #36:** Homeowner Opportunity Program (HOP): Acquisition of Property

Ownership of properties associated with the HOP is a major concern for many of the subrecipients in the H-GAC region. One potential solution is to include an option discussed in previous Housing Guidelines Task Force meetings – transfer of title to an appropriate non-profit organization. Non-profit organizations could include Community Development Housing Organization, affordable housing providers (i.e., housing authorities, Habitat for Humanity, etc.), or a unit of government community development program.

*TDHCA Staff Response: Staff agrees and will add the following sentence to the General Guidelines:*

*To the extent allowed by HUD and where the final use of the property will be known and consistent with CDBG regulations and the for purposes of the relocation of the applicant, transfer of title to a nonprofit will be allowed.*

#### City of Houston

##### **Comment #37:** Types of Improvements

Improvements will include as necessary lead-based paint abatement, asbestos abatement, handicapped accessibility for special needs, energy efficiency or ventilation items such as ceiling fans, window screens, screen doors, and window blinds.

Comment: Insert the phrase “(on projects \$25,000 and over)” after the phrase “lead-based paint abatement, asbestos abatement”.

*TDHCA Staff Response: Staff does not believe that this comment requires a change to the housing guidelines. TDHCA will follow all applicable HUD guidance and CDBG rules and regulations for the abatement of lead-based paint and asbestos.*

##### **Comment #38:** Supplemental Improvements

All debris, abandoned vehicles, and buildings that pose a safety and/or health threat as determined by the local jurisdiction or person qualified to make such a determination, must be removed from the property prior to the start of construction. The assisted homeowners will remove derelict personal property.

Comment: Homeowners, many of whom are elderly or disabled, would be required to sign off on the City’s Restrictive Covenants and removal of such items deemed to pose a safety and/or health threat must be removed prior to the Work Write-Up approval.

*TDHCA Staff Response: Staff does not believe that this comment requires a change to the housing guidelines as staff disagrees with the perceived suggestion to allow certain applicants to not be required to remove or provide for the removal of derelict personal property.*

##### **Comment #39:** Foreclosure after Construction

The Note will require assisted homeowners to maintain principal residency in the assisted property for five years. This does not address foreclosures.



*TDHCA Staff Response: Staff does not believe that this comment requires a change to the housing guidelines. However, staff agrees and will add foreclosures to the Note.*

**Comment #40: Construction**

If the unit to be assisted was built prior to 1978 and the type of assistance offered will be rehabilitation, the assisted unit will be tested for the presence of lead based paint. If present, the removal of lead based paint will be considered in the costs of rehabilitation. Lead paint inspection provides two benefits: (1) the costs of abatement are considerable and must be factored into the cost estimates for rehabilitation and (2) the health risks to residents, particularly children, may be severe so any presence of lead based paint in an assisted unit, even one that is to be reconstructed, must be reported so that the residents, particularly children, may be severe so any presence of lead based paint in an assisted unit, even one that is to be reconstructed, must be reported so that the residents may seek appropriate medical attention.

Comment: Exchange these sentences for all past the first sentence. “Rehabilitation houses will not exceed the \$25,000 limit in order to be exempt from lead abatement. The area/s that are identified to have a lead content in excess for Federal Lead Standards will be properly identified on the Work Write-Up. The contractor will address these line items per the Lead Base Paint Guidelines. Upon completion of all work, the contractor will request a Lead Clearance.

HCDD also recommends a Re-Bid Conference with the subrecipient and Contractor. Upon completion of the Work Write-Up, the subrecipient will select at least two bids from the subrecipient’s list of eligible contractors for the proposed rehabilitation work.

*TDHCA Staff Response: Staff does not believe that this comment requires a change to the housing guidelines. TDHCA will follow all applicable HUD guidance and CDBG rules and regulations for the abatement of lead-based paint and asbestos.*

**Comment #41: Contractor Performance:**

Need to address what happens if: Failure to start and complete awarded jobs within the agreed to time span as stated in the contract and Contractor fails to honor warranties or address issues in a timely manner.

*TDHCA Staff Response: Staff does not believe that this comment requires a change to the housing guidelines. The construction contract should address these issues.*

**Comment #42: Homeowner Refusal**

Inspections to approve progress payments will be made at a time requested by the contractor. These inspections will be made promptly upon request so as not to delay the processing of the contractor’s payments. If at all possible, the same person will conduct inspections each time.

HCDD only provides partial payments for reconstruction/new construction only. Only one final payment is made for rehabilitation projects. If the homeowner refuses to sign off on the “Owner’s Acceptance of Rehabilitation Work” form, then the Inspector will document this on the form and proceed with the payment process if the inspector has verified that all work is complete and acceptable per industry standards.

*TDHCA Staff Response: Staff does not believe that this comment requires a change to the housing guidelines. The current guidelines do not contain this language; however processes adopted by the subrecipients could address this issue.*

**Comment #43: Final Inspection/Retainage**

When final inspection determines that the work is complete in accordance with the contract, the [Subrecipient] will submit the contractor's request for payment and upon receipt of the funds, disburse the funds to the contractor. The [Subrecipient] may retain 10% of the funds pending a supplemental inspection in no less than thirty (30) days. Following a satisfactory supplemental inspection, the retainage will be paid to the contractor upon availability of grant funds following the final thirty (30) day inspection.

Comment: Delete the last two sentences. Use this sentence: "If no rehabilitation work issues arise within the 30 day retainage period, then the subrecipient will process the 10% retainage upon availability of grant funds."

*TDHCA Staff Response: Staff does not believe that this comment requires a change to the housing guidelines. This change would not be consistent with staff's requirements that a supplemental inspection clear the property and affirm that the structure was built to standards as opposed to not having a complaint that results in additional work. Physical inspection is required.*

**Comment #44: Homebuyer Assistance Applicants**

Applicants seeking assistance to purchase a home are subject to the HBA Guidelines. HBA applicants are divided into two principal categories: Those that are eligible to fully participate in the Homeownership Opportunity Program (HOP) (as described in the General Guidelines) and those who are not. Regardless of the category, all homebuyer assistance must be targeted to the socio-economic subcategories and demographics as described in the General Guidelines.

a. Applicants are eligible for the HOP if they meet all three of the following criteria: at or below 80% AMI; owner (possess fee simple title) at the time of the storm of a hurricane-damaged home; and damaged residence was located in a FEMA-designated "High Risk Area" or an area of high minority and poverty concentration as approved by TDHCA.

b. Applicants that are not eligible to fully participate in the HOP must still meet the following criteria to be eligible for HBA: at or below 80% AMI and primary residence at the time of the storm was damaged by the hurricane.

Comment: The prior version of the Homebuyer Assistance Program Guidelines listed the maximum area median family income at 120% for non-HOP applicants. This AMI category allows a greater number of affected families to be assisted by Hurricane Ike Round 2 funds. Also, there is no way to track/verify that the client's primary residence at the time of the storm was damaged by the Hurricane. Prior versions of Hurricane Ike Guidelines took the position that since Houston was affected the people in the area were adversely affected.

*TDHCA Staff Response: Staff does not believe that this comment requires a change to the housing guidelines. The Housing Guidelines for Round 2 require that the programs*

*be based on a needs assessment and be consistent with the Conciliation Agreement. This program is not anticipated to be a major component of Round 2 due to the likelihood of the activity's incompatibility with the anticipated results of the needs assessments. This change would not be consistent with the Conciliation Agreement.*

**Comment #46: Program Objectives**

A second objective is to ensure that the housing needs of low, very low and extremely low-income households are assisted with housing in no less than the proportion to the relative percentages of the overall populations which suffered housing damage within the communities being served.

Comment: What if the subrecipient is serving these populations with other programs? Does the subrecipient receive credit for those the subrecipient currently serves in Round 1?

*TDHCA Staff Response: Staff does not believe that this comment requires a change to the housing guidelines. The goal of the program in Round 2 is to address the needs of persons impacted by the storm in the relative amounts of currently unmet need; therefore, Round 2 funding will be distributed and targeted based on the needs assessment. However, subrecipients may take into account the accomplishments of Round 1 funding. In other words, if a subrecipient, with Round 1 funding, has already fulfilled the needs of all 30% AMI and below households, then that subrecipient could, but would not be required to program any Round 2 funding to address the needs (which no longer exist) of that population. Conversely, if the subrecipient addressed 150% of the need identified by the needs assessment for the 51-80% AMI income group, the subrecipient would not be penalized for this overage, but they would not be able to program any Round 2 funding to serve this population.*

**Comment #47 (definition): Rental Replacement**

Rental Activity – Acquisition, rehabilitation, or construction of affordable rental housing resulting in structures where at least 51% of units are occupied by LMI persons. Income and rent restrictions apply to the rental units to be built or assisted with CDBG funds.

Comment: Want to clarify that you can provide new constructions on a vacant site. For example, we can demonstrate that there were multifamily rental units demolished or rendered uninhabitable since the hurricane. Can we “replace” these units with new construction elsewhere (i.e., senior housing)?

*TDHCA Staff Response: Staff does not believe that this comment requires a change to the housing guidelines. However under HUD rules, a subrecipient may rebuild damaged units in a different location. These units must meet affirmatively furthering fair housing requirements in Round 2 and meet the requirements under the Action Plan and Conciliation Agreement, including the one-for-one replacement requirement where applicable.*

**Comment #48 (definition): Low to Moderate Income (LMI) National Objective**

Low to Moderate Income (LMI) National Objective – Activities which benefit households whose total annual gross income does not exceed 80% of Area Median Income (AMI), adjusted for family size. Income eligibility will be determined and verified in accordance with 24 CFR Part 5 requirements using procedures as stated in the Technical Guide for Determining Income and Allowances, 3<sup>rd</sup> Edition (HUD-1780-CPD). The most current income limits, published annually by HUD, shall be used by [Subrecipient] to verify the income eligibility of each household applying for assistance at the time assistance is provided. LMI economic subcategories are as follows:

Very low: Household’s annual income is up to 30% of the area median family income, as determined by HUD, adjusted for family size

Low: Household’s annual income is between 31% and 50% of the area median family income, as determined by HUD, adjusted for family size

Moderate: Household’s annual income is between 51% and 80% of the area median family income, as determined by HUD, adjusted for family size

Comment: This is not consistent with Section I a) ii which has “extremely low” as the 30% definition.

*TDHCA Staff Response: Staff concurs with this comment and will edit the guidelines to achieve consistency in the use of terminology. For the purposes of the Round 2 Housing Guidelines, the terms “low, very low and extremely low-income” as included in the Conciliation Agreement will be understood to agree with the LMI subgroup definitions as promulgated by HUD (as listed in the above comment) for use in the CDBG Program.*

**Comment #49: Slum and Blight Eligibility**

Slum and Blight National Objective – Activities which help to eliminate slums and blighted conditions. Use of this National Objective is limited due to its inability to contribute towards the overall requirement for 55% of Dolly and Ike Round 2 funding to benefit low to moderate-income beneficiaries. It must be justified in the application for funding and the restrictions of its use will be expressly detailed in the contract between TDHCA and the [Subrecipient]. Slum and Blight activities must meet the criteria of one of the three following categories: 1) Prevent or eliminate slums and blight on an area basis; 2) Prevent or eliminate slums and blight on a spot basis; or 3) Be in an urban renewal area.

Comment: Can we use this to tear down buildings in areas of LMI residents?

*TDHCA Staff Response: Staff does not believe that this comment requires a change to the housing guidelines. In response to the question, under the conditions identified by HUD, this would be allowable as long as it was consistent with affirmatively furthering fair housing. One of the CDBG requirements is the requirement for local jurisdictions to designate the location as an area of slum and blight, if the Slum and Blight National Objective is utilized. If the demolition is set to occur in an LMI area, it may be more*

*efficient to classify the activity under the LMI National Objective as an area-wide LMI benefit.*

**Comment #50 (definition): Duplication of Benefits**

Duplication of Benefits – The Robert T. Stafford Disaster Assistance and Emergency Relief Act (Stafford Act) prohibits any person, business concern, or other entity from receiving financial assistance from CDBG Disaster Recovery funding with respect to any part of a loss resulting from a major disaster as to which he has already received financial assistance under any other program or from insurance or any other source.

Comment: Should add the provision: “Receipt of partial benefits for a major disaster or emergency shall not preclude provision of additional Federal assistance for any part of a loss or need for which benefits have not been provided.”

*TDHCA Staff Response: Staff does not believe that this interpretation is consistent with the current interpretation by HUD; however, staff will agree to add the following to the General Guidelines:*

*The state will allow for the most permissive current interpretation provided by HUD in determining Duplication of Benefit.*

**Comment #51: Evaluation of Data**

- 1) Also should consider that rental may be an alternative for a homeowner, or a home may be an alternative for a renter. For example – a senior rental project may be an alternative to replace the damaged home.
- 2) Persons with accessibility or other special needs adaptations should also be analyzed as part of the process.

Comment: HCDD requires all rehabilitation projects to put in 5% handicap accessible and 2% visually impaired.

*TDHCA Staff Response: Staff does not believe that this comment requires a change to the housing guidelines. This applies only to multifamily units and compliance with Section 504 is already included within the guidelines.*

**Comment #52: Prior Applications**

- (a) Prior applications may be considered if they are within the designated targeted areas. This program is not intended to be a first-come-first-served program and therefore persons who have already applied Under Round 1 do not have a prior claim to be included in the program.
- (b) Prior applications will need to be reviewed to ascertain whether they qualify under the new program guidelines. As this program is not a continuation of Round 1 programs, applicants must be re-qualified.

Comment: Under the Homebuyer Assistance Activity for hurricane impacted non-homeowners, it is mentioned that the activity is designed not to be a first-come-first-served program. Subrecipients may encounter major problems in spending the funds allocated. Under the normal

home buying process, applicants usually begin the process before qualifying for the assistance. It will be difficult to develop and maintain a good pool of applicants when there is a potential for an extended closing turnaround time.

*TDHCA Staff Response: Staff does not believe that this comment requires a change to the housing guidelines. As a comment related to this question, it is anticipated that the \$40,000 HBA assistance program will be a very small component of Round 2. Most, if not all, Round 2 funds will be required (as indicated by the needs revealed in the needs assessments) to be used for the HOP program HBA activities that will focus on extremely low income persons relocating out of FEMA-designated “High Risk” areas, concentrated areas of poverty, or concentrations of racial minorities.*

**Comment #53: Performance Standards**

According to the Conciliation Agreement, TDHCA’s proposed subrecipient performance standards will require that within a period of no more than eighteen months from the date of commencement of the Program, each subrecipient will have identified sufficient eligible beneficiaries such that the subrecipient will be able to provide reasonable assurance that the subrecipient will be able to expend all applicable funds within TDHCA benchmarks.

Comment: Should say from the date the contract is signed with TDHCA and/or from the date the subrecipients Program Guidelines are approved by TDHCA.

*TDHCA Staff Response: Staff agrees with this comment and will add in after the date of the commencement of the program the phrase:*

*“...which, for the purposes of the 18-Month Performance Requirement, is the start (effective) date of the Round 2 contract between TDHCA and the subrecipient.”*

**Comment #54: Size of Unit**

This is only applicable to single family programs.

*TDHCA Staff Response: Staff does not believe that this comment requires a change to the housing guidelines. Staff believes that this obvious from the context.*

**Comment #55: Program Marketing**

Evaluation of outreach activities and applications received will be necessary to determine if applications are received from a diverse population and ranges of income to ensure low-moderate income households are assisted in a proportion to the percentage of overall populations.

Comment: For rental projects, the Developer/Owner in not LMI, but tenancy is.

*TDHCA Staff Response: Staff agrees with this comment and will edit the General Guidelines to include the words “single family” before applications.*

**Comment #56: Procurement Requirements**

Procurement is the acquisition of goods and services to be used internally by the [Subrecipient] to carry out the Program. The procurement process includes the decision to purchase as well as the process to complete the purchase. The federal government has established a set of procurement rules that apply to CDBG-funded projects. These rules are in place to ensure that federal dollars are spent fairly and encourage open competition for the best level of service and price. In addition, the State of Texas has enacted a set of regulations that also apply to CDBG contracts. If a conflict between federal and state procurement regulations should occur, safe harbor is typically found in the more stringent regulation.

Comment: Want to confirm that it is not required to bid the rental project if the application comes from an RFP process. Sometimes the applicant acts as the general contractor and costs must be reasonable and substantiated with actual invoices.

*TDHCA Staff Response: Staff does not believe that this comment requires a change to the housing guidelines. As a comment regarding the procurement question, the rules may differ depending on the circumstances and a broad statement is not appropriate at this time. Generally, subrecipients provide a Notice of Funding Availability to allocate rental program assistance to multifamily projects.*

**Comment #57: Site and Development Restrictions**

Housing developments must meet the accessibility requirements at 24 CFR Part 8, which implements Section 504 of the Rehabilitation Act of 1973 (29 U.S.C. §794). Multifamily housing developments must meet the design and construction requirements at the Texas Administrative Code, Title 10, Chapter 60, Subchapter (B) 10 TAC §§60.201-211). Covered multifamily dwellings, as defined at 24 CFR §100.201 as well as common use facilities in developments with covered dwellings must meet the design and construction requirements at 24 CFR §100.205, which implement the Fair Housing Act (42 U.S.C. §§3601-3619) and the design and construction requirements of the Fair Housing Act Design Manual. Additionally, developments involving new construction (excluding construction of nonresidential buildings) where some units are two-stories and are normally exempt from Fair Housing accessibility requirements, a minimum of 20% of each Unit type (i.e. one bedroom, two bedroom, three bedroom) must provide an accessible entry level and all common-use facilities in compliance with the design and construction requirements of the Fair Housing Act Design Manual, and include a minimum of one bedroom and one bathroom or powder room at the entry level. A compliance certification will be required after the development is completed from an inspector, architect, or accessibility specialist. Any developments designed as single family structures must also satisfy the requirements of §2306.514 of the Texas Government Code.

Comment: Is this applicable to multifamily rental new construction and rehabilitation projects?

*TDHCA Staff Response: Staff does not believe that this comment requires a change to the housing guidelines. To address the question, multifamily rental developments must comply with 10 TAC Chapter 60, Subchapter B Rules Section 60.201-211. Only new construction and reconstruction (the demolition and reconstruction of the home in substantially the same size and manner) for single family must comply with the accessibility requirements under Section 2306.514 of the Texas Government Code.*

**Comment #58: Programs Must Be Made Available**

Relocations through either lot acquisition and construction or acquisition of a new/existing home will only be allowable only if the lot does not require home elevation expenses. Beneficiaries may not be relocated to other 100-year flood zones. Lots that need wells or septic will be determined on a case by case basis. However, accessibility enhancements will be eligible for all programs.

Comment: What about those lots that are partially in and out of a flood plain?

*TDHCA Staff Response: Staff does not believe that this comment requires a change to the housing guidelines. As a comment, all of the home must be out of a flood plain to qualify in this round. If a portion of the property not related to the homestead is included, that may be evaluated on a case by case basis.*

**Comment #59: Use of External Professionals**

- a) The HOP Homebuyer Assistance program should be designed to allow for the cost of professionals. Examples include real estate agents to provide guidance to applicants about lots or homes that are available in the community that will work to offset or correct concentrations of protected classes or concentrations of poverty.
- b) Professionals must be licensed by the state where appropriate. The sub-recipient can, using proper procurement practices, hire full time professionals or create a qualified list of candidates and randomly assign them to files. The sub-recipient should include estimated fees and associated costs in their program design.
- c) Liability issues may be addressed in the program design.

Comment: There is concern that there is no profit-based motive/incentive for real estate professionals to participate in HOP and assist homeowners. If this is not addressed in the program design, the real estate professionals may be driven more by commissions than by the need to assist the homebuyer make an optimal purchase that fits the homebuyer's individual profile.

*TDHCA Staff Response: Staff does not believe that this comment requires a change to the housing guidelines. Each community must make the decision if there is a need to provide additional funding to professionals to encourage them to participate fully in the program. It is anticipated that in many communities there is a need to provide incentives as part of the \$18 million funding above the costs of the homes.*

**Comment #60: Program Objectives**

A second objective is to ensure that the housing needs of low, very low, and extremely low-income households are assisted with housing in no less than the proportion to their relative percentages of the overall populations which suffered housing damage within the communities being served.



Comment: City of Houston multifamily LURA requires owner to accept Section 8 vouchers.

*TDHCA Staff Response: Staff does not believe that this comment requires a change to the housing guidelines. While the Houston LURA may address the need for rental replacement, it does not address the Homeowner Opportunity Program (HOP) that is required in every subrecipient plan.*

**Comment #61: Program Objectives**

A third objective is to prioritize the provision of decent, safe and sanitary housing for elderly and disabled populations with an emphasis on housing choice and design to reduce maintenance and insurance costs as well as provide for the provision of independent living options.

Comment: Tenants in multifamily rental projects do not have maintenance and property insurance costs. Unclear on what is meant by “independent living.”

*TDHCA Staff Response: Staff does not believe that this comment requires a change to the housing guidelines. This issue is related to the Homeowner program. Although independent living would apply to the multifamily programs as people transitioning from state housing or from community homes need to have an ability to develop plans for independent living.*

**Comment #62: Types and Amounts of Assistance**

The maximum award cap under the Affordable Multifamily Rental Program is \$10,000,000 per development. Exact award will depend upon the amount of storm damage, the cost reasonableness of funds bringing the property up to Housing Quality Standards (HQS), and other funding sources available. Eligible costs include hard costs for construction and soft costs associated with repair or construction of rental units plus other costs permissible under 24 CFR 570.

Comment: Given the age of the housing stock in Houston, and the size of many of the multifamily projects, HCDD suggests \$15,000,000 as the award cap. As described below, the award can include costs to mitigate damage from future hurricanes, encourage energy efficiency, and extend useful life.

*TDHCA Staff Response: Staff does not believe that this comment requires a change to the housing guidelines as it disagrees with the increased amounts suggested.*

**Comment #63: Types and Amounts of Assistance**

A Land Use Restriction Agreement (LURA) will be placed on developments and any applicable lenders must agree to subordinate to the LURA. The Developer/Borrower will guarantee completion of construction until a certificate of occupancy has been issued and retainage has been released. There is a ten year affordability period under the LURA.

Comment: Insert the word “minimum” before the phrase “ten year affordability period.” You may want to consider that if you do an award for less than \$1,000,000, the affordability period is only five years. Is the contract with the subrecipient a period of 10 years?

*TDHCA Staff Response: Staff does not believe that this comment requires a change to the housing guidelines. The Action Plan requires a Land Use Restriction Agreement to be placed on multifamily and owners of 20 or more single family houses owned under common ownership. The LURA requires the properties to keep the units affordable for a 10 year affordability period. Staff will continue to monitor the subrecipient past the contract date to ensure that rental properties comply with the LURA requirements.*

**Comment #64:** Types and Amounts of Assistance

Project construction must be completed within 18 months of the effective date of the contract, unless otherwise extended.

Comment: Replace “date of the contract” with the phrase “date of the Notice to Proceed.”

*TDHCA Staff Response: Staff does not believe that this comment requires a change to the housing guidelines. Staff does not agree with changes as the goal is to encourage timely development of affordable housing.*

**Comment #65:** Participant Eligibility Requirements

The Applicant, Development Owner, Principal or Developer/Borrower must be in good standing with any outstanding loans and loan commitments. There may be no defaults or negative collection actions on current or previous loans.

Comment: Replace “any outstanding loans and loan commitments. There may be no defaults or negative collection actions on current or previous loans.” with the phrase “date of the Notice to Proceed” with “subrecipient.”

*TDHCA Staff Response: Staff does not believe that this comment requires a change to the housing guidelines as staff disagrees with this interpretation.*

**Comment #66:** Multifamily Selection Criteria

Any subrecipient that intends to offer an Affordable Multifamily Rental Program must develop a NOFA or application process. The application or NOFA process should identify the properties that provide the greatest benefit to the community to those with the greatest need. The Subrecipient will develop criteria to award funds to the projects meeting the housing goals and objectives the program, and fair housing as well those of the community.

Comment: Add that Applicants must demonstrate capacity to complete the project.

*TDHCA Staff Response: Staff agrees with this comment and will add the following to the Rental Program Guidelines:*

*All awards must be made to applicants that demonstrate capacity to complete the development planned in the application.*

**Comment #67:** Multifamily Selection Criteria

Criteria developed by the subrecipient to identify projects providing the greatest benefit to the community may consider the following: Projects are encouraged to increase the number of affordable units by exceeding the requirement to least 51% of the units to low / moderate income households.

Comment: Does this increase the concentration of poverty: This would work well with Tax Credit Rehabilitation projects; however it may be problematic given the time constraints of the program.

*TDHCA Staff Response: Staff does not believe that this comment requires a change to the housing guidelines. Every application must take into account how it will affirmatively further fair housing and, therefore, no concentrations of poverty will be allowed in this program.*

**Comment #68: Selection Criteria**

Criteria developed by the subrecipient to identify projects providing the greatest benefit to the community may consider the following: Projects are encouraged to provide units to households with the highest need for affordable housing by agreeing to create set asides targeting extremely low, very low income, low and moderate income tenants.

Comment: By “set asides” do you mean further restrictions in the LURA?

*TDHCA Staff Response: Staff does not believe that this comment requires a change to the housing guidelines. In general, the answer to the question is yes, this means additional restrictions based on income targets outlined in the LURA.*

**Comment #69: Selection Criteria**

Criteria developed by the subrecipient to identify projects providing the greatest benefit to the community may consider the following: Projects are encouraged to meet low-maintenance and energy efficiencies by installing energy efficient products and low maintenance items. Combinations of the following items can be used up to the maximum number of points.

Comment: Unclear with maximum number of points.

*TDHCA Staff Response: Staff does not believe that this comment requires a change to the housing guidelines. Applications should include a scoring component to maximize the targeted income levels, quality/efficiency and location of the units.*

**Comment #70: Program Requirements: Rehabilitation or Construction Activities**

The Developer / Borrower must submit an acceptable Property Condition Assessment (PCA) conducted by a qualified third party. In addition to repair costs identified in the PCA, other costs will be considered if they extend the useful life of the project. The project costs must be reasonable and typical in the current marketplace for projects of similar scope. Plans and specifications must be submitted for replacement units.

Comment: Insert the phrase “or are a result of federal requirements such as Davis Bacon wage rates for accessibility features” after the words “the useful life of the project.”

*TDHCA Staff Response: Staff does not believe that this comment requires a change to the housing guidelines. As a comment to the question; a project funded with disaster recovery funds must comply with Davis Bacon wage rates, so projects costs will be reflective of these requirements.*

**Comment #71: Project Completion & Release of Retainage Procedures**

Developer/Borrower submits Lien Release from General Contractor to show that all subcontractors have been paid.

Comment: The Contractor = the subrecipient and the Subcontractor = the Building Contractor? If the City of Houston is the subrecipient, and the applicant is the Developer / Owner, then who contracts with the Building Contractor?

*TDHCA Staff Response: Staff does not believe that this comment requires a change to the housing guidelines. All agreements with contractors will be tri-party agreements between the subrecipient, the developer/owner and the Contractor. The subrecipient will take part in this agreement in the form of a Lender thereby having the authority to require compliance with the provision of the contract and authority to conduct inspections and process payments.*

**Comment #72: Program Limitation**

Applicants participating in the Buyout Program must contribute 100% of the assistance received under that Program toward the purchase of the newly acquired property.

Comment: Many potential homeowners may still have a mortgage tied to the property. Who is responsible for paying off the balance of the first mortgage if funds from Buyout Program cannot be used?

*TDHCA Staff Response: Staff does not believe that this comment requires a change to the housing guidelines. CDBG funds cannot be used to provide funds to reduce or eliminate mortgages. When beneficiaries opt to move from their existing property they are responsible for existing liens and the coordination of loans, if necessary, for the new location.*

Apolonio Flores

**Comment #73: Program Objectives**

In Section II, references are made to activities designed to mitigate storm damages, including future hurricanes; meet housing needs of low, very low and extremely low-income households; and housing for elderly and disabled. But in Section III, Program Purpose shows units qualifying for assistance must have sustained damage from Dolly/Ike. This ignores the Program Objectives cited above makes qualifying for assistance very restrictive. There is no mention of removal of slum and blight.

*TDHCA Staff Response: Staff does not believe that this comment requires a change to the housing guidelines. The CDBG disaster recovery funds were allocated to help Texas recover from Hurricane Ike and Dolly. Funds are focused to provide assistance to Low Income households and structures damaged or destroyed by the storm.*

**Comment #74: Program Objectives**

There are many situations where low, very low and extremely low income families, seniors, and disabled persons reside in substandard housing, paying a large percentage of their income for rent or other housing costs, and reside in housing that does not protect them from severe weather. Assistance should be made available for those that can provide the safe, decent and sanitary housing at affordable rents in housing that protects them from severe weather. The building of this housing will provide an opportunity for low income families to move to affordable housing that protects them from severe weather, is affordable, etc. An example of providers are Housing Authorities that own land but do not have resources to finance new housing. Housing Authorities have vouchers they can provide to assist the low, very low, and extremely low income families, seniors, and disabled persons. I suggest the grant or forgivable loan be about 75% of the development costs with the balance financed.

*TDHCA Staff Response: Staff does not believe that this comment requires a change to the housing guidelines. Under the rental guidelines CDBG funds are issued in the form of grants up to the maximum award cap of \$10 million.*

**Comment #75: Demolished Public Housing**

There is Public Housing that has been demolished due to obsolescence and that could be considered blight. Due to a lack of funding from HUD, Housing Authorities have not replaced the demolished Public Housing and could do so with disaster assistance with some units being Public Housing, others with residents assisted with vouchers, and others that may be able to afford the rents at 30% of their income.

*TDHCA Staff Response: Staff does not believe that this comment requires a change to the housing guidelines. NOFA's could provide a priority to replace housing authority properties and they could place restrictions on the level of funding for a single development as long as it does not exceed the maximums identified in these Guidelines.*

**Comment #76: Housing Development/Slum & Blight**

There are also situations where an affordable housing development may be in the flood plain or have other serious problems like environmental. I know of a HA with a property that is not inhabitable, has been vacated, and is clearly slum and blight + poses a health and safety issue to the neighborhood. In another instance, there are serious environmental issues; the property likely qualifies as slum + blight etc. There needs to be provisions for funding demolition and reconstruction at another site. This should be in both the TDHCA affordable rental housing + the COGS programs.

*TDHCA Staff Response: Staff does not believe that this comment requires a change to the housing guidelines. Demolition is an allowed housing activity.*

Judy Allen

**Comment #77:** Elevation Issues

- 1) \$35,000-\$60,000; these figures are too low for elevation in non-coastal vs. coastal areas
- 2) Accessibility – Coastal should decide lifts and decks, not ramps. We should be using IRC-UFAS.
- 3) Appeal for Local Jurisdiction Changes

*TDHCA Staff Response: Staff does not believe that this comment requires a change to the housing guidelines. The consensus based on prior experience is that these costs would meet the needs of homes. Each home is looked at for its optimum plan with regard to accessibility and all options are on the table. The appeal system is addressed further within these guidelines.*

Randolph Littleton

**Comment #78:** Homeowner Insurance

The homeowner must provide insurance quote prior to TDHCA set-up approval. Also, monitoring procedures/process after first year of hazard and flood insurance.

*TDHCA Staff Response: Staff does not believe that this comment requires a change to the housing guidelines. These functions will be monitored and it is so stated in the contracts with the homeowners.*

Carol Borrego

**Comment #79:** Probability of Applications

If someone makes an application in the wrong jurisdiction.

*TDHCA Staff Response: Staff does not believe that this comment requires a change to the housing guidelines. Assistance may not be provided to an applicant that is located outside the jurisdiction of the subrecipient unless the assistance involves the relocation of an approved applicant to another jurisdiction as part of the HOP.*

John Henneberger

**Comment #80:** Homeowner Opportunity Program (HOP)

Under the HOP program I urge that people be allowed to use the HOP program to move either for fair housing or safety purposes if they are in a flood zone or FEMA designated danger area. In other words, homeowners should be able to choose to move to an area outside of a flood zone even if the area the resulting move is not pro-integrative. The HOP program exists both to help people move out of hazardous areas AND/OR to make Fair Housing related moves. This may be necessary to obtain housing in some localities that is affordable under the limits imposed for HOP or to allow the homeowner to make a choice that meets their needs. The homeowners must be provided counseling to assess all their options as set out in the draft guidelines prior to making such a decision.

*TDHCA Staff Response: Staff does not believe that this comment requires a change to the housing guidelines as staff does not agree. Inhabitants of a FEMA-designated High Risk area are allowed to relocate or rebuild and remain in place; however, they will not be*

*allowed to relocate to an area of poverty or minority concentration as determined by TDHCA.*

**Comment #81: Rehabilitation vs. Reconstruction**

Emphasis should be given through the guidelines to restrain costs. To ensure this, rehabilitation should be undertaken where appropriate instead of reconstruction. We recognize the difficulties associated with administering rehabilitation programs but administrative burdens on subrecipients should not be a reason for not undertaking rehabilitation where appropriate, especially in light of the lower costs.

When reconstruction is necessary, the cost of the new home must be held to a reasonable level. TDHCA has demonstrated that a decent home can be rebuilt for under \$75,000 through the Hurricane Rita Round 2 program. TxLIHIS recommends using this basic house as an appropriate standard for Ike/Dolly reconstruction, incorporating slightly improved energy efficiency and build quality/durability/windstorm resistance. This should in no case drive costs above \$95,000, even in higher cost markets. The costs in some markets should be considerably lower. We understand this recommendation to be consistent with the proposed guidelines.

If CDBG disaster recovery subrecipients are not able to achieve this target cost point, then consolidation of program administration at the state level should be considered to restrain costs.

TxLIHIS strongly believes the HOP program, which allows homeowners requiring home reconstruction to elect to move out of impacted areas utilizing the same amount of funds the homeowner reconstruction program would expend to build them a new home in place, is an appropriate program. It gets people out of dangerous situations and promotes fair housing opportunity utilizing the same housing benefit levels.

Because insufficient funds exist to assist all the eligible households in need of housing, it is vital that costs of providing housing assistance be held down so that as many eligible households as possible can be assisted.

*TDHCA Staff Response: Staff does not believe that this comment requires a change to the housing guidelines. Staff also does not agree with all the assertions made within this comment. The goal of this program is to allow local decisions and local control while providing the best opportunities for persons in concentrated areas of poverty, racial minorities or in flood prone areas. Staff does agree that where possible we should use efficiencies and believe that these guidelines represent that effort and will assist in achieving cost savings.*

**Comment #82: Poverty Concentration**

The program may be utilized to affirmatively further fair housing for disaster recovery applicants that qualify as 80% or below AMI and live in the 100-year Flood Zone or areas of high minority and poverty concentration, as approved by TDHCA.

Comment: What is the definition of poverty concentration?

*TDHCA Staff Response: Staff agrees and will add the following definition for poverty concentration in the General Guidelines:*

*An area of poverty concentration is a census block group that consists of 35% of the residents living in poverty. A household that meets the US Census Bureau's poverty threshold is considered to be at or below poverty level for the Disaster Recovery Program.*

**Comment #83: Houston Homebuyer Assistance Activity**

Homebuyer Assistance Activity – the utilization of CDBG Disaster Recovery funding for up to 100% of the required down payment, reasonable closing costs, principal write-down assistance, subsidization of interest rates, and private mortgage insurance to facilitate the purchase of a new or existing home. The activity may be utilized in the relocation of a HOP participant or as assistance provided to a hurricane-impacted non-homeowner. Limitations on HOP funding are detailed in Part B; the cap on homebuyer assistance for hurricane impacted non-homeowners is limited to \$40,000.

Comment: How can we keep Houston from abusing this?

*TDHCA Staff Response: Staff does not believe that this comment requires a change to the housing guidelines. Every subrecipient must compare their needs with the program design. The \$40,000 HBA program is not expected to be used in any significant way in Round 2 based on the initial review of qualified data.*

**Comment #84: IMM**

Individual Mitigation Measures (IMM) – Activities designed to mitigate and/or reduce risk beyond the pre-disaster condition of a housing unit when the activities are above and beyond federal, state, or local construction or code requirements. The State anticipates accessing additional funds for disaster activities under the Disaster Recovery Enhancement Fund (DREF) that must be matched by funding provided for IMM.

Comment: Is this the case? How is this going to work?

*TDHCA Staff Response: Staff does not believe that this comment requires a change to the housing guidelines. The DREF funds are still being programmed but staff is reviewing these how these funds will be allocated and best utilized.*

**Comment #85: Family**

Family – A family is defined as all persons living in the same household who are related by blood, marriage, or adoption.

Comment: How does this affect gay people? Hasn't HUD provided some ruling?

*TDHCA Staff Response: TDHCA understands the concern and we will follow HUD guidance on determining family and household makeup. The General Guidelines will be edited to include the most recent HUD definition of family, consistent with Texas law.*



**Comment #86:** Evaluation of Data

Qualified data will be used to document the impact of the relevant storm on the economic LMI subcategories and to assist the subrecipient in developing the plan for targeting the use of those funds, in the appropriate levels, to the appropriate economic categories.

Comment: We need to see these percentages. Will this apply to combined Round 1 and 2? They are supposed to conform their spending to this data. This would include division between owner and rental funds as well as income categories of beneficiaries. Is this what the CA provides? Can we force a needs based distribution between owner and renter?

*TDHCA Staff Response: Staff does not believe that this comment requires a change to the housing guidelines. The qualified data is currently being released to the COGs by TDHCA and is also posted for review by the general public on the division's webpage: <http://www.tdhca.state.tx.us/cdbg/ike-and-dolly/index.htm> The data will be used to generate a needs assessment that will dictate the distribution of Round 2 funding; however, the accomplishments of Round 1 may count towards the required funding categories of the needs assessment if they are applicable. The HUD/FEMA data used to generate the qualified data does not address rental damages well. Each subrecipient will be encouraged to look at rental needs. At a minimum, the three regions that have a portion of the state run affordable housing rental program will spend that amount on rental replacement and repair. The needs assessments may indicate the need to dedicate additional funding to rental from general housing funds. The COGs will indicate how the general housing funds will be utilized in the Round 2 Phase 2 MOD and may designate some of those funds as rental activities. All subrecipients have been encouraged to budget funding for needs assessments to determine rental needs.*

**Comment #87:** Program Requirements: Eligibility Standards

Applicants applying for disaster assistance are processed by the [Subrecipient] and must meet certain eligibility standards to qualify for assistance. Eligibility standards are further discussed in the activity-specific housing guidelines.

Comment: What does this mean?

*TDHCA Staff Response: Staff does not believe that this comment requires a change to the housing guidelines. To address the question, each activity has basic standards that must be met to be eligible for the programs described by these guidelines.*

**Comment #88:** Acquisition of Property

The original, storm-damaged property will be acquired at the pre-storm tax appraisal as documented by the Central Appraisal District. The cost of the acquisition of the storm-damaged property will be absorbed in the cost of the acquisition of the relocation property.

Comment: I don't understand what this means?

*TDHCA Staff Response: Staff acknowledges the confusion and will edit the General Guidelines as follows:*

*The acquisition cost for the original property destroyed by the storm will be the cost of a replacement house based on the standardized specifications for the appropriate household composition and size which will be bid locally.*

**Comment #89: Acquisition of Property**

Outstanding liens or mortgages are the responsibility of the homeowner and must be satisfied prior to transfer of title.

Comment: Who helps people work this out? Should be allowable cost?

*TDHCA Staff Response: Staff does not believe that this comment requires a change to the housing guidelines. CDBG funds cannot be used to provide funds to reduce or eliminate mortgages. When beneficiaries opt to move from their existing property they are responsible for existing liens and the coordination of loans, if necessary, for the new location. Caseworkers and real estate professionals will be made available to counsel the applicants. Costs for such services are eligible activity delivery expenses.*

**Comment #90: Introduction: Principal Residence**

The applicants' principal residence at the time of the storm must have been impacted by the hurricanes in order to qualify for HBA. In order to assist the subrecipients to meet their Affirmatively Furthering Fair Housing goals, the option to assist applicants who were not homeowners at the time of the storm is available. However, any HBA provided to non HOP-eligible applicants must be needs-based.

Comment: What does this mean?

*TDHCA Staff Response: Staff understands the concern and will add the following language to the Homebuyer Guidelines for clarification:*

*CDBG regulations restrict homebuyer assistance to the amount up to and including the amount of assistance necessary to facilitate homeownership. For example, it is not a reasonable use of CDBG funding to provide the full amount of assistance, \$40,000, when only \$5,000 of mortgage gap financing is necessary for a bank to make an affordable loan to purchase the home.*

**Comment #91: Program Purpose**

The provision of homebuyer assistance to facilitate the purchase of new and existing single family homes to benefit hurricane victims. Homebuyer assistance may be provided to applicants who fully qualify for and elect to participate in the HOP and income-eligible households that were affected by the hurricanes but who do not qualify for the HOP. Income-eligible households who do not fully qualify for the HOP include applicants who do not possess fee simple title to the original, hurricane-damaged property to be acquired (bought out) or who cannot obtain clear

title within one year of the application date. The [Subrecipient] cannot acquire property for which clear title cannot be obtained.

Comment: Why not?

*TDHCA Staff Response: Staff does not believe that this comment requires a change to the housing guidelines. To discuss the question, staff believes that HUD would not allow subrecipient acquisition of property (such as would occur in the HOP) for which title could not be obtained. Staff believes that 2306.188 of the Texas Government Code allows alternative methods to document ownership in order to qualify for disaster assistance, but does not convey the right to transfer ownership of the property to another entity.*

**Comment #92: Program Purpose**

Under the HOP, applicants receive assistance from trained counselors to determine the housing activities that offer the best option for the household. For those that opt to move from their existing home located in a FEMA-declared high risk area or areas of high minority and poverty concentrations (as confirmed by TDHCA), the existing property is purchased at the pre-storm tax appraisal value.

Comment: Is there such a thing? I think we need to talk about areas designated by FEMA as vulnerable to significant wind or storm surge damage through a Category III hurricane through wind or storm surge and area located within a 100 year floodplain.

*TDHCA Staff Response: Staff recognizes the confusion and will include the definition of a FEMA-declared High Risk area in the General Guidelines.*

**Comment #93: Amounts of Assistance**

Housing purchases that exceed the maximum limits must be paid for with other sources of funds or a mortgage obtained by the homebuyer. The maximum total purchase price of the home to be acquired may not exceed the limits set for Single Family Mortgages in Section 203(b) of the National Housing Act.

Comment: Are there any standards? First or second lien? Is anyone going to help people obtain this financing? Are there any limits of the percent of the new loan to the CDBG loan?

*TDHCA Staff Response: Staff does not believe that this comment requires a change to the housing guidelines. To address the questions raised, there will be an affordability period but not necessarily a lien with the CDBG funds. The CDBG funds are provided as a deferred forgivable grant. In the event there is a mortgage lien, the CDBG lien/grant could be in the second position. Counselors will help with this program.*

**Comment #94: Purchase Cost**

Eligible properties that can be purchased:

- Single-family property (detached and attached 1-4 units)
- Condominium unit

- Cooperative unit
- Modular home/Manufactured home
- Vacant land

Comment: What are the limits of vacant land purchase cost? How will this work?

*TDHCA Staff Response: Staff agrees and regrets the omission of the cost limits of the purchase of vacant land, which were contemplated by the Housing Program Guidelines Task Force to be \$35,000. A line item will be added to the cost limitations chart in the guidelines to set the cap on the purchase of vacant land through the HOP at \$35,000. Although \$35,000 is the cap, it is not also the floor; the actual lot cost should not exceed the standard single lot size in the community.*

**Comment #95:** Types of Improvement

Improvements needed to meet HUD Section 8 Existing Housing Quality Standards, and Cost Effective Energy Measures are eligible improvements.

Comment: Can a recipient provide the rehab services or must the client contract for them directly? How will this work?

*TDHCA Staff Response: Staff does not believe that this comment requires a change to the housing guidelines. To address the question, other than the requirement to follow all applicable procurement rules, regulations, and laws, the guidelines do not currently specify a required manner of securing a construction contractor. TDHCA will review and approve the proposed procurement policies of the subrecipients to secure contractors. It is not allowable for the beneficiary to contract directly with a construction contractor as no funds will go directly to the beneficiary; however, the subrecipient could design a procurement policy involving preapproval of contractors from which the beneficiary selects a contractor. The construction agreement will be a tri-party agreement between the subrecipient, the homeowner and the construction contractor.*

**Comment #96:** Inspection Standards

A representative of [Subrecipient] will inspect all properties to ensure they meet Section 8 Housing Quality Standards at a minimum prior to application approval. However, the inspection will not serve to assure the buyer that the property is free of defects. Therefore, the [Subrecipient] should strongly encourage lenders and real estate professionals to advise potential homebuyers to have an inspection performed for their benefit. The inspection must be performed by a qualified or licensed real estate inspector and/or licensed contractor for specialized inspections, i.e., plumber, electrician, HVAC mechanic. The homebuyer's inspection, or any other inspection report, will not be substituted for the [Subrecipient] inspection.

Comment: Even if it outside of the recipient's jurisdiction?

*TDHCA Staff Response: Staff does not believe that this comment requires a change to the housing guidelines. To address the question, it is anticipated that the subrecipient will assist the homeowner with inspection professionals regardless of jurisdiction. The subrecipient is responsible for ensuring the property meets HQS standards under the HOP program regardless of jurisdiction. Subrecipients will be responsible for work conducted in other jurisdictions only after applicants qualify for their program.*

Comment: Is this an eligible cost? What if the sale does not go through, perhaps based on the inspection. Is the cost still eligible?

*TDHCA Staff Response: Staff does not believe that this comment requires a change to the housing guidelines. TDHCA understands that in programs that deal with multiple single-family residences, some homes and/or applicants will drop out during the process and not make it to a final, eligible use. Such costs accrued in vain will be subject to a review of reasonableness and good faith effort on behalf of the subrecipient; however, such costs are generally eligible and will be reported and the charges spread out among the portfolio of homes as an activity delivery expense.*

**Comment #97: Terms of Assistance**

Throughout the affordability period, the homeowner is required to maintain principal residency, maintain hazard and, if applicable, flood insurance, and pay property taxes on the assisted property. Failure to maintain hazard insurance on the life of the property may result in the lack of future federal assistance; however failure to maintain flood insurance if required because the property is in a floodplain will result in the lack of future federal assistance.

Comment: What does this mean?

*TDHCA Staff Response: Staff does not believe that this comment requires a change to the housing guidelines. HUD requires homes assisted with CDBG funds to maintain flood insurance if located in a designed flood zone. Failure to maintain proper flood insurance may prohibit the homeowner from receiving future disaster recovery assistance in subsequent storms.*

**Comment #98: Forms of Assistance: Violation**

The [Subrecipient] will be required to execute the Note with assisted homeowners (TDHCA will not be involved in the Note's execution) for all homeowner activities under the Hurricanes Dolly and Ike Disaster Recovery Programs. The Note does not need to be notarized or recorded in the County Courthouse records. The Note will require assisted homeowners to maintain principal residency in the assisted property for 3 years. Cash out refinancing, home equity loans or any loans utilizing the assisted residence as collateral are not allowed for three years; violation will activate the repayment terms of the Note. The [Subrecipient] is required to monitor assisted households for compliance with the terms of the Note. Homeowners that default on the terms of the Note may be reported to Credit Bureaus and the Texas Office of the Attorney General.

Comment: How is this enforced?

*TDHCA Staff Response: Staff agrees and language will be added to the Homeowner Guidelines to require the grant agreement to be recorded on the property. While not a failsafe, if the beneficiary attempts to refinance the property, subrecipient should be contacted. , If the owner abandons the home or otherwise disposes of the property through voluntary actions, TDHCA will request a repayment from the subrecipient and/or the Homeowner.*

**Comment #99: Construction: Bid Selection**

Upon completion of the work write-up, at least two bids from the [Subrecipient]'s list of eligible contractors for the proposed rehabilitation work. The assisted homeowner will select the contractor of his/her choice (not necessarily the low bidder).

Comment: Why?

*TDHCA Staff Response: Staff regrets any confusion. The remaining procurement section of the guidelines still contains references to concepts that were excised by the Housing Program Guidelines Task Force. The Homeowner Guidelines will be further edited to eliminate stray references to proposed best procurement practices and include only the requirements.*

**Comment #100: Construction: Contractor Insurance Requirements**

However, if the contractor's bid is higher than 15% of the [Subrecipient]'s cost estimate or should the bid exceed the allowable maximum assistance amount, the deferred, forgivable loan will be provided to the applicant for the maximum amount available at the time of bid award. The additional bid cost, if approved by the Department, may be provided by another source of funding. The additional funds will be placed in escrow before a contract is awarded. The assisted homeowner may not select a contractor who did not bid on the proposed work. Additional procurement considerations are discussed in the General Guidelines.

Comment: What are contractor insurance requirements?

*TDHCA Staff Response: Staff does not believe that this comment requires a change to the housing guidelines. To address the question, the Contractor must carry public liability and property damage insurance in an amount not less than \$500,000. This insurance must be applicable to construction work done for the program and must be in effect during the entirety of the contracted period. Evidence of such insurance must be presented prior to the execution of the contract. Additionally, the Contractor and his subcontractors must carry workers compensation insurance throughout the life of the project. To be considered exempt by State Law a signed release of responsibility must be supplied. The Contractor must have submitted all contractor certifications and proof of insurance prior to the execution of any construction contract. All contractors must secure and provide proof of performance and payment bonds within ten (10) business days of award of bid. Failure to do so may result in termination of award.*

**Comment #101: Property Eligibility**

At a minimum, 51% of the total number of units in the development must benefit low-moderate income persons earning 80% or less of Area Median Income as defined by HUD and detailed in the Housing and Community Development Act of 1974 (HCDA) Title I, 105(a).

Comment: Rents must be set in line with the needs data. Lower rents and mixed rent levels may be required.

*TDHCA Staff Response: Staff does not believe that this comment requires a change to the housing guidelines. A multifamily development is categorized in CDBG as meeting the LMI requirement when 51% of the units are occupied by and affordable to LMI households.*

**Comment #102: Selection Criteria**

Comment: Selection Criteria must be consistent with overcoming impediments identified in the Interim AI.

*TDHCA Staff Response: Staff agrees with the comment and will add the comment to the Rental Program Guidelines.*

**Comment #103: Selection Criteria**

A Land Use Restriction Agreement (LURA) will be placed on each multifamily development receiving disaster funds to repair, construct or reconstruct rental units. The LURA sets forth income and rent restrictions applicable to units of affordable rental housing with respect to the specific affordable rental housing. These documents will be filed with the local county clerk's office in the land records. The LURA must be approved by TDHCA and require all multifamily projects and projects with 20 or more single family units under common ownership to accept of section 8 housing choice rental vouchers during the affordability period. The LURA imposes the requirements on the property for the full loan period of ten (10) years.

Comment: Mercedes clarification on term of use restriction. Minimum income standards are the same as LIHTC.

*TDHCA Staff Response: Staff does not believe that this comment requires a change to the housing guidelines. HUD has not yet provided clarification. A subsequent 10-year affordability period will be included in the rental LURA if HUD provides written confirmation that allows the LURA to be enforced under the same substantive provisions as the TxLIHTC program.*

**Comment #104: Selection Criteria**

Criteria developed by the subrecipient to identify projects providing the greatest benefit to the community may consider the following:

1. Projects are encouraged to increase the number of affordable units by exceeding the requirement to lease 51% of the units to low/moderate income households.

Comment: Will LMI Households be given the highest priority.

*TDHCA Staff Response: Staff does not believe that this comment requires a change to the housing guidelines. The encouragement to exceed the minimum requirement gives LMI units priority.*

**Comment #105: Selection Criteria**

Projects are encouraged to provide units to households with the highest need for affordable housing by agreeing to create set asides targeting extremely low, very low income, low and moderate income tenants.

Comment: Projects that make units available to families and units that are single story or served by elevator to allow broader access to persons with disabilities.

*TDHCA Staff Response: Staff agrees with the comment and will add single story or served by an elevator to the selection criteria as an encouraged criteria.*

**Comment #106: Program Requirements**

Projects awarded disaster recovery funds must satisfy four levels of eligibility requirements.

Comment: six (explicitly address the impediments to fair housing identified in the interim AI and serve a client population consistent with that identified as impacted by the hurricane).

*TDHCA Staff Response: Staff agrees with the comment and will add the two additional requirements to the Rental Guidelines as suggested.*

**Comment #107: Davis Bacon**

All contracts will be payment and performance bonded. All projects are subject to The Davis-Bacon Wage Act (40 USC 276a-276-a5, 24 CFR Part 70), The Contract Work Hours and Safety Standards Act (40 USC 327 et seq), The Copeland “Anti-Kickback” Act (18 USC Sec 874), and should budget accordingly.



Comment: Section 3 requirements, reporting and goals.

*TDHCA Staff Response: Staff agrees and will add Section 3 requirements to the suggested section of the guidelines.*

**Comment #108: Compliance Requirements**

Add a fair housing marketing plan.

*TDHCA Staff Response: Staff does not believe that this comment requires a change to the housing guidelines. The guidelines already require an Affirmative Marketing Plan for multifamily developments.*

**Comment #109: Project Lease Up Procedures**

Consistent with the purpose of providing housing for families making 80% or less of AMFI.

Comment: Change to reflect the marketing to income levels identified with need.

*TDHCA Staff Response: Staff does not believe that this comment requires a change to the housing guidelines as staff does not agree with the change.*

**Comment #110: Project Lease Up Procedures**

Chronological, so that tenants taken from a written waiting list are assisted in order

Comment: With units reserved for different income categories.

*TDHCA Staff Response: Staff does not believe that this comment requires a change to the housing guidelines as staff does not agree with the change. 51% of the units of a CDBG-funded multifamily development will be required to be occupied by LMI beneficiaries. A higher set-aside is encouraged; however, mandated income categories at lower rents may not allow all developments to clear underwriting review without additional subsidy.*

**Comment #111: Annual Monitoring Procedures**

Completed projects require annual monitoring. Monitoring will be conducted by the subrecipient throughout affordability period. The results and reviews of monitoring activities ensure the provision of safe, decent, affordable rental housing in compliance with all applicable

regulations. Income targets and rents must comply with Affordable Rental Program LURA requirements and other compliance requirements. Monitoring includes:

Comment: Prompt and accurate data on rents and tenant populations furnished to the State for inclusion in Annual State Low Income Housing Report.

*TDHCA Staff Response: Staff does not believe that this comment requires a change to the housing guidelines. Disaster Recovery multifamily beneficiary data is currently available for inclusion in any report.*

**Comment #112: Annual Monitoring Procedures**

Compliance Standards Review (CSR) to ensure compliance with the CDBG regulations and the NOFA, but not limited to, the following:

Comment: AI(?), Section 3, Data on program recipients as set forth in the CA.

*TDHCA Staff Response: Staff agrees and will include the requested reporting requirements in the guidelines.*

**Attachment B**

**Comment #113: Target Areas**

Indicate any particular areas in those boundaries where assistance will be targeted to affirmatively further fair housing through disaster recovery.

Comment: No one will be able to figure this out without TDHCA's help.

*TDHCA Staff Response: Staff does not believe that this comment requires a change to the housing guidelines. Staff will provide technical assistance to subrecipients to identify the populations to serve and the geographic areas corresponding to FEMA-designated High Risk areas and areas of high minority and poverty concentration. The Phase I Analysis of Impediments will help establish these target communities by providing detailed maps on minority and poverty concentrations. Assistance will be provided to the subrecipients by TDHCA to determine FEMA-designated High Risk areas prior to and including the environmental review process.*

**Comment #114: Eligible Beneficiaries**

Assistance under this activity may not exceed 80% of the Area Median Family Income (AMFI). All homebuyer assistance must be targeted to the socio-economic subcategories and demographics as described in the General Guidelines.

Comment: be extended to household's whose incomes...

*TDHCA Staff Response: Staff agrees with the comment and will edit the Homebuyer Assistance Guidelines to include the phrase "...be extended to households whose incomes..."*

**Comment #115: Amount of Assistance**

HOP Homebuyer Assistance is limited to the Housing Assistance Caps in the General Guidelines. The base unit "bid" amount is the maximum amount of assistance available to purchase a new/existing home. It is set when the standardized set of new home specifications in the General Guidelines are bid locally. The intent of this rule is to equalize the funding available for different activities and choices. HOP Homebuyer Assistance allows for additional costs above the base unit amount including any necessary accessibility items or features abatement measures, and services (such as real estate professional fees, etc.). Additional costs are specified and capped in the General Guidelines.

Comment: Moving and utility connection costs were included when we negotiated the CA.

*TDHCA Staff Response: Staff regrets the confusion. The General Guidelines will be edited to clarify that moving and utility connection costs are included in the Services category of the Housing Assistance Caps.*

**Comment #116: Amount of Assistance**

Temporary relocation assistance may be offered at the discretion of the [Subrecipient]; however, the assistance may not exceed \$5,000 per household. It is anticipated that the assistance will be provided when the closing occurs for the new or existing home purchase and temporary relocation assistance may not be necessary.

Comment: It would be better to list ALL the eligible costs that the \$5,000 could be used for here.

*TDHCA Staff Response: Staff does not believe that this comment requires a change to the housing guidelines. The utilization of temporary relocation assistance is not anticipated to be widely utilized by subrecipients as it is not required. If subrecipients elect to utilize temporary relocation funding, they will be required to submit a plan to TDHCA for review and approval prior to incurring costs.*

**Comment #117: Counseling Education Program**

The applicant must complete at least eight (8) hours of homebuyer education from any participating HUD Approved Housing Counseling Agency prior to acceptance into the Program. The certification for the course is valid for one year. Counseling programs will encourage

individuals to participate in homeownership and provide a method to track the achievement of the homeownership goal. Costs of the program vary depending on who provides the courses.

Comment: I'd like to see counseling provided through the NHS curriculum.

*TDHCA Staff Response: Staff agrees and will include a preference for the National Housing Services (NHS) homebuyer education curriculum.*

## **Attachment A**

### **Comment #118: Introduction**

Benefit to Low to Moderate Income (LMI) is the principal National Objective approved for the Disaster Recovery Single Family Homeowner Program under Round 2. The use of Slum and Blight is eligible and, if requested by the [Subrecipient], will be evaluated during application review. The use of Urgent Need is not anticipated to be permitted with Dolly and Ike Round 2 funding. Eligible activities, which are defined in the General Guidelines, are as follows: rehabilitation, reconstruction, replacement, or new construction, and associated elevation and demolition. [Subrecipient] may also provide assistance for Individual Mitigation Measures (energy efficiency and storm mitigation activities).

Comment: Consistent with the duty to proportionally assist beneficiaries based on income and tenure.

*TDHCA Staff Response: Staff agrees and the guidelines will be edited to ensure that eligible activities are utilized in a manner consistent with the needs identified in the needs assessments.*

### **Comment #119: Program Design**

[Subrecipient] will design a program utilizing the damage assessments provided by HUD and where appropriate, local data and Federal Emergency Management Agency (FEMA) data in order to determine the areas most impacted by the storms. TDHCA will assist with the analysis and provide raw data.

Comment: in order to determine the areas and populations

*TDHCA Staff Response: Staff agrees and will add the word "populations" to the sentence in the Homeowner Assistance Guidelines.*

### **Comment #120: Needs Assessment**

The [Subrecipient]'s Program Design must be based on a Needs Assessment, working with HUD information and conducted by local governments, according to the requirements detailed in the General Guidelines. That assessment serves as the basis for the specific Single Family Homeowner Program that will be offered by the [Subrecipient]. Specifically, the assessment will be used to determine the activities to be offered, the demographics to receive concentrated attention and the target areas to be served.

Comment: the assessment will be used to determine the activities to be offered to meet the types of housing needs experienced by the affected populations

*TDHCA Staff Response:* Staff agrees and will make the edit to include the phrase "...to meet the types of housing needs experienced by the affected populations" in the Homeowner Assistance Guidelines.

**Comment #121: Priorities for Evaluating Applicants**

A first-come, first-served program to benefit low and moderate income persons defined as a total household annual gross income that does not exceed 80% Area Median Family Income (AMFI) is not an acceptable Program Design. Furthermore, to meet the agreed upon goals of the Conciliation Agreement, it is not sufficient Program Design alone to attempt to administratively prevent providing a benefit to moderate-income persons at the exclusion of low-income persons. Results based on data from the Needs Assessment must be met. The LMI demographic groups must be disaggregated as follows:

1. 0% - 30% AMFI
2. 31% - 50% AMFI
3. 51% - 80% AMFI

All eligible applicants must be evaluated in order to establish the priority of funds within the above-referenced economic subgroups. However, each subgroup must be funded at the levels indicated by the Needs Assessment and analysis. The intention is to incorporate both the family and dwelling characteristics of applicants in order to establish a system that gives the households that are less able to address need without public assistance a higher priority. The following household characteristics indicate a funding priority within the economic subgroups:

Comment: However the lowest income families may be funded at a level in excess of their population's percentage of need.

*TDHCA Staff Response:* Staff agrees and will add the phrase, "...however, the lowest income households may be funded at a level in excess of their population's percentage of need" to the Homeowner Assistance Guidelines.

**Comment #122: Priorities for Evaluating Applicant: Disability**

**Disability.** Any documented disability of one or more members of a household that affects the design of the assisted unit, and has a lower AMFI.

Comment: Households with a disability may be given priority over other households within their income set-aside.

*TDHCA Staff Response:* Staff agrees and will add language to the Homeowner Assistance Guidelines to allow for the possibility that households with a disability may be given priority.

**Comment #123:** Application Intake and Counseling

A mechanism must be incorporated into Program Design to prevent any pre-screening of applicants without a written application being taken. Anyone who requests to participate in the program will be provided a TDHCA application package to complete.

Comment: Anyone who makes inquiry about the program.

*TDHCA Staff Response: Staff agrees and will replace the existing language with the suggested language in the Homeowner Assistance Guidelines.*

**Comment #124:** Application Intake and Counseling

To provide the greatest chance for the Conciliation Agreement to be successful, single family applicants should be provided a counselor as an application intake person to explain the various programs and activities.

Comment: Not “should” but “will”

*TDHCA Staff Response: Staff agrees and will replace the existing language with the suggested language in the Homeowner Assistance Guidelines; however, please note that services, such as real estate professionals, will only be provided to applicants who qualify for the HOP.*

**Comment #125:** Application Intake and Counseling

Counselors will be trained to be well versed in all activities, but specifically the buyout program found in the Conciliation Agreement that will explain options for LMI applicants to overcome recognized impediments to fair housing. Such a program will provide the following to those who have been determined by the [subrecipient] to qualify for the HOP:

1. Provide counseling for the purchase of existing property including but not limited to realtor support, moving support and other program benefits to allow the applicants to select this option without a diminution of benefits.
2. Provide counseling for the new construction of a home on an alternative site including lot acquisition costs.
3. Provide counseling for reconstruction in place.

Comment: Fluent in the native language of the applicant will be assigned to clients as appropriate and... (Insert after counselors)

*TDHCA Staff Response: Staff agrees and will add language in the Homeowner Assistance Guidelines to provide counselors or interpreters able to communicate with the applicant in their primary language.*

**Comment #126:** Housing Standardization

For new and reconstructed homes, construction specifications (for 2, 3 and 4 bedroom homes with total square footage ranges), will be developed by TDHCA. Each home must be constructed in accordance with Chapter 2306.514, Texas Government Code. The [Subrecipient]

may engage an architect to allow for local architectural variations; however, basic square footage (within ranges), room requirements, building materials and general specifications must remain standardized for any home newly constructed or reconstructed with CDBG DR funding. Elevation options will be developed by the [Subrecipient]. The standardized specifications will then be put out for bid locally.

Comment: Not “remain standardized” but “be substantially cost equal”.

*TDHCA Staff Response: Staff does not believe that this comment requires a change to the housing guidelines as staff does not completely agree. The standardized specifications will be bid locally with local architectural variations and the resulting costs will not likely be substantially equal due to local variations in costs of labor and materials. Standardized specifications will produce a “standard” house that is substantially the same across the regions with variations in cost.*

**Comment #127:** Base Unit design Criteria  
8’ ceilings throughout all Rooms/Porches

Comment: minimum

*TDHCA Staff Response: Staff agrees and will edit the guidelines to include the word “minimum” which will allow for local architectural variations.*

**Comment #128:** Base Unit design Criteria  
4’-6’ Front Porch depths (covered)

Comment: minimum

*TDHCA Staff Response: Staff agrees and will edit the guidelines to include the word “minimum” which will allow for local architectural variations.*

**Comment #129:** Types of Assistance Offered

Temporary relocation assistance may be offered at the discretion of the [Subrecipient]; however, the assistance may not exceed \$5,000 per household.

Comment: Must be made available to participants in HOP.

*TDHCA Staff Response: Staff does not believe that this comment requires a change to the housing guidelines. The temporary relocation assistance is already available to HOP applicants (at the discretion of the subrecipients) who elect to remain and rehabilitate or reconstruct their storm-damaged home under the Homeowner Assistance Guidelines instead of relocating. HOP applicants who elect to relocate will not need temporary relocation assistance as they will not be relocated until their relocation home is ready to be occupied.*

**Comment #130: Supplemental Improvements**

Rehabilitated homes inhabited by handicapped or elderly persons must be analyzed as to the special physical needs of such persons. Improvements such as widened doorways, ramps, level entry and doorways, and grab bars in bath areas must be installed, if appropriate.

Comment: Do we want to say two assessable entrances will be made available?

*TDHCA Staff Response: Staff does not believe that this comment requires a change to the guidelines as staff does not agree. The accessible entrance requirements will conform to, but not exceed, the minimum entrance requirement of 2306.514 of the Government Code.*

**Comment #131: Construction**

If the unit to be assisted was built prior to 1978 and the type of assistance offered will be rehabilitation, the assisted unit will be tested for the presence of lead based paint. If present, the removal of lead based paint will be considered in the costs of rehabilitation. Lead paint inspection provides two benefits: (1) the costs of abatement are considerable and must be factored into the cost estimates for rehabilitation and (2) the health risks to residents, particularly children, may be severe so any presence of lead based paint in an assisted unit, even one that is to be reconstructed, must be reported so that the residents may seek appropriate medical attention.

Comment: I thought we had extra money that kicked in for lead abatement.

*TDHCA Staff Response: Staff agrees with the comment and regrets the confusion. Abatement costs are allowed up to \$20,000. Please note, however, that actual abatement (unlike testing for lead based paint) will not be allowed as an activity delivery expense. In order to eliminate confusion, the phrase “under the Abatement cap (as set in the General Guidelines)” will be added to the sentence ending in “costs of rehabilitation” of the Homeowner Guidelines.*

**Comment #132: Changes, Waivers, and/or Conflicts**

In the event that these Guidelines conflict with local, state, or federal law, the more stringent requirement will prevail, provided that the requirement does not violate local, state or federal law.

Comment: We should probably set out Section 3 contractor requirements here.

*TDHCA Staff Response: Staff does not believe that this comment requires a change to the housing guidelines. General Section 3 requirements will be included in the guidelines; however, staff will develop and provide to all subrecipients additional and detailed Section 3 guidance separate from the guidelines.*

**General Guidelines**



**Comment #133: Rental Activity**

Rental Activity – Acquisition, rehabilitation, or construction of affordable rental housing resulting in structures where at least 51% of units are occupied by LMI persons. Income and rent restrictions apply to the rental units to be built or assisted with CDBG funds.

Comment: Need to get Mercedes to OK the 20 year affordability restriction.

*TDHCA Staff Response: Staff does not believe that this comment requires a change to the guidelines. HUD has not yet responded with a determination. If HUD requires a 20-year affordability period, TDHCA will make the necessary changes to conform to HUD policy.*

**Comment #134: Evaluation of Data**

If any public comment is made, the subrecipient must address the comment in a public response.

Comment: We want notice and notice to HUD.

*TDHCA Staff Response: Staff does not believe that this comment requires a change to the guidelines. Reasoned responses to public comment are required to be publicly accessible by all.*

**Comment #135: Evaluation of Data**

Persons with accessibility or other special needs adaptations should also be analyzed as part of the process.

Comment: Need more guidance here.

*TDHCA Staff Response: Staff does not believe that this comment requires a change to the guidelines. Technical assistance will be available to subrecipients as they develop their program design.*

**Comment #136: Targeting Communities**

As called for in Part A of the General Program Guidelines, an affirmative marketing plan to conduct outreach to the impacted communities is required in order to apply for the disaster recovery program. The outreach program developed should be approved in advance by TDHCA or, in the alternative, posted for 15 days for comment on a publicly accessible website with notice to TDHCA that the plan has been made public. Public comments made should be addressed prior to utilization of the plan.

Comment: This makes no sense. TDHCA should approve the plan.

*TDHCA Staff Response: Staff agrees and will edit the guidelines to require TDHCA approval of affirmative marketing plans.*

**Comment #137: Program Requirements**

According to the Conciliation Agreement, TDHCA's proposed subrecipient performance standards will require that within a period of no more than eighteen months from the date of commencement of the Program, each subrecipient will have identified sufficient eligible beneficiaries such that the subrecipient will be able to provide reasonable assurance that the subrecipient will be able to expend all applicable funds within TDHCA-established benchmarks.

Comment: Or what? Why do we say "according to the CA"?

*TDHCA Staff Response: Staff does not believe that this comment requires a change to the housing guidelines. Staff will revise program rules to cover benchmarks and sanctions.*

**Comment #138:** Affirmative Marketing Housing Program

In addition, measures will be taken to make the Program accessible to persons who are considered members of a protected class under the Fair Housing Act by holding informational meetings in buildings that are compliant with the Americans with Disabilities Act (ADA), providing sign language assistance when requested if possible, and providing special assistance for those who are visually impaired when requested.

Comment: Special outreach to assisted living facilities, etc.

*TDHCA Staff Response: Staff does not believe that this comment requires a change to the guidelines as staff does not agree with a requirement to provide special outreach to assisted living facilities.*

**Comment #139:** Affirmative Marketing Housing Program

Multifamily rental programs must develop an Affirmative Marketing Plan for each development receiving CDBG Disaster Recovery funding. The plan, pursuant to federal regulations, will outline strategies to inform the public about the housing opportunities, requirements/practices that the owner must adhere to in executing the Affirmative Marketing Plan, the procedures that will be followed in soliciting applications, followed by a description of records that will be maintained and made available for review as needed.

Comment: Notice of units available must be provided PHAs in the region. Detail minimum efforts required to notify DHAP clients of rental housing available.

*TDHCA Staff Response: Staff agrees and will edit the guidelines to require developments to list property on PHA landlord list and provide notification to DHAP providers.*

**Comment #140:** Program Marketing

Evaluation of outreach activities and application received will be necessary to determine if applications are received from a diverse population and ranges of income to ensure low/moderate income households are assisted in a proportion to the percentage of overall populations.

Comment: Need some standard. One month after announcement review applicants against the needs data. Follow up every 30 days. Provide report to TDHCA.

*TDHCA Staff Response: Staff does not believe that this comment requires a change to the housing guidelines. Reporting requirements will be detailed in the contract between TDHCA and the subrecipient, including a provision for submission of reports on demand.*

**Comment #141: Reporting Requirements**

Compliance will be maintained in accordance with the reporting requirements under TDHCA's CDBG Disaster Recovery Hurricane Program. This includes all information and reports as required under the TDHCA contract with the [Subrecipient] and demographic data and other information on applicants and awardees processed by the [Subrecipient] as required by the Conciliation Agreement.

- a. TDHCA will establish procedures for subrecipient reporting on affirmatively furthering fair housing that is compliant with the Conciliation Agreement.

Comment: So, basically we are postponing these instructions. I would like to see them provided here to help guide the recipients' approach to designing programs.

*TDHCA Staff Response: Staff agrees and will add the data collection and reporting requirements for Affirmatively Furthering Fair Housing as required by the Conciliation Agreement to the General Guidelines.*

**Comment #142: Site and Development Restrictions**

Housing that is constructed or rehabilitated with CDBG funds must meet all applicable local codes, rehabilitation standards, ordinances, and zoning ordinances at the time of project completion. International Residential Code (IRC) (with windstorm provisions) and International Building Code (IBC) must be used as required where appropriate. All rehabilitation projects must comply with Housing Quality Standards (HQS) and all applicable local codes and ordinances. To avoid duplicative inspections when Federal Housing Administration (FHA) financing is involved in a CDBG-assisted property, [Subrecipient] may rely on a Minimum Property Standards (MPS) inspection performed by a qualified person. Newly constructed housing must meet the current edition of the Model Energy Code published by the Council of American Building Officials.

Comment: Energy Star HRRS 80 rating.

*TDHCA Staff Response: Staff does not believe that this comment requires a change to the housing guidelines. Staff will develop program rules in accordance with 2306.187 of the Government Code to outline energy efficiency requirements for Disaster Recovery. These energy efficiency rules will be consistent with other similar TDHCA programs, such as the HOME Program, for single and multifamily construction.*

**Comment #143: Complaint/Appeal Process**

Complaint/Appeals Process. Any resident or business may file a written complaint alleging non-compliance with CDBG Disaster Recovery Hurricane Dolly or Ike Program. Complaints will be investigated to seek resolution. A written complaint must contain:

- Name and address of the person filing the complaint;
- Subject of complaint
- Description of acts or omissions in alleged violation of CDBG Disaster Recovery Program.

Comment: Information about the right and how to file a complaint shall be printed on all program applications, guidelines and subrecipient web sites in all local languages.

*TDHCA Staff Response: Staff agrees and will insert a complaint/appeals process in the guidelines which includes local language provisions as suggested, within reason.*

**Comment #144: Complaint/Appeal Process**

Written complaints should be filed with:

- Contact information

Comment: Provide a phone number and a person with appropriate language skills to take complaints.

*TDHCA Staff Response: Staff agrees and will insert a complaint/appeals process in the guidelines which includes local language provisions as suggested, within reason.*

**Comment #145: Complaint/Appeal Process**

Upon receipt of a written complaint the [Subrecipient] will send a written acknowledgement to the complainant within five (5) working days of the receipt of the complaint. Designated personnel will work with production staff to investigate the specific allegations of the complaint to render a finding. A written response will be provided to the complainant within fifteen (15) business days with the determination of the complaint. TDHCA must be supplied a copy of any letter denying an appeal or dismissing a complaint within the fifteen (15) business days allotted for a response to the complainant.

Comment: TDHCA shall be supplied notice of all complaints.

*TDHCA Staff Response: Staff agrees and will insert a complaint/appeals process in the guidelines which will include notice provisions as suggested.*

**Comment #146: Homeowner Opportunity Program: Introduction**

If the income-qualified applicant lives in a FEMA-designated “High Risk” area or areas of high minority and/or poverty concentration (determination must be corroborated by TDHCA), the applicant qualifies for further counseling on the options of the HOP which include repair/replacement of the existing home or relocation.

Comment: corroborated: This needs to get nailed down up front.

*TDHCA Staff Response: Staff agrees with the comment and the term FEMA-designated High Risk area will be defined in the guidelines. The definition will include the requirement that all such areas in the subrecipient's jurisdiction will be identified in the environmental review process which must occur prior to expenditure of project funds.*

**Comment #147: Homeowner Opportunity Program: Introduction**

Any subrecipient who intends to provide housing benefits must develop a program that provides opportunities consistent with this guidance prior to seeking applications. To accomplish this, Reconstruction, Rehabilitation, LMI Homebuyer Assistance, or Acquisition (combined with another eligible activity) must be offered at a minimum.

Comment: TDHCA will provide a mandatory process, counselor qualifications, reporting forms, etc.

*TDHCA Staff Response: Staff agrees and will edit the guidelines to include the suggestion that TDHCA provide a process, qualifications and standardized forms.*

**Comment #148: Counseling Made Available**

As applications are being accepted and reviewed for determinations of eligibility to participate in the Program, each application should be evaluated for the potential benefit of a counselor to provide guidance on affirmatively furthering fair housing options.

Comment: No. Everyone gets counseling.

*TDHCA Staff Response: Staff agrees and will edit the guidelines to state that each applicant should be counseled and the various housing program options be evaluated with each applicant.*

**Comment #149: Counseling Made Available**

Applicants determined to be eligible for participation in the HOP will receive counseling to provide guidance on affirmatively furthering fair housing, buyout options and real estate professional services unless expressly declined by the applicant.

Comment: No. Everyone gets counseling.

*TDHCA Staff Response: Staff does not believe that this comment requires a change to the housing guidelines as staff disagrees with the comment. While counseling will be offered to every applicant, they cannot be forced to accept the service.*

**Comment #150: Use of External Professionals**

The HOP Homebuyer Assistance program should be designed to allow for the cost of professionals. Examples include real estate agents to provide guidance to applicants about lots or homes that are available in the community that will work to offset or correct concentrations of protected classes or concentrations of poverty.

Comment: When we negotiated it was agreed the state would work this out with the Realtors at the state level. I think that is better than have each COG try to negotiate separately. We need state developed certification training, procedures and standards.

*TDHCA Staff Response: Staff does not believe that this comment requires a change to the housing guidelines. Staff will develop guidance pertaining to qualification requirements, training and standardized methodology. The guidance will also include the fee structure. However, the state does not intend to negotiate a state-wide contract.*

**Comment #151: Documentation of Program**

Any professional services rendered should create a contract with the applicant making the applicant aware that they are representing the applicant and not the program.

Comment: Provision needs to be made to allow people to explore the properties that would allow them to relocate and then decide to instead to rehab or rebuild their existing home if they decline the relocation option after exploring alternatives.

*TDHCA Staff Response: Staff does not believe that this comment requires a change to the housing guidelines. All eligible applicants will be provided the option of counseling and the services of real estate professionals. Costs incurred in vain will be evaluated for eligibility and “good faith effort;” however, they are generally eligible and may be spread out among the portfolio of activity delivery costs.*

**Comment #152: Acquisition of Property**

Taxes must be current on the property to be acquired. CDBG DR funds cannot be used to directly pay back taxes.

Comment: This is a problem.

*TDHCA Staff Response: Staff does not believe that this comment requires a change to the housing guidelines. CDBG funds cannot be used to directly pay back taxes.*

Madison Sloan

**Comment #153: Guidelines Change**

Giving Subrecipients the right to “change, modify, waive, or revoke all or any part of these guidelines,” defeats the purpose of adopting standard Housing Guidelines. Under the Conciliation Agreement, these guidelines will be adopted by TDHCA and submitted as an amendment to the State Action Plan. The Agreement states that “[t]he recommendations will provide and allow for adjustments to these criteria to reflect differences in the costs of delivery for benefit and the economic profile of local target populations,” but does not allow subrecipients to opt out following the guidelines at the discretion of THDCA alone. Subrecipients have developed these guidelines through participation the Housing Guidelines Task Force and there has been ample opportunity for public comment. If a subrecipient requests a change to the guidelines that is not explicitly allowed by the Conciliation Agreement, that change must be

submitted to the Housing Guidelines Task Force, posted for public comment, and adopted by TDHCA. Any requested change that constitutes a substantial change to the Housing Guidelines must be submitted to HUD as an Action Plan Amendment.

*TDHCA Staff Response: Staff agrees with this comment and will add the following language to the guidelines:*

*TDHCA will provide the option for a waiver to the Housing Program Guidelines only after posting the waiver request on the Department's website for a public comment period of at least ten (10) days. The waiver request must demonstrate why the housing guidelines are not practicable for the subrecipient.*

**Comment #154: Standard Documentation**

Any and all forms and standard documents required by the guidelines should be developed and supplied to subrecipients by TDHCA. Subrecipients related a number of delays related to developing and getting approval for various program forms in Round 1; the intent of these Guidelines is to streamline the process for subrecipients as well as beneficiaries and to ensure that all potential beneficiaries have equitable access to housing programs.

*TDHCA Staff Response: Staff does not believe that this comment requires a change to the housing guidelines. TDHCA has provided forms and standard documents. The Department is currently working with each subrecipient and will continue to develop the necessary forms and standard documents to better streamline the process for subrecipients and beneficiaries.*

**Comment #155: Davis Bacon**

The information about Davis Bacon wage requirements does not apply to single family rental and should not be included in that definition.

*TDHCA Staff Response: Staff partially agrees with this comment, except that Davis Bacon does apply to eight or more single family homes on an undivided lot or contiguous lots or parcels which are commonly owned and operated as one rental project. We will include this distinction in the Guidelines.*

**Comment #156: Complaint/Appeal Process in Housing Programs**

A Complaint/Appeal process that provides applicants with sufficient written notice, a meaningful opportunity to be heard, and is accessible to all populations must be included in all housing programs. We recommend that TDHCA develop standard complaint/appeal forms to ensure that notice is sufficient.

1. Information about the right to file a complaint or appeal and how to file a complaint or appeal shall be printed on all program applications, guidelines, and subrecipient websites. Notice must be provided in all local languages.
2. All decisions made by subrecipients, for example, a decision that an applicant is not eligible for housing assistance, must be in writing. Notices must include specific reasons for the decision and refer applicants to the rule or policy that subrecipient has relied on to make the decision.

3. Notices must include information about the applicant's right to complain/appeal including how to file a complaint/appeal and the contact information for the entity with which complaints/appeals must be filed. Notice should also include applicant's right to obtain an attorney or other assistance with the appeal/complaint.

*TDHCA Staff Response: TDHCA agrees with this comment and will adopt the process used under Hurricane Rita Round 2. This more comprehensive process will replace the existing complaint process in the guidelines in its entirety.*

**Comment #157: Protection of Homes by Subrecipients**

We strongly support ensuring that HOP and other homeowner beneficiaries are not vulnerable to predatory lending and other practices that put their homeownership at risk during the term of the Disaster Recovery Loan. We believe the State and subrecipients will need to take further steps to ensure that these homes are protected.

*TDHCA Staff Response: Staff does not believe that this comment requires a change to the housing guidelines. TDHCA will insert into the grant agreement that beneficiaries of recovery funds cannot enter into agreements to receive cash based on the Home's equity during the required affordability period.*

**Comment #158: Single Family Rental Program**

The Single Family Rental Program will not be accessible to "mom and pop" landlords who own only one rental property. These landlords have more in common with owner-occupied applicants than multifamily rental applicants and developers, and need similar levels of assistance to complete the process. Research shows that these are the properties least likely to be rehabilitated following a disaster, contributing to blight and delaying the recovery of specific neighborhoods and communities. This program needs to be reconsidered.

*TDHCA Staff Response: Staff does not believe that this comment requires a change to the housing guidelines. TDHCA is going to require subrecipients in each housing program have an intake counselor to assist applicants into any program. This will make the programs accessible to "mom and pop" landlords and will provide these applicants the necessary assistance with documentation and navigation throughout the life of the program. Once a counselor is assigned to an application, the counselor should remain with that applicant as the chief point of contact (case manager), throughout the life of the application process until closing of the property. If a counselor leaves or is reassigned, the applicant will be assigned a new counselor who shall make contact with the applicant within 10 days of being assigned the file. Counselors will have resource information available to them to provide educated advice and to assist in decision making by the clients. These materials should include, at a minimum, school district ratings for eligible communities in the subrecipient's jurisdiction, health service facilities and programs available in the community for those needing assistance, a mechanism for discussing transfer of programs currently being utilized by applicant, and average utility costs and taxes for eligible program communities.*



**Comment #159: Transfer of Applications**

With the goal of continuity from the applicant's viewpoint, subrecipients should create a process to transfer Round 1 applications to the Round 2 program. The gathering of additional information and re-review should not require Applicants to fill out a new application.

*TDHCA Staff Response: Staff does not believe that this comment requires a change to the housing guidelines. To the extent that a round 1 applicant meets the needs assessment, the marketing program, and the Round 2 qualification, TDHCA will encourage subrecipients to only update information needed and rely on the Round 1 application to the greatest extent possible.*

**Comment #160: Proof of Damage**

Some Texans whose homes were damaged by Hurricanes Ike and Dolly may not have FEMA, SBA, or insurance award letters. Those most likely to need assistance from CDBG with rebuilding their homes are the same populations that were disproportionately denied disaster assistance by FEMA under its unpublished "deferred maintenance" rule, were unable to afford insurance, or were denied an SBA loan because they did not have enough income to qualify. The problem of documenting this damage is further complicated by the fact that FEMA left the Rio Grande Valley after Hurricane Dolly before completing home inspections, that contemporaneous documentation may have been lost in the two years since the Hurricanes, and that many homes have continued to deteriorate and have sustained further damage from subsequent natural disasters.

The proposed documentation guidelines recognize the situation faced by both beneficiaries and subrecipients, and we commend the commitment of the Task Force and the agency to making the program work and ensuring that disaster victims get the help they need. Our understanding from housing providers and advocates is that inspectors are generally unwilling to certify that damage was caused by a particular storm, particularly two years after said storm. We are also concerned that having subrecipients identify entire areas as qualified, for example, through media reports would make it more difficult to prevent fraud. As an alternative, we suggest that the statement (by affidavit or otherwise) create a rebuttable presumption that the damage occurred during Hurricane Dolly or Ike. If there is no evidence rebutting this statement, from the inspection or other sources, the applicant has demonstrated that the damage or destruction to structures was a direct result of Hurricane Dolly or Ike. Additional information, in the form of media reports, applications for assistance immediately following the disaster, contemporaneous pictures, etc. could be used to supplement an individual applicant's statement or to resolve a dispute or appeal.

*TDHCA Staff Response: Staff does not believe that this comment requires a change to the housing guidelines. The guidelines allow other types of documentation to support the storm damage requirement when an applicant, does not have the preferred FEMA, SBA, or insurance hurricane damage assessment documentation.*

**Comment #161: Housing Benefits in Relation to Needs Assessment**

subrecipients must provide housing benefits consistent with a Needs Assessment for their jurisdiction as well as consistent with these guidelines. For example, if the area's Needs Assessment shows that 50% of housing need is for rental housing, the subrecipient cannot devote

75% of housing assistance to owner-occupied assistance. Similarly, providing homebuyer assistance if the need for reconstruction or rehabilitation has not been met would be inconsistent with the Housing Guidelines.

*TDHCA Staff Response: Staff does not believe that this comment requires a change to the housing guidelines. The Guidelines require that the formula for reaching the needs assessment be posted for public comment so that there is transparency in how the needs assessment was conducted. In addition, the programs must match the needs assessment. Areas that are included in the state program for affordable rental housing rehabilitation replacement may count toward meeting the needs of the community.*

**Comment #162: Homeowner Opportunity Program (HOP)**

Why is the value of the original storm-damaged property relevant? Homeowners eligible for HOP will essentially be “swapping” land and transferring title to the subrecipient as part of the process of obtaining a new home in a higher opportunity area.

*TDHCA Staff Response: Staff agrees with this comment and will edit the Homebuyer Guidelines to reflect the value of the original storm damaged property to be the replacement cost of a home based on the current household composition. HUD requires this program to be used as an acquisition/buyout and HBA and therefore the initial amount of the home being acquired through the buyout must be set, but can be determined as indicated above.*

**Comment #163: Multifamily Rental**

Is the Multifamily Rental Program distinct from programs to rebuild Subsidized Housing?

*TDHCA Staff Response: Staff does not believe that this comment requires a change to the housing guidelines. The Rental Housing Guidelines were created for the subrecipients offering rental housing activities. TDHCA is administering the Affordable Rental Housing Program in the amount of \$174 Million. The Action Plan and Conciliation Agreement contain conditions and set asides for the TDHCA administered program including the one-for-one replacement of public housing.*

**Comment #164: Migrant Farm Workers**

Verbal Comment: Please discuss and review the issue of migrant farm workers and how primary residency relates to them.

*TDHCA Staff Response: Staff will modify the Homeowner Guidelines to include the use of the principal residency affidavit currently in use in Round 1, which in the absence of a documented homestead property tax exemption (preferred method), provides an alternative manner of claiming principle residency through signing of the affidavit and provision of back-up documentation such as utility bills, etc. In addition, the deferred forgivable loan note will be edited to allow for extended absences due to work duties.*

**Comment #165:**

The overall structure of the guidelines is somewhat confusing and repetitive because the Homeowner Opportunity Program (HOP) is included as a section of the General Guidelines but all other program activities are broken out into separate documents. Combining the various attachments into one set of Housing Guidelines would also shorten and clarify the guidelines by eliminating a number of sections that are repeated in each attachment and the general guidelines.

Suggested Structure:

- Part A – General Program Guidelines
- Part B – Homeowner Opportunity Program
- Part C – Homeowner Assistance
- Part D – Homebuyer Assistance
- Part E – Multifamily Rental Assistance
- Part F – Single Family Rental Assistance

*TDHCA Staff Response: Staff does not believe that this comment requires a change to the housing guidelines.*

**Comment #164:**

The guidelines, seemingly at random, identify certain rules as “[a]ccording to the Conciliation Agreement.” The purpose of this is unclear and we recommend that all such references be deleted to avoid confusion and ambiguity.

*TDHCA Staff Response: Staff agrees and will edit the guidelines accordingly.*

**Comment #165:** Introduction

Page 1 ¶ 2 The discussion of dividing the Guidelines into Parts and separate documents and options for HOP-eligible applicants is unclear and confusing. As the HOP and other programs are addressed in the guidelines themselves, it is unnecessary to include this in an introductory paragraph that otherwise does not discuss the substance of programs.

Suggested ¶2:

Housing Guidelines were developed to serve as the basis for Hurricanes Dolly and Ike Round 2 housing programs. These Round 2 Housing Guidelines do not replace or supersede the Guidelines developed by subrecipients under Round 1 funding, unless expressly adopted by the subrecipient.

*TDHCA Staff Response: Staff does not believe that this comment requires a change to the housing guidelines.*

**PART A – GENERAL PROGRAM GUIDELINES**

**Comment #166:**

Page 2, II. The definition of Homeowner Opportunity Program describes the program as one which “may be utilized to affirmatively further fair housing for . . . applicants.” The program is a way for subrecipients to carry out their obligations to affirmatively further fair housing, but in fact all activities undertaken using CDBG-DR dollars must be carried out in a way that affirmatively furthers fair housing: Subrecipients are not furthering fair housing on behalf of individuals, but on behalf of the entire community.

Suggested Language:

Homeowner Opportunity Program - Income-qualified applicants who live in a FEMA-designated “High Risk” area or area of high minority and/or poverty concentration (as determined by TDHCA) may elect to repair/replacement their existing homes or to relocate to a safer and higher opportunity area. This program will involve relocation counseling and the provision of licensed real estate professionals to explain the options and choices available. (See Part B).

*TDHCA Staff Response: Staff agrees and will change the definition as suggested in the General Guidelines.*

**Comment #167:**

Page 2, II. The HOP applies to homes located in a FEMA-designated “High Risk” area, which is not necessarily contiguous with the 100-year Flood Zone. These terms are used interchangeably in several sections of the document and need to be conformed. In addition, the standards for poverty and minority concentration need to be defined, by TDHCA, and included in the final guidelines.

*TDHCA Staff Response: Staff agrees and will define the terms FEMA-designated “High Risk” area and areas of high poverty and minority concentration in the guidelines.*

**Comment #168:**

Page 3, II ¶2. The phrase “or under common ownership” should be added to the end of the paragraph defining Multifamily Rental so that sentence is consistent with the first sentence.

*TDHCA Staff Response: Staff agrees and will modify the definition; however, the solution was to eliminate the phrase from the multifamily definition altogether, as it is a phrase more applicable to single-family rental projects.*

**Comment #169:**

Page 3, II ¶3. The meaning of “housing choice” in the context of this paragraph is unclear and should be defined. The last clause of the paragraph should read “how funding will be prioritized as determined through the Needs Assessment” rather than “are determined.”

*TDHCA Staff Response: Staff agrees and will eliminate the phrase “housing choice” from the definition of Program Design as it was unnecessary to the context of the paragraph. The above-referenced suggested edit to “as determined” will be incorporated in the General Guidelines.*

**Comment #170:**

Page 3, II ¶7. HUD’s definition of “Duplication of Benefits” has changed in the past, and we are currently advocating for a new policy that presents less of a barrier to CDBG-DR assistance. We suggest language indicating that the State will follow HUD’s policy on Duplication of Benefits rather than incorporating a specific definition into the guidelines at this time.

*TDHCA Staff Response: Staff agrees and will make an edit to the General Guidelines to allow for the most permissive current interpretation provided by HUD in determining Duplication of Benefit.*

**Comment #171:**

Page 4, ¶4. HUD’s Glossary of CPD Terms defines “family” as “a household composed of two or more related persons. The term family also includes one or more eligible persons living with another person or persons who are determined to be important to their care or well being, and the surviving member or members of any family described in this definition who were living in a unit assisted under the HOPWA program with the person with AIDS at the time of his or her death.” The definition of “family” in the guidelines should be updated to conform to the HUD definition.

*TDHCA Staff Response: Staff agrees with the comment and will revise the definition in the General Guidelines.*

**Comment #172:**

Page 5, III.c. The method of evaluating data to create a Needs Assessment should be uniform. The Needs Assessment must produce the same data for all subrecipients, including data on needs for rental housing and owner occupied housing, the proportion of housing damage suffered by populations at various income levels, and the needs of persons with disabilities and other special needs in the community. Because allocation and program decisions must be based on this Needs Assessment, the accuracy and uniformity of the data and methodology used is critical.

*TDHCA Staff Response: Staff does not believe that this comment requires a change to the housing guidelines.*

**Comment #173:**

Page 5, V.a. Subrecipients may provide an additional amount of funding to assist applicants at the lowest income levels, but may not provide less funding than required by the Needs Assessment. The word “unbalanced” in the final sentence of (a) should be changed to “additional.”

*TDHCA Staff Response: Staff agrees with the comment and will make the edit to the General Guidelines.*

**Comment #174**

Page 5, V.b and V.c. Affordable housing and fair housing are different issues. While socioeconomic status and membership in protected classes under the Fair Housing Act may often overlap, they are not interchangeable. The inclusion of poverty and income levels in guidelines on targeting to affirmatively further fair housing conflates fair housing and affordable housing and may mislead subrecipients.

Suggested language:

- (a) Once targeted areas are identified, the subrecipient shall use the Phase 1 Analysis of Impediments to Fair Housing to determine what impediments to fair housing choice exist in those areas.

- (b) Based on the specific impediments identified, recommended actions to overcome the impediments should be developed into a program plan.

*TDHCA Staff Response: Staff agrees and will edit the General Guidelines to clarify the two points.*

**Comment #175:**

Page 6, VI.b. Programs or activities must address identified impediments to fair housing not help individual households do so. The words “assist beneficiaries to” should be deleted from the last sentence of (b). The preceding sentence that begins, “[t]he Program Design must identify . . . “ is redundant and should be deleted.

*TDHCA Staff Response: Staff agrees and will edit the guidelines as suggested.*

**Comment #176:**

Page 6, VI.c. Subrecipients’ obligations are as follows:

- Prior to the completion of the Phase 1 Analysis of Impediments (disaster-area AI), subrecipients must conduct a local review of impediments sufficient to support the required demonstration that any project submitted for priority funding affirmatively furthers fair housing.
- Once the Phase 1 disaster area AI is complete, subrecipients must conduct whatever level of review and evaluation is necessary to apply the findings of the disaster area AI to their jurisdiction and design programs that affirmatively further fair housing in compliance with that AI and analysis. **Local jurisdictions do not need to conduct a local Analysis of Impediments in addition to the disaster area AI.**
- Subrecipients may incorporate existing Analysis of Impediments documents into any evaluation of how to use CDBG-DR funds to overcome impediments to fair housing, but cannot substitute a local AI for the disaster area AI and should be cautious about using existing documents as many are not in compliance with HUD’s current Fair Housing guidance.

*TDHCA Staff Response: Staff agrees and will make the edits to delete existing language and replace with the suggested language in the General Guidelines.*

**Comment #177:**

As an alternative, we suggest that the statement (by affidavit or otherwise) create a rebuttable presumption that the damage occurred during Hurricane Dolly or Ike. If there is no evidence rebutting this statement, from the inspection or other sources, the applicant has demonstrated that the damage or destruction to structures was a direct result of Hurricane Dolly or Ike. Additional information, in the form of media reports, applications for assistance immediately following the disaster, contemporaneous pictures, etc. could be used to supplement an individual applicant’s statement or to resolve a dispute or appeal.

*TDHCA Staff Response: Staff does not believe that this comment requires a change to the housing guidelines. There are provisions to allow alternative documentation to support*

*storm damage when inspections are not adequate to differentiate between the causes of damage.*

**Comment #178:**

We recommend that the reference to “deferred maintenance” be deleted from 3 because the term is not official and remains undefined in FEMA regulations and policies, and its intended meaning in this context is unclear.

*TDHCA Staff Response: Staff agrees and will make the suggested edit.*

**Comment #179:**

Non-profit groups in South Texas have suggested that databases run by the Red Cross or other non-profits that provide assistance following a disaster might be another source of information about damage and needs at the time of the Hurricanes.

*TDHCA Staff Response: Staff agrees and will incorporate documentation from disaster recovery/relief organizations in the General Guidelines as allowable forms of supporting alternative evidence of damage from the hurricanes in the absence of FEMA, SBA or insurance letters and where damage inspections are inconclusive as to the cause of the damage.*

**Comment #180:**

Page 7, VII.c. To conform definitions to HUD policy and ensure that units are appropriately sized, couples should be defined as those living as spouses, whether or not legally married.

*TDHCA Staff Response: Staff agrees and will make the suggested edit to conform to current HUD policy.*

**Comment #181:**

Page 9-11, IX and X. Sections IX and X should be combined into one section on the Affirmative Marketing Plan.

Suggested language:

**IX. AFFIRMATIVE MARKETING PLAN**

- a) Local jurisdictions administering the CDBG Disaster Recovery Program are committed to affirmatively furthering fair housing through established affirmative marketing policies. Affirmative marketing efforts for the disaster funding will include the following:
- b) An Affirmative Marketing Plan, based on the U.S. Department of Housing and Urban Development (HUD) regulations, will be submitted to TDHCA for approval. The plan must outline the policies and procedures for housing activities. Procedures are established to affirmatively market units financed through the Program. The procedures

cover dissemination of information, technical assistance to applicants, project management, reporting requirements, and project review.

- c) The goal is to ensure that, eligible persons from all racial, ethnic, national origin, religious, familial status, the disabled, “special needs,” gender groups, and for each project or program, the populations least likely to apply, are:
  - Fully informed of vacant units available for sale and / or rent.
  - Encouraged to apply for purchase, rehabilitation, and / or rent.
  - Given the opportunity to buy and / or rent the unit of their choice.
  - Given the opportunity to rehabilitate their primary residence, which sustained damages due to Hurricanes Dolly or Ike and / or its after-effects.
- d) Program participants will be informed about available opportunities and supporting requirements via counselors, printed and electronic materials, publications, direct contact, workshops/seminars, and through the placement of flyers/posters in public facilities. Particular emphasis should be focused on successful outreach to LMI areas and those communities with minority concentrations that were affected by the disaster.
- e) In addition to marketing through widely available media outlets, efforts may be taken to affirmatively market the CDBG Disaster Recovery Program as follows:
  - Advertise with the local media outlets, including newspapers and broadcast media, which provide unique access for persons who are considered members of a protected class under the Fair Housing Act
  - Include flyers in utility and tax bills advertising the Program.
  - Reach out to public or non-profit organizations and hold/attend community meetings.
  - Other forms of outreach tailored to reaching the eligible population, including door to door outreach if necessary.
- f) Applications and forms will be offered in English and other languages prevailing in the region. In addition every effort will be made to assist such applicants in the application process.
- g) In addition, measures will be taken to make the Program accessible to persons who are considered members of a protected class under the Fair Housing Act by holding informational meetings in buildings that are compliant with the Americans with Disabilities Act (ADA), providing sign language assistance when requested, and providing special assistance for those who are visually impaired when requested. Subrecipients should include outreach to assisted living and other similar facilities in the area.
- h) Applications and forms will be offered in English and other languages prevailing in the region. In addition every effort will be made to assist such applicants in the application process



- i) Documentation of all marketing measures used, including copies of all advertisements and announcements, will be retained and made available to the public upon request.
- j) The [Subrecipient] will be required to use the Fair Housing logo in Program advertising, post Fair Housing posters and related information, and, in general, inform the public of its rights under Fair Housing law.
- k) Multifamily rental programs must develop an Affirmative Marketing Plan for each development receiving CDBG Disaster Recovery funding. The plan, pursuant to federal regulations, will outline strategies to inform the public about the housing opportunities, requirements/practices that the owner must adhere to in executing the Affirmative Marketing Plan, procedures that will be followed in soliciting applications, and a description of records that will be maintained and made available for review. Notice to Public Housing Authorities in the region in order to inform households on DHAP that permanent housing is available should be part of the Plan.
- l) Evaluation of outreach activities and applications received will be necessary to determine if outreach is successful and applications that are being received accurately reflect the socioeconomic and other forms of demographic diversity identified in the Needs Assessment. Evaluation should be an ongoing process and begin no later than one month after the program begins accepting applications. TDHCA should review these reports before the subrecipient begins qualifying applicants, and periodically thereafter.

*TDHCA Staff Response: Staff agrees and will edit the guidelines as suggested with the exception of not including the requirement for the subrecipient to conduct outreach to assisted living facilities.*

**Comment #182:**

Page 11, XI.a. To the extent possible, specific reporting requirements should be included in the Housing Guidelines in order to help subrecipients with Program Design and create a comprehensive set of guidelines. These guidelines should be amended to include reporting requirements and procedures as they are ready for publication.

*TDHCA Staff Response: Staff understands the concern and will include additional information concerning the data collection required by the Conciliation Agreement for reporting on Affirmatively Furthering Fair Housing; however, the Reporting Requirements Section of the contract between TDHCA and the subrecipient will provide greater detail regarding reporting requirements.*

**Comment #182:**

Page 11, XIII. Subrecipients must not only submit a plan for Section 3 compliance, but must periodically report on their goals and compliance.

*TDHCA Staff Response: Staff agrees and will reference Section 3 reporting in the guidelines; however, Section 3 reporting requirements will be included in greater detail in the contract between TDHCA and the subrecipient.*

**Comment #183:**

Page 13, XVI.d. Subrecipients should provide TDHCA with a copy of the complaint within the same time frame that complainants are sent acknowledgement of receipt.

*TDHCA Staff Response: Staff does not believe that this comment requires a change to the guidelines. The language requiring the subrecipient to provide TDHCA a copy of any letter denying an appeal or dismissing a complaint is already included in the general guidelines.*

**Comment #184:**

Page 13- 14, XVII. Suggested language:

[Subrecipient] received \$XXXX in disaster recovery funds to help local residents of the community with the efforts to recover from the effects of Hurricanes Dolly or Ike. [Subrecipient] may choose which programs and activities they will offer to their communities; however, the [Subrecipient] will be required to justify how the activities selected meet the needs of the community in a way that affirmatively further fair housing and demonstrate compliance with civil rights. A sample chart for recording housing activities selected and the allocation of funds to those activities is provided below.

*TDHCA Staff Response: Staff agrees and will incorporate the phrase “meet the needs of the community in a way that...” into the General Guidelines.*

**Part B – Homeowner Opportunity Program**

**Comment #185:**

Page 15, ¶2. Subrecipients must provide counseling to income-qualified applicants living in a FEMA-designated “High Risk” area or area of high minority and/or poverty concentration (as determined by TDHCA) and extend the opportunity to participate in HOP.

*TDHCA Staff Response: Staff agrees and will replace the existing paragraph in its entirety with the suggested language.*

**Comment #186:**

Page 15, ¶3. Clarify that the term “voluntary path” refers to the choice available to homeowners.

*TDHCA Staff Response: Staff agrees and will add the phrase “for the applicant” to clarify the sentence.*

**Comment #187:**

Page 15, ¶4. Subrecipients must provide housing benefits consistent with a Needs Assessment for their jurisdiction as well as consistent with these guidelines. For example, if the area’s Needs Assessment shows that 50% of housing need is for rental housing, the subrecipient cannot devote 75% of housing assistance to owner-occupied assistance. Similarly, providing homebuyer

assistance if the need for reconstruction or rehabilitation has not been met would be inconsistent with the Housing Guidelines.

*TDHCA Staff Response: Staff agrees and will edit the guidelines to clarify that subrecipients must develop activities consistent with the indications of the needs assessment and the guidelines.*

**Comment #188:**

Page 15, I. The obligation to affirmatively further fair housing belongs to the subrecipient and/or other governmental entities administering CDBG-DR funds. Individual homeowners eligible for HOP should not be receiving guidance on “affirmatively furthering fair housing,” they should be receiving assistance determining and evaluating their individual housing options. Such assistance is not optional and must be provided. Subsections a) and b) should be eliminated and subsection c) should read as follows:

Applicants determined to be eligible for participation in the HOP will receive counseling and professional real estate services to provide guidance on their housing options.

Comment: Counselors should make contact with applicants within 5 days of being assigned the file.

*TDHCA Staff Response: Staff agrees and will edit the guidelines to include the suggested language; however, staff believes that the suggested time limitation for contact is too restrictive and will be modified to 10 days.*

**Comment #189:**

Page 16, II.d. Eligible applicants must be relocated to higher opportunity areas. Additional guidance on this requirement may be required.

*TDHCA Staff Response: Staff agrees and will edit the guidelines to include the suggested language.*

**Comment #190:**

Page 16, III.a. Suggested Language:

- a) The HOP Homebuyer Assistance program will include the cost of professional services. Examples include real estate agents to provide guidance, including the opportunity to visit neighborhoods and properties, to applicants about lots or homes that are available in higher opportunity areas of the community with less concentrated areas of poverty and/or minority population. Professionals must receive training as mandated by the State in order to be certified eligible to participate in this program.

*TDHCA Staff Response: Staff agrees and will incorporate the suggested language.*

**Comment #191:**

Page 16, IV. The State should develop standardized documentation for all the programs covered by these guidelines, including informed consent documentation. Requiring subrecipients to draft forms will result in the same delays and lack of equity that these guidelines were intended to

forestall, and will unnecessarily burden subrecipients who want to focus on determining eligibility and getting people back into homes.

*TDHCA Staff Response: Staff agrees and will develop standardized documentation, including informed consent forms, for utilization by the subrecipients. Edits will be made to the guidelines to make this obligation clear.*

**Comment #192:**

Page 17, V.e.a. Eligible applicants who are unable to resolve title issues within one year of the application date may still qualify for regular homebuyer assistance (up to \$40,000). Assistance to repair or rebuild the existing home is also available.

*TDHCA Staff Response: Staff agrees and will add the sentence “Assistance to rehabilitate or reconstruct the original home **may** also still be available.”*

**Attachment A: Hurricanes Dolly and Ike Single family Homeowner Program Guidelines**

**Comment #193:**

Page 1, I.D. All activities must be consistent with subrecipients obligation to proportionally assist beneficiaries based on income and tenure.

*TDHCA Staff Response: Staff agrees and will add language to the Homeowner Guidelines to emphasize the subrecipients’ obligation to proportionally assist beneficiaries based upon the results of the needs assessments.*

**Comment #194:**

Page 1, II.A. This paragraph is confusing and unnecessary. The State and all subrecipients are obligated to use funds in a way that affirmatively furthers fair housing under federal law. This requirement applies to all federal housing and community development funds – recipients must give consideration to affirmatively further fair housing under all circumstances, not “where appropriate.”

*TDHCA Staff Response: Staff agrees and will edit the guidelines to clarify the obligation.*

**Comment #195:**

Page 2, III.A. The Needs Assessment will determine the areas, populations, and types of housing most impacted by the storms, not solely geographic areas. **The Needs Assessment will be used to determine the activities to be offered to meet the types of housing need experienced by the affected populations.** Because of the central role of the Needs Assessment in Program Design, these guidelines should include more specific detail on what issues and data the Needs Assessment must cover, including proportions of rental housing need to owner-occupied housing need as well as demographics of the affected population.

*TDHCA Staff Response: Staff agrees and will add language to clarify the obligation; however, staff will provide technical assistance and written guidance separate from the*

*guidelines to deliver more specific detail, including proportions of one activity versus another, to the subrecipients.*

**Comment #196**

Page 2, III ¶4. The first two sentences of the paragraph entitled “Priorities for Evaluating Applicants” are unnecessary and should be eliminated.

*TDHCA Staff Response: Staff agrees and will make the edits as suggested.*

**Comment #197:**

Page 2, III¶5.

Suggested language:

All eligible applicants must be evaluated in order to establish the priority of funds within the above-referenced economic subgroups. Each subgroup must be funded at the levels indicated by the Needs Assessment and analysis, although the subrecipient may fund the lowest income households at a level in excess of their percentage of need. The intention is to incorporate both the family and dwelling characteristics of applicants in order to establish a system that gives the households that are less able to address need without public assistance a higher priority. The following household characteristics indicate a funding priority within the economic subgroups:

1. **Disability.** If one or more members of a household have a documented disability that affects the design of the assisted unit, that household will be given priority within their income subgroup.
2. **Age.** If one or more members of a household are less than 18 years of age, or 62 years of age or older, and has a lower AMFI.

*TDHCA Staff Response: Staff agrees and will make the edits as suggested.*

**Comment #198:**

Page 3, III. Anyone who inquires about the program will be given a TDHCA application package to complete; they do not have to specifically request the application.

Subrecipients in areas with large populations of LEP applicants should seek out counselors fluent in the appropriate languages.

*TDHCA Staff Response: Staff agrees and will make the edits as suggested.*

**Comment #199:**

Page 5, #2. The proof of ownership requirements set out in Texas Government Code §2306.188 apply to all federally funded disaster recovery programs, and not to Hurricanes Dolly and Ike Round 2 “alone.”

*TDHCA Staff Response: Staff agrees and will make the edits as suggested.*

**Comment #200:**

Page 10, XI.D. Subrecipients should be aware that some local ordinances and zoning may be an impediment to fair housing choice. Jurisdictions should ensure that they have carefully evaluated how local ordinances may affect the program and take steps to address any identified impediments.

Any specific forms and documentation required by the program should be developed and distributed by TDHCA to ensure uniformity and take the burden of forms production off subrecipients.

*TDHCA Staff Response: Staff agrees and will develop standardized documentation and forms.*

## **ATTACHMENT B: Hurricanes Dolly and Ike Homebuyer Assistance Program Guidelines**

### **Comment #201:**

Page 1, I.E. These requirements are unclear. They appear to be the following:

- A subrecipient may provide Homebuyer Assistance to applicants who were not homeowners at the time of the storm, but only in order to affirmatively further fair housing as defined by the Phase 1 Disaster Area AI.
- Any HBA provided to applicants who are not eligible for HOP must be needs-based as determined by the applicable Needs Assessment and the subrecipient must document that the amount of HBA proposed is actually necessary to accomplish the goal.

*TDHCA Staff Response: Staff understands the confusion and will edit the guidelines for greater clarity.*

### **Comment #202:**

Page 2, II.C. The guidelines repeatedly refer to applicants who are “fully eligible” to participate in HOP. This is confusing. Applicants who are eligible for HOP are eligible for the full program; applicants cannot be eligible for part of HOP.

*TDHCA Staff Response: Staff understands the confusion and will edit the guidelines for greater clarity.*

### **Comment #203:**

Page 2, II.C.a. Applicants who can be assisted by the State’s title clearing program should be eligible for HOP in addition to applicants who possessed fee simple title at the time of the storms. Title issues disproportionately affect the populations that are intended to benefit from HOP.

*TDHCA Staff Response: Staff understands the confusion and will edit the guidelines to clarify that applicants who can be assisted by the Title Clearance program are equally eligible to participate in the relocation activity of the HOP as those who possessed fee simple title at the time of the storm, provided that the General Guidelines requirements for ownership and principal residency are demonstrated.*

**Comment #204:**

Page 3, III.B. The terms “FEMA designated High-Risk area” and “100 year floodplain” are used interchangeably in the guidelines. These terms are not interchangeable and the areas described may not be contiguous. FEMA-designated High Risk area is the zone specified in the Conciliation Agreement.

*TDHCA Staff Response: Staff agrees and will define the term FEMA-designated High Risk area.*

**Comment #205:**

Page 3, VI. If the guidelines define which applicants are eligible for housing programs, it may be unnecessary to include a section attempting to define ineligible beneficiaries.

*TDHCA Staff Response: Staff agrees and will make the edit as suggested.*

**Comment #206:**

Page 3, VII.A. The guidelines occasionally use “assistance” and “activities” interchangeably when one or the other is meant. For clarity, this subsection should read: “HBA assistance is capped at \$40,000 for non HOP-eligible applicants.”

*TDHCA Staff Response: Staff agrees and will edit the guidelines to assure consistency and accuracy of the noted terms.*

**Comment #207:**

Page 4, VII.B. The General Guidelines specify a cap for “Services” but do not specify allowable costs within that cap. Allowable costs including but not limited to real estate fees, inspection costs, moving expenses, and utility connection costs should be listed in the guidelines.

*TDHCA Staff Response: Staff agrees and will edit the guidelines to include examples of services.*

**ATTACHEMENT C – Hurricanes Dolly and Ike Rental Program Guidelines**

**Comment #208:**

Page 2, III.B. Rental Program activities will be offered as a housing program to residents of the subrecipient’s jurisdiction as required by the housing needs identified in the jurisdiction’s Needs Assessment. Units must be restricted to ensure affordability for very low and low-income households as well as moderate-income households.

*TDHCA Staff Response: Staff does not believe that this comment requires a change to the housing guidelines as staff does not completely agree. The needs assessments will determine affordable housing needs; however, it will not set rent limits.*

**Comment #209:**

Page 3, II.A. Add language stating that replacement units may be rebuilt in locations other than the original development in order to affirmatively further fair housing.

*TDHCA Staff Response: Staff does not believe that this comment requires a change to the housing guidelines. However under HUD rules, a subrecipient may rebuild damaged units in a different location. These units must meet affirmatively furthering fair housing requirements in Round 2 and meet the requirements under the Action Plan and Conciliation Agreement, including the one-for-one replacement requirement where applicable.*

**Comment #210:**

Page 3, II.B. Clarify that the NOFA or application process must comply with IV.A. on page 4.

*TDHCA Staff Response: Staff agrees and will add language to clarify the requirements.*

**Comment #211:**

Page 4, IV.A. This guideline is not clear about which criteria the NOFA or application must address. Those criteria must include:

- Criteria must direct funds to the needs of the community as determined by the Needs Assessment.
- The use of funds must affirmatively further fair housing and increase housing choice, therefore, selected criteria must be consistent with overcoming impediments identified in the Phase 1 disaster-area AI.

*TDHCA Staff Response: Staff agrees and will edit the guidelines to clarify the requirements.*

**Comment #212:**

Page 4-5, IV.C. The language of C should be mandatory and not permissive.

Suggested Language:

Criteria developed by the subrecipient to identify projects providing the greatest benefit to the community must include the following:

1. Priority will be given to projects that increase the supply of affordable units by exceeding the requirement to lease 51% of the units to low/moderate income households.
2. Priority will be given to projects that provide units to households with the greatest need for affordable housing by creating set asides targeting extremely low income, very low income, and low and moderate income tenants.
3. Priority will be given to projects that make units available to families and provide units that are single story or otherwise provide access to persons with disabilities.

*TDHCA Staff Response: Staff agrees and will add the suggested language of single story buildings or elevator access as an encouraged selection criteria.*

**Comment #213:**



Page 8, XII.A.2. Suggested language: Consistent with the purpose of providing housing for families at various income levels consistent with the identified needs of the disaster-affected population.

*TDHCA Staff Response: Staff does not believe that this comment requires a change to the housing guidelines.*

Jennifer Barclay

**Comment #214:** Rehabilitation Base Unit

In the General Program Guidelines, a base unit has been set for Rehabilitation at \$65,000. The discussion at the last meeting of the Housing Taskforce on this subject seemed to indicate that the Rehabilitation base unit would be equal to the Reconstruction/New Construction base unit that will be set by each individual subrecipient. Setting these base units the same allows for a more consistent benefit to be given to all applicants whether they participate in rehabilitation or reconstruction/new construction. The South East Texas Regional Planning Commission (SETRPC) would suggest setting the base units the same.

*TDHCA Staff Response: Staff does not believe that this comment requires a change to the housing guidelines as staff believes that there should be a cap on rehabilitation that falls short of the amount of funding available for reconstruction or new construction.*

**Comment #215:** Homeowner Opportunity Program (HOP)

In Part B of the General Program Guidelines, specifically the section covering the Homeowner Opportunity Program, the SETRPC would like to comment on the acquisition and disposal of property. SETRPC has reservations about taking ownership of the property and does not believe that this task is within our working guidelines established by the legislature. We would like to express our opposition to this section as currently structured. If the SETRPC is able to transfer the title to another unit of local government, will subrecipients be required to monitor the end use of the property to ensure that it complies with the CDBG program and HUD guidance.

*TDHCA Staff Response: Staff does not believe that this comment requires a change to the housing guidelines. The current HUD guidance indicates that the property can be given to a non-profit, local government or similar entity as long as the end use can be identified. If the property is used for homes, they must address the affirmatively furthering fair housing and not re-concentrate poverty or racial minorities that were relocated to provide Fair Housing choice. The subrecipient will have to monitor the end use of the property through the end of the affordability period.*

**Comment #216:** Principle Residency

In the Single Family Homeowner Program Guidelines, there a few items on which the SETRPC would like to comment. Under the Principle Residency Section, SETRPC would like to suggest adding the allowance of the Affidavit of Principle Residency to be used to show proof of principle residency. This form is being used in the Round I programs.

*TDHCA Staff Response: Staff agrees and will modify the Homeowner Guidelines to allow the Affidavit of Principal Residency.*

**Comment #217: Demolition**

Under the section Types of Assistance Offered, SETRPC would like to request to add Demolition as its own separate category for assistance. SETRPC has used Demolition Only for both Hurricane Rita and Hurricane Ike Round I Recovery.

*TDHCA Staff Response: Staff does not believe that this comment requires a change to the housing guidelines. Demolition only is an allowable activity as long as it meets one of the National Objectives.*

**Comment #218: Forgivable Loan Definition**

SETRPC would like to comment on a few items in the Rental Program Guidelines. Throughout the guidelines, the unsecured note is referred to as both a loan and a note. SETRPC would like to suggest that for consistency and to avoid confusion, that the unsecured deferred forgivable note, maintain that name throughout the document.

*TDHCA Staff Response: TDHCA staff agrees with this comment and will ensure conformity and consistency throughout the document.*

**Comment #219: Maintenance of Flood Insurance Requirement**

Under part J of the Property Eligibility Section, SETRPC would like to suggest that the on-going maintenance of flood insurance requirement specify that this is only required where applicable.

*TDHCA Staff Response: TDHCA agrees with this comment and will make this change.*

**Comment #220: Selection Criteria: Priority of Projects**

Under part B 3 of the section on Selection Criteria, a project will be given priority if it has three bedrooms or more. However, part C of the Property Eligibility Section states that dwellings must contain between one and three bedrooms, therefore disallowing properties with more than three bedrooms. SETRPC would suggest revising either statement to allow for this priority.

*TDHCA Staff Response: Staff agrees with this comment and will make changes to the guidelines to allow this priority.*

**Comment #221: Land use Restriction**

Under the section on Land Use Restriction, it is stated in part A that the LURA must contain a ten (10) year affordability period. However, parts B, C, and D all refer to a (5) year affordability period. SETRPC would suggest a revision of either section for consistency.

*TDHCA Staff Response: Staff does not believe that this comment requires a change to the housing guidelines, but where we see inconsistencies it will be corrected. The requirement is ten years for multifamily and five years for single family units.*

John Touchet

**Comment #222: Section 3**

The only mention of Section 3 guidelines that I found appears on page 11 under Federal Procurement requirements. For the sake of clarity, I recommend specifically identifying this "Section 3" with the citation, [24 CFR 135]. This will help reduce ambiguity and avoid leaving the reader wondering, "Section 3 of what?"

These DR guidelines might also mention Section 3 (24CFR135) in the sections that mention environmental review, fair labor standards, affirmative marketing, and reporting requirements.

I also believe that the section referring to Federal Procurement Requirements should cite the CFR or OMB circulars about procurement, as applicable. (e.g.: 24CFR84, 24CFR85, 24CFR5)

*TDHCA Staff Response: Staff agrees and will add Section 3 and federal procurement requirement citations to the guidelines.*

**HURRICANES DOLLY AND IKE ROUND 2  
[SUBRECIPIENT]  
GENERAL PROGRAM GUIDELINES**

**INTRODUCTION**

The Texas Department of Housing and Community Affairs (TDHCA or the Department) partnered with the Texas Department of Rural Affairs (TDRA) in the administration of a Community Development Block Grant (CDBG) Disaster Recovery Program (Program) funded by the U.S. Department of Housing and Urban Development (HUD) under Public Law 110-329. TDHCA is the agency responsible for the administration of disaster funds allocated to housing activities. TDHCA contracts with Cities, Counties and Councils of Government to administer these funds at the local level and carry out eligible housing activities.

~~As called for in the Conciliation Agreement,~~ Housing Guidelines were developed to serve as the basis for Hurricanes Dolly and Ike Round 2 housing programs. The Housing Guidelines consist of General Guidelines, which were developed to provide direction for issues that affect all of the housing programs. The General Guidelines are further divided into Part A, General Program Guidelines and Part B, Homeowner Opportunity Program (HOP). Activity-specific guidelines for Homeowner Assistance, Homebuyer Assistance and Rental Activities were created as separate documents. Applicants who qualify to fully participate in the HOP and elect to participate or decline to participate in a buyout of their original, storm-damaged property will be subject to either the Homebuyer Assistance Guidelines or the Homeowner Assistance Guidelines, depending upon their choice. These Round 2 Housing Guidelines do not replace or supersede the Guidelines developed by Subrecipients under Round 1 funding, unless expressly amended to be included in those Guidelines.

**PART A – GENERAL PROGRAM GUIDELINES**

**I. PROGRAM OBJECTIVES**

- a) Texas is still in the recovery process for both its communities and residents due to the impacts suffered by Hurricanes Dolly and Ike. The primary focus of this Program is to provide relief for those people impacted by Hurricanes Dolly or Ike while addressing recognized impediments to affirmatively furthering fair housing as required under the Fair Housing Act. Assistance will be provided under a variety of housing activities including acquisition, rehabilitation, reconstruction, new construction, demolition, elevation, hazard mitigation, and storm hardening of homeowner and rental housing units.
  - i. The primary objective of the Program is to provide decent, safe, and sanitary housing in the hurricane-impacted areas through the provision of activities designed to mitigate storm damage that occurred as a result of Hurricanes Dolly and Ike, as well as any future hurricanes.

- ii. A second objective is to ensure that the housing needs of very low, low and moderate-low, very low and extremely low-income households are assisted with housing in no less than the proportion to the relative percentages of the overall populations which suffered housing damage within the communities being served.
- iii. A third objective is to prioritize the provision of decent, safe and sanitary housing for elderly and disabled populations with an emphasis on housing choice and design to reduce maintenance and insurance costs as well as provide for the provision of independent living options.

## II. DEFINITIONS

Rehabilitation – Repair or restoration of housing units in the hurricane-impacted areas to applicable construction codes and standards.

Reconstruction – Demolition and re-building of a stick-built or modular housing unit on the same lot in substantially the same footprint and manner. Activity also includes replacing an existing substandard manufactured housing unit (MHU) with a new or standard MHU or stick-built/modular housing unit. The number of units on the lot may not increase and the total square footage of the original, principal residence structure to be reconstructed may not be substantially exceeded; however, the number of rooms in a unit may be increased or decreased.

New Construction – A replacement home that substantially exceeds the original footprint on the existing lot (if permitted) or the construction of a new home in a new location.

Demolition – Clearance and proper disposal of dilapidated buildings and improvements.

Homeowner Opportunity Program – A Disaster Recovery Housing Program through which income-qualified applicants who live in FEMA-designated “High Risk” areas or areas of high minority and/or poverty concentration (as approved by TDHCA) may elect to rehabilitate or reconstruct their existing home or relocate to a safer and higher opportunity area. eligible activities are governed by the Homebuyer Assistance Guidelines or the Homeowner Assistance Guidelines, depending upon the voluntary decisions made by the participants who qualify for the program. The program may be utilized to affirmatively further fair housing for disaster recovery applicants that qualify as 80% or below AMI and live in the 100-year Flood Zone or areas of high minority and poverty concentration, as approved by TDHCA. This program will involve relocation counseling and the provision of licensed real estate professionals to explain the options and choices available. (See Part B).

Homeowner Assistance Activity – The utilization of CDBG DR funding to rehabilitate or reconstruct hurricane-damaged homes in order for the applicant to remain in the original home at the original home site. The home to be assisted must have been owner-occupied at the time of the storm. This activity may be utilized by a HOP-eligible applicant who defers relocation and elects to repair and remain in the original home at the original home site.

Homebuyer Assistance Activity – The utilization of CDBG Disaster Recovery funding for up to 100% of the required down payment, reasonable closing costs, principal write-down assistance,

subsidization of interest rates, and private mortgage insurance to facilitate the purchase of a new or existing home. The activity may be utilized in the relocation of a HOP participant or as assistance provided to a hurricane-impacted non-homeowner. Limitations on HOP funding are detailed in Part B; the cap on homebuyer assistance for hurricane impacted non-homeowners is limited to \$40,000.

Acquisition – The utilization of CDBG funds to acquire real property. Acquisition-only is typically not considered a complete activity in the Program and must be combined with another eligible use (i.e. new construction).

Rental Activity – Acquisition, rehabilitation, or construction of affordable rental housing resulting in structures where at least 51% of units are occupied by LMI persons. Income and rent restrictions apply to the rental units to be built or assisted with CDBG funds.

Single Family Rental – Seven or less rental units under common ownership. Units may be on contiguous or scattered lots. Davis Bacon wage requirements apply to construction on CDBG-funded rental housing with eight or more rental units in the same property project (not necessarily the same building) which are commonly-owned and operated as one rental, cooperative or condominium project. ~~under common ownership.~~ Scattered site rentals (rental properties not on an undivided lot or on contiguous lots or parcels) ~~under common ownership~~ may exceed seven units without wage requirements.

Multifamily Rental – Eight or more rental units in the property. ~~under common ownership.~~ Davis Bacon wage requirements apply to construction on CDBG-funded rental housing with eight or more rental units in a property project.

Program Design – The selection and development of programs and activities based on a Needs Assessment. ~~that include housing choice.~~ The Program Design must include the type of housing activities that will be offered by [Subrecipient], as well as how the Program will be marketed, how Fair Housing Objectives will be achieved, and how funding will be prioritized as are determined through the Needs Assessment.

Low to Moderate Income (LMI) National Objective – Activities which benefit households whose total annual gross income does not exceed 80% of Area Median Income (AMI), adjusted for family size. Income eligibility will be determined and verified in accordance with 24 CFR Part 5 requirements using procedures as stated in the Technical Guide for Determining Income and Allowances, 3rd Edition (HUD-1780-CPD). The most current income limits, published annually by HUD, shall be used by [Subrecipient] to verify the income eligibility of each household applying for assistance at the time assistance is provided. The LMI economic subcategories of very low, low and moderate for the CDBG Program correspond to the economic subcategories of extremely low, very low and low as identified in the Conciliation Agreement and are defined as follows:

- Very low: Household's annual income is up to 30% of the area median family income, as determined by HUD, adjusted for family size
- Low: Household's annual income is between 31% and 50% of the area median family income, as determined by HUD, adjusted for family size

- Moderate: Household's annual income is between 51% and 80% of the area median family income, as determined by HUD, adjusted for family size

Slum and Blight National Objective – Activities which help to eliminate slums and blighted conditions. Use of this National Objective is limited due to its inability to contribute towards the overall requirement for 55% of Dolly and Ike Round 2 funding to benefit low to moderate-income beneficiaries. It must be justified in the application for funding and the restrictions of its use will be expressly detailed in the contract between TDHCA and the [Subrecipient]. Slum and Blight activities must meet the criteria of one of the three following categories:

- Prevent or eliminate slums and blight on an area basis;
- Prevent or eliminate slum and blight on a spot basis; or
- Be in an urban renewal area

Urgent Need National Objective – An urgent need that exists because existing conditions pose serious & immediate threat to health/welfare of community, the existing conditions are recent or recently became urgent (typically within 18 months), and the [Subrecipient] cannot finance the activities on its own because other funding sources are not available. Use of this National Objective is not anticipated to be permitted with Dolly and Ike Round 2 funding.

Duplication of Benefits – The Robert T. Stafford Disaster Assistance and Emergency Relief Act (Stafford Act) prohibits any person, business concern, or other entity from receiving financial assistance from CDBG Disaster Recovery funding with respect to any part of a loss resulting from a major disaster as to which he has already received financial assistance under any other program or from insurance or any other source. The state will allow for the most permissive current interpretation provided by HUD in determining Duplication of Benefit.

Individual Mitigation Measures (IMM) – Activities designed to mitigate and/or reduce risk beyond the pre-disaster condition of a housing unit when the activities are above and beyond federal, state, or local construction or code requirements. The State anticipates accessing additional funds for disaster activities under the Disaster Recovery Enhancement Fund (DREF) that must be matched by funding provided for IMM. In accordance with HUD's guidance, repair and rehabilitation of housing units, and the payment of flood insurance are not IMM activities. Examples of IMM activities include elevation above the base flood elevation level, or the addition of storm shutters, hurricane proof windows, roof straps, etc. as long as those improvements are not required to comply with local code requirements and did not exist on the housing unit prior to the storm damage.

Subrecipient – Cities, Counties, Indian Tribes, local governmental agencies (including COGs), private non-profits (including faith-based organizations), or a for-profit entity authorized under 24 CFR 570.201(o). The definition of Subrecipient does not include procured contractors providing supplies, equipment, construction, or services, and may be further restricted by Program Rules or other guidance including applications.

Family – a household composed of two or more related persons. The term family also includes one or more eligible persons living with another person or persons who are determined to be important to their care or well being, and the surviving member or members of any family

described in this definition who were living in a unit assisted under the HOPWA program with the person with AIDS at the time of his or her death. A family is defined as all persons living in the same household who are related by blood, marriage, or adoption. An individual living in a housing unit that contains no other person(s) related to him/her is considered to be a one person family for this purpose. Adult children who continue to live at home with their parent(s) are considered to be part of the family for this purpose and their income must be counted in determining the total family income. A dependent child who is living outside of the home (for example, students living in a dormitory or other student housing) is considered for these purposes to be part of the family upon which he/she is dependent, even though he/she is living in another housing unit.

Household – A household is defined as all persons occupying the same housing unit, regardless of their relationship to each other. The occupants could consist of a single family, two (2) or more families living together, or any other group of related or unrelated persons who share living arrangements. For housing activities, the test of meeting the low to moderate income objective is based on the LMI of households.

Manufactured Housing Unit (MHU) – A structure, transportable in one or more sections which, in the traveling mode is eight body-feet or more in width, or forty body-feet or more in length, or when erected on site, is at least 320 square feet, and which is built on a permanent chassis and is designed to be used as a dwelling with or without a permanent foundation when connected to the required utilities, and includes the plumbing, heating, air-conditioning, and electrical systems contained therein.

Modular Housing – A home built in sections in a factory to meet state, local, or regional building codes. Once assembled, the modular unit becomes permanently fixed to one site.

FEMA-Designated High Risk Area: Areas designated by FEMA as vulnerable to significant wind and/or storm surge damage and areas located in 100-year flood zones. These areas will be identified during the environmental review process for each participating jurisdiction.

Area of High Minority Concentration – A census block group that consists of 65% or more of minorities. Minorities include all racial and ethnic population groups other than “White, non-Hispanic (Anglo).

Area of High Poverty Concentration – A census block group that consists of 35% or more of the residents living in poverty. A household that meets the US Census Bureau’s poverty threshold is considered to be at or below poverty level for the Disaster Recovery Program.

### **III. EVALUATION OF DATA**

- a) In order to develop the Program Design for all activities offered through Dolly and Ike Round 2 funding, each subrecipient must use qualified data (HUD/FEMA data used to allocate the disaster funding, current FEMA data, data used to support the litigation involving FEMA undercounts in the Lower Rio Grande Valley, or other data as approved by TDHCA in advance). TDHCA will assist the subrecipient with the analysis and provide applicable raw data.



- b) Qualified data will be used to document the impact of the relevant storm on the economic LMI subcategories and to assist the subrecipient in developing the plan for targeting the use of those funds, in the appropriate levels, to the appropriate economic categories.
- c) The method of data evaluation utilized by the subrecipient (i.e., class distribution categories by income, raw number of homes impacted versus the aggregated dollar amounts impacting communities, etc.) must be made available to the public for fifteen days on a publicly accessible website. Notice of the posting of the method of review must be provided to TDHCA not later than the day the method is posted on a website.
- d) If any public comment is made, the subrecipient must address the comment in a public response.
- e) Once the method of interpretation of the data has been vetted publicly and adopted by the subrecipient, the subrecipient should program the use of the funds. The data evaluated should provide targeted classes that will be used to develop the program and its marketing components.
- f) Persons with accessibility or other special needs adaptations should also be analyzed as part of the process.

#### **IV. USE OF PRIOR APPLICATIONS**

- (a) Prior applications may be considered if they are within the designated targeted areas. This program is not intended to be a first-come-first-served program and therefore persons who have already applied Under Round 1 do not have a prior claim to be included in the program.
- (b) Prior applications will need to be reviewed to ascertain whether they qualify under the new program guidelines. As this program is not a continuation of Round 1 programs, applicants must be re-qualified.

#### **V. TARGETING COMMUNITIES**

- (a) Once the most impacted areas/income brackets have been developed, the subrecipient should, at a minimum, set aside an equal amount of the funds to provide an equitable relationship between determined damages to the socio-economic LMI subcategories and the funds received. Subrecipients may provide an additional unbalanced amount of funds to the lowest income levels if desired.
- (b) Once targeted areas are identified, the subrecipient shall use either conduct an analysis of impediments to fair housing or rely on the Phase 1 Analysis of Impediments (AI) to Fair Housing to determine what whether impediments to fair housing choice exist in those areas. that have created concentrations of poverty or protected classes
- (c) Based on the percentages of unmet need remaining for the LMI income subcategory populations as identified by the needs assessment and levels and the specific impediments identified by the Phase 1 AI, methods recommended actions to overcome the impediments should be developed into a program plan.
- (d) As called for in Part A of the General Program Guidelines, an affirmative marketing plan to conduct outreach to the impacted communities is required in order to apply for the disaster recovery program. The outreach program developed should be approved in advance by TDHCA or, in the alternative, posted for 15 days for comment on a publicly

accessible website with notice to TDHCA that the plan has been made public. Public comments made should be addressed prior to utilization of the plan.

## VI. PROGRAM REQUIREMENTS

a) All housing activities must meet one of the three National Objectives required under the authorizing statute of the CDBG program:

- Benefit Low to Moderate Income (LMI) persons;
- Aid in the prevention or elimination of slums or blight (Slum and Blight); and
- Meet a need having a particular urgency (Urgent Need). (The use of Urgent Need is not anticipated to be permitted with Dolly and Ike Round 2 funding).

b) [Subrecipient] must conduct a Needs Assessment to determine the types of programs it will offer and the Needs Assessment will become the basis for Program Design. The Needs Assessment will determine the activities to be offered, the demographics to receive concentrated attention and the target areas to be served. ~~The Program Design must identify specific areas that would benefit from specific programs, such as homebuyer assistance.~~ The [Subrecipient] must demonstrate how the programs and activities selected for those areas will assist beneficiaries to overcome the identified impediments to fair housing.

c) Subrecipient's obligations are as follows:

- a. Prior to the completion of the Phase 1 Analysis of Impediments (disaster-area AI), Subrecipients must conduct a local review of impediments sufficient to support the required demonstration that any project submitted for priority funding affirmatively furthers fair housing.
- b. Once the Phase 1 disaster area AI is complete, Subrecipients must conduct whatever level of review and evaluation is necessary to apply the findings of the disaster area AI to their jurisdiction and design programs that affirmatively further fair housing in compliance with that AI and analysis. Local jurisdictions do not need to conduct a local Analysis of Impediments in addition to the disaster area AI.
- c. Subrecipients may incorporate existing Analysis of Impediments documents into any evaluation of how to use CDBG-DR funds to overcome impediments to fair housing, but cannot substitute a local AI for the disaster area AI and should be cautious about using existing documents as many are not in compliance with HUD's current Fair Housing guidance.

d)

~~e) [Subrecipient] must utilize the State's Phase 1 Interim Analysis of Impediments (AI), a local review of impediments consistent with the HUD guidance on impediments, and follow the Conciliation Agreement in the formulation of Program Design. [Subrecipient] must submit a formal statement to TDHCA indicating they have reviewed the AI and applied its findings. The proposed uses of CDBG-DR funding will be formally reviewed and approved by TDHCA to assure adherence to the AI.~~

- ~~f) [Subrecipient] must utilize qualified data for each HUD Section 8 LMI economic group in order to establish funding levels for those groups to ensure that each group is assisted in no less than the proportion of their relative percentages to the overall populations which suffered housing damage in the community being served by the program. TDHCA will assist the subrecipient with the analysis and provide applicable raw data.~~
- g) ~~According to the Conciliation Agreement,~~ TDHCA's proposed subrecipient performance standards will require that within a period of no more than eighteen months from the date of commencement of the Program, which is the start (effective) date of the contract between TDHCA and the Subrecipient. . Each subrecipient will have identified sufficient eligible beneficiaries such that the subrecipient will be able to provide reasonable assurance that the subrecipient will be able to expend all applicable funds within TDHCA-established benchmarks.
- h) The Needs Assessment and analysis of HUD/FEMA demographic disaster victim data will dictate the proportions of funding that must be set aside to benefit each LMI economic group. Original FEMA data is not sufficient alone and must be adjusted with other eligible sources of data. Factors for this adjustment should be supplemented by local studies and litigation where available as well as HUD allocation formulas which add a "challenge to recover" factor to FEMA and SBA data. TDHCA will assist the subrecipient with the analysis and provide applicable raw data.
- i) Applicants applying for disaster assistance are processed by the [Subrecipient] and must meet certain eligibility standards to qualify for assistance. Eligibility standards are further discussed in the activity-specific housing guidelines.
- j) All sites must undergo a complete environmental review prior to any commitment of funds. An environmental review consists of a statutory checklist of required review items. Properties with environmental conditions will not be permitted to proceed under housing activities unless the condition is corrected. No work can start on a site until the environmental assessment is complete.
- k) For assistance activities, it must be demonstrated that the damage or destruction to structures was a direct result of Hurricanes Dolly or Ike. Hurricane damage can be documented as follows:
1. FEMA, SBA or Insurance award letters.
  2. In the event that the above-referenced documentation is not available, an inspection report (complete with photos of the damage and a written assessment of the damage) from a damage assessment conducted by a qualified inspector supplied by the [Subrecipient] that certifies that the damage occurred as a result of the hurricane will be acceptable.
  3. In the event that FEMA, SBA or Insurance award letters are not available and an inspection report is inconclusive as to the cause of the damage ~~due to deferred maintenance or other reasons,~~ the [Subrecipient] may provide alternative evidence,

such as neighborhood-level media reports or documentation of damage by disaster response/relief organizations on a case-by-case basis to TDHCA for review and approval.

- j) If an applicant was denied assistance by FEMA, assistance through the CDBG Disaster Recovery Program may still be available. ~~According to the Conciliation Agreement,~~ Subrecipients are prohibited from refusing housing assistance to applicants solely on the basis that the applicants were denied assistance by FEMA.

**VII. SIZE OF UNIT** – HUD guidelines provide occupancy policies that allow for two persons per bedroom as reasonable. Exceptions to this standard are based on the following factors:

- a. No more than two persons are required to occupy a bedroom.
- b. Persons of different generations (i.e. grandparents, parents, children), persons of the opposite sex (other than spouses/couples), and unrelated adults are not required to share a bedroom.
  - 1. An adult is a person 18 years old or older.
- c. Couples living as ~~spouses husband and wife~~ (whether or not legally married) must share the same bedroom for issuance size purposes.
- d. A live-in aide who is not a member of the family is not required to share a bedroom with another member of the household. Note: The need for a full time live-in aide must be documented. A waiver may be approved as outlined in the section on Issuance Size Exceptions.
- e. Individual medical problems (e.g. chronic illness) sometimes require separate bedrooms for household members who would otherwise be required to share a bedroom. Documentation supporting the larger sized unit and related subsidy must be provided and verified as valid. A waiver may be approved as outlined in the section on Issuance Size Exceptions.
- f. In most instances, a bedroom is not provided for a family member who will be absent most of the time, such as a member who is away in the military. If individual circumstances warrant special consideration, a waiver may be approved as outlined in the section on Issuance Size Exceptions.
- g. When determining family issuance size, include all children expected to reside in the unit in the next year as members of the household. Examples include, but are not limited to, the following:
  - 1. Pregnant women: Children expected to be born to pregnant women are included as members of the household.
  - 2. Adoption: Children who are in the process of being adopted are included as members of the household.
  - 3. Foster Children: Foster children residing in the unit along with families who are certified for foster care and are awaiting placement of children are included as members of the household. If children are anticipated to occupy the unit within a reasonable period of time, they must be considered when determining the issuance size.
  - 4. Joint/Shared Custody Arrangements: In most instances children in joint/shared custody arrangements should occupy the unit at least 50% of the time. However if

- individual circumstances merit special consideration, a waiver may be approved as outlined in the section on Issuance Size Exceptions. The custody arrangement may be verified by the divorce decree/legal documents or by self certification.
5. Custody of Children in Process: Children whose custody is in the process of being obtained by an adult household member may be included as members of the household. Evidence that there is a reasonable likelihood that the child will be awarded to the adult (i.e. within three months) must be provided in order for such child to be included.
  6. Children Temporarily Absent from Household:
    - i. Children temporarily absent from the home due to placement in foster care may be included as members of the household. Evidence that there is a reasonable likelihood that the child will return to the household (i.e. within three months) must be provided in order for such child to be included.
    - ii. Children who are away at school, but live with the family during school recesses are included as members of the household.
- h. Preferred Unit Sizes
1. 1 Bedroom – No CDBG DR built home will be only 1 Bedroom.
  2. 2 Bedrooms
    - i. Adult/couple
    - ii. Adult/couple plus 1 child
    - iii. Adult/couple plus 2 children of same sex
  3. 3 Bedrooms
    - i. Adult/couple plus 2 children of opposite sex
    - ii. Adult/couple plus 3 children
    - iii. Adult/couple plus 4 children (2 boys and 2 girls)
    - iv. Adult/couple with medical needs plus 1 child
    - v. Adult/couple with medical needs plus 2 children of same sex
  4. 4 Bedrooms
    - iv. Adult/couple plus 4 or 5 children (3 of same sex)
    - v. Adult/couple with medical needs plus 2 children of opposite sex
    - vi. Adult/couple with medical needs plus 3 children
- i. Issuance Size Exceptions
1. Waivers of Issuance size may be granted based on the following:
    - i. Chronic Illness – An individual with an ongoing health problem who requires at least part-time assistance on a regular basis.
    - ii. Pending Child Custody cases – Includes, but is not limited to, children in foster care who may be returning home, foster children, pending adoptions, etc.
    - iii. Parental Custody Situations – children physically occupy the unit less than 50% of the time as documented by a divorce decree and/or self certification.
    - iv. Waivers for other individual circumstances may be granted with pre-approval by TDHCA.
  2. The family must request a waiver in writing and explain the need and justification.
  3. Waivers must be approved by the [Subrecipient].

## **VIII. HOUSING ASSISTANCE CAPS**

	Non-HOP Homebuyer Assistance	HOP Homebuyer Assistance	Homeowner Assistance	
			Reconstruction/ New Construction	Rehabilitation
Base Unit		Bid	Bid	\$65,000
<u>Vacant Land</u>		<u>\$35,000</u>		
Non-Coastal Elevation			\$35,000	\$35,000
Coastal Elevation			\$60,000	\$60,000
Water Well			\$30,000	\$30,000
Septic System			\$25,000	\$25,000
Accessibility		\$20,000	\$20,000	\$20,000
Abatement		\$20,000	\$20,000	\$20,000
Services		Actual or \$15,000	Actual or \$15,000	Actual or \$15,000
Totals:	\$40,000			

- a) Housing Assistance Caps are discussed further in the Homeowner and Homebuyer Guidelines.

#### **IX. AFFIRMATIVE MARKETING PLAN**

1. Local jurisdictions administering the CDBG Disaster Recovery Program are committed to affirmatively furthering fair housing through established affirmative marketing policies. Affirmative marketing efforts for the disaster funding will include the following:
2. An Affirmative Marketing Plan, based on the U.S. Department of Housing and Urban Development (HUD) regulations, will be submitted to TDHCA for approval. The plan must outline the policies and procedures for housing activities. Procedures are established to affirmatively market units financed through the Program. The procedures cover dissemination of information, technical assistance to applicants, project management, reporting requirements, and project review.
3. The goal is to ensure that, eligible persons from all racial, ethnic, national origin, religious, familial status, the disabled, "special needs," gender groups, and for each project or program, the populations least likely to apply, are:
  - Fully informed of vacant units available for sale and / or rent.
  - Encouraged to apply for purchase, rehabilitation, and / or rent.
  - Given the opportunity to buy and / or rent the unit of their choice.
  - Given the opportunity to rehabilitate their primary residence, which sustained damages due to Hurricanes Dolly or Ike and / or its after-effects.
4. In accordance to the affirmative marketing policies and procedures Program participants will be informed about available opportunities and supporting requirements via

counselors, printed and electronic materials, publications, direct contact, workshops/seminars, and through the placement of flyers/posters in public facilities. Particular emphasis should be focused on successful outreach to LMI areas and those communities with minority concentrations that were affected by the disaster.

5. In addition to marketing through widely available media outlets, efforts will be taken to affirmatively market the CDBG Disaster Recovery Program as follows:
  - Advertise with the local media outlets, including newspapers and broadcast media, which provide unique access for persons who are considered members of a protected class under the Fair Housing Act
  - Include flyers in utility and tax bills advertising the Program.
  - Reach out to public or non-profit organizations and hold/attend community meetings.
  - Other forms of outreach tailored to reaching the eligible population, including door to door outreach if necessary.
6. Applications and forms will be offered in English and other languages prevailing in the region. In addition every effort will be made to assist such applicants in the application process.
7. In addition, measures will be taken to make the Program accessible to persons who are considered members of a protected class under the Fair Housing Act by holding informational meetings in buildings that are compliant with the Americans with Disabilities Act (ADA), providing sign language assistance when requested, and providing special assistance for those who are visually impaired when requested.
8. Applications and forms will be offered in English and other languages prevailing in the region. In addition every effort will be made to assist such applicants in the application process.
9. Documentation of all marketing measures used, including copies of all advertisements and announcements, will be retained and made available to the public upon request.
10. The [Subrecipient] will be required to use the Fair Housing logo in Program advertising, post Fair Housing posters and related information, and, in general, inform the public of its rights under Fair Housing regulations law.
11. Multifamily rental programs must develop an Affirmative Marketing Plan for each development receiving CDBG Disaster Recovery funding. The plan, pursuant to federal regulations, will outline strategies to inform the public about the housing opportunities, requirements/practices that the owner must adhere to in executing the Affirmative Marketing Plan, procedures that will be followed in soliciting applications, and a description of records that will be maintained and made available for review. Notice to Public Housing Authorities in the region in order to inform households on DHAP that permanent housing is available should be part of the Plan.

12. Evaluation of outreach activities and applications received will be necessary to determine if outreach is successful and applications that are being received accurately reflect the socioeconomic and other forms of demographic diversity identified in the Needs Assessment. Evaluation should be an ongoing process and begin no later than one month after the program begins accepting applications. TDHCA should review these reports before the Subrecipient begins qualifying applicants, and periodically thereafter.

13. The availability of the Program funds shall be advertised at a minimum through the following venues:

i. Local newspapers, including but not limited to the following:

- (1) A
- (2) B
- (3) C

ii. Local broadcast media, including but not limited to the following:

- (1) A
- (2) B
- (3) C

iii. Public or non-profit organizations, community meetings, including but not limited to the following:

- (1) A
- (2) B
- (3) C

iv. Other public groups including but not limited to:

- (1) A
- (2) B
- (3) C

v. Other outreach may include use of flyer in utility bills, church bulletins, and door to door outreach.

vi. Evaluation of outreach activities and single family applications received will be necessary to determine if single family applications are received from a diverse population and ranges of income to ensure low/moderate income households are assisted in a proportion to the percentage of overall populations.

14. Applications and forms will be offered in English and other languages prevailing in the region. In addition every effort will be made to assist such applicants in the application process.

## **XI. REPORTING REQUIREMENTS**

a) Compliance will be maintained in accordance with the reporting requirements under TDHCA's CDBG Disaster Recovery Program. This includes all information and reports as required under the TDHCA contract with the [Subrecipient] and demographic data and other information on applicants and awardees processed by the [Subrecipient] as required by the Conciliation Agreement.



- a. TDHCA will establish procedures for subrecipients to periodically report on goals and compliance with Section 3 as required by 24 CFR Part 135 and the contract between TDHCA and the subrecipient.
- b. TDHCA will establish procedures for subrecipients to collect and report data relevant to Affirmatively Furthering Fair Housing and Civil Rights compliance for subrecipient reporting on affirmatively furthering fair housing that is compliant with as required by the Conciliation Agreement. The reporting requirements will include, but not be limited to the following:
  - i. For each program activity requiring a direct application by an individual or non-institutional entity:
    - 1. Applicant household's income
    - 2. Household's income as a percentage of area median family income as defined by HUD
    - 3. The race and ethnicity of the head of household
    - 4. The household's familial status
    - 5. The presence or non-presence of a household member with a disability
  - ii. For each activity providing housing or housing assistance that is not directly linked to a specific beneficiary:
    - 1. The cost of the housing unit to the applicant and to the occupant –
    - 2. The maximum qualifying household income as a percentage of area median family income as defined by HUD
    - 3. Restrictions regarding the age or familial status of occupants
    - 4. The presence or absence of designs or services that make the housing unit accessible to an individual with a disability and the number of fully accessible units.

## **XII. RECORDS RETENTION**

- a) All official records on programs and individual activities are maintained for a 5 (five) year period beyond the end of the affordability period for each housing activity.

## **XIII. PROCUREMENT REQUIREMENTS**

- a) Procurement is the acquisition of goods and services to be used internally by the [Subrecipient] to carry out the Program. The procurement process includes the decision to purchase as well as the process to complete the purchase. The federal government has established a set of procurement rules at 24 CFR Part 84 and 85 that apply to CDBG-funded projects. These rules are in place to ensure that federal dollars are spent fairly and encourage open competition for the best level of service and price. In addition, the State of Texas has enacted a set of regulations that also apply to CDBG contracts through the Uniform Grant Management Standards, the Texas Government Code and the Local Government Code. If a conflict between federal and state procurement regulations should occur, safe harbor is typically found in the more stringent regulation.

- b) [Subrecipient] is required to submit a plan for compliance with Section 3 (24 CFR Part 135) requirements for TDHCA approval prior to the start of construction on any contract activity.

#### **XIV. SITE AND DEVELOPMENT RESTRICTIONS**

- a) Housing that is constructed or rehabilitated with CDBG funds must meet all applicable local codes, rehabilitation standards, ordinances, and zoning ordinances at the time of project completion. International Residential Code (IRC) (with windstorm provisions) and International Building Code (IBC) must be used as required where appropriate. All rehabilitation projects must comply with Housing Quality Standards (HQS) and all applicable local codes and ordinances. To avoid duplicative inspections when Federal Housing Administration (FHA) financing is involved in a CDBG-assisted property, [Subrecipient] may rely on a Minimum Property Standards (MPS) inspection performed by a qualified person. Newly constructed housing must meet the current edition of the Model Energy Code published by the Council of American Building Officials.
- b) All other CDBG-assisted housing (e.g., acquisition) must meet all applicable State and local housing quality standards and code requirements and if there are no such standards or code requirements, the housing must meet the housing quality standards in 24 CFR §982.401. All multifamily rehabilitation developments are subject to a Uniform Physical Conditions Standards inspection. All deficiencies identified in that inspection must be corrected before final retainage is released.
- c) Housing developments must meet the accessibility requirements at 24 CFR Part 8, which implements Section 504 of the Rehabilitation Act of 1973 (29 U.S.C. §794). Multifamily housing developments must meet the design and construction requirements at the Texas Administrative Code, Title 10, Chapter 60, Subchapter (B) 10 TAC §§60.201-211). Covered multifamily dwellings, as defined at 24 CFR §100.201 as well as common use facilities in developments with covered dwellings must meet the design and construction requirements at 24 CFR §100.205, which implement the Fair Housing Act (42 U.S.C. §§3601–3619) and the design and construction requirements of the Fair Housing Act Design Manual. Additionally, developments involving new construction (excluding construction of nonresidential buildings) where some units are two-stories and are normally exempt from Fair Housing accessibility requirements, a minimum of 20% of each Unit type (i.e. one bedroom, two bedroom, three bedroom) must provide an accessible entry level and all common-use facilities in compliance with the design and construction requirements of the Fair Housing Act Design Manual, and include a minimum of one bedroom and one bathroom or powder room at the entry level. A compliance certification will be required after the development is completed from an inspector, architect, or accessibility specialist. Any developments designed as single family structures must also satisfy the requirements of §2306.514 of the Texas Government Code.
- d) All Applications will be required to meet Section 8 Housing Quality Standards detailed under 24 CFR §982.401, Texas Minimum Construction Standards, as well as the Fair

Housing Accessibility Standards and Section 504 of the Rehabilitation Act of 1973. Developments must also meet all local building codes or standards that may apply.

## **XV. CONFLICT OF INTEREST**

- a) The conflict of interest regulations contained in the contract between the [Subrecipient] and TDHCA prohibit local elected officials, [Subrecipient] employees, and consultants who exercise functions with respect to CDBG Disaster Recovery activities or who are in a position to participate in a decision-making process or gain inside information with regard to such activities, from receiving any benefit from the activity either for themselves or for those with whom they have family or business ties, during their tenure or for one year thereafter.
- b) For purposes of this section, “family” is defined to include parents (including mother-in-law and father-in-law), grandparents, siblings (including sister-in-law and brother-in-law), and children of an official covered under the CDBG conflict of interest regulations at 24 CFR Sec. 570.489(h).
- c) The Department is able to consider granting an exception to the conflict of interest provision should it be determined by TDHCA that the [Subrecipient] has adequately and publicly addressed all of the concerns generated by the conflict of interest and that an exception would serve to further the purposes of Title I of the Housing and Community Development Act of 1974 and the effective and efficient administration of the program. Do not enter into a conflict of interest until a request for an exception has been granted.

## **XVI. COMPLAINT/APPEAL PROCESS**

- a) Citizen complaints will be handled as required under the following regulations:
  - 1) 24 CFR 91.11(h) Citizen Participation Plan which states, “The citizen participation plan shall describe the State’s appropriate and practicable procedures to handle complaints from citizens related to the consolidated plan, amendments and performance report. At a minimum, the citizen participation plan shall require that the State must provide a timely, substantive written response to every written citizen complaint, within an established period of time (within 15 working days, where practicable, if the State is a CDBG recipient).”
  - 2) 24 CFR 570.486(a)(7) Local Government Requirements, which states, “Provide citizens the address, phone number, and times for submitting complaints and grievances, and provide timely written answers to written complaints and grievances, within 15 working days, where practicable.”
  - 3) 10 TAC Sec.1.17(a) Alternative Dispute Resolution which states, “In accordance with §2306.082, Texas Government Code, it is TDHCA’s policy to encourage the appropriate use of Alternative Dispute Resolution (“ADR”) procedures to assist in the fair and expeditious resolution of internal and external disputes involving TDHCA and the use of negotiated rulemaking procedures for the adoption of Department rules, consistent with the Governmental Dispute Resolution Act and

the Negotiated Rulemaking Act (Chapters 2009 and 2008, respectively, Texas Government Code). TDHCA's ADR procedures must conform, to the extent possible, to model guidelines issued by the State Office of Administrative Hearings for the use of ADR by state agencies (§2306.082(b), Texas Government Code)."

- b) Resolution of complaints must be handled sensitively and fairly. Complete and thorough program documentation and contractual agreements, careful implementation of policies and procedures, and clear and respectful methods of communication will help prevent and resolve complaints. Incorporation of escalation procedures into the complaint process will support resolution at the earliest stage possible.
- c) Information about the right and how to file a complaint shall be printed on all program applications, guidelines and subrecipient web sites in all local languages, as appropriate and reasonable.
- d) **Types of Complaints**
  - 1) Policy: There are two types of complaints; formal and informal.
    - i. Informal: Informal complaints may be verbal and can come from any party involved in the application process, including the homeowner or building contractor. A written procedure for handling these complaints is not required.
    - ii. Formal: Formal complaints are written complaints, including faxed and emailed statements. A written procedure for dealing with formal complaints is required.
  - 2) Required Documentation: Statement of policy only. No required documentation.
  - 3) Verification Procedures: Statement of policy only. No verification procedures required.
- e) **Informal Complaints**
  - 1) Policy:
    - i. Informal complaints may be verbal, and can come from any party involved in the process, including the homeowner or building contractor.
    - ii. A written procedure for handling these complaints is not required.
  - 2) Required Documentation: Statement of policy only. No required documentation
  - 3) Procedure:
    - i. A person who calls the subrecipient to file an informal complaint will be advised on how to file a formal complaint if their complaint cannot be immediately resolved.
    - ii. The subrecipient procedures will include a complaint escalation process in order to ensure complaints are handled at the earliest stage in the process.
    - iii. Parties interested in TDHCA's Programs are directed by program literature, the program and the website and information provided by subrecipient staff. Notwithstanding these directions, some individuals will choose to make inquiries directly to TDHCA.

iv. The following outlines suggested procedures in the event a question is posed directly to TDHCA:

4) Action for Subrecipient Staff:

- i. Obtain all pertinent applicant details including name, address, contact number and application ID
- ii. Capture the details of the question or complaint to include the names of program personnel previously contacted
- iii. Contact Subrecipient Program Manager and provide details of the query. Forward copies or originals of any documents or correspondence received. Please include how any questions were answered, what information was provided and what action you would like the Subrecipient Program Manager to take, if any.

f) Formal Complaints

1) Policy

- i. Formal complaints are written statements of grievance. These complaints may come to the Subrecipient Program Manager or TDHCA in the form of a fax, email or letter and are handled through a documented set of procedures that comply with federal regulations and TDHCA requirements. The Complaint Tracking System will be used to store, track, and document resolution of the complaint.
- ii. The formal complaint process tracks the process outlined by TDHCA for handling complaints.
- iii. If the formal complaint is submitted to TDHCA, TDHCA at their discretion will submit the complaint to the subrecipient.
- iv. The subrecipient will document, process, and file all complaints received from TDHCA following the policy and procedures outlined.
- v. Complaints with insufficient data or submitted by a third party with no standing in the application about which the complaint is being submitted need not be accepted.

2) Required Documentation:

- i. The Complaint Policy and Procedures documentation includes the following elements:
  1. Definition of the kind of disputes or complaints that will be handled
  2. Identification and description of the party responsible for handling the complaint and the disposition.
  3. Appeal process available to complainants, including how an appeal is initiated, to whom the appeal is made, time limits for filing an appeal, and any details pertaining to the reviewer or person(s) who handle the appeal; and
  4. How to file a formal complaint

3) A file for each complaint will be maintained. The file will document each step of the complaint process and will include the following:

- i. The name of the person who filed the complaint;
- ii. The date the complaint was received;

- iii. A description of the complaint;
- iv. The name of each person contacted in relation to the complaint;
- v. A summary of the results of the review or investigation of the complaint;  
and
- vi. An explanation of the reason the file was closed, if the file was closed.

4) Procedure:

- i. In order for a complaint to be processed it must be received in writing (includes fax and email) and must include:
  - 1. The name of the complainant, and
  - 2. Contact information of the complainant
  - 3. Complaints may be submitted in the following ways:
  - 4. By mail: (insert subrecipient mail info)
  - 5. By fax: (insert subrecipient fax info)
  - 6. Online: (insert subrecipient online info)
- ii. Upon receipt of a written complaint, the PM or designee will perform the following steps:
  - 1. Assign a control number to the complaint;
  - 2. Review and/or investigate the complaint;
  - 3. Determine to which program the complaint refers;
  - 4. Submit the findings to an individual designated by TDHCA;
  - 5. Provide a copy of TDHCA's policies and procedures relating to investigation and resolution to the complainant and to each person who is subject of the complaint;
  - 6. Notify the complainant of the resolution within fifteen (15) business days after the complaint was received.
- iii. The following outlines the procedure in the event a formal complaint is received:
  - 1. Enter all pertinent information into the Complaint Tracking System. Enter the information under the category "Complaint Tracking". This will generate a Ticket/Control number. There will be a separate file or ticket for each complaint. The entry must contain the following information:
    - a. The name of the person filing complaint
    - b. The date the complaint was received
    - c. A description of the complaint
  - 2. Upload an electronic copy of the complaint into the Complaint Tracking System.
  - 3. Notification will be sent via email to Operations Manager from the Complaint Tracking System. The ticket status will be updated to "Assigned".
  - 4. Determine if complaint is complete, relevant and has standing.
  - 5. The complaint will be reviewed in detail and investigated through to resolution. Findings will be forwarded to an individual designated by TDHCA.

6. Progress updates of the review/investigation will be entered into the Complaint Tracking System by specific ticket number.
7. Notification will be sent to complainant within fifteen (15) business days after the complaint was received.
8. Once resolution has been determined and notice has been sent to complainant, the status of the ticket will be updated to "Closed".
- iv. Citizens will be provided with the address, phone numbers, and times for submitting complaints or grievances.
- v. The Complaint Tracking System will categorize complaints, track the resolution process, and report on complaint status.
- vi. Corrective action is implemented, where warranted.

~~a) Complaint/Appeals Process. Any resident or business may file a written complaint alleging non-compliance with CDBG Disaster Recovery Hurricane Dolly or Ike Program. Complaints will be investigated to seek resolution. A written complaint must contain:~~

- ~~• Name and address of the person filing the complaint;~~
- ~~• Subject of complaint~~
- ~~• Description of acts or omissions in alleged violation of CDBG Disaster Recovery Program.~~

~~b) Written complaints should be filed with:~~

- ~~• Contact information~~

~~c) Upon receipt of a written complaint the [Subrecipient] will send a written acknowledgement to the complainant within five (5) working days of the receipt of the complaint. Designated personnel will work with production staff to investigate the specific allegations of the complaint to render a finding. A written response will be provided to the complainant within fifteen (15) business days with the determination of the complaint. TDHCA must be supplied a copy of any letter denying an appeal or dismissing a complaint within the fifteen (15) business days allotted for a response to the complainant.~~

~~d) Each applicant or participant shall have the right to appeal any decision in the form of a grievance; provided such appeal is made within fifteen (15) days from the date of the decision was rendered. If the applicant/participant is not satisfied with the appeal decision from the [Subrecipient], an appeal may be submitted directly to TDHCA according to TDHCA appeal processes. The TDHCA appeal process is available at 10 TAC Chapter 1, Section 1.2, and may be accessed at the following link:~~

~~[http://info.sos.state.tx.us/pls/pub/readtac\\$ext.TacPage?sl=R&app=9&p\\_dir=&p\\_rloc=&p\\_tloc=&p\\_ploc=&pg=1&p\\_tac=&ti=10&pt=1&ch=1&rl=2](http://info.sos.state.tx.us/pls/pub/readtac$ext.TacPage?sl=R&app=9&p_dir=&p_rloc=&p_tloc=&p_ploc=&pg=1&p_tac=&ti=10&pt=1&ch=1&rl=2)~~

~~e) No member, officer, agent or employee shall be personally liable concerning any matters arising out of, or in relation to, the commitment of CDBG DR program funds with regard to feasibility or viability of the proposed project.~~

**XVII. CHANGES, WAIVERS, AND/OR CONFLICTS**

- a) The [Subrecipient] has the right to change, modify, waive, or revoke all or any part of these guidelines, with the prior written approval of TDHCA.
- b) Waivers to the requirements in these Guidelines can only be approved by TDHCA and must be in provided in writing. TDHCA will provide the option for a waiver, only after the posting of the waiver request on the Department website for a public comment period of at least ten (10) days. The waiver request must demonstrate why the housing guidelines are not practicable for the subrecipient.
- c) In the event that these Guidelines conflict with local, state, or federal law, the more stringent requirement will prevail, provided that the requirement does not violate local, state or federal law.

**XVIII SELECTED ACTIVITIES**

- a) [Subrecipient] received \$XXXX in disaster recovery funds to help local residents of the community with the efforts to recover from the effects of Hurricanes Dolly or Ike. [Subrecipient] may choose which programs and activities they will offer to their communities; however, the [Subrecipient] will be required to justify how the activities selected meet the needs of the community in a way that affirmatively further fair housing and demonstrate compliance with civil rights. The housing activities indicated below are offered with the following distribution of funds:

A	Homeowner Assistance (Single Family Homeowner) Program Repair/rehabilitation Reconstruction New Construction Demolition Elevation Hazard Mitigation/Storm Hardening	\$
B	Homebuyer Assistance Program Down Payment Assistance Acquisition with Rehabilitation/Reconstruction/New Construction	\$
C	Rental Program Single Family Multifamily Moving to Opportunity Hazard Mitigation	\$



## **PART B – HOMEOWNER OPPORTUNITY PROGRAM**

### **INTRODUCTION**

~~As part of the Conciliation Agreement, the Homeowner Opportunity Program (HOP) is a program through which Homeowner (owner occupied at the time of the disaster) or Homebuyer (down payment assistance, etc.) activities may be utilized to affirmatively further fair housing for all disaster recovery applicants that qualify.~~

The Homeowner Opportunity Program (HOP) is a Disaster Recovery Housing Program that involves options up to and including the “buyout” of a home that has been “destroyed” by the hurricanes and the subsequent relocation of the homeowners to a location that is a safer and higher opportunity neighborhood. Destroyed, for the purposes of the HOP, means that the home cannot feasibly be rehabilitated under the rehabilitation cap to the point where the entire house meets, at least, Housing Quality Standards (HQS). Households for whom rehabilitation is sufficient will not qualify for relocation under the HOP. Households whose home has been destroyed may elect to decline relocation and reconstruct the original, storm destroyed property to remain in place. The options of the HOP include: reconstruction or replacement of the existing home; the purchase of a vacant lot on which to build a new home or locate a manufactured home; or the purchase of a home.

Subrecipients must make counseling available to income-qualified applicants living in a FEMA-designated “High Risk” area or area of high minority and/or poverty concentration (as approved by TDHCA) and extend the opportunity to participate in the HOP. The mandated counseling will include information on the applicant’s rights under the Fair Housing Act and the various disaster recovery housing program options; moreover, it will concentrate on providing the applicants the information and assistance necessary to facilitate their decision as to whether to rebuild in place or to relocate.

Relocation counselors and licensed real estate professionals will explain the housing options and choices available to the applicants. It is a voluntary path, for the applicant, that is not to be confused with a compensation-style, traditional buyout involving only the acquisition of the damaged property. Relocation of applicants who qualify for the HOP must remain within the jurisdictional boundaries of the Council of Government (COG) to which the original storm-damaged residence pertains.

Any subrecipient who intends to provide housing benefits must develop a program that provides opportunities consistent with this guidance prior to seeking applications. To accomplish this, Reconstruction, Rehabilitation, LMI Homebuyer Assistance, or Acquisition (combined with another eligible activity) must be offered at a minimum. TDHCA will provide the subrecipient with technical assistance and guidance relating to the HOP process, counselor qualifications and reporting forms.

### **I. COUNSELING MADE AVAILABLE**

- a) As applications are being accepted and reviewed for determinations of eligibility to participate in the Program, each application applicant should be counseled and the various disaster recovery housing program options evaluated with the applicant. ~~for the potential benefit of a counselor to provide guidance on affirmatively furthering fair housing options.~~
- b) Any LMI applicant should be allowed to receive counseling to provide guidance on affirmatively furthering fair housing the housing program options.
- c) Applicants determined to be eligible for participation in the HOP will receive counseling and professional real estate services to provide guidance on their housing options ~~affirmatively furthering fair housing, buyout options and real estate professional services~~ unless expressly declined by the applicant. Professional real estate services will include, but not be limited to such services as providing guidance about and the opportunity to visit properties and neighborhoods in higher opportunity areas and/or areas outside of high minority and poverty concentrations.
- d) Each counselor shall receive training provided by TDHCA in the housing programs offered by the subrecipient, receive affirmatively furthering fair housing training, and meet mortgage counseling licensing requirements consistent with federal and state law.
- e) Once a counselor is assigned to an application, the counselor should make contact with the applicant within 10 days. The counselor should remain with that applicant as the chief point of contact (case manager), throughout the life of the application process until closing of the property. If a counselor leaves or is reassigned, the applicant will be assigned a new counselor who shall make contact with the applicant within 10 days of being assigned the file.

## **II. PROGRAMS MUST BE MADE AVAILABLE**

- a) Counselors should have resource information available to them to provide educated advice and to assist in decision making by the clients. These materials should include, at a minimum, school district ratings for eligible communities in the subrecipient's jurisdiction, health service facilities and programs available in the community for those needing assistance, a mechanism for discussing transfer of programs currently being utilized by applicant, and average utility costs and taxes for eligible program communities.
- b) The subrecipient must develop the qualifications for each program that does not discriminate against a person or direct their activity choices by steering applicants to one choice or another due to inequitable benefits. As part of the Program Design, the subrecipient must review the program and determine what additional costs would be included in each program in order to make each choice relatively equal in terms of total overall cost.
  - 1. Relative equality does not mean that the total cost of a reconstructing a home plus all other expenses eligible for rebuilding in place: a new water well, a new septic system, accessibility features (ramp, lift, etc.), and/or housing elevation would necessarily be the total amount of funds available for a relocation scenario through the HOP Homebuyer Assistance activity. The equal alternative is the cost of the house to which the beneficiary is relocated (CDBG DR assistance limited by the bids received for the standardized core home) plus accessibility features alone. The comparison is on the home provided, not the funds expended.

- c) Relocations through either lot acquisition and construction or acquisition of a new/existing home will only be allowable only if the lot does not require home elevation expenses. Beneficiaries may not be relocated to ~~other~~ FEMA-designated “High Risk” areas or other areas of high minority or poverty concentration as determined by TDHCA. 100-year flood zones. Participants should be relocated to safer and higher opportunity areas; nevertheless, there may be areas that require special attention for the purposes of relocation. Lots that need wells or septic work will be determined on a case by case basis. However, accessibility enhancements will be eligible for all programs.
- ~~d) The program as designed must relocate persons in concentration of protected classes or poverty out of these conditions and not into other areas that have similar characteristics.~~

### III. USE OF EXTERNAL PROFESSIONALS

- a) ~~The HOP Homebuyer Assistance program should be designed to allow for the cost of professionals. Examples include real estate agents to provide guidance to applicants about lots or homes that are available in the community that will work to offset or correct concentrations of protected classes or concentrations of poverty. The HOP Homebuyer Assistance program will include the cost of professional services. Examples include real estate agents to provide guidance, including the opportunity to visit neighborhoods and properties, to applicants about lots or homes that are available in higher opportunity areas of the community with less concentrated areas of poverty and/or minority population. Professionals must receive training as mandated by the State in order to be certified eligible to participate in this program.~~
- ~~b) —~~
- c) Professionals must be licensed by the state where appropriate. The subrecipient can, using proper procurement practices, hire full time professionals or create a qualified list of candidates and randomly assign them to files. The subrecipient should include estimated fees and associated costs in their program design.
- d) Liability issues may be addressed in the program design.

### IV. DOCUMENTATION OF PROGRAM

- a) The program design should include required documentation throughout the program. ~~The subrecipient~~ TDHCA will should develop standardized documentation for the subrecipients to utilize to document that the program was offered and the decision by the applicant to participate or not was made with informed consent. The applicant’s signature documenting that they received counseling should be obtained.
- b) Any professional services rendered should create a contract with the applicant making the applicant aware that they are representing the applicant and not the program.
- c) In the event that the applicant refuses to receive counseling and wants to rebuild in place only, an affidavit form should be filled out by the applicant and notarized.

### V. ACQUISITION OF PROPERTY

- a) The [Subrecipient] must take title to the original, storm-damaged property. Title may be transferred to another unit of local government other than the subrecipient.
- b) ~~The original, storm-damaged property will be acquired at the pre-storm tax appraisal as documented by the Central Appraisal District. The cost of the acquisition of the storm-damaged property will be absorbed in the cost of the acquisition of the relocation~~

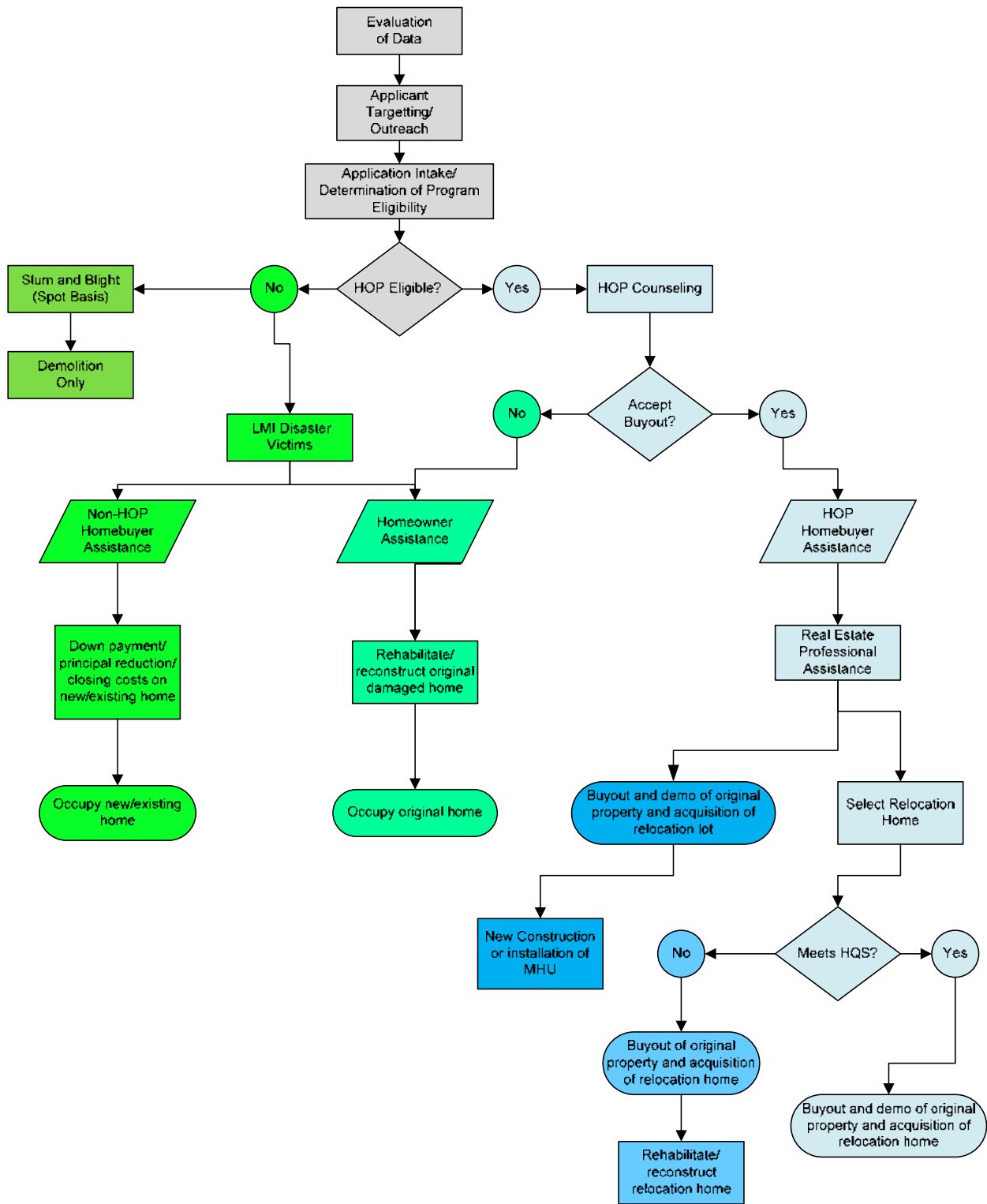
~~property.~~ The acquisition cost for the original property destroyed by the storm will be the cost of a replacement house based on the standardized specifications for the appropriate household composition and size which will be bid locally.

- c) Taxes must be current on the property to be acquired. CDBG DR funds cannot be used to directly pay back taxes.
- d) Outstanding liens or mortgages are the responsibility of the homeowner and must be satisfied prior to transfer of title.
- e) Fee simple title must be obtained. Should clear title not be available at the time of acquisition, the applicant will be allowed to participate in the TDHCA Title Clearance Program (pending available funding). Adequate funding to serve the applicant must be reserved until the title issues are resolved or one year from the date of the application have elapsed, whichever comes first.
  - a. ~~Otherwise~~ Eligible applicants who are unable to resolve title issues within one year of the application date may still qualify for regular homebuyer assistance (up to \$40,000). Assistance to rehabilitate or reconstruct the original home may also still be available.

#### **V. DISPOSAL OF PROPERTY**

- a) The program should determine how property acquired shall be used once acquired through the buyout program. The property must meet the requirements of the CDBG Program in particular and HUD guidance in general.
- b) The existing property that is bought out will be demolished; demolition of the property may be performed with CDBG DR funds.
- c) To the extent allowed by HUD and where the final use of the property will be known and consistent with CDBG regulations and the for purposes of the relocation of the applicant, transfer of title to a nonprofit will be allowed.

# APPENDIX A – DOLLY AND IKE ROUND 2 HOUSING GUIDELINES FLOWCHART



## ATTACHMENT A

### Hurricanes Dolly and Ike Single Family Homeowner Program Guidelines

#### I. INTRODUCTION

- A. The Texas Department of Housing and Community Affairs (TDHCA or the Department) is partnering with the Texas Department of Rural Affairs (TDRA) in the administration of funds under a Community Development Block Grant (CDBG) Disaster Recovery Program (Program) funded by the U.S. Department of Housing and Urban Development (HUD) under Public Law 110-329. TDHCA is the lead agency and responsible for disaster funds allocated to housing activities. Local entities including Cities, Counties and Councils of Local Government administer these funds on the local level for housing activities.
- B. ~~As called for in the Conciliation Agreement,~~ Housing Guidelines have been developed to serve as the basis for housing programs related to Round 2 of the Program. This document is expected to serve as direction for the Single Family Homeowner Program activities funded under Round 2. These Guidelines do not replace or supersede the Guidelines developed in use under Round 1. Additionally, these guidelines supplement the General Guidelines which provide direction for issues that affect all of the programs and cover all areas of administration not expressly covered in this document. [Subrecipient] must incorporate those elements into their Single Family Homeowner Program.
- C. [Subrecipient] has received Hurricanes Dolly and Ike Round 2 Disaster Recovery Community Development Block Grant (CDBG) funding for a Single Family Homeowner Program administered by the Texas Department of Housing and Community Affairs (TDHCA or the Department).
- D. Benefit to Low to Moderate Income (LMI) is the principal National Objective approved for the Disaster Recovery Single Family Homeowner Program under Round 2. The use of Slum and Blight is eligible and, if requested by the [Subrecipient], will be evaluated during application review. The use of Urgent Need is not anticipated to be permitted with Dolly and Ike Round 2 funding. Eligible activities, which are defined in the General Guidelines, are as follows: rehabilitation, reconstruction, replacement, or new construction, and associated elevation and demolition. [Subrecipient] may also provide assistance for Individual Mitigation Measures (energy efficiency and storm mitigation activities). All activities must be consistent with the Subrecipients' obligation to proportionately assist beneficiaries based on the needs assessment.

#### II. PROGRAM OBJECTIVES

- A. Texas was hard hit by hurricanes and is still in the recovery process both for its communities and its residents. The primary focus of this program is to provide relief for those people impacted with consideration given to affirmatively further fair housing, as called for within the Fair Housing Act ~~where appropriate.~~

B. The following objectives are provided for the implementation and administration of a successful CDBG Single Family Homeowner Program. Actual selection of applicants is discussed in Section XI of the Guidelines.

1. The primary objective of this Program is to provide decent, safe, and sanitary housing in the hurricane impacted areas through the provision of activities designed to mitigate storm damage that occurred as a result of Hurricanes Dolly and Ike, as well as any future hurricanes.
2. A second objective is to ensure that the housing needs of very low, low and moderate-low, very low and extremely low income households are assisted with housing in no less than the proportion to their relative percentages of the overall populations which suffered housing damage within the communities being served.
3. A third objective is to prioritize the provision of decent, safe and sanitary housing for elderly and disabled populations with an emphasis on housing choice and design to reduce maintenance and insurance costs as well as provide for the provision of independent living options.

### **III. PROGRAM DESIGN**

A. [Subrecipient] will design a program utilizing the damage assessments provided by HUD and where appropriate, local data and Federal Emergency Management Agency (FEMA) data in order to determine the areas and populations most impacted by the storms. TDHCA will assist with the analysis and provide raw data.

#### ***Needs Assessment***

The [Subrecipient]'s Program Design must be based on a Needs Assessment, working with HUD information and conducted by local governments, according to the requirements detailed in the General Guidelines. That assessment serves as the basis for the specific Single Family Homeowner Program that will be offered by the [Subrecipient]. Specifically, the assessment will be used to determine the activities to be offered to meet the types of housing needs experienced by the affected population, the demographics to receive concentrated attention and the target areas to be served.

#### ***Program Marketing***

The Program Design must feature an effective marketing program to encourage application. Marketing program requirements are detailed in the General Guidelines.

#### ***Priorities for Evaluating Applicants***

~~A first come, first served program to benefit low and moderate income persons defined as a total household annual gross income that does not exceed 80% Area Median Family Income (AMFI) is not an acceptable Program Design. Furthermore, to meet the agreed upon goals of the Conciliation Agreement, it is not sufficient Program Design alone to attempt to administratively prevent providing a benefit to moderate income persons at the exclusion of low income persons. Results based on data from the Needs Assessment must be met. The LMI demographic groups must be disaggregated as follows:~~

1. 0% - 30% AMFI
2. 31% - 50% AMFI
3. 51% - 80% AMFI

All eligible applicants must be evaluated in order to establish the priority of funds within the above-referenced economic subgroups. ~~However,~~ Each subgroup must be funded at the levels indicated by the Needs Assessment and analysis; however, the lowest income households may be funded at a level in excess of their population's percentage of need. The intention is to incorporate both the family and dwelling characteristics of applicants in order to establish a system that gives the households that are less able to address need without public assistance a higher priority. The following household characteristics indicate a funding priority within the economic subgroups:

1. **Disability.** ~~Any documented disability of~~ If one or more members of a household have a documented disability that affects the design of the assisted unit, that household may be given priority within their income subgroup
2. **Age.** If one or more members of the a household are less than 18 years of age or 62 years of age or older, and has a lower AMFI.

#### ***Application Intake and Counseling***

A mechanism must be incorporated into Program Design to prevent any pre-screening of applicants without a written application being taken. Anyone who makes an inquiry about requests to participate in the program will be provided a TDHCA application package to complete.

To provide the greatest chance for the Conciliation Agreement to be successful, single family applicants will ~~should~~ be provided a counselor as an application intake person to explain the various programs and activities.

Counselors or interpreters able to communicate with the applicant in their primary language will be assigned to the clients as appropriate. Counselors will be trained to be well versed in all activities, but specifically the buyout program found in the Conciliation Agreement that will explain options for LMI applicants to overcome recognized impediments to fair housing. Such a program will provide the following to those who have been determined by the [subrecipient] to qualify for the HOP:

1. Provide counseling for the purchase of existing property including but not limited to realtor support, moving support and other program benefits to allow the applicants to select this option without a diminution of benefits.
2. Provide counseling for the new construction of a home on an alternative site including lot acquisition costs.
3. Provide counseling for reconstruction in place.

Requirements for the buyout program are detailed in the Homebuyer Program guidelines under the Acquisition with Rehabilitation/Reconstruction section. These guidelines do not address requirements specific to this activity.



### ***Housing Standardization***

For new and reconstructed homes, construction specifications (for 2, 3 and 4 bedroom homes with total square footage ranges), will be developed by TDHCA. Each home must be constructed in accordance with Chapter 2306.514, Texas Government Code. The [Subrecipient] may engage an architect to allow for local architectural variations; however, basic square footage (within ranges), room requirements, building materials and general specifications must remain standardized for any home newly constructed or reconstructed with CDBG DR funding. Elevation options will be developed by the [Subrecipient]. The standardized specifications will then be put out for bid locally.

### ***Base Unit Design Criteria***

- 4” exterior walls/4” interior walls
- Living/Dining/Kitchen with open floor plans
- 12’6” minimum furniture wall in Master BR
- Capture Bathroom/Closet in Master BR
- 11’ diagonal measurement minimum Bedroom size
- Coat Closet in all Floor Plans
- Full Utility Room with Storage/Hanging Space
- Minimum 8’ ceilings throughout all Rooms/Porches
- Minimum 4’-6’ Front Porch depths (covered)
- Washer/dryer hookups
- HVAC

### ***Construction Standards***

- All windows are to be double glazed with a low “E” coating
- All exterior doors are to be insulated fiberglass or metal doors
- All light bulbs shall be either high efficiency compact fluorescent or LED lighting
- Use insulated can and air tight (ICAT) recessed lights where recessed lights are specified
- Use all low or no VOC paints
- 3 tab composition roof shingles with a 25-year warranty
- Exterior siding shall be brick/stone veneer and/or fiber cement plank siding

### ***Visitability Checklist (requirements are for first floor only, if multiple floors exist)***

- At least one 36” entrance door (preferably the main entrance) is on an accessible route served by a ramp or no-step entrance
- Each interior door is at least a standard 32” door, unless the door provides access only to a closed of less than 15 square feet
- All door handles are to be lever door handles
- Each hallway has a width of at least 36” and is level, with ramped or beveled changes at each door threshold
- Each bathroom wall is reinforced for potential installation of grab bars
- Each electrical panel, light switch or thermostat is not higher than 48” above the floor
- Each electrical plug or other receptacle is at least 15” above the floor
- If the applicable building codes do not prescribe another location for the breaker boxes, each breaker box is located not higher than 48” above the floor inside the building

- Toilet seats are to be 1'4" – 1'7" above the floor
- Design a minimum of 2'6" wide x 4' open floor area with an out swinging door in at least one half bath and preferably one full bathroom

### ***Size of Units***

Guidance for the preferred amount of people per bedroom is discussed in the General Program Guidelines. The total square footage (attached garages not included) ranges are as follows:

- 2 bedroom/2 bath home: 1,000 – 1,330 SF
- 3 bedroom/2 bath home: 1,331 – 1,425 SF
- 4 bedroom/2 bath home: 1,426 – 1,500 SF

### ***Housing Assistance Caps***

- A. Homeowner Assistance is limited by the Housing Assistance caps in the General Guidelines. The base unit "bid" amount is the maximum amount of assistance available to reconstruct or newly construct a home. It is set when the standardized set of new home specifications in the General Guidelines are bid locally. The intent of this rule is to equalize the funding available for different activities and choices. Homeowner Assistance allows for additional costs above the base unit amount including elevation and abatement. Additional costs are specified and capped in the General Guidelines.
- B. Rehabilitation of existing, hurricane damaged homes is capped at \$65,000. Additional expenses, such as elevation, are allowed as limited by the Housing Assistance Caps as described in the General Guidelines. Estimated rehabilitation costs exceeding this cap will be recommended for reconstruction.

## **IV. ASSISTED HOMEOWNER ELIGIBILITY REQUIREMENTS**

- A. The following are threshold requirements, which must be met for an applicant to be eligible for assistance. Eligibility does not assure assistance, since a prioritization strategy within LMI economic subgroups will be required (consistent with Program Design requirements) and it is expected that there will be more eligible applicants than can be served with available funds.

### ***Income Eligibility***

The income limits to be utilized for the CDBG Single Family Homeowner Program are the current income limits established yearly by HUD for the Section 8 Housing Program. [Subrecipient] must always use the most recent income limits and will be monitored for compliance. All beneficiaries of the Single Family Homeowner Program must meet a National Objective. The Low to Moderate Income (LMI) National Objective is defined as providing a benefit to households at incomes of up to 80% of the locality's median income as computed on the most current HUD Section 8 Income Limits. Any activity carried out with CDBG funds that involves acquisition, rehabilitation or reconstruction of property to provide housing is considered to benefit LMI persons only to the extent such housing will, upon completion, be occupied by such persons. Current income limits for use by this program may be found at: <http://www.tdhca.state.tx.us/pmcomp/irl/home-cdbg-nsp.htm>

### ***Proof of Ownership***

The applicant must be an individual who owns the property to be repaired, rebuilt or replaced due to hurricane damage. Ownership can be documented as follows:

1. Provide a copy of a valid deed of trust or warranty deed that is recorded in the county records which cites the applicant's name. For MHUs, a Statement of Ownership and Location (SOL) may be provided.
2. Recognizing a need for alternatives to traditional proof of ownership for persons impacted by natural disasters, the Texas Legislature passed language that has been codified in the Texas Government Code section 2306.188, and addressed in rules by 10 Texas Administrative Code Section 54.3. For the purposes of federally funded disaster recovery programs ~~the Hurricanes Dolly and Ike Round 2 Disaster Recovery Program alone~~, this means that ownership may be proven in the following manner:
  - 1) Applicants may prove ownership by providing alternative documentation and completing a notarized affidavit that certifies that one of the following circumstances applies:
    - there is nobody else who has the right to claim ownership;
    - anyone who has a right to claim ownership has agreed to participate in the program; or
    - anyone who has a right to claim ownership could not be located (after reasonable attempts to contact).
  - 2) The alternative documentation that can be provided instead of a copy of the deed includes (in order of preference):
    - tax receipts;
    - home insurance;
    - utility bills; or
    - other documentation deemed to be acceptable by TDHCA
  - 3) The documentation must show that the applicant was the person responsible for paying for these items at the time of the disaster. The required affidavit, form instructions and informational flyer may be found under Homeowner Assistance Forms at: <http://www.tdhca.state.tx.us/cdbg/ike-and-dolly/forms/index.htm>
  - 4) The above-referenced alternatives are not optional and must be incorporated into Program Design and allowed to prove ownership for all CDBG Disaster Recovery Programs in the State of Texas.

### ***Principal Residency***

The unit to be rehabilitated, reconstructed or replaced must have been occupied by the applicant as the applicant's principal residence as of July 23, 2008 for Hurricane Dolly and September 13, 2008 for Hurricane Ike. Principal residency for applicants can be demonstrated through property tax homestead exemptions. If a homestead exemption was not in place at the time of the disaster, an Affidavit of Principal Residency (form to be provided by TDHCA) may be utilized as an alternative method of verification of principal residency. The affidavit must be supported by documentation ~~of verification~~ such as asset verification (income tax returns, credit check, etc.) or utility bills specific to the property address and name of the applicant which were active as of the applicable, above-referenced dates. Vacation homes and rental properties are not eligible for assistance under the Single Family Homeowner Program.

### ***Property Taxes***

Applicant must furnish evidence that property taxes are current, have an approved payment plan or qualify for an exemption under current laws. Applicant must prove that property taxes have been paid or that one of the following alternatives have been met:

1. the property owner qualified for and received a tax deferral as allowed under Section 33.06 of the Texas Property Tax Code;
2. the property owner qualified for and received a tax exemption pursuant to Section 11.182 of the Texas Property Tax Code; or
3. the applicant entered into a payment plan with the applicable taxing authority.

Support documentation verifying the tax deferral or tax exemption must be provided by the applicant. Any applicant that enters into a payment plan must supply a signed copy of the payment plan from the applicable taxing entity, along with documentation that they are current on their payment plan. The required affidavit and instructions may be found under Homeowner Assistance Forms at: <http://www.tdhca.state.tx.us/cdbg/ike-and-dolly/forms/index.htm>

### ***Insurance***

Hazard insurance may be purchased on behalf of the assisted homeowner by CDBG Disaster Recovery Program for one year from the date of assistance. Assisted homeowners will be required to maintain hazard insurance. Failure to maintain hazard insurance may impact future disaster assistance.

If the unit is located in the 100-year flood plain, flood insurance is required. Flood insurance will be purchased on behalf of the assisted homeowner by CDBG Disaster Recovery Program for one year from the date of assistance. Homeowners are required to maintain flood insurance after the first year. Failure to maintain flood insurance will impact future disaster assistance.

### ***Child Support***

All applicants and co-applicants must be current on payments for child support. If the applicant of co-applicant is not current on child support, that member will be required to enter into a payment plan. Any applicant that enters into a payment plan must supply a copy of the payment plan signed by all applicable parties, along with documentation that they are current on their payment plan. The required forms and instructions may be found under Homeowner Assistance Forms at: <http://www.tdhca.state.tx.us/cdbg/ike-and-dolly/forms/index.htm>

## **V. PROPERTY ELIGIBILITY REQUIREMENTS**

- A. The following threshold requirements are applicable to the assisted unit and must be met in order for the applicant to receive assistance. Proof of Hurricane damage is discussed in the General Program Guidelines.

### ***Unit Characteristics***

1. Only single-family owner-occupied units within the [Subrecipient]'s jurisdiction will be eligible for single family homeowner programs.
2. Manufactured Housing Units (MHUs or mobile homes) are eligible for rehabilitation at the discretion of the [Subrecipient]. However, the MHU to be rehabilitated must be

no more than 5 years old at the time of assistance and no more than \$10,000 in hard and soft construction costs can be used to rehabilitate a MHU. The MHU must meet HQS upon completion. MHU rehabilitation costs that exceed \$10,000 will require reconstruction. Reconstruction of MHUs will consist of replacing the MHU with another MHU or a stick-built home that will meet only the current needs of the family or individual.

## **VI. TYPES OF ASSISTANCE OFFERED**

- C. Rehabilitation, Reconstruction, or New Construction assistance may be offered to applicants. Based on the extent of damage, applicants may be eligible for rehabilitation or reconstruction of their homes, or they may be offered new construction assistance.
- D. The option of new construction is limited for applicants who do not qualify for, or who do not select full participation in the HOP Homebuyer Assistance Program, which includes the buyout and demolition of the original, hurricane-damaged property. New construction for non-HOP Homebuyer applicants is limited to situations where local zoning/building permits, or federal requirements, such as environmental regulations, will not allow the reconstruction of the original, hurricane-damaged home.
- E. Temporary relocation assistance may be offered at the discretion of the [Subrecipient]; however, the assistance may not exceed \$5,000 per household.

## **VII. TYPES OF IMPROVEMENTS**

- A. Improvements needed to meet HUD Section 8 Existing Housing Quality Standards, and Cost Effective Energy Measures are eligible improvements.
- B. Improvements must be physically attached to the house and be permanent in nature (e.g., sheds or garages located separately from the house are ineligible). Eligibility of attached structures such as carports or utility rooms is based upon available funds and agreement by TDHCA in cases where safety or the structural integrity of the house is involved.
- C. Improvements will include as necessary lead-based paint abatement, asbestos abatement, handicapped accessibility for special needs, energy efficiency or ventilation items such as ceiling fans, window screens, screen doors, and window blinds.
- D. Individual Mitigation Measures (IMM) that mitigate and/or reduce risk for future disasters where the measures are above and beyond federal, state, or local construction or code requirements, and additionally the improvements exceed those that existed prior to the storm. Examples include elevation above the base flood elevation level, the addition of storm shutters, hurricane proof windows, roof straps, etc. as long as those improvements are not required to comply with local code or wind zone requirements.
- E. Cook stoves, refrigerators, and other necessary appliances are eligible items, but will only be considered when they are not present or the repair would not be cost effective. They will be dealt with on a case-by-case basis.

- F. Required permits, if any, will be obtained by the contractor at his/her expense and will be included as part of the bid costs.
- G. Assistance will not be used for luxury items, including but not limited to garage door openers, security systems, swimming pools, fences, and television satellite dishes.

### **VIII. SUPPLEMENTAL IMPROVEMENTS**

- A. All debris, abandoned vehicles, and buildings that pose a safety and/or health threat as determined by the local jurisdiction or person qualified to make such a determination, must be removed from the property prior to the start of construction. The assisted homeowners will remove derelict personal property.
- B. All electrical components must be inspected including service, meter, wiring, and fixtures even if no electrical work is being specified. Unsafe components must be replaced. All exposed wiring, switches, and light bulbs in living areas must be encased.
- C. All homes must be equipped with a smoke detector installed in conformance with the one and two-family dwelling code.
- D. Rehabilitated homes inhabited by handicapped or elderly persons must be analyzed as to the special physical needs of such persons. Improvements such as widened doorways, ramps, level entry and doorways, and grab bars in bath areas must be installed, if appropriate.
- E. If a home is to be reconstructed or a replacement home provided, the original home must be removed from the site.

### **IX. FORMS OF ASSISTANCE**

- A. Single Family Homeowner assistance shall be provided in the form of an Unsecured Deferred Forgivable Note (Note). The Note (Form 13.09) may be found under Homeowner Assistance at: <http://www.tdhca.state.tx.us/cdbg/ike-and-dolly/forms/index.htm>.
- B. The [Subrecipient] will be required to execute the Note with assisted homeowners (TDHCA will not be involved in the Note's execution) for all homeowner activities under the Hurricanes Dolly and Ike Disaster Recovery Programs. The Note will be required to be ~~does not need to be notarized or~~ recorded in the County Courthouse records. The Note will require assisted homeowners to maintain principal residency in the assisted property for 3 years. Cash out refinancing, home equity loans or any loans utilizing the assisted residence as collateral are not allowed for three years; violation will activate the repayment terms of the Note. The [Subrecipient] is required to monitor assisted households for compliance with the terms of the Note. Homeowners that default on the terms of the Note may be reported to Credit Bureaus and the Texas Office of the Attorney General.
- C. If the assisted homeowner continues to occupy the home until the term of the note expires, the owner pays nothing and there are no conditions on the disposition of the property. If the property is sold, transferred or vacated by the assisted homeowner for any single period that exceeds thirty (30) days during the three-year forgivable loan period, the

repayment terms of the Note will be enforced except in those cases addressed in the paragraph below. Migrant farm workers who are recipients of a home under this program, may, when proven to be performing work for not more than six months, may leave a home vacant during the time of their employment, (but may not rent out the home), provided the recipient intends to return to the home. If the assisted homeowner for any reason ceases to reside in the assisted unit during the [Subrecipient]’s CDBG contract period, only LMI persons may reoccupy the unit until the contract is administratively closed by the Department or the CDBG contract period expires, whichever is earlier.

1. Accelerated Forgiveness in Certain Cases: In the event of (1) the death, (2) relocation to a managed care facility, or (3) relocation resulting from documented mental or physical incapacitation of the sole remaining assisted homeowner identified in the original application, the [Subrecipient] may forgive any remaining loan balance. However, the requirement that only LMI persons may occupy the assisted housing unit until the CDBG contract is closed by the Department or the contract period expires shall not be waived by the [Subrecipient]. Any waiver of this policy must be given by the Department.

## **XI. CONSTRUCTION**

- A. If the unit to be assisted was built prior to 1978 and the type of assistance offered will be rehabilitation, the assisted unit will be tested for the presence of lead based paint. If present, the removal of lead based paint will be considered in the costs of rehabilitation under the Abatement cap as described in the General Guidelines. Lead paint inspection provides two benefits: (1) the costs of abatement are considerable and must be factored into the cost estimates for rehabilitation and (2) the health risks to residents, particularly children, may be severe so any presence of lead based paint in an assisted unit, even one that is to be reconstructed, must be reported so that the residents may seek appropriate medical attention.
- ~~B. Upon completion of the work write-up, at least two bids from the [Subrecipient]’s list of eligible contractors for the proposed rehabilitation work. The assisted homeowner will select the contractor of his/her choice (not necessarily the low bidder). However, if the contractor’s bid is higher than 15% of the [Subrecipient]’s cost estimate or should the bid exceed the allowable maximum assistance amount, the deferred, forgivable loan will be provided to the applicant for the maximum amount available at the time of bid award. The additional bid cost, if approved by the Department, may be provided by another source of funding. The additional funds will be placed in escrow before a contract is awarded. The assisted homeowner may not select a contractor who did not bid on the proposed work. Additional procurement considerations are discussed in the General Guidelines.~~
- C. A pre-construction conference between the assisted homeowner, contractor, and the [Subrecipient] will be conducted to insure that all parties are in agreement about the work to be completed. The pre-construction conference will consist of two parts: The first part deals with basic contract and procedural issues: begin and end dates of the contract; terms of the contract; payment schedules and procedures; inspection procedures and requirements; responsibilities of the contractor and the assisted homeowner; change order procedures; payment requests and procedures (escrow account); lead-based paint requirements; role of

the [Subrecipient]; complaint and conflict resolution procedures; and other programmatic procedures. The second part will consist of a walk-through of the house for rehabilitation assistance. All parties should understand how the work will proceed. Instructions will be given regarding clean up by the homeowner prior to the work, and the contractor after the work.

- D. Housing that is constructed or rehabilitated with CDBG funds must meet all applicable local codes, rehabilitation standards, ordinances, and zoning ordinances at the time of project completion. International Residential Code (IRC) (with windstorm provisions) and International Building Code (IBC) which will be used as required and as appropriate. All rehabilitation projects must comply with Housing Quality Standards (HQS) and all applicable local codes and ordinances. Additional codes and standards requirements are detailed in the General Guidelines.

## **XII. CONTRACTOR SELECTION AND PROCUREMENT REQUIREMENTS**

### **A. Federal and State laws Governing Procurement**

#### **Texas Local Government Code - Chapter 252 (Municipalities) and Chapter 262 (Counties)**

The full text of the Chapters from the Texas Local Government Code can be found via the internet at

<http://www.legis.state.tx.us/>.

1. Chapter 252 Municipal Grant Recipients Construction Bidding Procedures
  - TDHCA's municipal Grant Recipients are generally required to conduct competitive sealed bid procurement for any and all contracts over \$50,000.
  - Municipalities are required by state law to advertise their invitation for bids in a newspaper published in the municipality at least once a week for two consecutive weeks. The date of the first publication must be before the 14th day before the date set to publicly open the bids. If no newspaper is published in the municipality, the notice must be posted at city hall for fourteen days prior to the date of the bid opening [Texas Local Government Code Section 252.041(a)].
2. Chapter 262 County Grant Recipients Construction Bidding Procedures
  - TDHCA's county Grant Recipients are generally required to conduct competitive sealed bid procurement for any and all contracts over \$50,000.
  - Counties are required by state law to publish a notice in a newspaper of general circulation in the county at least once a week, with the first day of publication occurring before the 14th day before the date of the bid opening. If there is no newspaper of general circulation in the county, the notice must be posted in a prominent place in the courthouse for fourteen days prior to the date of the bid opening [Texas Local Government Code Section 262.025(a)].
3. Texas Government Code, Chapter 2254.



This code as amended is also known as the Professional Service Procurement Act. This code governs the local government procurement of professional services. It prohibits the procurement of architects or engineers based on bid price and requires government entities to first select the most highly qualified provider based on demonstrated competence and qualifications, and then attempt to negotiate with that provider a contract at a fair and reasonable price. The full text of this act can be found via the internet at <http://www.legis.state.tx.us/>.

4. Texas Local Government Code, Chapter 171.

This code as amended requires local government officials to disclose conflicts of interest and sets forth rules that require officials to abstain where they are in a position to vote or make a decision on any matter involving a business entity or real property for which they have an interest in. The full text of this Chapter from the Texas Local Government Code can be found via the internet at <http://www.legis.state.tx.us/>.

5. Procurement Standards

Uniform Grant Management Standards (UGMS) - Governor's Office of Budget and Planning (June 2004)

*NOTE:* The *Procurement Standards* from the Governor's Office of Budget and Planning (UGMS) were incorporated into the changes in OMB Circular A-87 and revised OMB Circular A-102 to make the standards consistent with federal law. In addition to applicable federal and state regulations, many local governments have laws and regulations regarding procurement. The [Subrecipient] is required to be aware of local laws that may affect its procurement policies. Remember, the rule is that the most restrictive regulation applies.

In cases where state or local law is stricter than federal regulations, the [Subrecipient] must follow the state or local laws and in cases where state or local law is more lenient than federal regulations, the [Subrecipient] must follow federal regulations.

6. HUD Conflict of Interest regulations at 24 CFR 570.489(h).

This regulation sets forth prohibitions against the use of CDBG funds by employees and officials for private gain.

7. OMB Circular A-102, CFR 24 Part 85.36 - Grants and Cooperative Agreements with State and Local Governments).

A-102 governs the use of grants, contracts and cooperative agreements. Implementation regulations can be found at 24 CFR Part 85. The full text of A-102 can be found via the Internet at <http://www.whitehouse.gov/omb/circulars/a102/a102.html>.

8. CFR 24 Part 84

Federal grants and agreements awarded to institutions of higher education, hospitals, and other non-profit organizations.

### **XIII. CONSTRUCTION AGREEMENT**

- A. The construction agreement for stick-built homes will be a tri-party agreement between the Rehabilitation/Reconstruction Contractor, the assisted homeowner and the [Subrecipient] (lender).

### **XIV. PROPERTY INSPECTIONS AND FINAL PAYMENT**

#### **A. Preliminary Inspections**

1. A preliminary inspection will be conducted by the [Subrecipient] to determine the condition of the unit for each application and to verify hurricane damage if FEMA, Small Business Administration (SBA) or Insurance award letters are not available. The initial inspection will be conducted by the [Subrecipient]'s inspector or another qualified inspector and a list of the deficiencies will be prepared. The inspection will provide an estimate of repair costs to determine whether rehabilitation or reconstruction will be offered and must be in sufficient detail to be utilized in the creation of work write-ups.

#### **B. Progress inspections**

1. Progress inspections serve three primary purposes: a) to evaluate the contractor's progress; b) to confirm that local building codes or standards have been satisfactorily met; and c) to confirm that all requirements of the contract have been met to all parties' satisfaction.
2. At key stages in the project, the [Subrecipient] will schedule inspections. Key stages are times when work such as wiring and plumbing are completed and still exposed prior to the wall or flooring being replaced; or when work being performed by a specialty subcontractor, who will be present for only a short time, is nearing completion.
3. Inspections to approve progress payments will be made at a time requested by the contractor. These inspections will be made promptly upon request so as not to delay the processing of the contractor's payments. If at all possible, the same person will conduct inspections each time.
4. The [Subrecipient] requires that electrical work be completed by an electrician with an approved license from a city or cities that issue such licenses.
5. A master licensed plumber must perform all plumbing work.
6. Building permits are required for all applicable construction work.
7. The assisted homeowner and the [Subrecipient] will sign the inspection forms as acknowledgement that the work was completed and meets their approval. If the assisted homeowner is not satisfied with any aspect of the work, the inspection forms should not be signed until the contractor has corrected the faulty work.

#### **C. Final Inspections**

1. When work is nearing completion, the contractor will notify the [Subrecipient] of a specific date when the job will be ready for a final inspection. The purpose of the final inspection is to guarantee that all work called for in the contract has been completed according to specification. If progress inspections were conducted often enough to make mid-course corrections, the final inspection should only need to catch those items which have been done since the last inspection. The final inspection will be as thorough and deliberate as the initial inspection. Finished carpentry, painting, backfilling, electrical fixtures, all single family homeowner activities, and clean-up should be closely checked for completion.
2. The [Subrecipient] will make sure that the assisted homeowner has received all warranties and instruction booklets for installed equipment.
3. As in all construction projects, a punch list will be developed toward the end of the job. A punch list is a listing of items written as specifications, which constitute the work necessary to complete the contract. The contractor and the [Subrecipient] as a result of the final inspection will develop the punch list, although the contractor and the assisted homeowner prior to the final inspection can develop it. Either way, the punch list will represent work yet to be done, not additional work over and above the original or amended contract. Once the punch list has been prepared, no other work items are expected of the contractor. If the punch list contains more than ten (10) items, the contractor is not ready for a final inspection.

#### D. Certificate of Completion and Owner Acceptance

1. After all items on the punch list have been satisfactorily completed, and all warranties issued, the project can be brought to final resolution. For purposes of accountability, the Single Family Homeowner Program must have written documentation that the assisted homeowner and [Subrecipient] have accepted the work.

#### E. Warranties and Retainage

1. When final inspection determines that the work is completed in accordance with the contract, the [Subrecipient] will submit the contractor's request for payment and upon receipt of the funds, disburse the funds to the contractor. The [Subrecipient] may retain 10% of the funds pending a supplemental inspection in no less than thirty (30) days. Following a satisfactory supplemental inspection, the retainage will be paid to the contractor upon availability of grant funds following the final thirty (30) day inspection.
2. If any problems are identified in this supplemental inspection, the [Subrecipient] will then notify the contractor to come back and correct the same within a reasonable amount of time, not to exceed two weeks. Should the contractor fail to do so, the [Subrecipient] will not disburse the retainage, the assisted homeowner may take any necessary legal recourse, and the contractor will be barred from performing any more rehabilitation/reconstruction work in the [Subrecipient]. In addition, should the contractor be doing other work under this Single family homeowner Program and

3. All work performed by the contractor will be guaranteed for a period of one (1) year. Such warranty will be stipulated in the construction contract between the contractor and the homeowner. For a period of one (1) year, the assisted homeowner may require the contractor to correct defects or problems arising from his or her work under this contract. Should the contractor fail to do so, the assisted homeowner may take any necessary legal recourse as prescribed in the rehabilitation contract. A reasonable amount of time will be given to correct the problem; however, in no case will such time exceed two weeks to respond.

#### **XV. FILES AND REPORTS**

- A. The [Subrecipient] will maintain accurate Single family homeowner Program files and records for general administration activities, for each applicant, and for each assisted homeowner for a period of three (3) years as required by the TDHCA. Such files will be open for inspection as to qualifications, bids, and awards.

#### **XVI. CHANGES, WAIVERS, AND/OR CONFLICTS**

- A. The [Subrecipient] has the right to change, modify, waive, or revoke all or any part of these guidelines, with the written approval of TDHCA.
- B. Waivers to the requirements in these Guidelines can only be approved by TDHCA and must be in provided in writing.
- C. In the event that these Guidelines conflict with local, state, or federal law, the more stringent requirement will prevail, provided that the requirement does not violate local, state or federal law.

## ATTACHMENT B

### Hurricanes Dolly and Ike Homebuyer Assistance Program Guidelines

#### I. INTRODUCTION

- A. The Texas Department of Housing and Community Affairs (TDHCA or the Department) is partnering with the Texas Department of Rural Affairs (TDRA) in the administration of funds under a Community Development Block Grant (CDBG) Disaster Recovery Program (Program) funded by the U.S. Department of Housing and Urban Development (HUD) under Public Law 110-329. TDHCA is the lead agency responsible for disaster funds allocated to housing activities. Local entities including Cities, Counties, and Councils of Local Government administer these funds on the local level for housing activities.
- B. ~~As called for in the Conciliation Agreement,~~ Housing guidelines have been developed to serve as the basis for housing programs related to Round 2 of the Program. This document is expected to serve as direction for the Homebuyer Assistance activities funded under Round 2. These guidelines do not replace or supersede the guidelines developed and in use under Round 1. Additionally, these guidelines supplement the General Guidelines which provide direction for issues that affect all of the programs and cover all areas of administration not expressly covered in this document. [Subrecipient] must incorporate those elements into their Homebuyer Assistance Program.
- C. [Subrecipient] has received Hurricanes Dolly and Ike Round 2 Disaster Recovery Community Development Block Grant (CDBG) funding for a Homebuyer Assistance (HBA) Program administered by TDHCA.
- D. Please note that the regular state CDBG program refers to homebuyer assistance (HBA) as “Homeownership Assistance.” The use of these terms differs slightly in the CDBG DR Program. The CDBG DR Program makes a distinction to separate activities that benefit hurricane victims who choose to remain in and repair their existing hurricane-damaged home from those who seek assistance to purchase a new home. Homeowners that elect to repair their existing home will be subject to the Homeowner Assistance Guidelines. Hurricane victims that elect to seek assistance to purchase a new home will be subject to this document, the Homebuyer Assistance Guidelines.
- E. The applicants’ principal residence at the time of the storm must have been impacted by the hurricanes in order to qualify for HBA. In order to assist the subrecipients to meet their Affirmatively Furthering Fair Housing goals, the option to assist applicants who were not homeowners at the time of the storm is available. However, any HBA provided to non HOP-eligible applicants must be needs-based. CDBG regulations restrict homebuyer assistance to the amount up to and including the amount of assistance necessary to facilitate homeownership. For example, it is not a reasonable use of CDBG funding to provide the full amount of assistance, \$40,000, when only \$5,000 of mortgage gap financing is necessary for

a bank to make an affordable loan to purchase the home. The amount of HBA necessary to leverage a private loan or otherwise bring about homeownership for non HOP-eligible applicants must be documented on forms to be provided by TDHCA.

- A. Eligible activities for Homebuyer Assistance include traditional HBA activities such as: down payment assistance, principal reduction, all reasonable closing costs including pre-paid items, and principal write-down assistance as required for the property being purchased. These HBA activities are limited to \$40,000 for non HOP-eligible applicants. Applicants that are eligible and elect to participate in the HOP qualify for a wider range of activities to facilitate the purchase of a home. HOP homebuyer assistance includes the acquisition (buyout) of the original, hurricane-damaged property combined with the acquisition of another home (if the property to be purchased meets HQS) or the activity of Acquisition with Rehabilitation, Reconstruction and New Construction (if the property to be purchased does not meet HQS or if a lot is purchased on which to build a new stick-built home or locate a MHU).

## **II. PROGRAM OBJECTIVES**

- A. Texas was hard hit by hurricanes and is still in the recovery process both for its communities and its residents. The primary focus of this Program is to provide relief for those people impacted within the goals identified by HUD to affirmatively further fair housing.
- B. The following objectives are provided for the implementation and administration of a successful Homebuyer Assistance Program.
  - 1. The primary objective of this Program is to provide decent, safe, and sanitary housing in the hurricane impacted areas through the provision of homebuyer assistance: to facilitate the purchase of a home; acquisition with rehabilitation, reconstruction or new construction; and other assistance necessary to make homeownership affordable to applicants in the affected area.
  - 2. A second objective is to ensure that the housing needs of very low, low and moderate-low, very low, and extremely low-income households are assisted with housing in no less than the proportion to their relative percentages of the overall populations which suffered housing damage within the communities being served.
  - 3. A third objective is to prioritize the provision of decent, safe, and sanitary housing for elderly and disabled populations with an emphasis on housing choice and design to reduce maintenance and insurance costs as well as provide for the provision of independent living options.
- C. Applicants seeking assistance to purchase a home are subject to the HBA Guidelines. ~~HBA applicants are divided into two principal categories: those that are eligible to fully participate in the Homeownership Opportunity Program (HOP) (as described in the General Guidelines) and those who are not. Regardless of the category, All homebuyer assistance must be targeted to the socio-economic subcategories and demographics~~ resulting from the needs assessments as described in the General Guidelines.

- a. Applicants are eligible for the HOP if they meet all three of the following criteria: at or below 80% AMI; owner of a hurricane-damaged home; and the damaged residence was located in a FEMA-designated “High Risk Area” or an area of high minority and poverty concentration as approved by TDHCA. Please note that the ownership and principal residency requirements, as detailed in the General Guidelines, apply to the HOP; however, in order for a buyout and relocation to take place the applicant must be able to prove ownership through possession of fee simple title.
- b. Homebuyer Assistance applicants that are not eligible to participate in the HOP must still meet the following criteria to be eligible for HBA: at or below 80% AMI and primary residence at the time of the storm was damaged by the hurricane.

### III. PROGRAM PURPOSE

- A. The provision of homebuyer assistance to facilitate the purchase of new and existing single family homes to benefit hurricane victims. Homebuyer assistance may be provided to applicants who fully qualify for and elect to participate in the HOP and income-eligible households that were affected by the hurricanes but who do not qualify for the HOP. Income-eligible households who do not fully qualify for the HOP include applicants who do not possess fee simple title to the original, hurricane-damaged property to be acquired (bought out) or who cannot obtain clear title within one year of the application date. The [Subrecipient] cannot acquire property for which clear title cannot be obtained.
- B. The HOP homebuyer assistance to acquire the original, hurricane-damaged home is not the same program as the FEMA Buyout Program. If a buyout is involved in the TDHCA Disaster Recovery Program, it is a phase of an activity to help hurricane victims in FEMA-designated High Risk areas 100 year flood zone and areas of high minority and poverty concentrations relocate to areas that do not exhibit those characteristics. It will involve both the buyout of the original property and permanent relocation of the beneficiary.
- C. Under the HOP, applicants receive assistance from trained counselors to determine the housing activities that offer the best option for the household. The options include remaining in the original, storm-damaged home, the purchase of a new home or the purchase of a vacant lot on which to build a home. For those that opt to move from their existing home located in a FEMA-declared High Risk area or areas of high minority and poverty concentrations (as confirmed by TDHCA), title to the existing property will be transferred to the Subrecipient without a separate is purchased at the pre-storm tax appraisal value acquisition “buyout” of the existing property. The value of the existing property is replaced by the cost of the replacement home.

### IV. TARGET AREAS

- A. Indicate service area [Subrecipient]’s political boundaries.
- B. Indicate any particular areas in those boundaries where assistance will be targeted to affirmatively further fair housing through disaster recovery. The Phase 1 Analysis of Impediments will help establish these target communities by providing detailed maps on

minority and poverty concentrations. Assistance will be provided to the subrecipients by TDHCA to determine FEMA-designated High Risk areas prior to and including the environmental review process.

## **V. ELIGIBLE BENEFICIARIES**

- A. Assistance under this activity may ~~not~~ be extended to households whose incomes may not exceed 80% of the Area Median Family Income (AMFI). All homebuyer assistance must be targeted to the socio-economic subcategories and demographics as described in the General Guidelines.

## **VII. AMOUNT OF ASSISTANCE**

- A. HBA assistance is capped ~~activities are limited~~ to \$40,000 for non HOP-eligible applicants.
- B. HOP Homebuyer Assistance is limited to the Housing Assistance Caps in the General Guidelines. The base unit “bid” amount is the maximum amount of assistance available to purchase a new/existing home. It is set when the standardized set of new home specifications in the General Guidelines are bid locally. The intent of this rule is to equalize the funding available for different activities and choices. HOP Homebuyer Assistance allows for additional costs above the base unit amount including any necessary accessibility items or features abatement measures, and services. Additional costs are specified and capped in the General Guidelines.
- a. The services category is limited to \$15,000 or actual costs and includes costs such as real estate professional fees, moving expenses and utility connection costs. (such as real estate professional fees, etc.). Services are limited to applicants who qualify for the HOP.
  - b. The vacant land limit is set at \$35,000. Although this is the cap, it is not also the floor; the actual lot cost should not exceed the standard single lot size in the community.
- C. Housing purchases that exceed the maximum limits must be paid for with other sources of funds or a mortgage obtained by the homebuyer. The maximum total purchase price of the home to be acquired may not exceed the limits set for Single Family Mortgages in Section 203(b) of the National Housing Act.
- D. Temporary relocation assistance may be offered at the discretion of the [Subrecipient]; however, the assistance may not exceed \$5,000 per household. It is anticipated that the assistance will be provided when the closing occurs for the new or existing home purchase and temporary relocation assistance may not be necessary.

## **VIII. PROGRAM LIMITATION**

Applicants participating in the Buyout Program must contribute 100% of the assistance received under that Program toward the purchase of the newly acquired property.

## **IX. PROPERTY TYPE**



A. Eligible properties that can be purchased:

- Single-family property (detached and attached 1-4 units)
- Condominium unit
- Cooperative unit
- Modular home/Manufactured home
- Vacant land

**X. TYPES OF IMPROVEMENTS**

A. For HOP Homebuyer Assistance activities involving acquisition with rehabilitation, reconstruction or new construction, [Subrecipient] must follow the guidance in the Single Family Homeowner Program Guidelines for construction requirements (Section XI), contractor selection (Section XII), construction agreement (Section XIII), and property inspections and payment (Section XIV).

B. In addition to financial assistance provided for the purchase of the property, funding may also be used for the following items up to the maximum assistance amount allowed:

1. Improvements needed to meet HUD Section 8 Existing Housing Quality Standards, and Cost Effective Energy Measures are eligible improvements.
2. Improvements must be physically attached to the house and be permanent in nature (e.g., sheds or garages located separately from the house are ineligible). Eligibility of attached structures such as carports or utility rooms is based upon available funds and agreement by TDHCA in cases where safety or the structural integrity of the house is involved.
3. Improvements will include as necessary lead-based paint abatement, asbestos abatement, handicapped accessibility for special needs, energy efficiency or ventilation items such as ceiling fans, window screens, screen doors, and window blinds.
4. Individual Mitigation Measures (IMM) that mitigate and/or reduce risk for future disasters where the measures are above and beyond federal, state, or local construction or code requirements, and additionally the improvements exceed those that existed prior to the storm. Examples include elevation above the base flood elevation level, the addition of storm shutters, hurricane proof windows, roof straps, etc. as long as those improvements are not required to comply with local code or wind zone requirements.
5. Cook stoves, refrigerators, and other necessary appliances are eligible items, but will only be considered when they are not present or the repair would not be cost effective. They will be dealt with on a case-by-case basis.
6. Required permits, if any, will be obtained by the contractor at his/her expense and will be included as part of the bid costs.

7. Assistance will not be used for luxury items, including but not limited to garage door openers, security systems, swimming pools, fences, and television satellite dishes.

## **XI. INSPECTION STANDARDS**

- A. A representative of [Subrecipient] will inspect all properties to ensure they meet Section 8 Housing Quality Standards at a minimum prior to application approval. However, the inspection will not serve to assure the buyer that the property is free of defects. Therefore, the [Subrecipient] should strongly encourage lenders and real estate professionals to advise potential homebuyers to have an inspection performed for their benefit. The inspection must be performed by a qualified or licensed real estate inspector and/or licensed contractor for specialized inspections, i.e., plumber, electrician, HVAC mechanic. The homebuyer's inspection, or any other inspection report, will not be substituted for the [Subrecipient] inspection.
- B. Properties built prior to 1978 may contain lead-based paint and will be visually inspected by the [Subrecipient]'s designated inspector for defective paint. If a property fails the visual inspection, it will be determined unacceptable until the painted surfaces are corrected. All applicable sales contracts must include the "Addendum for Seller's Disclosure of Information on Lead-based Paint & Lead-based Paint Hazards as Required by Federal Law".

## **XII. ENVIRONMENTAL REVIEW**

- A. An environmental review must be performed on the property prior to federal funds being committed by the [Subrecipient] (24 CFR Parts 50, 58, 574, 582, 583, and 970). No commitment or disbursement of funds will occur prior to the completion of this review. The environmental assessment reviews the wetlands, coastal zones, flood zones, and runway clear zones. If the environmental assessment determines that the property is in the flood zone, the Lender is required to escrow hazard and flood insurance for the life of the 1<sup>st</sup> loan. Also, the Disaster Recovery Program will not assist homes that have been determined to be in the floodway.

## **XIII. UNIFORM RELOCATION ACT**

- A. The Uniform Relocation Act (URA) applies to federally assisted homebuyer programs. Under the CDBG Program guidelines, the Seller(s) must not displace tenants of the property being purchased. The applicable "Notice to Seller(s)" must be signed and dated by the Seller and placed in the applicant's file.

## **XIV. USE OF FUNDS**

- A. Direct financial assistance to offset portions of the down payment, reasonable closing costs, pre-paid items and/or principal write-down assistance required for a home purchase. Prepaid items include but are not limited to the initial payment for hazard insurance, flood insurance, and mortgage insurance.

## **XV. COUNSELING EDUCATION PROGRAM**

- A. The applicant must complete at least eight (8) hours of homebuyer education from any participating HUD Approved Housing Counseling Agency prior to acceptance into the Program. The certification for the course is valid for one year. Counseling programs will

encourage individuals to participate in homeownership and provide a method to track the achievement of the homeownership goal. Costs of the program vary depending on who provides the courses. The National Housing Services (NHS) homebuyer assistance curriculum is preferred.

#### **XVI. TERMS OF ASSISTANCE**

- A. Assistance that meets or exceeds \$40,000 requires a ten year affordability period (Affordability Period).
- B. Throughout the affordability period, the homeowner is required to maintain principal residency, maintain hazard and, if applicable, flood insurance, and pay property taxes on the assisted property. Failure to maintain hazard insurance ~~on the life of the property~~ may result in the lack of future federal assistance; however failure to maintain flood insurance (if required because the property is in a floodplain) will result in the lack of future federal assistance should a future disaster event occur.

#### **XVII. LOAN TERMS**

- A. The Disaster Recovery Program loan is not assumable during the Affordability Period.
- B. Future subordinations of the Disaster Recovery Program loan to a newly obtained senior loan are subject to TDHCA's discretion.
- C. The applicant must occupy the property as his/her principal residence throughout the Affordability Period. If the applicant occupies the property as his/her principal residence for the Affordability Period, no recapture restrictions will apply.
- D. If the property is sold (including foreclosure) transferred and /or is no longer the homeowner's primary residence during the Affordability Period, the [Subrecipient] may recapture a portion of the remaining balance of the Disaster Recovery Program loan note. The homeowner will receive a twenty (20) percent credit for each year the property is his/her principal residence. The maximum amount the [Subrecipient] will recapture will be the full amount of the Disaster Recovery Program loan note and any balance would immediately become due and payable to the [Subrecipient] who will remit the proceeds to TDHCA.
- E. If the homeowner vacates or rents the property, the full amount of the Disaster Recovery Program loan will be immediately due and payable, unless the homeowner establishes his/her actual residency pursuant to evidence acceptable to TDHCA, in which case the homeowner will receive a twenty (20) percent credit for each year the property is his/her principal residence.
- F. In the case of other default during the Affordability Period, the [Subrecipient] may pursue all remedies available under the Disaster Recovery Program loan note, the Disaster Recovery Program loan Deed of Trust, or other Disaster Recovery Program loan documents. During the continuance of any such default, the Disaster Recovery Program loan shall bear interest at a rate of six percent (6%) per annum ("Default Rate").

- G. Applicants that fully participate in the HOP Homebuyer Assistance Program, which includes the buyout of the original, hurricane-damaged property and the acquisition of a new/existing home, will have a lien recorded in the county courthouse preventing cash-out refinancing, home equity loans, or utilization of the relocation home as collateral for the full term of the affordability period unless expressly permitted by TDHCA.

#### **XVIII. FILES AND REPORTS**

- A. The [Subrecipient] will maintain accurate Homebuyer Assistance Program files and records for general administration activities, for each applicant, and for each assisted homeowner for a period of three (3) years as required by the Department. Such files will be open for inspection as to qualifications, bids, and awards.

#### **XIX. CHANGES, WAIVERS, AND/OR CONFLICTS**

- i. The [Subrecipient] has the right to change, modify, waive, or revoke all or any part of these guidelines, with the written approval of TDHCA.
- ii. Waivers to the requirements in these Guidelines can only be approved by TDHCA and must be provided in writing.
- iii. In the event that these Guidelines conflict with local, state, or federal law, the more stringent requirement will prevail, provided that the requirement does not violate local, state or federal law.

## ATTACHMENT C

### Hurricanes Dolly and Ike Rental Program Guidelines

#### I. INTRODUCTION

- A. The Texas Department of Housing and Community Affairs (TDHCA or the Department) is partnering with the Texas Department of Rural Affairs (TDRA) in the administration of funds under a Community Development Block Grant (CDBG) Disaster Recovery Program (Program) funded by the U.S. Department of Housing and Urban Development (HUD) under Public Law 110-329. TDHCA is the lead agency and responsible for disaster funds allocated to housing activities. Local entities including Cities, Counties and Councils of Local Government administer these funds on the local level for housing activities.
- B. ~~As called for in the Conciliation Agreement,~~ Housing Guidelines have been developed to serve as the basis for housing programs related to Round 2 of the Program. This document is expected to serve as direction for the Rental Program activities funded under Round 2. These Guidelines do not replace or supersede the Guidelines developed and in use under Round 1. Additionally, these guidelines supplement the General Guidelines which provide direction for issues that affect all of the programs and cover all areas of administration not expressly covered in this document. [Subrecipient] must incorporate those elements into their Rental Program. At the option of the Subrecipient, rental program activities may be offered as a housing program to the residents of the Subrecipient's jurisdiction. Rental activities may include single family or multifamily rental activities or both.
- C. [Subrecipient] has received Hurricanes Dolly and Ike Round 2 Disaster Recovery Community Development Block Grant (CDBG) funding for a Rental Program administered by the Texas Department of Housing and Community Affairs (TDHCA or the Department).
- D. Benefit to Low to Moderate Income (LMI) is the only National Objective that is approved for the Rental Program under Round 2. Eligible activities, which are defined in the General Guidelines, are as follows: rehabilitation, reconstruction, replacement, or new construction, and associated elevation and demolition. [Subrecipient] may also provide assistance for Individual Mitigation Measures (energy efficiency and storm mitigation activities).

#### II. PROGRAM OBJECTIVES

- A. Texas was hard hit by hurricanes and is still in the recovery process both for its communities and its residents. The primary focus of this program is to provide relief for those people impacted with consideration given to affirmatively further fair housing, as called for within the Fair Housing Act.

- B. The following objectives are provided for the implementation and administration of a successful Rental Program.
1. The primary objective of this Program is to provide decent, safe, and sanitary housing in the hurricane impacted areas through the provision of activities designed to mitigate storm damage that occurred as a result of Hurricanes Dolly and Ike, as well as any future hurricanes.
  2. A second objective is to ensure that the housing needs of very low, low and moderate-low, very low and extremely low income households are assisted with housing in no less than the proportion to their relative percentages of the overall populations which suffered housing damage within the communities being served.
  3. A third objective is to prioritize the provision of decent, safe and sanitary housing for elderly and disabled populations with an emphasis on housing choice and design to reduce maintenance and insurance costs as well as provide for the provision of independent living options.

### **III. PROGRAM PURPOSE**

- A. The Hurricane Ike Disaster Recovery (DR) Affordable Rental Program has been designed to provide funds for rehabilitation, reconstruction, and/or new construction of affordable multi-family and single family rental housing projects in areas impacted by Hurricane Ike or Dolly. Funding is available through the Community Development Block Grant (CDBG) Disaster Recovery Program, administered by the Texas Department of Housing and Community Affairs (TDHCA).
- B. The purpose of the Affordable Rental Program is to facilitate the rehabilitation, reconstruction, and/or new construction of affordable rental housing needs within the [Subrecipient]'s service area. Units qualifying for assistance must have sustained damage from Hurricanes Ike or Dolly. A minimum of 51% of the units must be restricted for ten or more years to low to moderate income (LMI) individuals earning 80% or less of the Area Median Family Income (AMFI) at affordable rents. The rents must comply with High HOME Investment Partnership (HOME) Rents and other existing Land Use Restriction Agreement (LURA) restrictions if applicable. HOME rent limits are defined by HUD and must equal the lesser of fair market rents or 30% of the adjusted income for people earning 65% of the AMFI and can be found on TDHCA's website at (<http://www.hud.gov/offices/cpd/affordablehousing/programs/home/limits/rent/>) and (<http://www.tdhca.state.tx.us/pmcdocs/10-FMR-TBRA.pdf>)

### **Multifamily Rental Program**

#### **I. TYPES AND AMOUNTS OF ASSISTANCE**

- A. The maximum award cap under the Affordable Multifamily Rental Program is \$10,000,000 per development. Exact award will depend upon the amount of storm damage, the cost reasonableness of funds bringing the property up to Housing Quality Standards (HQS), and other funding sources available. Eligible costs include hard costs

for construction and soft costs associated with repair or construction of rental units plus other costs permissible under 24 CFR 570.

- B. The CDBG funds may not be used to pay for damages covered by any FEMA reimbursement, SBA assistance, insurance claim, or any insurance policy including delayed or future payments anticipated under insurance policies.
- C. The CDBG Affordable Rental Program funds will be in the form of a 0% performance-based loan and will be forgiven when all contractual obligations have been met, including satisfactory completion of construction and compliance with the ten-year affordability period. The terms of the loan / grant may be modified by agreement, if necessary, given other requirements from other financial programs (i.e. tax credit programs, etc.).
- D. A Land Use Restriction Agreement (LURA) will be placed on developments and any applicable lenders must agree to subordinate to the LURA. The Developer / Borrower will guarantee completion of construction until a certificate of occupancy has been issued and retainage has been released. There is a ten year affordability period under the LURA.
- E. Project construction must be completed within 18 months of the effective date of the contract, unless otherwise extended.

## **II. PROPERTY ELIGIBILITY**

- A. All properties must be located within the jurisdiction of the Subrecipient and sustained damage from Hurricane Ike or Dolly.
- B. Any Subrecipient that intends to offer an Affordable Multifamily Rental Program must develop a NOFA or application process to fund rehabilitation of existing multifamily housing developments or replacement of damaged units through reconstruction or new construction. Projects evaluated for awards are evaluated according to the priorities established in the NOFA or application. The NOFA or application process must comply with Selection Criteria requirements identified in Section IV, paragraph A of these guidelines.
- C. Hurricane damaged or destroyed projects awarded assistance will typically be in the 10-30 year old range. The repair/replacement assistance will extend the useful life of the development at least ten years.
- D. Proposed new construction located in the 100-year flood plain as identified on the most current Federal Emergency Management Agency (FEMA) Flood Maps must comply with the TDHCA flood policy found in 10 TAC Part 1 Section 50.6.
- E. At a minimum, 51% of the total number of units in the development must benefit low-moderate income persons earning 80% or less of Area Median Income as defined by

HUD and detailed in the Housing and Community Development Act of 1974 (HCDA) Title I, 105(a).

- F. Rent restricted units occupied by low-moderate income households must be occupied at affordable rents. The units occupied low-moderate income households must comply with the High HOME rent limits published by TDHCA under the HOME program. Rent restrictions for the units occupied by LMI households apply through the ten year affordability period. Compliance with rent limits is calculated in the same manner as the HOME program.

### **III. PARTICIPANT ELIGIBILITY REQUIREMENTS**

- A. For-profit, public housing authorities, units of local governments and not-for-profit Developers/ Borrowers, acting individually or as participants in a limited partnership [LP] or limited liability corporation [LLC] are eligible to participate. Not-for-profit entities must provide evidence of IRS tax-exempt status. Developments are required to list properties on PHA landlord list and provide notification to DHAP providers.
- B. The Applicant, Development Owner, Principal or Developer/Borrower must be in good standing with any outstanding loans and loan commitments. There may be no defaults or negative collection actions on current or previous loans.
- C. No Applicant, Developer Owner, Principal or Development/Borrower or General Contractor may be “debarred” from the federal and state debarment lists, in accordance with 24 CFR §570.609, as well as other applicable laws.
- D. Applicant, Developer Owner, Principal or Developer/Borrower must provide a complete listing with addresses of multifamily properties currently owned or managed.

### **IV. SELECTION CRITERIA**

- A. Any Subrecipient that intends to offer an Affordable Multifamily Rental Program must develop a NOFA or application process. The application or NOFA process should identify the properties that provide the greatest benefit to the community to those with the greatest need. The Subrecipient will develop criteria to award funds to the projects meeting the housing goals and objectives the program, and fair housing as well as those of the community. All awards must be made to applicants that demonstrate capacity to complete the development planned in the application. The Selection Criteria utilized must be consistent with overcoming the impediments identified in the Interim AI. The NOFA or application must meet the following criteria:
  - a. Direct funds to the needs of the community as determined by the Needs Assessment.
  - b. Use of the funds must affirmatively further fair housing and increase housing choice; therefore, selected criteria must be consistent with overcoming impediments identified in the Phase 1 Analysis of Impediments.
- B. A Land Use Restriction Agreement (LURA) will be placed on each multifamily development receiving disaster funds to repair, construct or reconstruct rental units. The



LURA sets forth income and rent restrictions applicable to units of affordable rental housing with respect to the specific affordable rental housing. These documents will be filed with the local county clerk's office in the land records. The LURA must be approved by TDHCA and require all multifamily projects and projects with 20 or more single family units under common ownership to accept of section 8 housing choice rental vouchers during the affordability period. The LURA imposes the requirements on the property for the full ten (10) years affordability period.

C. Criteria developed by the Subrecipient to identify projects providing the greatest benefit to the community may consider the following:

1. Projects are encouraged to increase the number of affordable units by exceeding the requirement to lease 51% of the units to low/moderate income households.
2. Projects are encouraged to provide units to households with the highest need for affordable housing by agreeing to create set asides targeting ~~extremely low~~, very low-~~income~~, low, and moderate income tenants.
3. Projects are encouraged to provide broader access to persons with disabilities through single story structures or those served by an elevator.
4. Projects are encouraged to meet low-maintenance and energy efficiencies by installing energy efficient products and low maintenance items. Combinations of the following items can be used up to the maximum number of points.
  - a. Install water-conserving fixtures in all units with the following specifications for toilets and shower heads, and follow requirements for other fixtures wherever and whenever they are replaced: toilets – 1.6 gallons per flush; showerheads – 2.0 gallons per minute; kitchen faucets – 2.0 GPM; bathroom faucets – 2.0 GPM:
  - b. Install Energy Star or equivalent refrigerators in all units:
  - c. Install Energy Star or equivalent lighting fixtures in all interior units and use Energy Star or high-efficiency commercial grade fixtures in all common areas:
  - d. Use tankless hot water heaters or install conventional hot water heaters in rooms with drains or catch pans piped to the exterior of the dwelling and with non-water sensitive floor coverings (for all units):
  - e. Install Energy Star or equivalent power vented fans or range hoods that exhaust to the exterior (in all units):
  - f. Install Energy Star or equivalent bathroom fans in all units that exhaust to the outdoors which has a humidistat sensor or timer, or operates continuously in all units:
  - g. Install correctly sized HVAC units (according to Manual J) of at least 14 SEER or better in all units:
  - h. Perform an energy analysis of existing building condition, estimate costs of improvements, and make those improvements resulting in a 10 year or shorter payback:

## V. PROGRAM REQUIREMENTS

Projects awarded disaster recovery funds must satisfy six levels of eligibility requirements.

- A. The project will also be reviewed in terms of financial feasibility with the objective to repair existing hurricane damage and bring the property up to standard to extend the useful life or replace the severely damaged units. Financials, proformas, and loan information as well as the sources and uses of funds must be submitted identifying the proposed financing sources and expenses of the project.
- B. Upon allocation for funding, the property will go through environmental review.
- C. Rehabilitation or construction activities. The Developer / Borrower must submit an acceptable Property Condition Assessment (PCA) conducted by a qualified third party. In addition to repair costs identified in the PCA, other costs will be considered if they extend the useful life of the project. The project costs must be reasonable and typical in the current marketplace for projects of similar scope. Plans and specifications must be submitted for replacement units.
- D. The project must comply with all applicable federal and state requirements.
- E. The project must address identified impediments to fair housing choice.
- F. The project must serve the local population impacted by the hurricanes.

## **VI. UNDERWRITING**

- A. The proposed multifamily projects will go through underwriting which will review the ownership structure, property operations, the sources and uses of funds, and the financial statements of the owner and guarantor (if applicable).
- B. The underlying debt and operating expenses of the property will be reviewed to determine if the project is feasible during the affordability period and demonstrates income adequate to cover operating expenses and applicable debt service.
- C. Sources and uses will be reviewed to determine the adequacy of the funding to complete the project in conjunction with the PCA. The scope of work including the repair of any hurricane damage will be assessed.
- D. Following underwriting, a contract will be executed between the developer and the Subrecipient. This contract will specify the terms under which the funding is provided to the project; the number of units to be renovated / developed; the affordability period; and other conditions of the agreement.

## **VII. ENVIRONMENTAL REVIEW**

- A. Each development assisted with CDBG Disaster Recovery funds must be environmentally cleared. No commitment or disbursement of funds will occur prior to

the completion of this review. The environmental assessment reviews the wetlands, coastal zones, flood zones and runway clear zones.

- B. Rental Program funds cannot be used to assist rental units (Multi and single family) that have been determined to be in the Coastal Barrier Resource Zones or airport runway clear zones. Once the Environmental Review is complete the review is forwarded to TDHCA for environmental clearance.
- C. The Developer / Borrower must comply with all applicable laws with respect to lead based paint in conjunction with Section 302 of the Lead Based Paint Poisoning Prevent Action (42 USC Section 4831(b)), as well as the presence of asbestos containing materials within the project.
- D. A Property Condition Assessment must be conducted for rehabilitation. The PCA must conform to American Society for Testing and Materials (ASTM - <http://www.astm.org/>) "2018 Standard Guidelines for Property Condition Assessments." The Developer / Borrower are also directed to the TDHCA Section 1.36 of the 2009 REA Rules for PCA guidance (<http://www.tdhca.state.tx.us/readocs/10-REARules.pdf>).

## **VIII. CONSTRUCTION**

- A. Housing that is constructed or rehabilitated with CDBG funds must meet all applicable local codes, rehabilitation standards, ordinances, and zoning ordinances at the time of project completion. When CDBG funds are used for a rehabilitation development, the entire unit must be brought up to the applicable property standards and meet Housing Quality Standards. All newly constructed including reconstructed housing units must meet the current edition of the Model Energy Code (MEC) (<http://www.energycodes.gov/implement/pdfs/modelcode.pdf>) published by the Council of American Building Officials. TDHCA will conduct a final inspection of the development. Common areas and units are subject to a Uniform Physical Conditions Standards inspection. Any deficiencies identified in that inspection must be corrected before final retainage is released.
- B. Housing developments must meet all accessibility requirements at 24 CFR Part 8, which implements Section 504 of the Rehabilitation Act of 1973 (29 U.S.C. §794). Multifamily housing developments must meet the design and construction requirements at the Texas Administrative Code, Title 10, Chapter 60, Subchapter (B) 10 TAC § 60.201-211). Covered multifamily dwellings, as defined at 24 CFR §100.201, as well as common use facilities in developments covered cover dwelling must meet the design and construction requirements at 24 CFR §100.205, which implement the Fair Housing Act (42 U.S.C.3601-4619).
- C. The Developer/borrower must comply with Labor Standards; Section 3 Plan; Minority / Business Enterprise (MBE); Small Business Enterprise (SBE) requirements; Affirmative Marketing; and Contractor Clearance.

- D. The project costs must be “reasonable and customary” as determined by an acceptable, independent third party report or considered reasonable as documented by a bidding process.
- E. All contracts will be payment and performance bonded. All projects are subject to The Davis-Bacon Wage Act (40 USC 276a-276-a5, 24 CFR Part 70), The Contract Work Hours and Safety Standards Act (40 USC 327 et seq), The Copeland “Anti-Kickback” Act (18 USC Sec 874), Section 3 (24 CFR Part 135) requirements, reporting and goals and should budget accordingly.
- F. Prior to commencement of construction, the Developer / Borrower must have a notice to proceed. Scatter site projects owned by a sole owner with 8 or more units must comply with the Davis-Bacon Wage Act (40 USC 276a-276-a5, 24 CFR Part 70).
- G. The report and AIA forms 702 and 703 will be required prior to funding each draw request.
- H. Ten percent (10%) of each draw will be held as retainage until satisfactory completion of the project.

## **COMPLIANCE REQUIREMENTS**

### **IX. LABOR STANDARDS**

- A. All applicable developments must comply with applicable labor standards, including, but not limited to Davis-Bacon wages, Section 3, Minority / Business Enterprise, and Small Business Enterprise. Under the federal Davis-Bacon Wage Act (40 USC 276a-276-a5, 24 CFR Part 70, 24 CFR §570.603), prevailing wages must be paid on all construction and related work on projects that have eight (8) or more units.
- B. The following information will be provided on all projects to the TDHCA Labor Standards Specialist:
  - 1. Notes of bid and preconstruction conferences as well as attendance rosters with attendees signatures.
  - 2. Notice to Proceed.
  - 3. All Department of Labor (DOL) General Wage Determination reports showing prevailing wages applicable to each project throughout the construction phase.
  - 4. Final Wage Compliance Report
  - 5. Davis-Bacon communications, including:
    - a. Department of Labor communications
    - b. Letters to Contractor(s) requesting payments of restitution owed to workers and liquidated damages, including copies of letters confirming Contractor(s) compliance and / or resolution of labor-related issues. Department of Labor (DOL) Semi-Annual Report with all required reporting data associated with the CDBG-DR Hurricane Ike award.
    - c. Additional documentation as required by TDHCA.

**X. RELOCATION**

- A. The Developer/Borrower is responsible for the relocation activities related to the project. The Developer / Borrower shall comply with program regulations at 24 CFR §570.606, the Uniform Relocation Assistance and Real Property Policies Act of 1970 (“URA”), as amended, at 49 CFR §24, and §104(d) of the Housing and Community Development Act of 1974, as amended, at 24 CFR §42.
- B. If applicable, Developer / Borrower shall submit to the Subrecipient copies of all documentation relating to URA, including but not limited to, a Relocation Plan with Assurance Letter, Notice to Real Property, Tenant Status Reports, and all Notices with Tenant Acknowledgments as required by the URA.

**XI. PROJECT COMPLETION AND RELEASE OF RETAINAGE PROCEDURES**

- A. When a project is finished, the procedures listed below will be followed to document completion and allow for retainage (the last 10% of project costs) to be paid. List of items include:
  - 1. Developer / Borrower submits Final Draw for Retainage. This draw is identical in form to the others and includes the final inspection report from the third party inspector indicating that the project is complete.
  - 2. Developer / Borrower completes and submits a Final Wage Compliance Report.
  - 3. Developer / Borrower submits Certificate of Occupancy for project.
  - 4. Developer / Borrower submits letter certification from Architect that project meets requirements of the Americans with Disabilities Act.
  - 5. Developer / Borrower submits Certificate of Substantial Completion, and AIA form that is signed by the Owner, General Contractor, and Architect.
  - 6. Developer / Borrower submits Lien Release from General Contractor to show that all subcontractors have been paid. (Contractor = Subrecipient) and (Subcontractor = Building Contractor)

**XII. PROJECT LEASE UP PROCEDURES**

- A. Multifamily developments assisted with CDBG funds are required to have a project tenant selection policy (TSP), Affirmative Marketing Plan, and schedule of leases & rents to ensure compliance with CDBG requirements. The tenant selection policy must be:
  - 1. Written and displayed at the project leasing in a common area.
  - 2. Consistent with the purpose of providing housing for families making 80% or less of AMFI.
  - 3. Reasonably related to program eligibility and Lessee’s ability to perform under the lease.
  - 4. Chronological, so that tenants taken from a written waiting list are assisted in order.
  - 5. Designed to give prompt written notice of the grounds for rejection to any Lessee rejected based on income.

**XIII. ANNUAL MONITORING PROCEDURES**

- A. Completed projects require annual monitoring. Monitoring will be conducted by the Subrecipient throughout affordability period. The results and reviews of monitoring activities ensure the provision of safe, decent, affordable rental housing in compliance with all applicable regulations. Income targets and rents must comply with Affordable Rental Program LURA requirements and other compliance requirements. Monitoring includes:
1. On-site inspection of rehabilitated properties to ensure compliance with Housing Quality Standards (HQS) under 24 CFR Sec. 982-401.
  2. Compliance Standards Review (CSR) to ensure compliance with the CDBG regulations and the NOFA, but not limited to, the following:
    - a. Affordable Rental Housing
    - b. Subsequent Rents during the Affordability Period
    - c. Initial and Annual Recertification of Tenant Income
    - d. Periods of Affordability
    - e. Tenant and Participant Protection (lease term, prohibited lease terms, tenant selection policy)
    - f. Civil Rights Act of 1964 and amendments
    - g. Section 504 of the Rehabilitation Act of 1973
    - h. Architectural Barriers Act and the Americans with Disabilities Act
    - i. Design and Construction requirements
    - j. For Rehab projects, entire structure must meet Housing Quality Standards
    - k. Benefit all income targets including the CDBG LMI requirement to least 51% of the units to LMI households.
    - l. Affirmative Marketing
    - m. National Flood Insurance Program
    - n. Displacement, relocation, acquisition, and replacement
    - o. Lead-Based Paint Compliance
    - p. Fair Housing and Equal Opportunity
    - q. Section 3 (24 CFR Part 135) goals and reporting requirements
    - r. Applicant data reporting as required by the Conciliation Requirement
  3. Notification in writing of the results of the monitoring activity will be provided to the borrower, with a stated corrective action plan, if one is needed.

#### **XIV. FILES AND REPORTS**

- A. The [Subrecipient] will maintain accurate Rental Program files and records for general administration activities, for each development and tenant for a period of ten (10) years as required by the TDHCA. Such files will be open for inspection to TDHCA or any of its duly authorized representatives, or funding source representatives.

#### **XV. CHANGES, WAIVERS, AND/OR CONFLICTS**

- A. The [Subrecipient] has the right to change, modify, waive, or revoke all or any part of these guidelines, with the prior written approval of TDHCA.

#### **Single Family Rental Program**

A single family rental program’s goal is to restore existing neighborhoods and to increase the affordable rental stock in a community affected by Hurricanes Ike or Dolly. Applicants receiving CDBG Disaster Recovery funds to rehabilitate or reconstruct damaged properties agree to lease the rental units to low-moderate income households (80% of Area Median Income or less) at restricted rents. Rents must comply with the High HOME rent limits.

The CDBG funds are provided in the form of a forgivable loan / grant.

**I. TYPES AND AMOUNT OF ASSISTANCE**

- A. The Subrecipient will develop a process to accept applications for funding to serve low, very low, extremely low and moderate-income households. Funding priorities will be developed in a manner that affirmatively furthers fair housing objectives.
- B. The maximum award cap under the Single Family Rental Program is based on the number of bedrooms in the rental unit. The exact award will depend upon the amount of storm damage, the cost of rehabilitation or reconstruction up to maximum award amount. When a rental unit is assisted with disaster recovery funds, the entire unit must be brought up to Housing Quality Standards (HQS). Eligible costs include hard costs for construction and soft costs associated with repair or construction of rental units plus other costs permissible under 24 CFR 570.

Table A: Maximum Awards

	One Bedroom	Two Bedrooms	Three Bedrooms
Max award	\$50,000	\$60,000	\$70,000

**II. PROPERTY ELIGIBILITY**

- A. All properties must be located within the jurisdiction of the Subrecipient and sustained damage from Hurricane Ike or Dolly.
- B. Properties maybe rehabilitated, or replaced by reconstruction or new construction of the dwelling.
- C. Single Family, detached dwellings are eligible for assistance and must contain between one and three bedrooms at a minimum; priority is given properties with three or more bedrooms. Condominiums, townhomes, duplexes, triplexes or four-plexes are not eligible.
- D. Any Subrecipient that intends to offer an Affordable Single Family Rental Program must develop an application process to fund rehabilitation of existing multifamily housing developments or replacement of damaged units through reconstruction or new construction. Projects evaluated for awards are evaluated according to the priorities established in the application.

- E. Upon completion, the single family homes must meet Housing Quality Standards and benefit low-moderate income persons earning 80% or less of Area Median Income as defined by HUD and detailed in the Housing and Community Development Act of 1974 (HCDA) Title I, 105(a).
- F. The rent for the unit occupied by the low-moderate income household must be occupied at affordable rents. The units occupied low-moderate income households must comply with the High HOME rent limits published by TDHCA under the HOME program through the affordability period. Compliance with rent limits is calculated in the same manner as the HOME program.
- G. Units do not have to be rental stock prior to application for assistance, however must be rented to certified LMI households if awarded repair or replacement funds.
- H. Housing units located where federal assistance is not permitted by the Coastal Barriers Resource Act or within runway clear zones of either a civil or military airport are not eligible.
- I. Each property must currently have access to water, electricity, and sewer or septic service, or hookups to provide those services.
- J. The on-going maintenance of hazard and flood insurance is a program requirement where applicable.

### **III. PARTICIPANT ELIGIBILITY REQUIREMENTS**

- A. Individual owners with fee simple title to the property are eligible to participate.
- B. The owner must be in good standing with any loans on the property or in default or negative collection actions on any current or previous loans.
- C. The property taxes must be current on the property.
- D. The owner of the property may be “debarred” from the federal and state debarment lists, in accordance with 24 CFR §570.609, as well as other applicable laws.
- E. The owner must provide a complete listing with addresses of other rental properties currently owned or managed.
- F. All applicants must not owe any child support payment(s) under any court order.

If an applicant is not current on child support payments, that member will be required to enter into a payment plan and must supply a copy of the payment plan signed by all applicable parties, along with documentation that they are current on their payment plan.



The required forms and instructions can be found under Homeowner Assistance Forms at: <http://www.tdhca.state.tx.us/cdbg/ike-and-dolly/forms/index.htm>.

#### **IV. SELECTION CRITERIA**

- A. Any Subrecipient that intends to offer a Single Family Rental Program must develop an application process. The application process should identify the properties that provide the greatest benefit to the community with the greatest need. Applications will be developed with criteria to allow the Subrecipient to determine which projects meet the housing goals and objectives of the community as well as affirmatively further fair housing objectives.
- B. Criteria developed by the Subrecipient to identify projects providing the greatest benefit to:
  - 1. To expand the affordable housing stock priority is given to vacant units in a condition that is not suitable for occupancy.
  - 2. To encourage a vested interest in the projects, priority is given to projects where the landlord contributes at least 25% of the funds necessary to repair the property.
  - 3. To encourage housing for families, priority is given to projects with three bedrooms or more.
  - 4. Projects near public transportation, shopping and schools are considered in the point structure. Near is defined as within a 2 mile radius.
  - 5. Single family rental structures must comply with Texas Government Code, Section 2306.154.

#### **V. PROGRAM REQUIREMENTS**

- A. Housing assistance funds must satisfy four levels of eligibility requirements.
  - 1. The property must meet eligibility requirements listed under Section II. The property must require repair, rehabilitation or reconstruction and the owner must provide documentation or third party inspections to support storm damage.
  - 2. The property must pass a federally required environmental review.
  - 3. Rehabilitation or construction activities. A Property Condition Assessment must be conducted by a third party. The work write up must be completed in sufficient detail to obtain bids or cost estimates. Rehabilitation of the residence must bring the property into compliance with local health, safety and building codes and pass a Housing Quality Standards inspection. The project costs must be reasonable and typical in the current marketplace for projects of similar scope. Plans and specifications must be submitted for replacement units.
  - 4. The project must comply with all applicable federal and state requirements.

#### **VI. UNDERWRITING**

- A. The Subrecipient will determine the type of feasibility or underwriting process required for Single Family projects.

#### **VII. ENVIRONMENTAL REVIEW**

- A. The environmental review is a separate and distinct review from any other review. Other previously performed (or applicant-provided) environmental reviews will not satisfy the requirements. Be aware that applicants are prohibited from beginning repairs, rehabilitation or reconstruction until they receive their SRRAP loans.
1. There are three potential steps to the review:
    - a. **Step 1 – Initial Review:** An environmental assessor will visit the property. The assessor will take photos and possibly measurements of the property from the street. They will collect tax information in order to determine the date of construction of structures on the property. Applicants do not need to be present for this visit.
    - b. **Step 2 – Issue Analysis:** If the Initial Review reveals a potential environmental issue, further analysis will be required. This analysis may require follow-up site visits or additional research. TDHCA will schedule required follow-up visits in order to perform the necessary analysis. Applicants will be notified if they are required to be present for these follow-up visits.
    - c. **Step 3 – Issue Mitigation:** Any issue that cannot be cleared through Issue Analysis will need to be mitigated before environmental clearance is granted. TDHCA will not pay for mitigation of any issue identified during the environmental review; however, applicants will be told what is required and may choose to mitigate the issue or withdraw from the SRRAP. All mitigation must be completed within the timeframe specified by TDHCA. Examples of mitigation include making modifications to the building plans, moving the building site, or obtaining special permits for the property.

## VIII. CONSTRUCTION

- A. For Rehabilitation the properties must comply with local building codes, and the entire structure must comply with local health and safety codes and standards, and housing quality standards (HQS).
- B. For reconstruction including newly constructed homes, the entire structure must be in compliance with building codes and zoning ordinances and applicable construction or livability standards after assistance including:
1. Energy standards as verified by a RESCHECK™ certification. The certification must be available in the file prior to purchase.
  2. The IRC as 11 of the IRC as required by Chapter 388 of the Health and Safety Code as applicable.
- C. The project costs must be “reasonable and customary” as determined by an acceptable, independent third party report or considered reasonable as documented by a bidding process.
- D. Under the Rehabilitation Program, any housing unit built before 1978 must be inspected for hazards associated with the presence of lead-based paint or may be presumed to have

lead-based paint hazards. Proof of notifications, work completed and clearance examination must be available.

- E. Under the Rehabilitation Program, any housing unit must be in compliance with Section 31 of the Federal Fire Prevention Control Act of 1974 which requires that any housing unit rehabilitated with Department funds be protected by a hard-wired or battery-operated smoke detector.
- F. Reconstructed or new construction must comply with Texas Government Code 2306.514.
- G. Ten percent (10%) of each draw will be held as retainage until satisfactory completion of the project.

## **IX. COMPLIANCE**

- A. In exchange for the loan award, each applicant agrees to comply with all LURA terms and requirements as a rental landlord.

## **X. LAND USE RESTRICTION**

- A. A Land Use Restriction Agreement (LURA) will be placed on each SF property receiving disaster funds to repair, construct or reconstruct rental units. The LURA must be approved by TDHCA. The LURA must contain a ten (10) year affordability period beginning after closeout of loan or grant and require acceptance of Section 8 housing choice rental vouchers when the owner owns 20 or more single family projects.
- B. Applicants will be required to sign a Land Use Restriction Agreement (LURA), which sets forth income and rent restrictions applicable to units of affordable rental housing and constituting, with respect to the specific affordable rental housing. These documents will be filed with the local county clerk's office in the land records. The LURA imposes the requirements on the property for the full loan period of five (5) years.
- C. The Land Use Restriction Agreement is an officially-filed restriction that ensures the property will remain rent restricted for the full loan period. At the end of the loan period, the restriction will automatically terminate and will no longer be valid or enforceable. Since the LURA is "self executing", nothing will need to be filed at the local county clerk's office to show that the loan period has ended. If the applicant abides by the terms and conditions of the LURA for the full five (5) year compliance period, the loan will be forgiven and no interest will be charged provided the landlord complies with the LURA requirements.
- D. The Land Use Restriction Agreement will expire on the fifth (5th) anniversary of the later of the issuance of the Certificate of Occupancy or the loan closing.

## **XI. FORGIVABLE LOAN DEFAULT**

- A. Disaster assistance is provided as an unsecured note to landlords receiving rehabilitation or reconstruction assistance.

- B. Violation of any terms of the LURA will result in a Statement of Noncompliance being issued to the applicant. The notice will state clearly the reasons for noncompliance and will allow the applicant time to correct the non-compliance.
- C. If the applicant is in default, the amount of loan principal then outstanding (based upon the amount previously forgiven during the 5 year period) shall immediately become due and payable.
- D. Upon default the forgivable loan will immediately convert to an interest-bearing demand note and becomes immediately due and payable.
- E. The due and payable amount will be based upon the unforgiven amount of the loan.
- F. Default occurs at the property level. If the unit is found to be non-compliant with the LURA, then the entire property will be considered in default.
- G. Interest on defaulted loan awards will be set at the London Interbank Offered Rate (LIBOR) plus one percent (1%). Interest will be calculated beginning on the date that the first check is issued.

## **XII. RELOCATION**

- A. The Developer/Borrower is responsible for the relocation activities related to the project. The Developer / Borrower shall comply with program regulations at 24 CFR §570.606, the Uniform Relocation Assistance and Real Property Policies Act of 1970 (“URA”), as amended, at 49 CFR §24, and §104(d) of the Housing and Community Development Act of 1974, as amended, at 24 CFR §42.
- B. If applicable, Developer / Borrower shall submit to the Subrecipient copies of all documentation relating to URA, including but not limited to, a Relocation Plan with Assurance Letter, Notice to Real Property, Tenant Status Reports, and all Notices with Tenant Acknowledgments as required by the URA.

## **XIII. LANDLORD REQUIREMENTS**

- A. These requirements include:
  - 1. Leasing all units to tenants that have eligible household incomes (80% AMI or below).
  - 2. Charging rents that are at or below High HOME rents.
  - 3. Following income certification and verification procedures and keeping records on all tenants’ income.
  - 4. Maintaining complete and accurate rent rolls.
  - 5. Renting units in accordance with HUD Fair Housing Standards.
- B. The applicant is responsible for maintaining complete and accurate records for the full period of the loan term. These records must fully and completely support the satisfactory

completion of all compliance items. These records must be provided to the Subrecipient or TDHCA upon request.

- C. Compliance with these terms for the full period of the loan will result in loan forgiveness, leaving the applicant with no obligation to repay the loan or interest on it. Failure to comply with terms will lead to non-compliance.

**DISASTER RECOVERY DIVISION  
BOARD ACTION REQUEST  
December 17, 2010**

**Action Item**

Presentation, Discussion, and Possible Approval (conditional approval) of CDBG Disaster Recovery Program Award Recommendations

Hurricane Ike Housing Assistance Programs

Lower Rio Grande Valley Development Council (LRGVDC)  
Harris County  
Montgomery County  
Deep East Texas Council of Governments (DETCOG)  
City of Houston  
Houston-Galveston Area Council (HGAC)  
City of Galveston

**Requested Action**

Approve, Deny, or Approve with Amendments CDBG DR Program Conditional Award Recommendations

**Background**

The Texas Department of Housing and Community Affairs (“TDHCA”) is responsible for administering a total of \$805,195,286 in housing funds under Ike/Dolly Round 2 disaster recovery funds. In addition to these program dollars there are funds set-aside through an Affordable Rental Program totaling \$174,495,853.

Round 2 is governed by a Conciliation Agreement that resolved a Fair Housing Complaint filed in December of 2009. The funds requested today, are a part of that Agreement to allow Round 2 funds to be expended prior to the Interim Analysis of Impediments to Fair Housing being drafted. As part of the Round 2 Housing Guidelines, each community that is planning to expend disaster recovery funds on housing in round 2 is required to perform a needs assessment to provide direction for their affirmative marketing program to seek out the areas most impacted by Ike and Dolly that still need assistance.

To begin this process, Methods of Distribution (MODs) are presented by each of the four Councils of Governments under the Round 2 funds showing the methodology of how the program funds are distributed to the cities and counties located in the regions have been submitted to HUD for approval. Board approval must be conditional upon HUD’s approval of the MODs, and subject to submission of any deficiencies identified in the applications.

The activities proposed by the seven applicants are detailed below.

**SUMMARY HOUSING ACTIVITIES**

<b>Activity</b>	<b>Total Amount</b>	<b>% of Total</b>	<b>LMI Households</b>	<b>Total Households</b>	<b>% LMI</b>	<b>National Objective</b>
Planning Activities	\$151,550					
Administrative	\$1,582,123					
<b>Total</b>	<b>\$1,733,673</b>					

**Lower Rio Grande Valley Development Council**

<b>Activity</b>	<b>Total Amount</b>	<b>% of Total</b>	<b>LMI Households</b>	<b>Total Households</b>	<b>% LMI</b>	<b>National Objective</b>
Planning	\$237,120	62%				
Administrative	\$147,800	38%				
<b>Total</b>	<b>\$384,920</b>	<b>100%</b>				

**Project Description**

The Lower Rio Grande Valley Development Council (LRGVDC) has established a Housing Advisory Committee consisting of members in the community with CDBG expertise as well as knowledge of federal and state requirements and procedures. The Committee also includes non-profit housing providers within the region as ex-officio members. This committee with LRGVDC will administer the region’s housing program activities. The services of a management firm will be procured to provide the housing programs to the residents that suffered damage from Hurricane Dolly. The management firm is experienced in all aspects of housing and community development programs.

The COG’s application for Ike/Dolly Round 2 Phase 1 funding requests funds for planning activities and administrative fees. The procured management firm will provide the needs assessment plan to determine the types of housing programs will be offered in the region. The needs assessment will become the basis for the program design and will also indicate an Affirmative Marketing plan that will outline the policies and procedures for housing activities.

LRGVDC will utilize an outside management firm to administer their housing activities.

**Harris County**

<b>Activity</b>	<b>Total Amount</b>	<b>% of Total</b>	<b>LMI Households</b>	<b>Total Households</b>	<b>% LMI</b>	<b>National Objective</b>
Planning	\$300,000	100%				
<b>Total</b>	<b>\$300,000</b>					

**Project Description**

Harris County is part of the Houston-Galveston Council of Government that serves the unincorporated areas of Harris County. The County is an entitlement community, receiving CDBG, HOME, and SEG funds directly from HUD. They also received disaster recovery funds from TDHCA for the recovery efforts caused by Hurricane Rita. The County’s application for Ike/Dolly Round 2 Phase 1 funding only requests funds for eligible planning activities. The application requests funding for a needs assessment to design housing programs to meet the goals of fair housing and the conciliation agreement by identifying demographic data for the program beneficiaries. Greatest need populations will be identified by the study, working towards eliminating any impediments these populations encounter with fair housing opportunities. Harris County will use the data from the needs assessment to identify the type and location of housing that will best serve the County.

The funding request includes \$250,000 for planning funding to produce a needs assessment and \$50,000 for administrative expenditures.

The County and its solicited consultant will administer the activity.

**Montgomery County**

<b>Activity</b>	<b>Total Amount</b>	<b>% of Total</b>	<b>LMI Households</b>	<b>Total Households</b>	<b>% LMI</b>	<b>National Objective</b>
Planning	\$75,003	95%				
Administrative	\$3,750	5.00%				
<b>Total</b>	<b>\$78,753</b>	<b>100%</b>				

**Project Description**

Montgomery County is part of the Houston-Galveston Council of Government that serves the county of Montgomery. The County requested disaster recovery funds for Homeowner and Homebuyer activities but were not able to meet the conciliation agreement requirement. Therefore staff recommends awarding funds to conduct a needs assessment as represented in the application.

Staff has rejected the housing activities at this time because of the failure to include a plan to affirmatively further fair housing in the application. The request for this award is only for the amount of the planning activity and related administrative expenses.

Montgomery County will administer the remaining activity.

**Deep East Texas Council of Government (DETCOG)**

<b>Activity</b>	<b>Total Amount</b>	<b>% of Total</b>	<b>LMI Households</b>	<b>Total Households</b>	<b>% LMI</b>	<b>National Objective</b>
Planning	\$125,000	100%				
<b>Total</b>	<b>\$125,000</b>					

**Project Description**

Deep East Texas Council of Government (DETCOG) is the primary agency in the 12 county rural service area as well as the cities within the region for performing planning and economic development activities. As a regional COG, DETCOG is responsible for region-wide planning and program services in housing (rental voucher assistance program, voucher homeownership program, and housing counseling), economic and community development, aging services, solid waste services, retired senior volunteer program, 911 emergency communication services, 211 information and referral services, criminal justice services, at-risk youth services, homeland security and disaster case management services.

DETCOG’s application for Ike/Dolly Round 2 Phase 1 funding requests funds for eligible planning activities. Using the TDHCA-provided FEMA and HUD demographic data, a needs assessment of the 12 member counties and their principal cities will be conducted. Using the HUD Fair Housing Planning Guide and the State of Texas TDHCA- sponsored Analysis of Impediments to Fair Housing Choices (AI), DETCOG will develop a local AI specific to DETTCOG’s region.

The funding request includes \$125,000 for planning activities to produce the needs assessment plan.

DETCOG will administer the activity.



## City of Houston

Activity	Total Amount	% of Total	LMI Households	Total Households	% LMI	National Objective
Planning	\$495,000	100%				
<b>Total</b>	\$495,000					

### **Project Description**

The City of Houston, Housing and Community Development Department (HCDD) is dedicated to providing safe, decent, quality affordable housing to low to moderate income residents. The City's application for Ike/Dolly Round 2 Phase 1 funding only requests funds for eligible planning activities. HCDD's current staff possesses the expertise in strategic planning, public participation initiatives, GIS and economic analysis; however they expect to collaborate with other departments within the City and possibly outside parties to aid in the creation of a needs assessment plan for delivery of housing services and activities.

The City of Houston has developed a timeline and extensive goals and objectives for the creation of the needs assessment plan. The one year timeline expressed in the application will have to be compressed to be ready for the Round 2 Phase 2 application which is expected to become available during the first quarter of 2011.

The City of Houston will administer the activities.

## Houston-Galveston Area Council (H-GAC)

Activity	Total Amount	% of Total	LMI Households	Total Households	% LMI	National Objective
Planning	\$150,000	100%				
<b>Total</b>	\$150,000					

### **Project Description**

The Houston-Galveston Area Council is the region-wide voluntary association of local governments in the 13-county Gulf Coast Planning region of Texas. The service area is 12,500 square miles and contains more than 5.7 million people. H-GAC's mission is to serve as the instrument of local government cooperation, promoting the region's orderly development and the safety and welfare of its citizens. H-GAC has over 30 years of experience managing State and Federal grants, including administering disaster recovery funds under Hurricane Rita. H-GAC's application for Ike/Dolly Round 2 Phase 1 funding only requests funds for eligible planning activities. Housing program services and activities will be developed after the Analysis of Impediments to Fair Housing is complete. The requested planning funds will be used to conduct a needs assessment. The purpose of the needs assessment is to produce a planning study to identify needs for housing and provide a variety of housing opportunities and options to those low to moderate income families who were damaged by Hurricane Ike.

The funding request includes \$150,000 for planning activities to produce the needs assessment.

H-GAC will administer the activity.

**City of Galveston**

<b>Activity</b>	<b>Total Amount</b>	<b>% of Total</b>	<b>LMI Households</b>	<b>Total Households</b>	<b>% LMI</b>	<b>National Objective</b>
Planning	\$200,000	100%				
<b>Total</b>	\$200,000					

**Project Description**

The City of Galveston is part of the Houston-Galveston Council of Government that serves the incorporated areas of the City of Galveston. The City is an entitlement community, with the administrative responsibilities of programs falling under the Grants and Housing Department of the City. The Grants and Housing department is responsible for the administrative, coordination and implementation of programs including CDBG, Rental Rehabilitation, Section 312, HOME, Lead-based Paint Hazard Control, and Neighborhood Stabilization Program. The City’s application for Ike/Dolly Round 2 Phase 1 funding only requests funds for eligible planning activities. The City will procure a consulting firm for the development of a needs assessment and marketing plan. The consultant firm will assist in the overall implementation and design of the housing program offered by the City under the Ike/Dolly Round 2 Phase 2 Disaster Recovery funds. The marketing plan will provide a methodology to reach the sectors of the community in need of assistance.

The funding request includes \$200,000 for planning activities to produce the needs assessment and marketing plans.

The City will procure a consulting firm to produce a needs assessment and marketing plans.

**Recommendation**

Staff have reviewed the applications and determined that the applications sufficiently demonstrate the applicants’ capacity to administer the award based on the information provided. It is anticipated that three more applications may be received from Liberty County, Chambers County and South East Texas Regional Planning Commission. Assuming these applications are consistent with the applications submitted herein today, we request authorization for the Executive Director to approve these applications for planning/needs assessments only. The award is subject to the following conditions being satisfied prior to the execution of a contract:

- Resolution of all administrative deficiencies; and
- HUD approval of Methods of Distribution.
- Approval of the housing activities by the Complainants as required under Section 3.5 of the Conciliation Agreement.

Staff is recommending that the Board conditionally award funds to applicants listed above pending the stated conditions. Staff also recommends that staff be authorized to negotiate requested amendments to these contracts to ensure expedited use of funds provided that the amendments are consistent with HUD requirements, the Action Plan, and any Department rules, and that the Executive Director be authorized, when there is a time constraint that he reasonably believes to require immediate action, to execute such amendments and report them to this Board at the next meeting following such execution; all other amendments to be brought to this Board for approval.

## **DISASTER RECOVERY DIVISION**

### **BOARD ACTION REQUEST**

**December 17, 2010**

#### **Recommended Action**

Presentation, discussion and possible approval to increase interest rate for CDBG Disaster Recovery Award to Champion Homes at Marina Landing. The approval is subject to re-underwriting recommendations.

**RESOLVED**, that the Executive Director and his designees are hereby authorized, empowered, and directed, for and on behalf of the Department, to cause the modification of the award to the CDBG Disaster Recovery allocation to Champion Homes at Marina Landing as presented to this meeting, subject to underwriting the restructured terms, and to make such non-substantive technical corrections as they may deem necessary to effectuate the foregoing.

#### **Summary of Award**

#09812 Champion Homes at Marina Landing was awarded CDBG Disaster recovery funds in the amount of \$10,000,000 during the December 17, 2009 Board meeting to fund the rehabilitation of the property including the damage caused by Hurricane Ike. Marina Landing is located in Galveston, Galveston County and is an existing twelve (12) building apartment complex comprised of two-hundred and fifty-six (256) units. The unit mix consists of one-hundred and twelve (112) 1-bedroom, 1-bath units, thirty-two (32) two-bedroom, 1.5-bath units, and one-hundred and twelve (112) 2-bedroom, 2-bath units. Rehabilitation and modernization of this apartment community will provide a safe and secure environment for families and will aesthetically affect the community in a positive manner. The property also received a 2009 forward allocation for tax credits.

#### **Background**

The Texas Department of Housing and Community Affairs (the "Department") is responsible for administering an initial set-aside amount of \$58,834,914 for affordable rental housing programs through a Rental Notice of Funding Availability ("NOFA") appropriated for Hurricanes Ike and Dolly. Marina Landing received an award under this NOFA.

The development was scheduled to close November 30, 2010, however the developer has asked to increase the proposed zero percent, non-amortized loan to a loan with the interest rate up to 2% and to extend the closing date to December 31, 2010. The request for approval to increase in interest rate and conversion from a grant to a 2% loan is subject to re-underwriting by Real Estate Analysis. The increase in interest rate is driven by the Tax Credit piece. Most of the disaster awards are deferred forgivable grants or zero percent awards without repayments or issues as they moved forward.

The cash flow with a 1% loan, with the principal deferred to year thirty is sufficient to allow annual interest payments.

The developer requested the loan closing be extended to January 31, 2011.

**COMPLIANCE AND ASSET OVERSIGHT  
BOARD ACTION REQUEST  
December 17, 2010**

**Recommended Action**

Approve an agreed order for the debarment of David Starr.

***RESOLVED**, that the Agreed Final Order regarding the debarment of David Starr be and it hereby is adopted as the order of this Board.*

**Background**

As set forth in the recitals of the proposed form of agreed final order, Marbach Manor, a 123 unit multifamily rental rehab in San Antonio, funded with an 1996 allocation of \$129,115 in low income housing tax credits, has had a lengthy and significant history of non-compliance including numerous health and safety violations. David Starr, the person responsible to the Department for the operation of Marbach Manor in accordance with the requirements of the recorded land use restriction agreement, has not, despite repeated notices and other efforts to obtain corrective action, addressed these cited issues. The property is no longer owned by him, but staff believes that the significance of these issues merits debarment in accordance with the Department's rules and the attached agreed final order has been negotiated with him through his counsel.

**IN THE MATTER  
OF  
THE DEPARTMENT OF  
DAVID STARR**

§  
§  
§  
§  
§

**BEFORE THE  
TEXAS DEPARTMENT OF  
HOUSING AND COMMUNITY  
AFFAIRS**

**AGREED FINAL ORDER OF DEBARMENT**

On this 17, day of December, 2010, the Texas Department of Housing and Community Affairs (“TDHCA” or “Department”) considered the matter of the debarment of David Starr for numerous serious safety, sanitary and repair violations at Marbach Manor, a 123 unit property located at 7203 Marbach Rd. in San Antonio, Bexar County, Texas (the “Property”), formerly owned by MARBACH PARTNERS, LP, a limited partnership.

This Agreed Final Order of Debarment (“Order”) is executed pursuant to authority granted in the Texas Government Code, Chapter 2306.6721, which requires the Governing Board of TDHCA (the “Board”) to adopt a policy providing for the debarment of a person from participation in the Low Income Housing Tax Credit Program based on the person’s past failure to comply with any condition imposed by TDHCA in connection with the allocation of housing tax credits. The policy was adopted by the Board and is set forth in 10 TAC §1.20(g).

In a desire to conclude this matter without further delay and expense, David Starr and the Department agree to resolve the matter by this Order.

Upon investigation and recommendation of the Review Committee constituted by rule of the Department in 10 TAC §1.20, and appointed by the Executive Director of TDHCA, the Board makes the following findings of fact and conclusions of law and enters this Order:

**FINDINGS OF FACT**

1. The Property, owned by Marbach Partners, LP, a Texas limited partnership, is subject to a Land Use Restriction Agreement (“LURA”) signed and filed by TDHCA in consideration for an allocation of \$ 1,291,150.00 in Low Income Housing Tax Credits.
2. On inspection of the Property on 5/30/2008, the Department identified multiple instances of non-compliance with the Uniform Physical Condition Standards incorporated in the Department rules. A copy of the report on the inspection was mailed to David Starr by the Compliance and Asset Oversight Division (formerly the Portfolio Management and Compliance Division) of TDHCA (“CAO”) on June 25, 2008. In conformance with 10 TAC §60.117, this notice established a 90 day corrective action deadline of September 23, 2008 which was later extended to December 23, 2008, providing David Starr a reasonable opportunity to respond to the report and bring the property into compliance.
3. The report alleged that the Property had numerous serious safety, sanitary and repair problems in violation of 10 TAC §60.116, 10 TAC §60.303 and the LURA.

4. The Enforcement Committee appointed by the Executive Director of TDHCA held an informal conference with David Starr, authorized representative for Marbach Partners, LP, on June 11, 2009. Also present were attorneys, Ralph Lopez and Steven Berman, along with Jonathan Starr, Matthew Starr, John Condit, Mike Goodwin and Louis Saenz. Enforcement Committee members, Tim Irvine, Michael DeYoung, Amy Morehouse and Larkin Tackett, were present. Kevin Hamby, TDHCA's General Counsel, was in attendance.
5. In July, 2009 TDHCA offered an Agreed Final Order to David Starr settling the issues of compliance and administrative penalties.
6. On November 24, 2009, a representative of Marbach Manor, LP advised that the limited partners of Marbach Manor, L.P., would not consent to the Agreed Final Order and that the property was scheduled for foreclosure.
7. On February 2, 2010, Property was sold at foreclosure by San Antonio Housing Finance Corporation and purchased at the sale by Agape for the sum of \$1,230,000.00.
8. On August 6, 2010, Agape sold the property to Marbach Manor Apartments, Ltd.
9. On September 20, 2010, the Review Committee discussed a recommendation by the Compliance and Asset Oversight Division for the debarment of Mr. Starr for maintaining multiple uncorrected conditions of material noncompliance for more than six months, which carries a debarment term between 1 and 5 years according to 10 TAC §1.20(g)(2)(D).
10. On September 22, 2010, Patricia Murphy, Chief of the Compliance and Asset Oversight Division, notified Mr. Starr of the recommended debarment.
11. Mr. Starr no longer operates the Property but accepts the legal responsibility to TDHCA for causing the non-compliance cited above.

### **CONCLUSIONS OF LAW**

1. David Starr is subject to the jurisdiction of this Board and is required to comply with TDHCA Rules and the LURA.
2. Pursuant to Tex. Gov't Code §2306.6721, and 10 TAC §1.20(g) and based on the noncompliance cited above, the Board is authorized to debar David Starr.

**NOW, THEREFORE**, the Texas Department of Housing and Community Affairs, acting by and through its Governing Board, **HEREBY ORDERS** that:

1. David Starr is debarred from participating in the Department's Low-Income Housing Tax Credit Programs for a period of five years to commence upon the date this order is fully executed by all parties;
2. In four years from the commencement of the debarment period, David Starr may petition the Review Committee, or its successor authority, to have the debarment terminated if the following conditions are met:
  - a. The application to terminate the debarment is filed in conjunction with an application for low-income housing tax credits from TDHCA;
  - b. With the application for tax credits or an award, David Starr provides a letter of credit or performance bond, suitable to the Department in its sole discretion, covering any compliance or payment obligations to the Department on account of the requested allocation or award; and
  - c. Any other properties subject to the jurisdiction of the Department and that involve David Starr, in any capacity, must have remained in compliance during the previous four year period;

Any reinstatement is at the discretion of the Review Committee or its successor, and subject to the final approval of the Board.

3. The terms of this Order will be published on the TDHCA website under Board Resolutions.
4. Upon approval by the Board, the Chair of the Board and the Secretary of the Board are authorized to sign this Order.

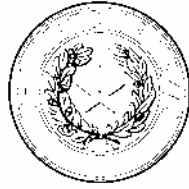
By signing and entering into this Order, David Starr:

1. represents and warrants to TDHCA that he has been represented and advised by legal counsel of his choosing and is entering into this Order voluntarily and knowingly;
2. agrees to the terms of this Order, acknowledges understanding of it and agrees that he will satisfactorily comply with the mandates of this Order in a timely manner;
3. waives its right to any and all formal hearings, rights of appeal, and any right to judicial review of this Order and agrees that this Order shall, upon execution by the parties, become a final and non-appealable order of TDHCA;
4. This Order shall be governed by the laws of the State of Texas; and
5. Venue for any suit or other action to enforce this Order lies exclusively in the District Court of Travis County, Texas.





# REPORT ITEMS



TEXAS DEPARTMENT OF HOUSING AND COMMUNITY AFFAIRS

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**Memorandum**

**To:** Michael Gerber  
**From:** Gordon Anderson  
**cc:** Tim Irvine, Michael Lyttle  
**Date:** December 7, 2010  
**Re:** TDHCA Outreach Activities

The attached document highlights outreach activities on the part of TDHCA staff for the month November 2010. The information provided focuses primarily on activities Executive and staff have taken on voluntarily; however, also included are mandated activities such as TEFRA and tax credit public hearings. This list may not account for every activity undertaken by staff, as there may be a limited number of events not brought to my attention.

For brevity sake, the chart provides the name of the event, its location, the date of the event, division(s) participating in the event, and an explanation of what role staff played in the event. Should you wish to obtain additional details regarding these events, I will be happy to provide you with this information.

## TDHCA Outreach Activities, November 2010

*A compilation of activities designed to increase the awareness of TDHCA programs and services or increase the visibility of the Department among key stakeholder groups and the general public*

<b>Event</b>	<b>Location</b>	<b>Date</b>	<b>Division</b>	<b>Purpose</b>
Housing & Health Services Coordination Council (HHSCC) Meeting	Austin	November 1	Housing Resource Center	Participant
HHSCC/Cross-Agency Education & Training Committee Meeting	Austin	November 1	Housing Resource Center	Participant
HHSCC/Policy & Barriers Committee Meeting	Austin	November 1	Housing Resource Center	Participant
“United Texas: Housing Initiatives that Work” Realtor Training	Dallas	November 1	Homeownership	Training
Contract for Deed Conversion Stakeholder Roundtable	Harlingen	November 2	Executive, HOME	Roundtable Hearing
Joint Rural Housing Workgroup/Disability Advisory Workgroup	Austin	November 2	Housing Resource Center	Participant
Community Resource Coordination Group Training Institute	Austin	November 2	Housing Resource Center	Presentation
HOME Homebuyer Assistance Training	Rockwall	November 3-4	HOME	Training
First Thursday Income Eligibility Training Workshop	Austin	November 4	Compliance & Asset Oversight	Training
Contract for Deed Conversion Stakeholder Roundtable	El Paso	November 4	Executive, HOME	Roundtable Hearing
Association of Rural Communities in Texas/Regional Conference	Mount Vernon	November 4	Housing Resource Center	Presentation
Mental Health Planning Advisory Commission Meeting	Austin	November 4	Housing Resource Center	Participant
MCC Lender Training	Houston	November 4	Homeownership	Training
HOME Homeowner Rehabilitation Training	Rio Grande City	November 4-5	HOME	Training
Mental Health Planning Advisory Committee	Austin	November 5	Housing Resource Center	Participant
Housing Trust Fund Technical Assistance visit/Austin Habitat	Austin	November 5	Housing Trust Fund	Capacity Building
HOME Homebuyer Assistance Stakeholder Roundtable	Austin	November 5	Executive, HOME	Roundtable Hearing
Amy Young Barrier Removal Program/Admin Training	Austin	November 8	Housing Trust Fund	Training
Amy Young Barrier Removal Program Roundtable	Austin	November 9	Housing Trust Fund	Roundtable Hearing
Capacity Building Roundtable	Austin	November 9	Housing Trust Fund	Roundtable Hearing
National Assoc. of Professional Mortgage Women’s Luncheon	San Antonio	November 10	Homeownership	Presentation
Association of Rural Communities in Texas/Regional Summit	Cleveland	November 10	Housing Resource Center	Presentation
First Thursday Income Eligibility Training Workshop	Fort Worth	November 10	Compliance & Asset Oversight	Training
Housing Tax Credit Training Workshop	Fort Worth	November 11	Compliance & Asset Oversight	Training
Amy Young Barrier Removal Program/Admin Training	Austin	November 12	Housing Trust Fund	Training
HOME Homeowner Rehabilitation Training	Morton	November 15	HOME	Training

<b>Event</b>	<b>Location</b>	<b>Date</b>	<b>Division</b>	<b>Purpose</b>
Texas Mortgage Bankers Association Annual Educational Seminar	Houston	November 15-16	Homeownership	Exhibitor
HOME Homeowner Rehabilitation Training	Brownfield	November 16	HOME	Training
Housing Tax Credit Training Workshop	Austin	November 16	Compliance & Asset Oversight	Training
Texas Foreclosure Prevention Task Force/Counselor Reception	Dallas	November 17	Executive	Remarks
AI Task Force Meeting	Houston	November 18	Executive, Disaster Recovery	Participant
Grand Opening/Peachtree Seniors	Balch Springs	November 22	Multifamily Finance	Remarks, Participant
Grand Opening/Orange Navy Homes II	Orange	November 23	Executive, Public Affairs	Remarks, Participant
“United Texas: Housing Initiatives that Work” Realtor Training	Houston	November 30	Homeownership	Training
NSP Homebuyer Training	Austin	November 30	Neighborhood Stabilization Program	Training



**Rebuilding Texas: Disaster Recovery from Hurricanes Rita and Katrina**

**Hurricane Rita First Supplemental (\$74.5 million) - Public Law 109-148**

Referred to as Round 1, these funds represent the first of two awards to help restore and rebuild in areas of the State most directly impacted by Hurricane Rita. These funds are administered by regional Council of Governments.

**Construction Activities Complete September 30, 2010**

- 531 single family homes rehabilitated or reconstructed

**Financial Summary**

	<b>Current Budget</b>	<b>Cumulative Expenditures</b>	<b>Balance Remaining</b>	<b>Percentage Expended</b>
<b>Deep East Texas Council of Governments</b>	\$6,674,546.00	\$6,674,546.00	\$0.00	100.00%
<b>Houston-Galveston Area Council</b>	\$6,657,096.00	\$6,583,618.90	\$73,477.10	98.90%
<b>SETRPC</b>	\$27,421,536.00	\$26,571,811.19	\$849,724.81	96.90%
<b>Admin Funds</b>	\$1,406,920.00	\$1,406,920.00	\$0.00	100.00%
<b>Totals</b>	<b>\$42,160,098.00</b>	<b>\$41,236,896.09</b>	<b>\$923,201.91</b>	<b>97.81%</b>

*\* The approximate balance remaining of 1,114,288.91, less funding reserved by TDHCA to pay for flood insurance premiums on thirty loan applicants, includes \$218,087 in unobligated funds and is expected to be transferred from Rita Round 1 to serve additional applicants within the State Homeowner Assistance Program.*

**Hurricanes Rita and Katrina 2<sup>nd</sup> Supplemental (\$428.6 million) - Public Law 109-234**

The 2nd Supplemental is referred to as Round 2 and is the second allocation of CDBG funding to help restore and rebuild in areas of the State most directly impacted by Hurricane Rita. These funds also address needs of Katrina evacuees in Houston and Harris County.

**Construction Activities as of December 9, 2010**

**Homeowner Program**

- 2336 homes rehabilitated or reconstructed
- 129 homes currently under construction

**Rental Program**

- 1,083 rental units have been rehabilitated or reconstructed
- 794 rental units are currently under construction

**Financial Summary**

	<b>Current Budget</b>	<b>Cumulative Expenditures</b>	<b>Balance Remaining</b>	<b>Percentage Expended</b>
<b>Homeowner Assistance Program (HAP)</b>	\$210,371,273.00	\$192,444,172.26	\$17,927,100.74	91.48%
<b>Sabine Pass Restoration Program (SPRP)</b>	\$12,000,000.00	\$9,785,845.41	\$2,214,154.59	81.55%
<b>Rental Housing Stock Restoration Program (RHSRP)</b>	\$82,779,333.00	\$81,118,294.12	\$1,661,038.88	97.99%
<b>City of Houston</b>	\$41,500,000.00	\$32,134,398.28	\$9,365,601.72	77.43%
<b>Harris County</b>	\$17,313,240.00	\$12,177,137.90	\$7,822,862.10	60.89%
<b>Restoration of Critical Infrastructure Program (TDRA)</b>	\$42,000,000.00	\$34,176,871.27	\$7,823,128.73	81.37%
<b>State Administrative Funds (Admin Funds)</b>	\$19,799,254.00	\$12,651,739.73	\$7,281,852.27	63.47%
<b>Grand Total</b>	<b>\$425,763,100.00</b>	<b>\$374,488,458.97</b>	<b>\$54,095,739.03</b>	<b>87.38%</b>

*\* There are unobligated funds in the amount of \$2,908,749.00 that are expected to be transferred to serve additional applicants within the State Homeowner Assistance Program.*

## ACS contract modification update

The ACS amendment discussed with the Board has been completed. The contract is scheduled for completion on December 31, 2010, with a brief extension to allow for the completion of 25 homes by January 2011.

Staff will execute the Maximization Fund amendment with ACS to utilize deobligated and unutilized funds from other Rita programs that are being transferred to further the recovery of homeowners impacted by Hurricane Rita.

## Rebuilding Texas: Disaster Recovery from Hurricanes Ike and Dolly

### Hurricane Ike and Dolly First Allocation (\$1.3 billion) - Public Law 110-329

The Texas Department of Housing and Community Affairs (Department/TDHCA) has awarded \$621,448,377 for housing activities related to CDBG Disaster Recovery Funding in the hurricane impacted areas with reported housing damage. This funding is comprised of \$562,613,464 that has been awarded to 18 Subrecipients and \$59,926,832 for rental set-aside.

### Construction Activities as of December 9, 2010

#### Rental Program

- Over \$59 million has been awarded to 13 multifamily developments in the hurricane impacted areas.
- 1,857 rental units are anticipated to be rehabilitated or reconstructed by the Ike awardees; 76 rental units are anticipated in the Dolly area.

#### Subrecipient Program

- Nine of the 18 Subrecipients have projects underway, including assistance to 265 homebuyers and approval for repairs to 74 homes.

### Financial Summary

Subrecipient Awards	Current Budget	Cumulative Expenditures	Balance Remaining	Percentage Expended
City of Galveston	\$160,432,233.00	\$ 2,417,982.42	\$158,014,250.58	1.51%
Galveston County	\$99,503,498.00	\$ 5,684,948.00	\$ 93,818,550.00	5.71%
South East Texas Regional Planning Commission	\$95,000,000.00	\$ 1,097,038.09	\$ 93,902,961.91	1.15%
City of Houston	\$87,256,565.00	\$20,246,782.84	\$ 67,009,782.16	23.20%
Harris County	\$56,277,229.00	\$ 5,390,342.90	\$ 50,886,886.10	9.58%
Houston-Galveston Area Council	\$11,076,980.00	\$ -	\$ 11,076,980.00	0.00%
Liberty County	\$8,878,923.00	\$ 330,005.25	\$ 8,548,917.75	3.72%
Montgomery County	\$6,909,237.00	\$ 189,859.29	\$ 6,719,377.71	2.75%
Deep East Texas Council of Governments	\$5,931,070.00	\$ 187,317.73	\$ 5,743,752.27	3.16%
Cameron County	\$3,093,750.00	\$ -	\$ 3,093,750.00	0.00%
Hidalgo County	\$2,000,000.00	\$ 104,014.15	\$ 1,895,985.85	5.20%
City of Brownsville	\$1,635,318.00	\$ -	\$ 1,635,318.00	0.00%
Fort Bend County	\$1,582,107.00	\$ 19,479.00	\$ 1,562,628.00	1.23%
Brazos Valley Affordable Housing Corporation	\$948,930.00	\$ -	\$ 948,930.00	0.00%
Willacy County	\$ 541,287.00	\$ -	\$ 541,287.00	0.00%
East Texas Council of Governments	\$ 415,117.00	\$ 19,055.55	\$ 396,061.45	4.59%
City of Mission	\$ 209,638.00	\$ 25,812.14	\$ 183,825.86	12.31%
Chambers County	\$ 20,921,582.00	\$ -	\$ 20,921,582.00	0.00%
<b>Total:</b>	<b>\$562,613,464.00</b>	<b>\$35,712,637.36</b>	<b>\$526,900,826.64</b>	<b>6.35%</b>

**Summary of Homeowner Assistance Activities**

<b>Total Applicants</b>	<b>Ineligible</b>	<b>Eligibility Determined</b>	<b>Pending Environmental</b>	<b>Environmentally Cleared</b>	<b>Under Construction</b>	<b>Complete</b>
12,826	3,326	2,491	97	1094	57	12

<b>Multi-Family Awards</b>	<b>Current Budget</b>	<b>Cumulative Expenditures</b>	<b>Balance Remaining</b>	<b>Percentage Expended</b>
<b>Orange Navy II</b>	\$ 3,450,000.00	\$ 615,572.43	\$ 2,834,427.57	17.84 %
<b>Tidwell Estates</b>	\$ 277,676.00	\$ 0.00	\$ 277,676.00	0.00 %
<b>Beacon Bay Townhomes</b>	\$ 816,898.00	\$ 0.00	\$ 816,898.00	0.00 %
<b>2101 Church Street</b>	\$ 5,000,000.00	\$ 0.00	\$ 5,000,000.00	0.00 %
<b>Fountains of Westchase</b>	\$ 2,390,000.00	\$ 0.00	\$ 2,390,000.00	0.00 %
<b>Towers at Clear Lake</b>	\$ 5,000,000.00	\$ 0.00	\$ 5,000,000.00	0.00 %
<b>Union Acres</b>	\$ 3,003,389.00	\$ 0.00	\$ 3,003,389.00	0.00 %
<b>Champion Homes at Bay Walk</b>	\$ 5,000,000.00	\$ 0.00	\$ 5,000,000.00	0.00 %
<b>Champion Homes at Marina Landing</b>	\$ 10,000,000.00	\$ 0.00	\$ 10,000,000.00	0.00 %
<b>Lexington Square Apartments</b>	\$ 1,425,868.00	\$ 0.00	\$ 1,425,868.00	0.00 %
<b>Colony of Humble</b>	\$ 6,296,670.00	\$ 0.00	\$ 6,296,670.00	0.00 %
<b>Arthur Robinson Apartments</b>	\$ 10,000,000.00	\$ 0.00	\$ 10,000,000.00	0.00 %
<b>Countryside Village Apartments</b>	\$ 7,266,331.00	\$ 0.00	\$ 7,266,331.00	0.00 %
<b>Total:</b>	<b>\$ 59,926,832.00</b>	<b>\$ 615,572.43</b>	<b>\$ 59,311,259.57</b>	<b>1.03 %</b>

**Hurricane Ike and Dolly Second Allocation (\$1.7 billion) Public Law 110-329**

- There will be a Housing Guidelines committee meeting on Tuesday, December 14<sup>th</sup> in Houston.
- TDHCA reviewed the nine applications from COGs and Subrecipients for Ike/Dolly Round 2 Phase 1 funds, and is receiving additional information from applicants in anticipation of the December 17<sup>th</sup> board meeting.
- TDHCA has site visits with several of our Subrecipients in Galveston and the Valley scheduled for the upcoming week to discuss progress of Round 1 funding, and provide guidance and updates for Round 2 funding.



**DISASTER RECOVERY DIVISION**  
**BOARD ACTION REQUEST**  
**DECEMBER 17, 2010**

**Report Item**

Report on the Natural Disaster Housing Reconstruction Plan of the Natural Disaster Housing Reconstruction Advisory Committee.

**Background**

**Statutory Directive**

The Natural Disaster Housing Reconstruction Advisory Committee was created by the 81st Legislature's HB 2450, authored by Representative Craig Eiland and Representative Ryan Guillen, and sponsored by Senator Eddie Lucio Jr. The Advisory Committee members were appointed by the Executive Director of the Texas Department of Housing and Community Affairs (TDHCA) with the purpose of developing a Natural Disaster Housing Reconstruction Plan.

In the process of developing this plan, the advisory committee was tasked with the following duties:

- Evaluate economic circumstances of elderly, disabled, and low-income victims of natural disasters and develop models for providing affordable replacement housing;
- Evaluate existing systems of providing temporary housing to victims of natural disasters and develop alternative systems to increase efficiency and cost-effectiveness;
- Evaluate existing models for providing permanent replacement housing to victims of natural disasters;
- Design alternatives to existing models to improve the sustainability, affordability, desirability, and quality of housing rebuilt in the event of future natural disasters;
- Encourage the participation, coordination, and involvement of appropriate federal organizations; and
- Recommend programs for the rapid and efficient large-scale production of temporary and permanent replacement housing following a natural disaster.

**Committee Accomplishments**

From June to August of 2010, the Advisory Committee conducted a series of conference calls to deliberate on each of its legislatively appropriated duties and gather research on each topic. After discussing the key topics involved in reconstructing housing after a natural disaster, the Committee decided to hold three community roundtables in areas affected by recently federally declared natural disasters: Hurricanes Rita, Ike, and Dolly. The Committee completed the following community roundtable schedule:

- Harlingen Roundtable – Wednesday, August 25th, 2010, 11:00am – 1:00pm
- Houston Roundtable – Tuesday, August 31st, 2010, 10:30am – 1:00pm
- Galveston Roundtable – Thursday, September 2nd, 2010, 11:00am – 1:30pm

In order to get a clear understanding of current housing rebuilding activities after Hurricane Ike, the Galveston Community Roundtable was followed by a tour of a Hurricane Ike home in San Leon, TX. This was a modular home constructed by Oak Creek Homes and funded by the Galveston County Disaster Housing Department's allocation of Hurricane Ike Round 1 Community Development Block Grant funding.

Finally, during September and October of 2010, the Advisory Committee held two in-person meetings to formulate a set of recommendations for the Housing Reconstruction Plan, taking into account previous research gathering efforts and testimony heard during the community roundtables. After these meetings, staff compiled these recommendations and completed the full Housing Reconstruction Plan, which was then submitted to the Executive Director of the Texas Department of Housing and Community Affairs.

### **Contents of Natural Disaster Housing Reconstruction Plan**

The Natural Disaster Housing Reconstruction Plan is divided into seven chapters. The first two chapters look at temporary housing models for victims of natural disasters and the third chapter provides a case study of the obstacles to implementing models that can be transitioned from temporary to permanent housing. Next, Chapters Four and Five evaluate permanent housing models and alternatives to those models that could improve the sustainability, affordability, desirability, and quality of disaster housing. Chapter Six looks at the use of federal funding in promoting innovative solutions to housing reconstruction before and after a natural disaster. Finally, Chapter Seven provides recommendations for the rapid and efficient production of temporary and permanent replacement housing following a natural disaster. These recommendations are divided into pre-disaster and post-disaster recommendations.