

# **BOARD MEETING OF DECEMBER 15, 2011**

**J. Paul Ozer, Chair**



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

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

**A G E N D A**

**9:00 a.m.  
December 15, 2011**

Capitol Extension, E1.028  
1500 North Congress Ave.  
Austin, TX

CALL TO ORDER, ROLL CALL  
CERTIFICATION OF QUORUM

J. Paul Oxer, Chairman

*Pledge of Allegiance - I pledge allegiance to the flag of the United States of America, and to the republic for which it stands, one nation under God, indivisible, with liberty and justice for all.*

*Texas Allegiance - Honor the Texas flag; I pledge allegiance to thee, Texas, one state under God, one and indivisible.*

**PUBLIC COMMENT**

The Board will provide for public comment on each agenda item after the presentation made by the department staff and motions made by the Board. The Board will also solicit general public comment at the end of the meeting.

Presentation by BBC Consulting regarding the Phase 2 Analysis of Impediments to Fair Housing Choice for the State of Texas

**Brenda Hull**  
Dir. Program Services

Report on the modified and approved Qualified Allocation Plan (QAP)

**Cameron Dorsey**  
Dir. MF Finance

**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.

*Various action items below, (including consent agenda items and other items) relating to awards or other actions under different programs list specific applicants by name. These lists are informational and do not limit the Board's ability to take action with respect to others under the specific program action items.*

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

***Bond Finance***

- a) Presentation, Discussion, and Possible Action on Resolution 12-013 approving the Third Amendment to the Thirtieth Supplemental Residential Mortgage Revenue Bond Trust Indenture which includes modifications to the New Issue Bond Program including extension to December 31, 2012
- b) Presentation, Discussion, and Possible Action on Resolution 12-016 authorizing the conversion of the third tranche of the New Issue Bond Program 2009C (Program 77) and approval of the Single Family Residential Mortgage Revenue Bonds Special Advisor
- c) Presentation, Discussion, and Possible Action on Resolution No. 12-017 authorizing the extension of the Department's Warehousing Agreement including changes relating to the New Issue Bond Program (NIBP) extension

**Tim Nelson**  
Dir. Bond Finance

***Texas Homeownership Division***

- d) Presentation, Discussion, and Possible Action to publish a Request For Proposal (RFP) for Master Servicer for the Texas First Time Homebuyer Program

**Eric Pike**  
Dir. Texas Homeownership

**Compliance and Asset Oversight:**

**Patricia Murphy**  
Chief of Compliance and  
Asset Oversight

- e) Presentation, Discussion, and Possible Action regarding a Waiver Request of 10 TAC Chapter 60, §60.124(b) for Park Place Apartments
- f) Presentation, Discussion, and Possible Action on a material amendment to the Land Use Restriction Agreement for Villages at Snyder
- g) Presentation, Discussion, and Possible Action on a material amendment to the Land Use Restriction Agreement for Wahoo Frazier Townhomes, Monarch Townhomes, Lakeview Townhomes, Carroll Townhomes, Roseland Estates, Roseland Townhomes, and Frazier Fellowship

**HOME:**

**Sara Newsom**  
Dir. HOME Program

- h) Presentation, Discussion, and Possible Action to Approve Amendments to HOME Multifamily Development contracts:

1001002	FDI-Quail Run Apartments	Decatur
1001000	Brookhollow Manor	Brookshire

**Multifamily Division Items – Tax Credit Program:**

**Cameron Dorsey**  
Dir. MF Finance

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

060414	Gardens at Tomball	Houston
10178	Cypress Creek at Fayridge	Houston

**Neighborhood Stabilization Program:**

**Marni Holloway**  
Dir. Neighborhood  
Stabilization Program

- j) Presentation, Discussion, and Possible Action to approve the Neighborhood Stabilization Program – Program Income (NSP-PI) Reservation System Participants
- k) Presentation, Discussion, and Possible Action to approve a request for amendment to NSP Contract 77090000157 with Travis County Housing Finance Corporation

**ACTION ITEMS**

**Item 2: Executive**

**Tim Irvine**  
Executive Director

- a) Presentation, Discussion, and Possible Action regarding the Board Minute Summaries for November 10, 2011
- b) Presentation, Discussion, and Possible Adoption of Expanded clarification regarding actions taken to award forward commitments.

**J. Paul Oxeer,**  
Chairman

**Item 3: Appeals:**

**Cameron Dorsey**  
Dir. MF Finance

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

11203	Woodside Apartments	McKinney
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Appeals Timely Filed

- b) Presentation, Discussion, and Possible Action on Neighborhood Stabilization Program Appeals:

**Tom Gouris**  
DED Housing Programs

Appeals Timely Filed

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

**Sara Newsom**  
Dir. HOME Program

Appeals Timely Filed

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

**Brent Stewart**  
Dir. Real Estate Analysis

Appeals Timely Filed

**Item 4: Bond Finance:**

**Tim Nelson**  
Dir. Bond Finance

- a) Presentation, Discussion, and Possible Action on Resolution No. 12-014 authorizing the execution of a Universal Cap Escrow Agreement relating to Residential Mortgage Revenue Bonds, Series 2009A/B
- b) Presentation, Discussion, and Possible Action of Resolution 12-015 authorizing the Sale of Certain Mortgage Loans under the Residential Mortgage Revenue Bond Trust Indenture

**Item 5: Texas Homeownership Division:**

**Eric Pike**  
Dir. Texas Homeownership  
Division

Presentation, Discussion, and Possible Action to publish a Request For Proposal (RFP) for a Market Rate Ginnie Mae (GNMA) Program Administrator for the Texas First Time Homebuyer Program

**Item 6: Rules:**

**Patricia Murphy**  
Chief of Compliance and  
Asset Oversight

- a) Presentation, Discussion, and Possible Action to publish a proposed new rule §1.25 for implementing Right of First Refusal at Fair Market Value, for public comment in the *Texas Register*
- b) Presentation, Discussion, and Possible Action to publish proposed amendments to 10 TAC §1.9, Qualified Contract Policy, for public comment in the *Texas Register*

**Michael DeYoung**  
Dir. Community Affairs

- c) Presentation, Discussion, and Possible Action of a final order adopting amendments to 10 TAC Chapter 5, Subchapter D §§5.402, 5.405 – 5.408, 5.422 – 5.424, and 5.431; and the repeal of §5.426, concerning the Comprehensive Energy Assistance Program (CEAP) relating to the Heating and Cooling Component, for publication in the *Texas Register*

**Item 7: Community Affairs:**

**Michael DeYoung**  
Dir. Community Affairs

- a) Presentation, Discussion, and Possible Action to authorize PY 2012 Comprehensive Energy Assistance Program (CEAP) awards
- b) Presentation, Discussion, and Possible Action to authorize PY 2012 Community Services Block Grant (CSBG) awards
- c) Presentation, Discussion, and Possible Action on Approving Program Year 2011 Emergency Solutions Grant Program awards 2nd allotment

**Item 8: Compliance and Asset Oversight:**

**Patricia Murphy**  
Chief of Compliance and  
Asset Oversight

- a) Presentation, Discussion, and Possible Action on Sheltering A Nation's request for reinstatement under of 10 TAC Chapter 60, §60.128
- b) Presentation, Discussion, and Possible Action on Spectrum Housing Corporation's request for reinstatement under of 10 TAC Chapter 60, §60.128

**Item 9: Housing Resource Center:**

**Elizabeth Yevich**  
Dir. Housing Resource  
Center

Presentation, Discussion, and Possible Action on the 2012 State of Texas Low Income Housing Plan and Annual Report (Draft for Public Comment), and proposed amendment to 10 TAC §1.23 2012 State of Texas Low Income Housing Plan and Annual Report (SLIHP), Adoption by Reference, for public comment

**Item 10: Multifamily Division Items – Tax Credit Program:**

**Cameron Dorsey**  
Dir. MF Finance

- a) Presentation, Discussion, and Possible Action on Housing Tax Credit Program Extensions

10096	The Orchards at Westchase	Houston
10220	Casa Ricardo	Kingsville
10266	Travis Street Plaza	Houston

- b) Presentation, Discussion, and Possible Action on a Determination Notice for Housing Tax Credits with another Issuer

i.	11402	Fox Run Orange, Orange County Sabine-Neches Housing Finance Corporation Requested Credit Amount \$277,486
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- ii. 11403 Village of Kaufman  
Kaufman, Kaufman County  
North Central Texas Housing Finance Corporation  
Requested Credit Amount \$182,429
- iii. 11404 Buckeye Trail Commons  
Dallas, Dallas County  
Housing Options, Inc.  
Requested Credit Amount \$1,087,609
- iv. 11405 Buckeye Trail Commons II  
Dallas, Dallas County  
Housing Options, Inc.  
Requested Credit Amount \$576,007

**Item 11: Board:**

Action on any items coming out of Executive Session

**REPORT ITEMS**

- 1. Status report on the Housing Tax Credit Exchange Program and Portfolio **Cameron Dorsey**  
Dir. MF Finance
- 2. Status Report on the Implementation of the American Recovery and Reinvestment Act of 2009 (Recovery Act) **Brooke Boston**  
DED Community Based Program
- 3. Status Report on the approval of HOME Program Reservation System Participants **Sara Newsom**  
Dir. HOME program
- 4. TDHCA Outreach Activities, November 2011 **Michael Lyttle**  
Dir. Policy & Public Affairs

**EXECUTIVE SESSION**

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

**J. Paul Oxer**  
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 including, specifically, the performance evaluation of the Internal Auditor.
- 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) *Heston Emergency Housing, LP and Naji Al-Fouzan vs. Texas Department of Housing and Community Affairs, Michael Gerber, Martin Rivera, Jr., Marisa Callan, and Timothy Irvine; Civil Action No.*
  - c) *Claim of Gladys House filed with the EEOC;*
  - d) *Complaint of James Reedom filed with U.S. HHS/OCR ( No. 09-99008)*
  - e) *TDHCA v. William Ross & Susan Ross; Cause No. D-1-GN-11-002226, filed in district court, Travis County*
- 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 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.
- 5. Pursuant to Tex. Gov't. Code, §2306.039(c) the Department's internal auditor, fraud prevention coordinator or ethics advisor may meet in an executive session of the Board to discuss issues related to fraud, waste or abuse.

**OPEN SESSION**

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

## **ADJOURN**

*To access this agenda & 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, 512-475-3930 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.*

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## **PROGRAM SERVICES**

**PRESENTATION  
December 15, 2011**

### **Presentation Item**

Presentation by BBC Consulting regarding the Phase 2 Analysis of Impediments to Fair Housing Choice for the State of Texas

### **Background**

Staff conducted a procurement process to select a qualified firm with experience in the development of Analyses of Impediments (AI) to prepare the Phase 2 AI for the State of Texas and has entered into a contract with the highest ranking firm that responded to #332-RFP12-1001: BBC Research & Consulting, Inc. (BBC). BBC has experience in the development of over thirty (30) AIs, as well as extensive consolidated planning, housing strategy, and market study experience with a focus on planning and zoning, socioeconomic and housing analysis, and regulatory and public service reviews. The BBC team also has a considerable amount of experience working in the State of Texas, including the completion of housing studies for Arlington, Austin, Carrollton, Frisco, Garland, Lubbock, McKinney, Odessa, as well as water and transportation studies for the Texas Water Development Board and Texas Department of Transportation. Together, the BBC team has more than ten (10) years of experience conducting AIs and has developed a good working relationship with several cities and agencies in the state, as well as with the US Department of Housing and Urban Development (HUD).

Although preliminary work on the AI has already begun, in-depth research and widespread outreach will begin early next year. The timeline for the Phase 2 AI anticipates the submission of a final report to HUD in December 2012.

Staff is confident that BBC Research & Consulting will deliver a Phase 2 AI for the State of Texas that will be fully inclusive, comprehensive, and will include realistic and actionable recommendations to address fair housing barriers in Texas.



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**MULTIFAMILY FINANCE DIVISION**

**BOARD REPORT ITEM**

**December 15, 2011**

**REPORT ITEM**

Status report on the 2012 – 2013 Qualified Allocation Plan (QAP) as modified and approved by the Governor on November 30, 2011.

**BACKGROUND**

On November 10, 2011, the Board approved the order for final adoption of the 2012 – 2013 QAP, with changes from what was posted in the board book, consistent with public comment at the Board meeting and the QAP was sent to the Governor, as required by TEX. GOV'T. CODE, §2306.6724. The changes made by the Board included the following:

- **§50.4(d)(16) – Mandatory Development Amenities** – removed the requirement for fire sprinklers since this is typically dictated by local building code requirements;
- **§50.6(f)(1)(B) – Tie Breaker Factors** – Modified the second tie breaker to the amount of tax credits requested per Bedroom, based on 1.5 people per Bedroom;
- **§50.8(3) – Rehabilitation Costs** – Reduced the threshold from \$25,000/Unit to \$15,000/Unit for Developments less than 25 years old that are financed utilizing the 4% Housing Tax Credit (HTC). Developments submitted under the Competitive HTC Ceiling must meet the \$25,000/Unit as well as 4% HTC Developments more than 25 years old;
- **§50.8(8)(B) – Zoning** – Modified the language so that areas with no zoning ordinance will need to provide a letter from the municipality stating there is no zoning ordinance; however, for Developments located specifically in Harris County the letter must state the Development is not prohibited by any local housing policy adopted by that municipality;
- **§50.9(b)(2) – Quantifiable Community Participation** – increased the point value for areas that do not have Neighborhood Organizations from 16 points to 18 points and removed the ability of the Applicant to provide limited technical assistance;
- **§50.9(b)(5) – Unit of General Local Government Funding** – Reduced the below market interest rate from 150 basis points to 100 basis points; modified the language for the location of the Unit of General Local Government from “headquarters in the same county or a contiguous county” to the “jurisdiction as established in accordance with the statutory requirements”; modified the source of funds to apply to only the low income units in the Development, not total units;

- **§50.9(b)(12) - Leveraging of Private, State and Federal Scoring Items**  
– Reduced the below market interest rate from 150 basis points to 100 basis points; and
- **§50.9(b)(16) – Development Location** – modified the point differential on Qualified Elderly Developments in a High Opportunity Area from 2 points to 3 points.

Following Board approval, staff submitted the 2012 – 2013 QAP with the Board approved changes noted above to the Governor’s office on November 15, 2011, for the Governor to approve, reject, or modify and approve. The Governor approved the QAP with modifications to the following areas:

- **§50.10(c) – Forward Commitments** – this section has been removed in its entirety thereby removing the Board’s ability to issue Forward Commitments. All references throughout the QAP relating to forward commitments have also been removed.
- **§50.16(a) – Waiver and Amendment of Rules** – this section has been modified to reflect that waivers may not be granted to provide forward commitments and also include other general provisions.

The Governor’s letter, a clean version, and a black lined version of the QAP are posted on the Department’s web site at <http://www.tdhca.state.tx.us/multifamily/htc/index.htm>. Staff has incorporated these changes along with technical corrections and has submitted the modified and approved QAP to the *Texas Register*. Once the *Texas Register* has reviewed and provided any additional technical edits, where necessary, the 2012 – 2013 QAP will be published in the *Texas Register* and posted on the Department’s website. Staff anticipates posting the Final QAP along with other multifamily rules applicable to the Housing Tax Credit and Private Activity Bond programs no later than December 19, 2011.

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**BOND FINANCE DIVISION**  
**BOARD ACTION REQUEST**  
**DECEMBER 15, 2011**

Presentation, Discussion, and Possible Action on Resolution 12-013 approving the Third Amendment to the Thirtieth Supplemental Residential Mortgage Revenue Bond Trust Indenture which includes modifications to the New Issue Bond Program including extension to December 31, 2012.

**RECOMMENDED ACTION**

Approve Resolution 12-013 approving the Second Amendment to the Thirtieth Supplemental Residential Mortgage Revenue Bond Trust Indenture which includes modifications to the New Issue Bond Program.

**WHEREAS**, the Department issued, under the federal government's New Issue Bond Program ("NIBP"), its Residential Mortgage Revenue Bonds, Series 2009C pursuant to the RMRB Indenture and the Thirtieth Supplemental Residential Mortgage Revenue Bond Trust Indenture dated as of December 1, 2009; and

**WHEREAS**, the Board approved Resolution 11-007 on November 10, 2010, approving the First Amendment to the Thirtieth Supplemental Residential Mortgage Revenue Bond Trust Indenture which includes modifications to the New Issue Bond Program; and

**WHEREAS**, by resolution adopted on the date hereof, the board authorized the conversion of a portion of the Series 2009C Bonds pursuant to the Second Amendment to the Thirtieth Supplement; and

**RESOLVED**, that as approved and presented at the TDHCA Board meeting, the Department is hereby authorized to execute the Third Amendment to the Thirtieth Supplemental Residential Mortgage Revenue Bond Trust Indenture.

**BACKGROUND**

As part of the U.S. Department of the Treasury's comprehensive plan to stabilize the housing market, the Homeowner Affordability and Stability Plan was announced on October 19, 2009, for state and local housing finance agencies (HFAs) that will 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 Board Meeting of November 9, 2009, 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, 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. On September 9, 2010, the Department executed an election letter accepting changes to the program and now must adopt the First Amendment which includes modifications to the Thirtieth Supplemental Residential Mortgage Revenue Bond Trust Indenture.

Treasury announced on November 23, 2011, an additional extension of the NIBP Program. Modifications to the program include an extension of the escrow draw period from December 31, 2011 to December 31, 2012; revisions to the rate setting mechanisms; and an increase in the number of draws on the program from six to nine. On December 9, 2011, the Department executed an election letter accepting the changes to the program and now must adopt the Second Amendment which includes modifications to the Thirtieth Supplemental Residential Mortgage Revenue Bond Trust Indenture.

**Resolution No. 12-013**

RESOLUTION AUTHORIZING THE EXECUTION AND DELIVERY OF A THIRD AMENDMENT TO THIRTIETH SUPPLEMENTAL RESIDENTIAL MORTGAGE REVENUE BOND TRUST INDENTURE RELATING TO THE TEXAS DEPARTMENT OF HOUSING AND COMMUNITY AFFAIRS RESIDENTIAL MORTGAGE REVENUE BONDS, SERIES 2009C; AUTHORIZING THE EXECUTION OF DOCUMENTS AND INSTRUMENTS RELATING TO THE FOREGOING; 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 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 Thirty-Second 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, by resolution adopted on the date hereof, the Governing Board has authorized the conversion of a portion of the Series 2009C Bonds to tax-exempt bonds and the release of the proceeds thereof from escrow and in connection therewith has authorized the execution and delivery of a Second Amendment to the Thirtieth Series Supplement, which conversion and release are expected to close on December 21, 2011; and

WHEREAS, the Department now desires to further amend the Thirtieth Series Supplement in order to enhance Mortgage Loan prospects by implementing the extension of NIBP to December 31, 2012 and certain additional modifications made to the NIBP announced by the United States Department of the Treasury on November 23, 2011 (collectively, the “NIBP Modifications”); and

WHEREAS, the Governing Board desires to authorize the use of up to \$400,000 of Department funds for payment of costs relating to the NIBP Modifications; and

WHEREAS, the Department desires to effectuate the NIBP Modifications by entering into a Third Amendment to Thirtieth Supplemental Residential Mortgage Revenue Bond Trust Indenture that reflects the NIBP Modifications set forth in the NIBP Extension Term Sheet attached hereto as Exhibit A (the “Indenture Amendment”) with the Trustee with the consent of the owners of the Bonds; and

WHEREAS, the Governing Board has determined to authorize the execution and delivery of the Indenture Amendment and the taking of such other action as may be necessary or convenient in connection therewith;

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

Section 1. Definitions. Unless the context otherwise requires, the terms used herein shall have the meanings specified in the Thirtieth Series Supplement.

Section 2. Approval, Execution and Delivery of the Indenture Amendment. The Chair of the Governing Board or the Executive Director or Acting Director or the Chief of Agency Administration of the Department of the Issuer are hereby authorized to execute and deliver the Indenture Amendment to the Trustee, with such changes as the officer executing the same shall approve, such approval to be conclusively evidenced by such officer’s execution thereof.

Section 3. Execution and Delivery of Other Documents. The authorized representatives of the Department named in this Resolution each are hereby authorized to consent to, accept, execute, attest and affix the Department’s seal to such other certificates, documents, instruments, letters of instruction, 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 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 Indenture 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 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 Resolution: the Chair or Vice Chair of the Governing Board, the Executive Director or Acting Director of the Department, the Chief of Agency Administration of the Department, the Director of Bond Finance of the Department, the Director of Texas Homeownership of the Department and the Secretary or any Assistant Secretary to the Governing Board.

Section 6. Department Contribution. The contribution of Department funds in an amount not to exceed \$400,000 for payment of costs relating to the extension of NIBP and the NIBP Modifications is hereby authorized.

Section 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 NIBP Modifications, including the submission of the "Election Letter for Approved Modifications" are hereby approved.

Section 8. 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 9. Effective Date. This Resolution shall be in full force and effect from and upon its adoption.

*[Execution page follows]*

PASSED AND APPROVED this 15th day of December, 2011.

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Chair, Governing Board

ATTEST:

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Secretary to the Governing Board

(SEAL)

## EXHIBIT A

### **NIBP EXTENSION TERM SHEET**

#### **Overview**

Treasury and the GSEs have agreed to permit (i) the extension of the existing December 31, 2011 deadline for release of escrowed New Issue Bond Program (“NIBP”) funds and (ii) other modifications to the existing NIBP requirements subject to the terms and conditions described herein (collectively, the “Program Modifications”). Issuers that elect to avail themselves of the permitted extension (or that choose to implement the other permitted modifications to the NIBP) will be required to do so pursuant to amendments to the Related Documents approved or prescribed by Treasury and the GSEs and implemented prior to the earlier of (i) any mandatory redemption date of Program Bonds pursuant to Section 2.6(a) of the Indenture Appendices (as defined below) or (ii) any other action by an Issuer not currently authorized by the Related Documents.

This Term Sheet is intended only to provide a general outline of the contemplated Program Modifications, and is subject to modification at any time by Treasury and the GSEs. Capitalized terms used but not defined in this Term Sheet shall have the meanings assigned to such terms in the existing NIBP forms of Supplemental Indenture/Resolution Appendix for Use with Single Family Escrow Bonds, Single Family Small Issue Escrow Bonds or Multifamily Escrow Bonds, as the case may be (collectively, the “Indenture Appendices”).

#### **Term of Extension**

Issuers may, in accordance with the terms and conditions set forth herein, extend the deadline for release of Escrowed Proceeds from December 31, 2011 to December 31, 2012. The maturity date for all Converted Program Bonds may not be extended.

#### **Increase in Number of Permitted Release Dates**

Issuers opting to extend the deadline for release of Escrowed Proceeds will be allowed a total of 9 Release Dates for each Single Family and Multifamily program (including those provided for by the existing Related Documents).

#### **Revisions to Mechanism for Determining the NIBP Permanent Rate**

The interest rate payable by an Issuer relative to any Program Bond with a Release Date in 2012 shall be determined as follows:

***Determination of WAL-based Rate:*** The permanent interest rate on Program Bonds will be based on (i) the applicable credit-based Spread plus (ii) an index rate based on the weighted average life (the “WAL”) of the relevant Program Bonds. The WAL will be based on maturity and redemption schedules set forth in the applicable Program Bond Official Statement. Program Bond sinking fund schedules must be constructed with a zero prepayment assumption. The WAL will then be used to calculate two index rates based on the linear interpolation between an established 10-year Treasury rate and a 30-year “AAA” MMD\* rate interest rate as specified below.

**Annual Ceiling:** Each Issuer will have the opportunity to request a “Ceiling Rate Pair” for 2012 on any day between December 1, 2011 and December 9, 2011. The rates comprising the Ceiling Rate Pair will be set by taking the 10-year CMT and the 30-year “AAA” MMD\* from the close of business of the preceding business day. CMT rates are as published on the Treasury website and MMD rates are rates as published by Thomson Reuters daily. These two rates each increased by 60 basis points will collectively be known as the Ceiling Rate Pair. If an Issuer does not request a ceiling CMT lock between December 1, 2011 and December 9, 2011, the Ceiling Rate Pair recorded at the close of business on December 8, 2011 will be locked for that Issuer. Note: Neither rate in the Ceiling Rate Pair constitutes an absolute ceiling; the rates are inputs to the interpolation calculation described below.

All requests for a Ceiling Rate Pair should be made via e-mail to: HFAInitiative@SSgA.com, with a cc: to JPM.HFA@jpmorgan.com. SSgA will confirm the Ceiling Rate Pair that was locked within two (2) business days. All requests that are time-stamped by 11:59 p.m., Eastern Time, on a specific date will be honored.

**Final Rate Calculation:** Rate determination for 2012 Release Dates will proceed as follows:

Upon receipt of a Notification of Interest Rate Conversion or a Notification of Interest Rate Conversion/Redemption Certificate, SSgA will determine the “Notification Date Rate Pair” comprising the 10-year CMT and 30-year “AAA” MMD\* as of close of business on the previous business day.

The Issuer must submit a schedule of Program Bond maturities, mandatory redemptions and WAL, as certified by the Issuer, on or prior to the first business day at least nine (9) calendar days prior to the Release Date. The schedule submitted must reflect exactly the schedule that will be included in the relevant Program Bond Official Statement. On or prior to the first business day at least seven (7) calendar days prior to the Release Date, SSgA will notify the Issuer as to its Permanent Rate. The new “Permanent Rate” will be (i) the applicable Spread plus (ii) an index rate (R) to be found by calculating for both the Ceiling Rate Pair and the Notification Date Rate Pair the linearly interpolated point between the 10-year and 30-year rates in that pair utilizing the WAL. Specifically, for each of the two rate pairs, the interpolated index rate (exclusive of the Spread) will equal:

$$R = \frac{\text{WAL} - 10}{20} (\text{MMD}_{30} - \text{CMT}_{10}) + \text{CMT}_{10}$$

The index used will be the *lower* of that calculated from the Ceiling Rate Pair or Notification Date Rate Pair (rounded to the nearest basis point). If the WAL is less than 10 years, the index rate used will be the lower of the 10-year CMT rates from the Ceiling Rate Pair or Notification Date Rate Pair.

\*If on the date any rate pair is recorded, the 30-year “AAA” MMD rate is below the 10-year CMT or the 30-year CMT, the higher of the 10-year CMT and the 30-year CMT on such date will be

used in lieu of the 30-year “AAA” MMD.

### **Optional Issuance of Market Bonds**

Single Family Issuers releasing Escrowed Proceeds in 2012 will no longer be required to issue Market Bonds (although if Market Bonds are issued, they will be subject to the existing NIBP requirements regarding Market Bond maturity schedules and application of mortgage prepayments).

### **Addition of Issuer Escrow Redemption Fee**

Issuers will be subject to a new fee (equal to .30% per annum) on Escrowed Proceeds applied to the redemption of Program Bonds. Such fee shall accrue on an actual/actual basis commencing April 1, 2012, and shall be payable from funds of the Issuer on the date on which any Escrowed Proceeds are used to redeem Program Bonds between April 1, 2012 and the expiration of NIBP on December 31, 2012. Escrowed Proceeds which are applied to redemption of Program Bonds prior to April 1, 2012 or released at any time within NIBP requirements are **not** subject to the fee. The Participation Fee instituted in 2010 for certain Issuers will remain applicable.

### **Additional Fees**

Issuer’s participating in the extension described in this Term Sheet shall be required to pay the GSEs a to-be-determined fee to cover the expenses of the GSEs associated with the Program Modifications described herein, and shall be required to pay to-be-determined fees of GSE Special Closing Counsel relating to the review and approval of NIBP document amendments.

1b

**BOND FINANCE DIVISION**  
**BOARD ACTION REQUEST**  
**DECEMBER 15, 2011**

Presentation, Discussion, and Possible Action on Resolution 12-016 authorizing the conversion of the third tranche of the New Issue Bond Program 2009C (Program 77) and approval of the Single Family Residential Mortgage Revenue Bonds Special Advisor.

**RECOMMENDED ACTION**

Approve Resolution 12-016 authorizing the conversion of the third tranche of the New Issue Bond Program (NIBP) 2009C (Program 77) and approval of the Special Advisor.

**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 to acquire Mortgage Certificates; and

**WHEREAS**, the Board further desires to approve a Special Advisor for the Single Family Residential Mortgage Revenue Bonds for Bond Program 77; and

**RESOLVED**, that Resolution No. 12-016 is hereby adopted in the form presented to this meeting; and

**FURTHER RESOLVED**, that as approved and presented at the TDHCA Board meeting, the Department is hereby authorized to convert the third tranche of the New Issue Bond Program 2009C (Program 77).

**BACKGROUND**

As part of the U.S. Department of the Treasury's comprehensive plan to stabilize the housing market, on October 19, 2009 the Homeowner Affordability and Stability Plan was announced for state and local housing finance agencies (HFAs) that will 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 Board Meeting of November 9, 2009, 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 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 third conversion of an amount not to exceed \$75 million of NIBP bonds to tax-exempt conversion bonds. No market bonds will be issued in connection with this conversion.

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. The first tranche of the conversion of NIBP bonds was converted and closed on March 10, 2011, for \$150 million. The second tranche of the conversion of NIBP will be converted and closed on September 29, 2011, for \$150 million. All proceeds from the first tranche have been expended and as of November 30, 2011, \$150 million in mortgage loans have been committed to the second tranche and \$110 million have been pooled and purchased by the Warehouse Provider. It is anticipated that proceeds from the second tranche will be completely expended by March 1, 2012.

As required by state law, 30% of the Department's bond proceeds have been 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 have been 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 seventeen Commitment Lots with unassisted first-lien mortgage rates between 3.00% and 4.99% and assisted first-lien mortgage rates between 3.95% 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 650 new first-time homebuyers will be able to take advantage of this program.

Staff is also seeking approval today of George K. Baum & Company as the Special Advisor for the conversion of the third tranche. Since these term bonds will be converted under the New Issue Bond Program and no bonds will be sold to the market, TDHCA will not require a syndicate of Co-Senior or Co-Managers.

The following table provides certain key dates for this plan of finance.

<b>Program Schedule</b>	<b>Program 77</b>
TDHCA TEFRA Hearing	January 7, 2011
Texas Bond Review Board Approval Date	September 22, 2011
TDHCA Board Approval Date	December 15, 2011
Pricing Dates	Not Applicable
Execute Bond Purchase Agreement	Not Applicable
Pre-Closing/Closing Dates	December 20 – 21, 2011
TDHCA Board Approval Date (Approval of MBSs)	Spring 2012

## **Resolution No. 12-016**

RESOLUTION 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; APPROVING THE FORM AND SUBSTANCE AND AUTHORIZING THE EXECUTION AND DELIVERY OF THE SECOND AMENDMENT TO THIRTIETH SUPPLEMENTAL RESIDENTIAL MORTGAGE REVENUE BOND TRUST INDENTURE, THE ELEVENTH SUPPLEMENT TO AMENDED AND RESTATED DEPOSITORY AGREEMENT, THE CONTINUING DISCLOSURE AGREEMENT AND THE OFFICIAL STATEMENT SUPPLEMENT FOR THE CONVERTED 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, 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 currently amended by supplemental indentures numbered First through Thirty-Second 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, 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, under certain circumstances, 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 Department has previously issued two series of its Market Bonds in the aggregate principal amount of \$147,955,000 and in connection therewith has converted two tranches of Series 2009C Bonds to tax-exempt bonds and released the proceeds thereof from escrow in the aggregate principal amount of \$149,110,000 for the purpose of acquiring Mortgage Certificates under the Department's single family mortgage purchase program designated as "Bond Program 77" ("Program 77"); and

WHEREAS, the Governing Board now 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-3 Bonds") and to authorize the release of the proceeds of the Series 2009C-3 Bonds currently held in escrow to be used to acquire Mortgage Certificates under Program 77; and

WHEREAS, the Governing Board desires to authorize the execution and delivery of the Second Amendment to Thirtieth Supplemental Residential Mortgage Revenue Bond Trust Indenture (the "Amendment to Series Supplement") in substantially the form attached hereto relating to the Series 2009C-3 Bonds; and

WHEREAS, the Governing Board has determined to authorize the execution and delivery of an Eleventh 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 pertaining to the Series 2009C-3 Bonds; and

WHEREAS, the Governing Board desires to authorize the execution and delivery of a Continuing Disclosure Agreement relating to the Series 2009C-3 Bonds (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 an official statement supplement to be delivered to the owners of the Series 2009C-3 Bonds (the "Official Statement Supplement") and the Governing Board desires to approve such Official Statement in substantially the form attached hereto; and

WHEREAS, the Governing Board has determined to authorize the investment of the proceeds of the Series 2009C-3 Bonds and any other amounts held under the RMRB Indenture with respect to the Series 2009C-3 Bonds in one or more guaranteed investment contracts (the "GICs") on or after the closing date or such other investments as the authorized representatives named herein may approve; 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 conversion of the Series 2009C-3 Bonds and the release of the proceeds thereof, and to fund capitalized interest and down payment and closing cost assistance; and

WHEREAS, the Governing Board desires (i) to authorize the use of an amount not to exceed \$3,750,000 of funds on deposit under the RMRB Indenture, from General Funds of the Department or from any other source to fund down payment and closing cost assistance loans (“DPA Loans”) and (ii) 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, the Governing Board desires to waive the rules contained in Chapter 7, Title 10 of the Texas Administrative Code to the extent such rules are inconsistent with the terms of Program 77, this Resolution and the documents approved hereunder; and

WHEREAS, the Governing Board desires to retain George K. Baum & Company as Special Advisor in connection with the conversion of the Series 2009C-3 Bonds; and

WHEREAS, the Governing Board desires to approve the forms of the Amendment to Series Supplement, the Depository Agreement, the Continuing Disclosure Agreement and the Official Statement Supplement, 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 further Program 77 in accordance with such documents by authorizing the conversion of the Series 2009C-3 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 Program 77; NOW, THEREFORE,

BE IT RESOLVED BY THE GOVERNING BOARD OF THE TEXAS DEPARTMENT OF HOUSING AND COMMUNITY AFFAIRS:

ARTICLE I  
RELEASE OF SERIES 2009C BOND PROCEEDS FROM ESCROW;  
APPROVAL OF DOCUMENTS

Section 1.1--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 \$72,820,000 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, including the documents hereinafter approved, as are required by the Thirtieth Series Supplement to implement such release.

Section 1.2--Approval, Execution and Delivery of the Amendment to Series Supplement. That the form and substance of the Amendment to 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 Amendment to Series Supplement, and to deliver the Amendment to Series Supplement to the Trustee.

Section 1.3--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 1.4--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 1.5--Official Statement Supplement. That the Official Statement Supplement relating to the Series 2009C-3 Bonds, in substantially the form presented to the Governing Board, is hereby approved and that the authorized representatives of the Department named in this Resolution each are hereby authorized to execute the Official Statement Supplement and to deliver the Official Statement Supplement to the owners of the Series 2009C Bonds.

Section 1.6--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 Amendment to Series Supplement, the Depository Agreement and the Continuing Disclosure Agreement.

Section 1.7--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 1.8--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 - Amendment to Series Supplement
- Exhibit C - Depository Agreement
- Exhibit D - Continuing Disclosure Agreement
- Exhibit E - Official Statement Supplement

Section 1.9--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: the Chair or Vice Chair of the Governing Board, the Executive Director or Acting Director of the Department, the Chief of Agency Administration of the Department, the Director of Bond Finance of the Department, the Director of Texas Homeownership of the Department and the Secretary or any Assistant Secretary to the Governing Board.

Section 1.10--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 conversion of the Series 2009C-3 Bonds and the release of the proceeds thereof and to fund capitalized interest and down payment and closing cost assistance, is hereby authorized.

Section 1.11--Use of RMRB Indenture Funds and Other Funds. That the use of an amount not to exceed \$3,750,000 of funds on deposit under the RMRB Indenture, from General Funds of the Department or from any other source to fund down payment and closing cost assistance loans is hereby authorized, and the

Governing Board waives the requirements of the Texas Administrative Code, Title 10, Part 1, Chapter 7, Rule 7.3 that restrict down payment assistance to borrowers earning not more than 80 percent of the area median family income and approves making down payment assistance available, in the form of a second mortgage, available to all eligible borrowers and finds that waiver of such Rule is appropriate to fulfill the purposes or polices of the Act.

Section 1.12--Waiver of Rules. That in addition to the waiver set forth in the foregoing Section 2.14, the Governing Board hereby waives the rules contained in Chapter 7, Title 10 of the Texas Administrative Code to the extent such Rules are inconsistent with the terms of Program 77, this Resolution and the documents authorized hereunder.

## ARTICLE II APPROVAL AND RATIFICATION OF CERTAIN ACTIONS

Section 2.1--Engagement of Other Professionals. That the Executive Director or Acting 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 requirements of Bond Counsel to the Department, provided such engagement is done in accordance with applicable State law.

Section 2.2--Certification of the Minutes and Records. That the Secretary and any Assistant Secretary to the Governing Board are hereby authorized to certify and authenticate minutes and other records on behalf of the Department for Program 77, the Series 2009C-3 Bonds and all other Department activities.

Section 2.3--Approval of Requests for Rating from Rating Agencies. That the Executive Director or Acting 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.

Section 2.4--Ratifying Other Actions. That all other actions taken or to be taken by the Executive Director or Acting Director and the Department's staff in connection with Program 77 and the conversion of the Series 2009C-3 Bonds are hereby ratified and confirmed.

Section 2.5--Authority to Invest Funds. That the Executive Director or Acting 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 2.6--Approval of GIC Broker; Approval of Investment in GICs. That the Executive Director or Acting Director or the Director of Bond Finance and the Chair of the Governing Board are hereby authorized to select a GIC Broker, if any, and that the investment of funds held under the RMRB Indenture in connection with the Series 2009C-3 Bonds in GICs is hereby approved and that the Executive Director or Acting Director or the Director of Bond Finance of the Department is hereby authorized to complete arrangements for the investment in GICs or such other investments as the authorized representatives named herein may approve.

Section 2.7--Approval of Special Advisor. That from the approved current pool of senior underwriters, the Governing Board retains George K. Baum & Company as Special Advisor in connection with the conversion of the Series 2009C-3 Bonds.

ARTICLE III  
CERTAIN FINDINGS AND DETERMINATIONS

Section 3.1--Determination of Interest Rate. That the Governing Board hereby approves the purchase of participations in Mortgage Loans under Program 77 with interest rates no less than 3.00% and no greater than 6.25%, and as described in various Commitment Lot Notices issued by the Department containing such authorized rates, and finds that such rates will produce, together with other available funds, the amounts required to pay for the Department's costs of operation with respect to Program 77 and debt service on the Series 2009C-3 Bonds, and will 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. Such approved range of rates is subject to adjustment from time to time by action of the Governing Board.

Section 3.2--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.

ARTICLE IV  
GENERAL PROVISIONS

Section 4.1--Limited Obligations. That the Series 2009C-3 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 Program 77 thereunder and under the RMRB Indenture, and under no circumstances shall the Series 2009C-3 Bonds be payable from any other revenues, funds, assets or income of the Department.

Section 4.2--Non-Governmental Obligations. That the Series 2009C-3 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 4.3--Purposes of Resolution. That the Governing Board has expressly determined and hereby confirms that the conversion of the Series 2009C-3 Bonds and the furtherance of Program 77 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 4.4--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 4.5--Effective Date. That this Resolution shall be in full force and effect from and upon its adoption.

*[Execution page follows]*



PASSED AND APPROVED this 15th day of December, 2011.

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Chair, Governing Board

ATTEST:

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Secretary to the Governing Board

(SEAL)

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 CONVERSION OF THE SERIES 2009C-3 BONDS.

1c

**BOND FINANCE DIVISION**

**BOARD ACTION REQUEST**

**December 15, 2011**

Presentation, Discussion, and Possible Action on Resolution No. 12-017 authorizing the extension of the Department's Warehousing Agreement including changes relating to the New Issue Bond Program (NIBP) extension.

**RECOMMENDED ACTION**

Approve Resolution 12-017 authorizing the extension of the Department's Warehousing Agreement including changes relating to the New Issue Bond Program (NIBP) extension.

**WHEREAS**, 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; and

**WHEREAS**, on December 17, 2010, the Board passed Resolution 11-012 authorizing the extension of the Department's Warehousing Agreement to December 31, 2011; and

**WHEREAS**, on November 10, 2011, the Board passed Resolution 12-009 extending the Department's Warehousing Agreement prior to the announcement of changes relating to the NIBP; and

**RESOLVED**, that Resolution No. 12-017 is hereby adopted in the form presented to this meeting.

**BACKGROUND**

On November 10, 2011, the Board approved Resolution 12-009 authorizing the extension of the Department's Warehousing Agreement to December 31, 2012.

On November 23, 2011, the Department of the United States Treasury announced the modification and extension of the NIBP from December 31, 2011 to December 31, 2012.

Staff is requesting approval of the revised Warehousing Agreement to include these modifications.

## **Resolution No. 12-017**

RESOLUTION AUTHORIZING SECOND AMENDED AND RESTATED 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, as amended and restated by an Amended and Restated Warehousing Agreement dated as of January 1, 2011 (collectively, 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 ("Mortgage Certificates") 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 Second Amended and Restated Warehousing Agreement (the "Amended Warehousing Agreement"); 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 Amended Warehousing Agreement is a "credit agreement" under Section 1371.001 of the Texas Government Code, as amended, relating to the Department's Residential Mortgage Revenue Bonds, Series 2009C and related market bonds; and

WHEREAS, the Governing Board desires to approve the execution and delivery of the Amended Warehousing Agreement and the taking of such other actions as may be necessary or convenient to carry out the purposes of this Resolution; and

WHEREAS, the Governing Board has examined the Amended Warehousing Agreement and has found the form and substance thereof to be satisfactory and proper, and has determined to authorize the

execution and delivery of such document and the taking of such other action as may be necessary or convenient in connection therewith;

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

ARTICLE I  
APPROVAL OF DOCUMENTS AND CERTAIN ACTIONS

Section 1.1--Authority to Approve Form and Certain Terms of Amended Warehousing Agreement. The Executive Director or Acting 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 Amended Warehousing Agreement, all of which determinations shall be conclusively evidenced by the execution and delivery by the Chair of the Governing Board or the Executive Director or Acting Director or the Chief of Agency Administration of the Department of the Amended Warehousing Agreement; provided, however, that the Warehousing Agreement, as amended by the Amended Warehousing Agreement, shall terminate on December 31, 2012. The Governing Board's authorizations contained in Resolutions No. 10-019 and 11-012 with respect to the additional matters required by Section 1371.053(b), Texas Government Code, as amended, remain in effect except as modified by this Resolution.

Section 1.2--Approval, Execution and Delivery of Amended Warehousing Agreement. The Amended Warehousing Agreement, in substantially the form presented to the Governing Board, is 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 Amended Warehousing Agreement and to deliver the Amended Warehousing Agreement 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 Amended and Restated Escrow Agreement dated as of January 1, 2011, 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 Amended Warehousing Agreement 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: Chair or Vice Chair of the Governing Board, Executive Director or Acting 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 or any Assistant Secretary to the Governing Board.

Section 1.6--Submission to the Attorney General of Texas. The Board hereby ratifies 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 Amended Warehousing Agreement.

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 Amended Warehousing Agreement are hereby ratified and confirmed.

Section 1.8--Board Determination. The Governing Board has determined that the Amended Warehousing Agreement 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 15th day of December, 2011.

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Chair, Governing Board

ATTEST:

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Assistant Secretary to the Governing Board

(SEAL)



1d

**TEXAS HOMEOWNERSHIP DIVISION  
BOARD ACTION REQUEST  
DECEMBER 15, 2011**

Presentation, Discussion, and Possible Action to publish a Request For Proposal (RFP) for Master Servicer for the Texas First Time Homebuyer Program.

**RECOMMENDED ACTION**

Approve issuance of a RFP for Master Servicer for the Texas First Time Homebuyer Program.

**WHEREAS**, the publication of the RFP will allow the Department to identify qualified servicers for future Mortgage Revenue Bond (MRB) transactions or other innovative homebuyer programs presented to the Department.

**RESOLVED**, that the Executive Director and his designee(s) be, and each of them are, authorized, empowered, and directed, for and on behalf of the Department to publish a RFP for a Texas First Time Homebuyer Program Master Servicer and to select a qualified provider in accordance with that RFP and advise the Board of any provider selected.

**BACKGROUND**

The Department currently utilizes U.S. Bank National Association (U.S. Bank) to serve as its Master Servicer for the duration of MRB Program 77. U.S. Bank was recently hired through an emergency RFP process after the Department's former Master Servicer, Bank of America Home Loans, exited the correspondent lending and Master Servicing business.

Staff will develop and publish a RFP to identify qualified servicers for any future MRB transactions or other innovative homebuyer programs and make a recommendation to the Board. The RFP used will include language regarding the use of Historically Underutilized Businesses (HUBs). Based on responses, staff anticipates recommending a qualified servicer(s) to the Board that the Department can select from for use depending on the type of transaction undertaken.

TDHCA's Texas First Time Homebuyer Program currently channels low interest rate mortgage funds through participating lenders across the State to eligible borrowers who are purchasing a home for the first time or who have not owned a home in the past three years. In order to provide funds for the program, TDHCA generally issues Mortgage Revenue Bonds or other alternative funding sources to accomplish this task. As the loans are originated and closed by the program's participating lenders, they are typically delivered to the trustee via the Master Servicer and purchased on the Department's behalf. The Master Servicer must service the mortgage loans in accordance with sound

loan servicing practices and as required by the terms and conditions of a Program Administration and Servicing Agreement.

Additionally, the Master Servicer is responsible for securing commitments from Fannie Mae/Freddie Mac/GNMA, pooling and warehousing loans, servicing the loans, issuing Fannie Mae, Freddie Mac/GNMA certificates and selling the certificates to the Program's Bond Trustee or other identified investors. The Master Servicer is also required to assist TDHCA in establishing the necessary procedures and guidelines to facilitate efficient operation of the Programs.

The Master Servicer also reviews all documents relating to the Program and examines all loans to assure compliance with program guidelines and applicable Federal and State law. They also approve all mortgage lenders for participation in the program and manage reservation allocations on a first come, first served basis. Additionally, they track and report portfolio delinquencies and foreclosures and conduct lender trainings as well as provide detailed quarterly status reports regarding program performance.

1e

**COMPLIANCE AND ASSET OVERSIGHT**

**BOARD ACTION REQUEST**

**December 15, 2011**

**Action Items**

Presentation, Discussion, and Possible Action regarding a Waiver Request of 10 TAC Chapter 60, §60.124(b) for Park Place Apartments.

**WHEREAS** Park Place has been rehabilitated through the Tax Credit Exchange program and will be submitting the cost certification and request for 8609s in the near future and

**WHEREAS** the Department and owner are aware of an issue of noncompliance relating to unit A05A and

**WHEREAS** 10 TAC Chapter 60, §60.124(b) states that the Department will not release 8609s if there are uncorrected issues of noncompliance and

**WHEREAS** this property meets the criteria for reinstatement listed in 10 TAC Chapter 60, §60.128, all as presented to this meeting.

Now therefore it is hereby

**RESOLVED** that the application of 10 TAC Chapter 60, §60.124(b) is waived for Park Place.

**Background**

In general, the Department does not release IRS forms 8609 if there are uncorrected issues of noncompliance. This has been a very successful strategy in quickly restoring compliance, a primary goal for the Compliance and Asset Oversight division. However, this property has unique circumstances that warrant a waiver of this section of the Compliance Rules.

Park Place has funding through HUD's project-based Section 8 program. There is one unit leased to a household that does not qualify under Exchange program but is qualified under HUD's rules. Unit A05A was originally occupied in 2003. At that time household income was \$8,645. In 2009, the resident married and the household's current income is approximately \$50,000 which exceeds the current income limit for a household of two. Though this household is not considered income eligible for the Exchange program, they qualify for the HUD program and displacing the household would be noncompliance under the HUD program rules. When this household vacates, this unit must be leased to a tax credit eligible household.

The criteria for waiver of this section of the rule:

1. It is in the best interests of the Department and the State to proceed with the award;
2. The award will not present undue increased program or financial risk to the Department or State;
3. The applicant is not acting in bad faith; and
4. The applicant has taken reasonable measures within its power to remedy the cause for the termination.

Staff finds that the request meets the criteria and recommends waiver of 10 TAC Chapter 60, §60.124(b) for the issues described herein for Park Place.

1f

**COMPLIANCE AND ASSET OVERSIGHT DIVISION**

**BOARD ACTION REQUEST**

**December 15, 2011**

Presentation, Discussion, and Possible Action on a material amendment to the Land Use Restriction Agreement (LURA) for Villages at Snyder.

**Recommended Action**

**WHEREAS**, Bison Country Housing LP. received an allocation of Exchange funds in 2009 for the construction of 80 units of affordable housing and the property was constructed with one clubhouse and presented as intergenerational housing and

**WHEREAS**, this does not comply with the Department's guidance on intergenerational housing,

It is hereby

**RESOLVED**, that the Executive Director and his designees are hereby, authorized, directed, and empowered, for and on behalf of the Department, to amend the LURA for Villages at Snyder to change the designation of the property from Intergenerational to General Population.

**Background**

One of the requirements of the Department's policy on intergenerational housing is the provision of separate and specific leasing offices and leasing personnel exclusively for the age-restricted units. This property was awarded and constructed with only one leasing office. Without the separate leasing offices, operating the property as intergenerational housing is a potential fair housing violation. Staff and the owner discussed this issue and the owner agreed to pursue an amendment.

The required notices to elected officials and the residents have been provided and the property's public hearing was held on December 1, 2011. Three households attended the meeting. There was no opposition to the proposed change. Staff recommends approval of the requested LURA amendment.

1g



**COMPLIANCE AND ASSET OVERSIGHT DIVISION**

**BOARD ACTION REQUEST**

**December 15, 2011**

Presentation, Discussion, and Possible Action on a material amendment to the Land Use Restriction Agreement (LURA) for Wahoo Frazier Townhomes, Monarch Townhomes, Lakeview Townhomes, Carroll Townhomes, Roseland Estates, Roseland Townhomes, and Frazier Fellowship.

**Recommended Action**

**WHEREAS**, The Dallas Housing Authority is the owner of the general partner for the properties listed above, each of which has received an allocation of Housing Tax Credits and

**WHEREAS**, the Dallas Housing Authority has requested an amendment to the agreed upon social services listed in each property's LURA

It is hereby

**RESOLVED**, that the Executive Director and his designees are hereby, authorized, directed, and empowered, for and on behalf of the Department, to amend the LURAs for the above listed properties as recommended by staff and presented to this meeting.

**Background**

Each of these properties has a Land Use Restriction Agreement that requires the provision of social services. The current language and requested change for each property is shown below. Note that in many instances, the Housing Authority committed to providing services above and beyond what was required by the QAP.

The required notices to elected officials and the residents have been provided and the public hearing was held on December 6, 2011. Thirty four people attended the public hearing. Housing Authority staff reported that there was no opposition to the proposed changes. Given that the services were beyond what was required and a robust array of services will still be provided to the residents, staff recommends approval of the requested LURA amendments.

<b>Monarch LURA</b>	
<b>Current LURA Language</b>	<b>Proposed LURA Language</b>
Family Self Sufficiency	<b>Family Self Sufficiency</b>
Full Time Job Development Specialist to implement programs	<b>Provide job development programs and job referral services</b>
Child Care	<b>Provide space for preschool programs (HeadStart) and after school child care services at the Roseland Community</b>
Jobs on Wheels	<b>Provide job development programs and job referral services</b>
Computer Instruction for youths and Adults	<b>Computer instruction for youth and adults at the Roseland Community</b>
GED Classes	<b>Provide referral and transportation bus passes to GED classes organized by DHA at any DHA location.</b>
Youth programs	<b>Youth programs at the Roseland Community</b>
Transportation service (bus passes and van pool)	<b>Transportation Services (bus passes provided by DHA and/or van pool if available through providers)</b>
Substance/alcohol abuse treatment	<b>Quarterly substance/alcohol abuse education awareness event and referral to substance/alcohol abuse treatment programs</b>
School immunization	<b>School Immunizations</b>
Infant and children's clinic	<b>Quarterly health and nutrition fairs at the Roseland Community Site and provide information for infant and children's clinic available in Dallas County</b>
Nutritional counseling	<b>Quarterly health and nutrition fairs at the Roseland Community Site and provide information for infant and children's clinic available in Dallas County</b>
Senior wellness weekly clinic	<b>Weekly Exercise Classes for seniors; weight room at Roseland Community</b>
Health screening and education programs	<b>Quarterly health and nutrition fairs at the Roseland Community Site and provide information infant and children's clinic available in Dallas County</b>
Adult care for the elderly and handicapped	<b>Home Chore services such as valet trash removal, quarterly preventative maintenance including filter and light bulb replacement for seniors and persons with disabilities; monthly social activities for seniors</b>
Credit union (subject to feasibility test)	<b>Quarterly financial classes at the Roseland Community site</b>
Safety and security measures/Dallas Police Department Storefront (off-site)	<b>Monthly crime watch meetings</b>

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<b>Carroll LURA</b>	
<b>Current LURA Language</b>	<b>Proposed LURA Language</b>
Family Self Sufficiency	<b>Family Self Sufficiency</b>
Full Time Job Development Specialist to implement programs	<b>Provide job development programs and job referral services</b>
Child Care	<b>Provide space for preschool programs (HeadStart) and after school child care services at the Roseland Community</b>
Jobs on Wheels	<b>Provide job development programs and job referral services</b>
Computer Instruction for youths and Adults	<b>Computer instruction for youth and adults at the Roseland Community</b>
GED Classes	<b>Provide referral and transportation bus passes to GED classes organized by DHA at any DHA location.</b>
Youth programs	<b>Youth programs at the Roseland Community</b>
Transportation service (bus passes and van pool)	<b>Transportation Services (bus passes provided by DHA and/or van pool if available through providers)</b>
Substance/alcohol abuse treatment	<b>Quarterly substance/alcohol abuse education awareness event and referral to substance/alcohol abuse treatment programs</b>
School immunization	<b>School Immunizations</b>
Infant and children's clinic	<b>Quarterly health and nutrition fairs at the Roseland Community Site and provide information for infant and children's clinic available in Dallas County</b>
Nutritional counseling	<b>Quarterly health and nutrition fairs at the Roseland Community Site and provide information for infant and children's clinic available in Dallas County</b>
Senior wellness weekly clinic	<b>Weekly Exercise Classes for seniors; weight room at Roseland Community</b>
Health screening and education programs	<b>Quarterly health and nutrition fairs at the Roseland Community Site and provide information infant and children's clinic available in Dallas County</b>
Adult care for the elderly and handicapped	<b>Home Chore services such as valet trash removal, quarterly preventative maintenance including filter and light bulb replacement for seniors and persons with disabilities; monthly social activities for seniors</b>
Credit union (subject to feasibility test)	<b>Quarterly financial classes at the Roseland Community site</b>
Safety and security measures/Dallas Police Department Storefront (off-site)	<b>Monthly crime watch meetings</b>

<b>Roseland Townhomes</b>	
<b>Current LURA Language</b>	<b>Proposed LURA Language</b>
Home Study Center for Youths	<b>Scholastic tutoring</b>
Bible Fellowship and Fellowship for seniors	<b>Monthly social activities for seniors</b>
Recreational and weight room facilities	<b>Recreational and weight room facilities</b>
Health care programs and clinics	<b>Quarterly health and nutrition fairs at the Roseland Community Site and provide information for infant and children's clinic available in Dallas County</b>
Nurse Practitioner Program	<b>Provide job development programs and job referral services</b>
Anti-gang, drug and alcohol programs with transportation for treatments services and special events	<b>Annual anti-gang/substance/alcohol abuse education awareness event and referral to substance/alcohol abuse treatment programs</b>
Computer training	<b>computer instruction for youth and adults at the Roseland Community</b>
Job training, readiness, placement and counseling services	<b>Provide job development programs and job referral services</b>
On-site day care during summer months for children and youth	<b>Provide space for preschool programs (HeadStart) and after school child care services at the Roseland Community</b>

<b>Roseland Estates</b>	
<b>Current LURA Language</b>	<b>Proposed LURA Language</b>
Home Study Center for Youths	<b>Scholastic tutoring</b>
Fellowship for seniors	<b>Monthly social activities for seniors</b>
Recreational and weight room facilities	<b>Recreational and weight room facilities</b>
Health care programs and clinics	<b>Quarterly health and nutrition fairs at the Roseland Community Site and provide information for infant and children's clinic available in Dallas County</b>
Anti-gang, drug and alcohol programs with transportation for treatments services and special events	<b>Annual anti-gang/substance/alcohol abuse education awareness event and referral to substance/alcohol abuse treatment programs</b>
Job training, readiness, placement and counseling services	<b>Provide job development programs and job referral services</b>

<b>Frazier Fellowship</b>	
<b>Current LURA Language</b>	<b>Proposed LURA Language</b>
Family Self Sufficiency	<b>Family Self Sufficiency</b>
Full Time Job Development	<b>Provide job development programs and job referral services</b>
Child Care	<b>Provide space for preschool programs (HeadStart) and after school child care services</b>
Computer Instruction for youths and Adults	<b>Computer Instruction for youths and Adults</b>
GED Classes	<b>Provide referral and transportation bus passes to GED classes organized by DHA at any DHA location.</b>
Youth Programs	<b>Youth Programs</b>
Transportation Services	<b>Transportation Services (bus passes provided by DHA and/or van pool if available through providers)</b>
Substance/alcohol abuse treatment	<b>Annual substance/alcohol abuse education awareness event and referral to substance/alcohol abuse treatment programs</b>
Nutritional Counseling	<b>Quarterly health and nutrition fairs</b>

Health Screening and Education programs	<b>Quarterly health and nutrition fairs</b>
Safety and security measures/Dallas Police Department Storefront (off-site)	<b>Monthly crime watch meetings</b>
<b>Wahoo Frazier</b>	
<b>Current LURA Language</b>	<b>Proposed LURA Language</b>
<b>Transportation</b>	<b>Transportation Services (bus passes provided by DHA and/or van pool if available through providers)</b>
<b>Adult Education</b>	<b>Provide referral and transportation bus passes to GED classes organized by DHA at any DHA location.</b>
<b>Scholastic Tutoring</b>	<b>Scholastic Tutoring</b>

<b>Lakeview LURA</b>	
<b>Current LURA Language</b>	<b>Proposed LURA Language</b>
Family Self Sufficiency	<b>Family Self Sufficiency</b>
Full Time Job Development Specialist to implement programs	<b>Provide job development programs and job referral services</b>
Child Care	<b>Provide space for infant care and preschool programs (HeadStart) at LakeWest YMCA</b>
Jobs on Wheels	<b>Provide job development programs and job referral services</b>
Computer Instruction for youths and Adults	<b>Computer instruction for youth and adults</b>
GED Classes	<b>Provide referral and transportation bus passes to GED classes organized by DHA at any DHA location.</b>
Youth programs	<b>Youth programs</b>
Transportation service (bus passes and van pool)	<b>Transportation Services (bus passes and van pool if available through providers)</b>
Substance/alcohol abuse treatment	<b>Quarterly substance/alcohol abuse education awareness event and referral to substance/alcohol abuse treatment programs</b>
School immunization	<b>School Immunizations</b>
Infant and children's clinic	<b>Quarterly health and nutrition fairs and provide information for infant and children's clinic available in Dallas County</b>

Nutritional counseling	<b>Quarterly health and nutrition fairs and provide information for infant and children's clinic available in Dallas County</b>
Senior wellness weekly clinic	<b>Weekly Exercise Classes for seniors</b>
Health screening and education programs	<b>Quarterly health and nutrition fairs and provide information infant and children's clinic available in Dallas County</b>
Adult care for the elderly and handicapped	<b>Home Chore services such as valet trash removal, quarterly preventative maintenance including filter and light bulb replacement for seniors and persons with disabilities; monthly social activities for seniors</b>
Credit union (subject to feasibility test)	<b>Quarterly financial classes</b>
Safety and security measures/Dallas Police Department Storefront (off-site)	<b>Monthly crime watch meetings</b>

1h



**HOME PROGRAM DIVISION**

**BOARD ACTION REQUEST**

**December 15, 2011**

Presentation, Discussion, and Possible Action to Approve for amendments to HOME Multifamily Development Contract Numbers 1001002 and 1001000.

**RECOMMENDED ACTION**

**WHEREAS**, the Board approved the award of HOME funds to FDI-Quail Run, Ltd., and FDI-Brookhollow Manor Ltd. Texas Limited Partnerships on July 31, 2008

**WHEREAS**, FDI-Quail Run Ltd. experienced initial delays in obtaining building permits and additional City of Decatur requirements caused delay in the start of construction. FDI-Brookhollow Manor experienced delays due to the General Contractor. The contractor was transferred to another project which slowed the rehabilitation and additional time was necessary to convert one of the three bedroom units to meet Section 504 accessibility requirements. Construction is now complete on both developments, however contract extensions are necessary to conduct the final construction inspections and submit of the final draw, and

**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 amendment to extend the end date of HOME Program Contract Number 1001002 and 1001000 to December 1, 2011 and December 21, 2011, as presented to this meeting.

**BACKGROUND**

**Quail Run Apartments**

On November 7, 2008, the Department executed a 24-month contract with FDI-Quail Run Ltd., a Texas Limited Partnership for \$400,000 in HOME funds for the development of a 40-unit multifamily development targeting low-income households in Decatur.

On March 21, 2008, the Department executed an amendment to the development funds contract with FDI-Quail Run, which increased the HOME funding in the development to \$1,561,894. The first amendment also amended the terms of the loan payment to include the division of the project funds into two loans with loan terms of 32 years and 2 months at an annual interest rate of zero percent.

On May 7, 2009, the Department executed a three-month extension to the contract to complete construction due to the delays in obtaining construction permits. The City of Decatur required the development owner to replat the location which caused a delay in obtaining building permits. In addition, the development owner was required to obtain a parking waiver from the City. The second amendment also required 36 units to be leased to households earning 50% or less of Area Median Income and 4 units to households earning 30% or less of Area Median Income.

On May 25, 2011, the Department executed a third contract amendment, extending the HOME contract to 33 months. The development is now complete. An additional contract amendment is necessary to allow the final construction inspection and the submission of the final draw for HOME funds. The request extends the contract end date to December 21, 2011. The request indicates that the additional time is needed because of delays in the start of construction.

### **Brookhollow Manor Apartments**

On November 21, 2008, the Department executed a 24-month contract with FDI-Brookhollow Manor Ltd., a Texas Limited Partnership for \$630,000 in HOME funds for the rehabilitation of a 48-unit multifamily development targeting low-income households in Brookshire, Texas.

On March 21, 2009, the Department executed an amendment to the development funds contract with FDI-Brookhollow Manor, which increased the HOME funding in the development to \$2,415,877.

On July 27, 2009, the Department executed a three-month extension to the contract.

On December 17, 2009, the Department executed a third contract amendment, extending the HOME contract to 33 months. The development is now complete. An additional contract amendment is necessary to allow the final construction inspection and the submission of the final draw for HOME funds. The request extends the contract end date to December 21, 2011.

Because the cumulative total of these extension requests exceed 12 months, Board approval of the extensions are necessary. Authority for the Board's action is provided at 10 TAC §53.25(d), which states that "The Executive Director may approve amendments except to extend the Contract and benchmarks by more than 12 months, increase Project funds by more than 25% or \$50,000, whichever is greater, or that would have negatively impacted the priority of the Board approved Application in the Executive Director's estimation. The Board may, on a case by case basis, approve amendments provided such approval would not cause a violation of the Department's rules or federal requirements." Staff is not aware of any potential violation of rules or federal requirements, if this extension request is approved by the Board.

Staff has reviewed the documentation submitted to support the request and finds that the contract extension requests are reasonable. Staff requests the Board's approval to amend the contract end date of Quail Run to December 1, 2011, and Brookhollow Manor to December 21, 2011.

**1i**

**MULTIFAMILY FINANCE DIVISION**

**BOARD ACTION REQUEST**

**December 15, 2011**

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

**RECOMMENDED ACTION**

**WHEREAS**, Housing Tax Credit Application 060414, Gardens at Tomball, was approved with a site of 16.09 acres, provision of a community garden, and health screening room; and

**WHEREAS**, development owner is seeking approval to reduce the development site from 16.09 acres to approximately 13.8539 acres and change the originally proposed amenities;

**RESOLVED**, that staff's recommendation regarding approval of the amendment relating to Application #060414, Gardens at Tomball be and hereby is approved as presented to this meeting.

**BACKGROUND**

The owner is requesting approval to reduce the size of the development site by approximately 14%. The site changed to meet the requirements of the city and county during the site plan approval and subdivision processes. The Department's underwriting analysis resolved minor differences in the sizes stated in various application exhibits by determining the size of the site to be 16.09 acres. A recent survey reflecting the subdivision of the original tract indicated the following dispositions of the original site: 0.4089 acre dedicated as right-of-way, 0.7974 acre restricted to drainage, and 1.071 acre restricted to green space. The latter two tracts remain under the ownership of an affiliate of the development owner. Deducting the acreage of these three tracts from the size stated in the underwriting report leaves approximately 13.8 acres. This area corresponds to the acreage reflected on the survey.

Regarding the amenities, the owner requests approval for eliminating a community garden, health screening room and self-cleaning ovens. To compensate for the elimination of these features, the owner added a gazebo with sitting area, covered patios for each unit, and 30-year architectural shingle roof. Although the features eliminated and added intermingle amenities classified as Common Amenities with Unit Amenities, the original score of the Unit Amenities exhibit exceeded the score required to meet Threshold and the amended score of this exhibit remained in excess of the requirement. In addition to these substitute amenities, 6,171 square feet

of clubhouse area were certified as built in the cost certification while the plans in the application indicated only 5,000 square feet.

Owner:	Gardens at Tomball, L.P.
General Partner:	Comunidad Tomball GP, LLC
Developer:	Integrated Housing Solutions, L.P.
Principals/Interested Parties:	Richard Simmons, Comunidad Corporation (Nonprofit)
Syndicator:	Red Capital Markets, Inc.
Permanent Lender:	Red Mortgage Capital, LLC
Permanent Lender:	Comunidad Corporation – HOME Funds
Bond Issuer:	Harris County Housing Finance Corporation
Other Funding:	N/A
City/County:	Tomball, Harris County
Set-Aside:	4% Tax Credit Application
Type of Area:	Urban
Region:	6
Type of Development:	New Construction
Population Served:	Seniors
Units:	189 tax credit units and 21 market rate units
2006 Tax Credit Allocation:	\$750,053
Allocation per HTC Unit:	\$3,572 credits per unit
Prior Board Actions:	7/2006 – Approved award of tax credits 7/29/2010 – Approved amendment to allow 21 of 210 units to be market rate units instead of tax credit units as originally proposed. 7/28/2011 – Approved extension to cost certify
REA Findings:	No negative impact from the changes was found.

**GARDENS AT TOMBALL**  
3110 W. Southlake Blvd., Ste. 120  
Southlake, Texas 76092  
817.742.1851 817.742.1852 fax

October 17, 2011

Mr. Valentin DeLeon  
Texas Department of Housing and Community Affairs  
221 East 11<sup>th</sup> Street  
Austin, Texas 78701

RE: Gardens at Tomball (TDHCA #060414) – Amendment Request

Dear Mr. DeLeon:

Please allow this letter to serve as an official request to amend the above referenced application in the following areas:

- Substitute community garden for gazebo with sitting area<sup>\*</sup>
- Clarification regarding site acreage (14.092 acres not 16.092 acres as listed in the application)
- Elimination of health screening room
- Substitute self-cleaning ovens for<sup>\*</sup>covered patios, 30 year shingle roof

Be advised that we've gathered information on this property and our residents prefer to have a gazebo with sitting area in lieu of a community garden. The gazebo is located near the pool and provides a large shade area for the senior residents to congregate.

The site acreage mentioned in the application is a 2 acre site adjacent to the overall property outlined in the 14.12 site plan. The property was purchased and is held by a separate affiliated entity providing both a Green Space and Drainage Easement. The site plan submitted in the original application has not changed; however, the 2 acre site identified as the Drainage Easement was simply purchased by a separate entity, not the partnership. The As Built survey after all dedications and remaining the net of 2 acre portion is 13.854 acres.

Eliminating the health screening room is a function of a mistake in the application. Part 1 of Volume 3, Part C requires a development to select 18 points to meet Threshold requirements given the number of units. Several additional items were selected in the application by mistake bringing the number of points to 25. The inclusion of the health screening room (1 point) and service coordinator office (1 point) were checked by mistake. Furthermore, these items were not included in the building design layout presented in Volume 3 of the original application. It should be noted that the development offers a beauty salon, covered entries, microwave ovens and draft stop doors to every unit as additional common amenities available to tenants. It is

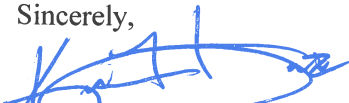
\*Staff's note: Community garden, health screening room and self-cleaning ovens will be eliminated. Gazebo with sitting area, covered patios and 30-year shingle roof will be added.

important that the original application had a clubhouse of approximately 3,000 square feet; however, a clubhouse of 6,171 square feet was actually built.

A mistake was made during construction and only a portion of units received self-cleaning ovens. We would like to substitute self-cleaning ovens with a community amenity of a 30 year shingle roof and a unit amenity of covered patios in all units.

Thank you in advance for your consideration of these amendments. Please let me know if any additional information is necessary.

Sincerely,



Kenneth W. Fambro, II  
General Partner







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## Memorandum

**To:** File

**From:** Duc Nguyen, Real Estate Analysis Division (REA)

**cc:** Valentin DeLeon, Multifamily Finance Production

**Date:** October 18, 2011

**Re:** Amendment Request for Gardens at Tomball, TDHCA #060414

### Recommendation

The Underwriter's analysis indicates that the requested changes do not negatively impact the original underwriting conclusions. The requested decrease in site acreage has no material impact to the viability of the transaction or the prior REA recommendations. No change to the credit amount is recommended.

### Amendment Request

In a letter dated August 3, 2011, the Owner requested approval for the following changes:

1. Unit Amenities – Substitute covered patios and 30 year shingled roofs in lieu of self cleaning ovens.
2. Specifications and Amenities – Substitute gazebo with sitting area for a community garden and eliminate the health screening room.
3. Site Acreage – Reduction in the site acreage from 16.09 acres to 14.12 acres.

### Analysis

The Owner's final costs, as certified by the Owner's CPA, are within 5% of the Underwriter's cost estimate at cost certification; therefore, the Owner's final costs are used in the Underwriter's analysis. The covered patios and 30 year shingled roofs were already included in the cost analysis at application; therefore there is no change in the underwriting costs.

The Owner states that elimination of the health screening room is to correct an error on the application where the amenity was checked by mistake. Furthermore, the Underwriter's costing methodology does not provide specific estimates for a gazebo with sitting area, community garden, or health screening room.

The site acreage reduction refers to a 2 acre site adjacent to the subject property outlined in the application. The 2 acre site was purchased by a separated but affiliated entity. The Owner has stated that the 2 acre site will remain as a Drainage Easement and Green Space; nothing will be built on this land. The original application indicated \$675K for 14 acres and \$95K for the other 2 acres for a total acquisition and closing cost of \$775K. The settlement statement confirms the cost of \$675K for the 14 acres, \$25K as an easement fee for the 2 acre tract, and \$75,338 in closing costs for a total of \$775,338. Therefore, despite the reduction in site acreage from 16 to 14 acres, there is no significant impact to the total acquisition cost.

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

**TEXAS DEPARTMENT of HOUSING and COMMUNITY AFFAIRS  
MULTIFAMILY UNDERWRITING ANALYSIS**

DATE: July 21, 2006

PROGRAM: 4% HTC

FILE NUMBER: 060414

**DEVELOPMENT NAME**

Gardens at Tomball

**APPLICANT**

**Name:** Gardens at Tomball, L.P. **Contact:** Kenneth W. Fambro II  
**Address:** 3110 W. Southlake Blvd., Suite 120  
**City:** Southlake **State:** TX **Zip:** 76092  
**Phone:** (817) 742-1851 **Fax:** (817) 742-1852 **Email:** kfambro@integratedreg.com

**KEY PARTICIPANTS**

**Name:** Comunidad Tomball GP, LLC **Title:** 0.01% Managing General Partner of Applicant  
**Name:** Comunidad Corporation **Title:** 100% Owner of MGP & Non-profit  
**Name:** Integrated Housing Solutions, L.P. **Title:** Developer  
**Name:** Richard E. Simmons **Title:** 100% Owner of Developer

**PROPERTY LOCATION**

**Location:** Northeast corner of South Cherry and Holderrieth Road  
**City:** Tomball **Zip:** 77375  
**County:** Harris **Region:** 6  QCT  DDA

**REQUEST**

<u>Program</u>	<u>Amount</u>	<u>Interest Rate</u>	<u>Amortization</u>	<u>Term</u>
HTC	\$750,053	N/A	N/A	N/A
<b>Proposed Use of Funds:</b>	New construction	<b>Type:</b>	Multifamily	
<b>Target Population:</b>	Elderly	<b>Other:</b>	Urban/Exurban	

**RECOMMENDATION**

RECOMMEND APPROVAL OF A HOUSING TAX CREDIT ALLOCATION NOT TO EXCEED \$750,053 ANNUALLY FOR TEN YEARS, SUBJECT TO CONDITIONS.

**CONDITIONS**

1. Receipt, review, and acceptance prior to the Board Meeting of reconciling information from the Market Analyst regarding the conflicting conclusions of the Houston MSA study commissioned by the Department.
2. Should the terms and rates of the proposed debt or syndication change, the transaction should be re-evaluated and an adjustment to the credit amount may be warranted.

**REVIEW of PREVIOUS UNDERWRITING REPORTS**

No previous reports.

**TEXAS DEPARTMENT of HOUSING and COMMUNITY AFFAIRS  
MULTIFAMILY UNDERWRITING ANALYSIS**

**DEVELOPMENT SPECIFICATIONS**

**IMPROVEMENTS**

**Total Units:** 210      **# Res Bldgs** 2      **# Non-Res Bldgs** 1      **Age:** N/A yrs  
**Net Rentable SF:** 197,745      **Av Un SF:** 942      **Common Area SF:** 3,000      **Gross Bldg SF:** 200,745

**ARCHITECTURAL REVIEW**

The building and unit plans are comparable to other modern apartment developments. They appear to provide acceptable access and storage. The elevations reflect attractive buildings.

**STRUCTURAL MATERIALS**

The structures will be constructed on a concrete slab. According to the plans provided in the application the exterior will be 65% masonry veneer, and 35% cement fiber. The interior wall surfaces will be drywall and the roofs will be finished with composite shingles.

**UNIT FEATURES**

The interior flooring will be carpet, resilient covering, and ceramic tile. Threshold criteria for the 2006 QAP requires all development units to include: mini blinds or window coverings for all windows, a dishwasher, a disposal, a refrigerator, an oven/range, an exhaust/vent fan in bathrooms, and a ceiling fan in each living area and bedroom. New construction units must also include three networks: one for phone service, one for data service, and one for TV service. In addition, each unit will include: an ice maker in the refrigerator, a self-cleaning oven, laundry connections, a ceiling fixture in each room, an individual heating and air conditioning unit, individual water heater, and nine-foot ceilings.

**ONSITE AMENITIES**

In order to meet threshold criteria for total units of 200 or more, the Applicant has elected to provide an accessible walking path, community dining room with kitchen, community gardens, controlled access gates, an enclosed sun porch or covered community porch, an equipped business center or computer learning center, full perimeter fencing, a furnished community room, a furnished fitness center, a health screening room, horseshoes, lawn bowling court, croquet court, bocce ball court, putting green, shuffleboard, an activity room, a service coordinators office in addition to the leasing offices, a swimming pool.

**Uncovered Parking:** 227 spaces      **Carpports:** 0 spaces      **Garages:** 88 spaces

**PROPOSAL and DEVELOPMENT PLAN DESCRIPTION**

**Description:** Gardens at Tomball is a 13.03-unit per acre new construction development located in far northwest Harris County. The development is comprised of two elevator-served residential buildings as follows:

<u>No. of Buildings</u>	<u>No. of Floors</u>	<u>1BR</u>	<u>2BR</u>
1	3	36	67
1	3	48	59

The development includes a 3,000-square foot community building.

**SITE ISSUES**

**SITE DESCRIPTION**

**Total Size:** 16.09 acres      **Scattered sites?**       Yes  No  
**Flood Zone:** Zone X      **Within 100-year floodplain?**       Yes  No  
**Current Zoning:** No zoning required      **Needs to be re-zoned?**       Yes  No  N/A

**SITE and NEIGHBORHOOD CHARACTERISTICS**

**Location:** The subject site is located on the northeast corner of South Cherry Street and Holderrieth Road in the city of Tomball which is in far northwest Harris County approximately twenty-five miles northwest of the Houston Central Business District.

**Adjacent Land Uses:**

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MULTIFAMILY UNDERWRITING ANALYSIS**

- **North:** vacant land immediately adjacent and vacant land beyond;
- **South:** Holderrieth Road immediately adjacent and a waste water treatment plant beyond;
- **East:** vacant land immediately adjacent and vacant land beyond; and
- **West:** South Cherry Street immediately adjacent and vacant land beyond.

**Site Access:** “The central portion of the defined neighborhood is accessible from the Houston Central Business District by proceeding north along Interstate Highway 45 approximately twenty-five miles to the eastern boundary of the defined neighborhood. The neighborhood is well-located within the Metropolitan Area’s transportation infrastructure.” (p. 24)

**Public Transportation:** The availability of public transportation was not identified in the application materials.

**Shopping & Services:** “Commercial developments are found primarily along the major thoroughfares. Prevalent forms of commercial uses include neighborhood shopping centers, free-standing retail facilities, and office service development. Numerous single-tenant and small neighborhood retail centers are scattered throughout the neighborhood. SH 249 has a significant amount of retail development.” (p. 24-25)

**TDHCA SITE INSPECTION**

**Inspector:** Manufactured Housing Staff **Date:** 05/23/2006  
**Overall Assessment:**  Excellent  Acceptable  Questionable  Poor  Unacceptable  
**Comments:** \_\_\_\_\_

**HIGHLIGHTS of SOILS & HAZARDOUS MATERIALS REPORT(S)**

A Phase I Environmental Site Assessment report dated January 31, 2006 was prepared by Professional Service Industries, Inc. and contained the following findings and recommendations:

**Findings:**

- **Noise:** “The subject property is bounded on the west by South Cherry Street, a two-lane road servicing local traffic with a speed zone of 35 miles per hour, and by Holderrieth Road, a two-lane road servicing local traffic with a speed zone of 45 miles per hour. Neither of these streets have a potential for excessive noise to the subject property, nor a noise study is not recommended.” (addendum report)
- **Floodplain:** “According to the November 6, 1996, Federal Emergency Management Agency (FEMA) map, (panel 48201C0230J), the subject property is located in Zone X, which is described as areas determined to be outside the 500-year floodplain.” (p. 8)
- **Asbestos-Containing Materials (ACM):** “No structures were observed on the subject property; therefore, no testing for asbestos-containing materials is required.” (addendum report)
- **Lead-Based Paint (LBP):** “No structures were observed on the subject property; therefore, no testing for lead-based paint is required.” (addendum report)
- **Lead in Drinking Water:** “Based upon review of the 2005 City of Tomball Drinking Water Report, water test results confirmed that levels of lead and copper in drinking water provided by the city were below the Federal and state allowable levels.” (addendum report)
- **Radon:** “According to the Environmental Data Resources, Inc. (EDR) report, the average radon level at 131 test sites for Harris County, Texas, measures <0.5 pCi/L (picoCuries per liter of air), which is below the U.S. Environmental Protection Agency (EPA) recommended limit of less than 4 pCi/L for airborne levels of radon in homes in Harris County.” (p. 8)
- **Other:** “Just south of the subject property across Holderrieth Road is a City of Tomball waste water treatment plant, located at 12411 Holderrieth Road. Available information concerning this facility indicates it began operation in 2003. Based on the age and its location, distance, and cross-gradient relationship to the subject property the plant does not appear to represent evidence of a recognized environmental condition in connection with the subject property at this time.” (p. 18)

**Recommendations:** “No further assessment of recognized environmental conditions appears to be warranted.” (p. 23)

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**INCOME SET-ASIDE**

The Applicant has elected the 40% at 60% or less of area median gross income (AMGI) set-aside. All two hundred and ten of the units (100% of the total) will be reserved for low-income tenants. Five of the units (2%) will be reserved for households earning 30% or less of AMI, and 205 units (98%) will be reserved for households earning 60% or less of AMI.

<b>MAXIMUM ELIGIBLE INCOMES</b>						
	<b>1 Person</b>	<b>2 Persons</b>	<b>3 Persons</b>	<b>4 Persons</b>	<b>5 Persons</b>	<b>6 Persons</b>
<b>60% of AMI</b>	\$25,620	\$29,280	\$32,940	\$36,600	\$39,540	\$42,480

**MARKET HIGHLIGHTS**

A market feasibility study dated May 15, 2006 was prepared by Patrick O'Connor & Associates, L.P. ("Market Analyst") and included the following findings:

**Secondary Market Information:** A secondary market was not identified in the Market Study.

**Definition of Primary Market Area (PMA):** "The subject's primary market area is defined as that area contained within zip codes 77354, 77355, 77362, 77375, 77377, 77379, 77389, and 77429. The PMA is irregular in shape, and is generally bound by Becker Road and the Waller/Montgomery county line on the west, U.S. Highway 290 and Cypress Creek on the south, Interstate 45 on the east, and Lake Creek and Mill Creek on the north." (p. 18) This area encompasses approximately 309 square miles and is equivalent to a circle with a radius of 9.9 miles.

**Population:** The estimated 2005 population of the PMA was 210,668 and is expected to increase by 22.5% to approximately 258,025 by 2010. Within the primary market area there were estimated to be 16,984 elderly households in 2005.

**Total Market Demand:** The Market Analyst utilized a target household adjustment rate of 23.98% (p. 71) and a household size-appropriate adjustment rate of 65.37% (p. 71). The Analyst's income band of \$17,130 to \$32,940 (p. 5) results in a renter-income eligible adjustment rate of 3.74% (p. 71). The tenure appropriate adjustment rate target population. The Market Analyst indicates a turnover rate of 65% applies based on interviews with area apartment managers. (p. 68)

In addition, the Market Analyst included demand from Section 8 voucher demand and other demand not accounted for. (p. 70-71)

<b>MARKET DEMAND SUMMARY</b>				
<b>Type of Demand</b>	<b>Market Analyst</b>		<b>Underwriter</b>	
	<b>Units of Demand</b>	<b>% of Total Demand</b>	<b>Units of Demand</b>	<b>% of Total Demand</b>
Household Growth	38	11%	18	6%
Resident Turnover	270	77%	283	94%
Other Sources: Section 8 and other	41	12%		
<b>TOTAL DEMAND</b>	<b>349</b>	<b>100%</b>	<b>302</b>	<b>100%</b>

p. 71

**Inclusive Capture Rate:** The Market Analyst calculated an inclusive capture rate of 60% based upon 349 units of demand and 210 unstabilized affordable housing in the PMA (including the subject) (p. 71). The Underwriter calculated an inclusive capture rate of 70% based upon a revised demand estimate for 302 affordable units.

**Unit Mix Conclusion:** "Based on discussions with leasing agents and our own analysis of the selected comparables in the primary market, the proposed unit mix is appropriate for a Seniors project, and will complement the local affordable housing market." (p. 11)

**Market Rent Comparables:** The Market Analyst surveyed five comparable apartment projects totaling 1,250 units in the market area. (p. 46)

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<b>RENT ANALYSIS (net tenant-paid rents)</b>					
<b>Unit Type (% AMI)</b>	<b>Proposed</b>	<b>Program Max</b>	<b>Differential</b>	<b>Est. Market</b>	<b>Differential</b>
<b>1-Bedroom (50%)</b>	\$510	\$510	\$0	\$770	-\$260
<b>1-Bedroom (HH)</b>	\$551	\$551	\$0	\$770	-\$219
<b>1-Bedroom (60%)</b>	\$625	\$625	\$0	\$770	-\$145
<b>2-Bedroom (50%)</b>	\$614	\$614	\$0	\$960	-\$346
<b>2-Bedroom (HH)</b>	\$671	\$671	\$0	\$960	-\$289
<b>2-Bedroom (60%)</b>	\$751	\$751	\$0	\$960	-\$209

(NOTE: Differentials are amount of difference between proposed rents and program limits and average market rents, e.g., proposed rent = \$500, program max = \$600, differential = -\$100)

**Primary Market Occupancy Rates:** “The average occupancy for apartments in the subject’s primary market area was reported to be 93.25% in the O’Connor & Associates 4<sup>th</sup> Quarter 2005 Houston Apartment Data Program. There is only one Seniors apartment project located within the primary market area. The Village is a 64-unit HTC project which was completed in 1999, and is 100% occupied.” (p. 38) To the best of our knowledge, The Village is the only Seniors project in the primary market area, and the only project which would offer direct competition to the subject. The other HTC projects in the PMA are Family projects, and some have very dated improvements, yet all are experiencing very high occupancy levels, with most at 100% occupancy. (p. 43)

**Absorption Projections:** “There are no recent examples of absorption for rent-restricted properties in the subject’s market area. The absorption rates of newly-constructed projects in and near the primary market area appears favorable. Based on our research, most projects that are constructed in the greater Houston area typically lease up within 12 months; however, larger-scale projects may take up to 18 months.” (p.36)

**Unstabilized, Under Construction, and Planned Development:** “Based on our research, there are no HTC Seniors projects proposed, under construction, or unstabilized in the primary market area.” (p. 71)

**Market Impact:** “Based on the high occupancy levels of the existing properties in the market, and the lack of good quality affordable housing, along with the recent strong absorption history, we project that the subject property will have minimal sustained negative impact upon the existing apartment market.” (p. 12)

**Other Information:** The Department commissioned a market study for the Houston-Baytown-Sugar Land Metropolitan Statistical Area (MSA). The proposed development is located in the Tomball/Far Northwest Submarket #17 within the Houston MSA. According to the Department market study; there are six units of demand for one-bedroom units at the 50% income level; and two units of demand for two-bedroom units at the 50% income level. There are three units of demand for one-bedroom units at the 60% income level; and two units of demand for two-bedroom units at the 60% income level.

This information is inconsistent with the demand conclusions of the market study submitted with the Application. The Underwriter requested additional information from the market analyst. Receipt, review and acceptance or such information prior to the Bard Meeting is a condition of this report.

**Market Study Analysis/Conclusions:** The Underwriter found the market study provided sufficient information on which to base a funding recommendation.

**OPERATING PROFORMA ANALYSIS**

**Income:** The Applicant’s projected rents collected per unit were calculated by subtracting tenant-paid utility allowances as of April 2006, maintained by Harris County Housing Authority, from the 2006 program gross rent limits. Tenants will be required to pay electric costs. The Applicant’s secondary income included rental fees for eight-eight garages at \$50 per month in addition to \$7.50 of other miscellaneous fees. The Underwriter reduced the secondary income to \$15 per unit which amounted to \$33.9K less than estimated by the Applicant.

**Expenses:** The Applicant’s total annual operating expense projection at \$3,968 per unit is within 5% of the Underwriter’s estimate of \$4,106, derived from the TDHCA database. The Applicant’s budget shows several line item estimates, however, that deviate significantly when compared to the database averages, particularly general and administrative (\$19.4K lower), payroll (\$42.7K higher), and property tax (\$45.6K lower). It

**TEXAS DEPARTMENT of HOUSING and COMMUNITY AFFAIRS  
MULTIFAMILY UNDERWRITING ANALYSIS**

should be noted that with a non-profit general partner a 50% property tax exemption may be available for the subject though it is not clear from the estimate of property tax that one is being requested. The Underwriters expense estimate would decrease by roughly \$400 per unit or \$85K per year if such an exemption were achieved.

**Conclusion:** The Applicant's estimated income is consistent with the Underwriter's expectations, total operating expenses are within 5% of the database-derived estimate, however the Applicant's net operating income (NOI) estimate is over 5% of the Underwriter's estimate. Therefore, the Underwriter's NOI should be used to evaluate debt service capacity. Both the Underwriter's and the Applicant's debt service support the proposed debt with a 1.10 and 1.30 debt coverage ratio.

**Long-Term Feasibility:** The underwriting 30-year proforma utilizes a 3% annual growth factor for income and a 4% 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 1.10 and continued positive cash flow. Therefore, the development can be characterized as feasible for the long-term.

ACQUISITION VALUATION INFORMATION			
ASSESSED VALUE			
Land: (16.09) acres	\$218,974	Assessment for the Year of:	2006
Tax Rate:	2.787	Valuation by:	Harris County Appraisal District
EVIDENCE of SITE or PROPERTY CONTROL			
Type of Site Control:	Unimproved commercial property contract (14.09 acres)		
Contract Expiration:	9/1/2006	Valid through Board Date?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
Acquisition Cost:	\$675,000	Other:	Earnest money -\$7,500
Seller:	E. J. Bayer, Trustee	Related to Development Team?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
Type of Site Control:	Unimproved commercial property contract (2.0 acres)		
Contract Expiration:	9/1/2006	Valid through Board Date?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
Acquisition Cost:	\$95,800	Other:	Earnest money - \$2,500
Seller:	NXCO, Ltd.	Related to Development Team?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No

CONSTRUCTION COST ESTIMATE EVALUATION
<p><b>Acquisition Value:</b> The site cost of \$47,906 per acre or \$3,670 per unit is assumed to be reasonable since the acquisition is an arm's-length transaction.</p> <p><b>Sitework Cost:</b> The Applicant's claimed sitework costs of \$7,500 per unit are within current Department guidelines. Therefore, further third party substantiation is not required.</p> <p><b>Direct Construction Cost:</b> The Applicant's direct construction cost estimate is \$420.8K or 4.4% lower than the Underwriter's Marshall &amp; Swift <i>Residential Cost Handbook</i>-derived estimate.</p> <p><b>Fees:</b> The Applicant's contractor's and developer's fees for general requirements, general and administrative expenses, and profit are all within the maximums allowed by TDHCA guidelines. However the Applicant's estimate of contingencies exceed the Department's 5% guideline by \$32K and therefore this amount has been effectively moved to ineligible costs.</p> <p><b>Conclusion:</b> The Applicant's total development cost is within 5% of the Underwriter's estimate; therefore, the Applicant's cost schedule as recalculated by the Underwriter will be used to determine the development's need for permanent funds and to calculate eligible basis. An eligible basis of \$16,649,943 supports annual tax credits of \$777,053. 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.</p>



**TEXAS DEPARTMENT of HOUSING and COMMUNITY AFFAIRS  
MULTIFAMILY UNDERWRITING ANALYSIS**

**FINANCING STRUCTURE**

**INTERIM TO PERMANENT BOND FINANCING**

**Source:** Red Capital Group, Inc. **Contact:** Dave Martin  
**Principal:** \$9,788,000 **Interest Rate:** 5.75%, fixed **Amort:** 360 months  
**Documentation:**  Signed  Term Sheet  LOI  Firm Commitment  Conditional Commitment  Application  
**Comments:** Plus a .10% credit enhancement fee

**PERMANENT FINANCING**

**Source:** Comunidad Corporation – Home Funds **Contact:** John Martin  
**Principal:** \$1,000,000 **Interest Rate:** 1%, fixed **Amort:** 360 months  
**Documentation:**  Signed  Term Sheet  LOI  Firm Commitment  Conditional Commitment  Application  
**Comments:** Interest only

**TAX CREDIT SYNDICATION**

**Source:** Red Capital Group, Inc. **Contact:** Dave Martin  
**Proceeds:** \$7,274,783 **Net Syndication Rate:** 97% **Anticipated HTC:** \$750,053/year  
**Documentation:**  Signed  Term Sheet  LOI  Firm Commitment  Conditional Commitment  Application  
**Comments:** \_\_\_\_\_

**OTHER**

**Amount:** \$1,430,122 **Source:** Deferred Developer Fee

**FINANCING STRUCTURE ANALYSIS**

**Interim to Permanent Bond Financing:** The tax-exempt bonds are to be issued by Harris County Housing Finance Corporation and purchased by Red Capital Group. The permanent financing commitment is consistent with the terms reflected in the sources and uses of funds listed in the application.

**Funding by Local Political Subdivision:** HOME Investment Partnership Program funds of \$1,000,000 will also be made available at 1% interest through the Harris County Community & Economic Development Department.

**HTC Syndication:** The tax credit syndication commitment is consistent with the terms reflected in the sources and uses of funds listed in the application.

**Deferred Developer’s Fees:** The Applicant’s proposed deferred developer’s fees of \$1,430,116 amount to 66% of the total fees.

**Financing Conclusions:** The Applicant’s total development cost estimate less the permanent loan of \$9,788,000 plus the \$1,000,000 HOME loan indicates the need for \$8,704,903 in gap funds. Based on the submitted syndication terms, a tax credit allocation of \$897,502 annually would be required to fill this gap in financing. Of the three possible tax credit allocations, Applicant’s request (\$750,053), the gap-driven amount (\$897,502), and eligible basis-derived estimate (\$777,053), the Applicant’s request of \$750,053 is recommended resulting in proceeds of \$7,274,787 based on a syndication rate of 97%.

**DEVELOPMENT TEAM**

**IDENTITIES of INTEREST**

- The Applicant, Developer, General Contractor, and property manager are related entities. These are common relationships for HTC-funded developments.

**APPLICANT’S/PRINCIPALS’ FINANCIAL HIGHLIGHTS, BACKGROUND, and EXPERIENCE**

**Financial Highlights:**

- The Applicant and General Partner are single-purpose entities created for the purpose of receiving

**TEXAS DEPARTMENT of HOUSING and COMMUNITY AFFAIRS  
MULTIFAMILY UNDERWRITING ANALYSIS**

assistance from TDHCA and therefore have no material financial statements.

- The Owner of the General Partner, Comunidad Corporation, submitted an audited financial statement as of December 31, 2005 reporting total assets of \$77.5M and consisting of \$2.3M in cash, \$728K in receivables, \$794K in other assets, and \$73.7M in real property. Liabilities totaled \$79.4M, resulting in a negative net worth of \$1.9M.
- The principal of the Developer, Richard E. Simmons, submitted an unaudited financial statement as of January 30, 2006 and is anticipated to be guarantor of the development.

**Background & Experience:** Multifamily Production Finance Staff have verified that the Department's experience requirements have been met and Portfolio Management and Compliance staff will ensure that the proposed owners have an acceptable record of previous participation.

**SUMMARY OF SALIENT RISKS AND ISSUES**

- The anticipated ad valorem property tax exemption may not be received or may be reduced, which could affect the financial feasibility of the development.
- The Applicant's net operating income is more than 5% outside the Underwriter's estimate.
- The significant financing structure changes being proposed have not been reviewed or accepted by the Applicant, lenders, and syndicators, and acceptable alternative structures may exist.

**Underwriter:**

\_\_\_\_\_  
*Carl Hoover*

**Date:** July 21, 2006

**Director of Real Estate Analysis:**

\_\_\_\_\_  
*Tom Gouris*

**Date:** July 21, 2006

**MULTIFAMILY COMPARATIVE ANALYSIS**

**Gardens at Tomball, ,Tomball, 4% HTC #060414**

Type of Unit	Number	Bedrooms	No. of Baths	Size in SF	Gross Rent Lmt.	Rent Collected	Rent per Month	Rent per SF	Tnt-Pd Util	Wtr, Swr, Trsh
TC (50%) LH	4	1	1	780	\$571	\$510	\$2,040	\$0.65	\$61.00	\$32.31
TC (60%) HH	6	1	1	780	612	\$551	3,306	0.71	61.00	32.31
TC (60%)	74	1	1	780	686	\$625	46,250	0.80	61.00	32.31
TC (50%) LH	1	2	2	1,028	686	\$614	614	0.60	72.00	37.31
TC (60%) HH	2	2	2	1,028	743	\$671	1,342	0.65	72.00	37.31
TC (60%)	30	2	2	1,028	823	\$751	22,530	0.73	72.00	37.31
TC (60%)	93	2	2	1,057	823	\$751	69,843	0.71	72.00	37.31
<b>TOTAL:</b>	<b>210</b>		<b>AVERAGE:</b>	<b>942</b>	<b>\$762</b>	<b>\$695</b>	<b>\$145,925</b>	<b>\$0.74</b>	<b>\$67.60</b>	<b>\$35.31</b>

**INCOME**

Total Net Rentable Sq Ft: **197,745**

**POTENTIAL GROSS RENT**

Secondary Income Per Unit Per Month: \$15.00  
 Other Support Income: (describe)

**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			PER SQ FT	PER UNIT	% OF EGI
General & Administrative	4.85%	\$383	0.41	\$80,330	\$60,900	\$0.31	\$290	3.61%
Management	3.60%	284	0.30	59,591	84,305	0.43	401	5.00%
Payroll & Payroll Tax	12.72%	1,002	1.06	210,476	253,128	1.28	1,205	15.01%
Repairs & Maintenance	5.65%	445	0.47	93,506	84,000	0.42	400	4.98%
Utilities	2.57%	203	0.22	42,588	46,200	0.23	220	2.74%
Water, Sewer, & Trash	4.57%	360	0.38	75,574	58,800	0.30	280	3.49%
Property Insurance	3.82%	301	0.32	63,165	49,350	0.25	235	2.93%
Property Tax 2.78697	10.61%	836	0.89	175,579	129,928	0.66	619	7.71%
Reserve for Replacements	2.54%	200	0.21	42,000	47,250	0.24	225	2.80%
Other: compl fees	1.18%	93	0.10	19,450	19,450	0.10	93	1.15%
<b>TOTAL EXPENSES</b>	<b>52.11%</b>	<b>\$4,106</b>	<b>\$4.36</b>	<b>\$862,260</b>	<b>\$833,311</b>	<b>\$4.21</b>	<b>\$3,968</b>	<b>49.42%</b>
<b>NET OPERATING INC</b>	<b>47.89%</b>	<b>\$3,774</b>	<b>\$4.01</b>	<b>\$792,473</b>	<b>\$852,773</b>	<b>\$4.31</b>	<b>\$4,061</b>	<b>50.58%</b>
<b>DEBT SERVICE</b>								
Red Capital Group	41.88%	\$3,300	\$3.50	\$692,921	\$685,441	\$3.47	\$3,264	40.65%
Home Funds - Comunidad Corp.	0.60%	\$48	\$0.05	10,000	10,000	\$0.05	\$48	0.59%
Additional Financing	0.00%	\$0	\$0.00	0	9,788	\$0.05	\$47	0.58%
<b>NET CASH FLOW</b>	<b>5.41%</b>	<b>\$426</b>	<b>\$0.45</b>	<b>\$89,552</b>	<b>\$147,544</b>	<b>\$0.75</b>	<b>\$703</b>	<b>8.75%</b>
AGGREGATE DEBT COVERAGE RATIO				1.13	1.21			
RECOMMENDED DEBT COVERAGE RATIO					1.13			

**CONSTRUCTION COST**

Description	Factor	% of TOTAL	PER UNIT	PER SQ FT			PER SQ FT	PER UNIT	% of TOTAL
Acquisition Cost (site or bldg)		3.89%	\$3,690	\$3.92	\$775,000	\$775,000	\$3.92	\$3,690	3.98%
Off-Sites		0.00%	0	0.00	0	0	0.00	0	0.00%
Sitework		7.91%	7,500	7.96	1,574,998	1,574,998	7.96	7,500	8.08%
Direct Construction		48.38%	45,878	48.72	9,634,349	9,213,524	46.59	43,874	47.27%
Contingency	5.00%	2.81%	2,669	2.83	560,467	561,426	2.84	2,673	2.88%
General Req'ts	5.77%	3.25%	3,082	3.27	647,312	647,312	3.27	3,082	3.32%
Contractor's G & A	1.92%	1.08%	1,027	1.09	215,771	215,771	1.09	1,027	1.11%
Contractor's Profit	5.77%	3.25%	3,082	3.27	647,312	647,312	3.27	3,082	3.32%
Indirect Construction		3.92%	3,714	3.94	779,932	779,932	3.94	3,714	4.00%
Ineligible Costs		8.50%	8,060	8.56	1,692,658	1,692,658	8.56	8,060	8.68%
Developer's G & A	2.92%	2.18%	2,071	2.20	435,006	435,006	2.20	2,071	2.23%
Developer's Profit	11.66%	8.74%	8,286	8.80	1,740,026	1,740,026	8.80	8,286	8.93%
Interim Financing		4.32%	4,095	4.35	859,938	859,938	4.35	4,095	4.41%
Reserves		1.76%	1,667	1.77	350,000	350,000	1.77	1,667	1.80%
<b>TOTAL COST</b>		<b>100.00%</b>	<b>\$94,823</b>	<b>\$100.70</b>	<b>\$19,912,770</b>	<b>\$19,492,903</b>	<b>\$98.58</b>	<b>\$92,823</b>	<b>100.00%</b>
<b>Construction Cost Recap</b>		<b>66.69%</b>	<b>\$63,239</b>	<b>\$67.16</b>	<b>\$13,280,210</b>	<b>\$12,860,343</b>	<b>\$65.03</b>	<b>\$61,240</b>	<b>65.97%</b>

**SOURCES OF FUNDS**

						RECOMMENDED	
Red Capital Group	49.15%	\$46,610	\$49.50	\$9,788,000	\$9,788,000	\$9,788,000	Developer Fee Available
Home Funds - Comunidad Corp.	5.02%	\$4,762	\$5.06	1,000,000	1,000,000	1,000,000	\$2,171,732
HTC Syndication Proceeds	36.53%	\$34,642	\$36.79	7,274,783	7,274,783	7,274,787	% of Dev. Fee Deferred
Deferred Developer Fees	7.18%	\$6,810	\$7.23	1,430,122	1,430,122	1,430,116	66%
Additional (Excess) Funds Req'd	2.11%	\$1,999	\$2.12	419,865		0	15-Yr Cumulative Cash Flow
<b>TOTAL SOURCES</b>				<b>\$19,912,770</b>	<b>\$19,492,905</b>	<b>\$19,492,903</b>	<b>\$2,969,663</b>

**MULTIFAMILY COMPARATIVE ANALYSIS (continued)**  
**Gardens at Tomball, , Tomball, 4% HTC #060414**

**DIRECT CONSTRUCTION COST ESTIMATE**

Residential Cost Handbook

Average Quality Multiple Residence Basis

CATEGORY	FACTOR	UNITS/SQ FT	PER SF	AMOUNT
Base Cost			\$47.36	\$9,365,295
<b>Adjustments</b>				
Exterior Wall Finish	5.20%		\$2.46	\$486,995
Elderly	3.00%		1.42	280,959
Roofing			0.00	0
Subfloor			(0.75)	(147,650)
Floor Cover			2.22	438,994
Porches/Balconies	\$20.33	13,779	1.42	280,127
Plumbing	\$680	378	1.30	257,040
Built-In Appliances	\$1,675	210	1.78	351,750
Stairs	\$990	32	0.16	31,680
Enclosed Corridors	\$37.44	21000	3.98	786,250
Heating/Cooling			1.73	342,099
Garages/Carports			0.00	0
Comm &/or Aux Bldgs	\$67.23	3,000	1.02	201,690
Other: Elevators	\$43,500	5	1.10	217,500
<b>SUBTOTAL</b>			<b>65.20</b>	<b>12,892,729</b>
Current Cost Multiplier	1.03		1.96	386,782
Local Multiplier	0.89		(7.17)	(1,418,200)
<b>TOTAL DIRECT CONSTRUCTION COSTS</b>			<b>\$59.98</b>	<b>\$11,861,310</b>
Plans, specs, survy, bld prmts	3.90%		(\$2.34)	(\$462,591)
Interim Construction Interest	3.38%		(2.02)	(400,319)
Contractor's OH & Profit	11.50%		(6.90)	(1,364,051)
<b>NET DIRECT CONSTRUCTION COSTS</b>			<b>\$48.72</b>	<b>\$9,634,349</b>

**PAYMENT COMPUTATION**

<b>Primary</b>	\$9,788,000	Amort	360
Int Rate	5.85%	DCR	1.14
<b>Secondary</b>	\$1,000,000	Amort	
Int Rate	1.00%	Subtotal DCR	1.13
<b>Additional</b>	\$7,274,783	Amort	
Int Rate		Aggregate DCR	1.13

**RECOMMENDED FINANCING STRUCTURE:**

Primary Debt Service	\$692,921
Secondary Debt Service	10,000
Additional Debt Service	0
<b>NET CASH FLOW</b>	<b>\$89,552</b>

<b>Primary</b>	\$9,788,000	Amort	360
Int Rate	5.85%	DCR	1.14
<b>Secondary</b>	\$1,000,000	Amort	0
Int Rate	1.00%	Subtotal DCR	1.13
<b>Additional</b>	\$7,274,783	Amort	0
Int Rate	0.00%	Aggregate DCR	1.13

**OPERATING INCOME & EXPENSE PROFORMA: RECOMMENDED FINANCING STRUCTURE**

INCOME at 3.00%	YEAR 1	YEAR 2	YEAR 3	YEAR 4	YEAR 5	YEAR 10	YEAR 15	YEAR 20	YEAR 30
POTENTIAL GROSS RENT	\$1,751,100	\$1,803,633	\$1,857,742	\$1,913,474	\$1,970,878	\$2,284,788	\$2,648,696	\$3,070,564	\$4,126,582
Secondary Income	37,800	38,934	40,102	41,305	42,544	49,320	57,176	66,283	89,078
Other Support Income: (describe)	0	0	0	0	0	0	0	0	0
POTENTIAL GROSS INCOME	1,788,900	1,842,567	1,897,844	1,954,779	2,013,423	2,334,109	2,705,872	3,136,847	4,215,660
Vacancy & Collection Loss	(134,168)	(138,193)	(142,338)	(146,608)	(151,007)	(175,058)	(202,940)	(235,264)	(316,175)
Employee or Other Non-Rental Uni	0	0	0	0	0	0	0	0	0
<b>EFFECTIVE GROSS INCOME</b>	<b>\$1,654,733</b>	<b>\$1,704,374</b>	<b>\$1,755,506</b>	<b>\$1,808,171</b>	<b>\$1,862,416</b>	<b>\$2,159,051</b>	<b>\$2,502,931</b>	<b>\$2,901,583</b>	<b>\$3,899,486</b>
<b>EXPENSES at 4.00%</b>									
General & Administrative	\$80,330	\$83,544	\$86,885	\$90,361	\$93,975	\$114,335	\$139,106	\$169,244	\$250,523
Management	59,591	61,379	63,221	65,117	67,071	77,753	90,137	104,494	140,431
Payroll & Payroll Tax	210,476	218,895	227,651	236,757	246,227	299,573	364,476	443,441	656,401
Repairs & Maintenance	93,506	97,247	101,137	105,182	109,389	133,089	161,923	197,004	291,614
Utilities	42,588	44,292	46,063	47,906	49,822	60,616	73,749	89,726	132,817
Water, Sewer & Trash	75,574	78,597	81,740	85,010	88,411	107,565	130,869	159,222	235,688
Insurance	63,165	65,692	68,319	71,052	73,894	89,903	109,381	133,079	196,989
Property Tax	175,579	182,602	189,906	197,503	205,403	249,904	304,046	369,919	547,570
Reserve for Replacements	42,000	43,680	45,427	47,244	49,134	59,779	72,730	88,488	130,983
Other	19,450	20,228	21,037	21,879	22,754	27,683	33,681	40,978	60,658
<b>TOTAL EXPENSES</b>	<b>\$862,260</b>	<b>\$896,154</b>	<b>\$931,387</b>	<b>\$968,010</b>	<b>\$1,006,079</b>	<b>\$1,220,201</b>	<b>\$1,480,100</b>	<b>\$1,795,595</b>	<b>\$2,643,674</b>
<b>NET OPERATING INCOME</b>	<b>\$792,473</b>	<b>\$808,220</b>	<b>\$824,119</b>	<b>\$840,161</b>	<b>\$856,337</b>	<b>\$938,850</b>	<b>\$1,022,832</b>	<b>\$1,105,988</b>	<b>\$1,255,811</b>
<b>DEBT SERVICE</b>									
First Lien Financing	\$692,921	\$692,921	\$692,921	\$692,921	\$692,921	\$692,921	\$692,921	\$692,921	\$692,921
Second Lien	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000
Other Financing	0	0	0	0	0	0	0	0	0
<b>NET CASH FLOW</b>	<b>\$89,552</b>	<b>\$105,299</b>	<b>\$121,198</b>	<b>\$137,240</b>	<b>\$153,416</b>	<b>\$235,929</b>	<b>\$319,911</b>	<b>\$403,067</b>	<b>\$552,890</b>
<b>DEBT COVERAGE RATIO</b>	<b>1.13</b>	<b>1.15</b>	<b>1.17</b>	<b>1.20</b>	<b>1.22</b>	<b>1.34</b>	<b>1.46</b>	<b>1.57</b>	<b>1.79</b>

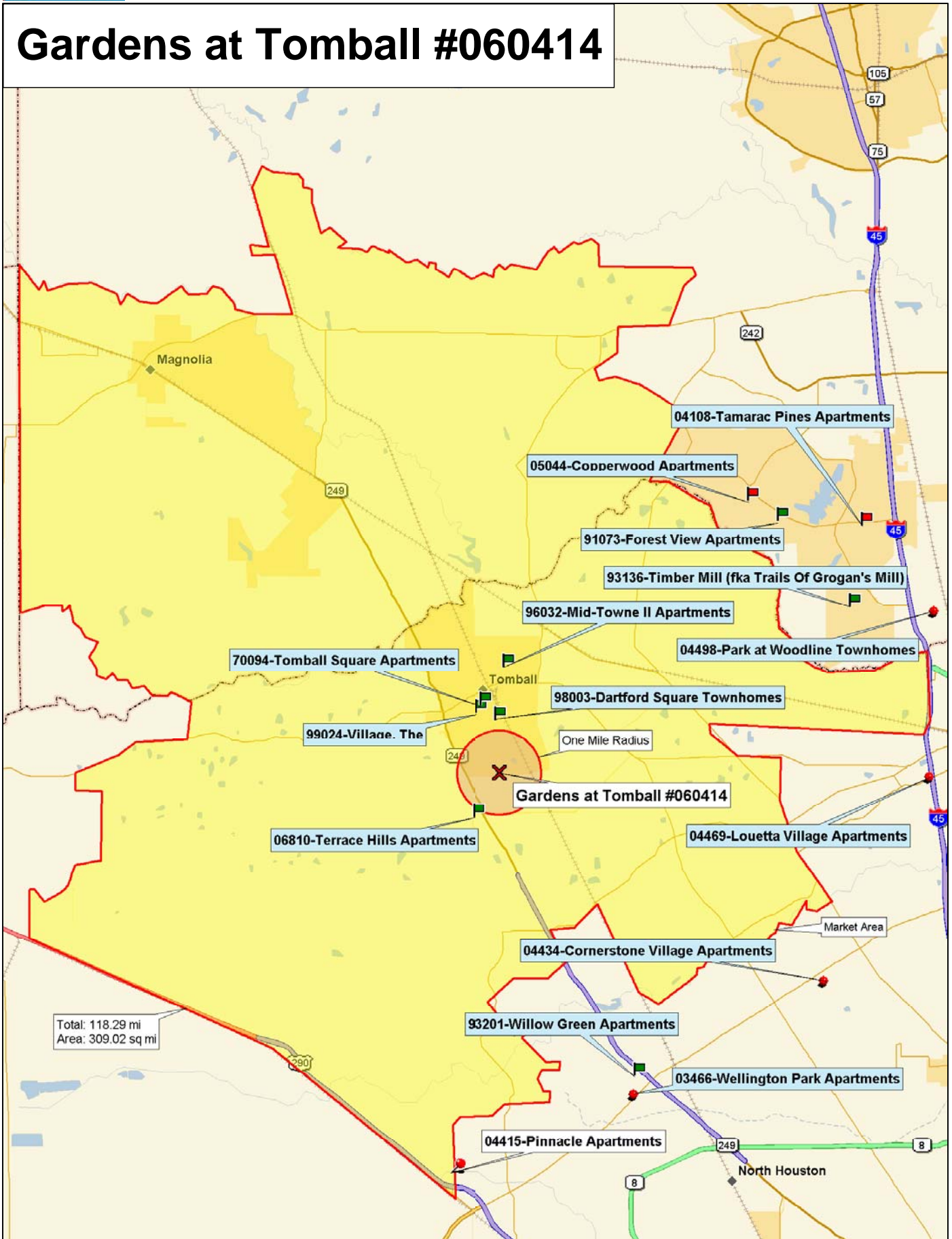
**HTC ALLOCATION ANALYSIS - Gardens at Tomball, ,Tomball, 4% HTC #060414**

CATEGORY	APPLICANT'S TOTAL AMOUNTS	TDHCA TOTAL AMOUNTS	APPLICANT'S REHAB/NEW ELIGIBLE BASIS	TDHCA REHAB/NEW ELIGIBLE BASIS
<b>(1) Acquisition Cost</b>				
Purchase of land	\$775,000	\$775,000		
Purchase of buildings				
<b>(2) Rehabilitation/New Construction Cost</b>				
On-site work	\$1,574,998	\$1,574,998	\$1,574,998	\$1,574,998
Off-site improvements				
<b>(3) Construction Hard Costs</b>				
New structures/rehabilitation hard costs	\$9,213,524	\$9,634,349	\$9,213,524	\$9,634,349
<b>(4) Contractor Fees &amp; General Requirements</b>				
Contractor overhead	\$215,771	\$215,771	\$215,770	\$215,771
Contractor profit	\$647,312	\$647,312	\$647,311	\$647,312
General requirements	\$647,312	\$647,312	\$647,311	\$647,312
<b>(5) Contingencies</b>	\$561,426	\$560,467	\$539,426	\$560,467
<b>(6) Eligible Indirect Fees</b>	\$779,932	\$779,932	\$779,932	\$779,932
<b>(7) Eligible Financing Fees</b>	\$859,938	\$859,938	\$859,938	\$859,938
<b>(8) All Ineligible Costs</b>	\$1,692,658	\$1,692,658		
<b>(9) Developer Fees</b>			\$2,171,732	
Developer overhead	\$435,006	\$435,006		\$435,006
Developer fee	\$1,740,026	\$1,740,026		\$1,740,026
<b>(10) Development Reserves</b>	\$350,000	\$350,000		
<b>TOTAL DEVELOPMENT COSTS</b>	<b>\$19,492,903</b>	<b>\$19,912,770</b>	<b>\$16,649,943</b>	<b>\$17,095,112</b>

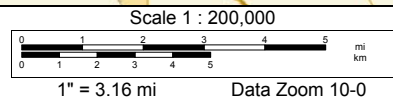
<b>Deduct from Basis:</b>			
All grant proceeds used to finance costs in eligible basis			
B.M.R. loans used to finance cost in eligible basis			
Non-qualified non-recourse financing			
Non-qualified portion of higher quality units [42(d)(3)]			
Historic Credits (on residential portion only)			
<b>TOTAL ELIGIBLE BASIS</b>		\$16,649,943	\$17,095,112
High Cost Area Adjustment		130%	130%
<b>TOTAL ADJUSTED BASIS</b>		\$21,644,926	\$22,223,645
Applicable Fraction		100%	100%
<b>TOTAL QUALIFIED BASIS</b>		\$21,644,926	\$22,223,645
Applicable Percentage		3.59%	3.59%
<b>TOTAL AMOUNT OF TAX CREDITS</b>		\$777,053	\$797,829

Syndication Proceeds	0.9699	\$7,536,659	\$7,738,166
<b>Total Tax Credits (Eligible Basis Method)</b>		<b>\$777,053</b>	<b>\$797,829</b>
Syndication Proceeds		\$7,536,659	\$7,738,166
<b>Requested Tax Credits</b>		<b>\$750,053</b>	
Syndication Proceeds		\$7,274,787	
<b>Gap of Syndication Proceeds Needed</b>		<b>\$8,704,903</b>	
<b>Total Tax Credits (Gap Method)</b>		<b>\$897,502</b>	

# Gardens at Tomball #060414



Total: 118.29 mi  
Area: 309.02 sq mi



**MULTIFAMILY FINANCE DIVISION**

**BOARD ACTION REQUEST**

**December 15, 2011**

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

**RECOMMENDED ACTION**

**WHEREAS**, Housing Tax Credit Application 10178, Cypress Creek at Fayridge, was approved with a site of 10 acres; and

**WHEREAS**, development owner is seeking approval to increase the development site from 10 acres to approximately 11.23 acres;

**RESOLVED**, that staff's recommendation regarding approval of the amendment relating to Application 10178, Cypress Creek at Fayridge be and hereby is approved as presented to this meeting.

**BACKGROUND**

The owner is requesting approval to increase the size of the development site by approximately 12%. The site increased from 10 acres to 11.23 acres. Staff confirmed that the additional land was included in the purchase contract submitted with the Pre-Application and Application. Staff confirmed the applicant's continuous control of all 11.23 acres. Staff also confirmed that the environmental site assessment included the land to be added and determined that the addition does not negatively impact the application's eligibility, Threshold or scoring reviews.

The owner reported that the land was added to accommodate additional amenities that it agreed to add to the development as a penalty imposed by the Department for submitting the carryover late. The additional amenities were reported to include a sport court, pavilion, and sports field. In staff's determination, the addition will not negatively affect the application's underwriting and any adjustment in the amount of the credit recommendation will be implemented in the course of the cost certification review. Given the decrease in the density of the development and absence of negative effects, staff recommends approval of the request. The request is brought to the Board in compliance with §49.13(b)(4)(G) which states that an increase in the development site of more than 10% is a material alteration requiring the Board's approval.

Owner: Cypress Creek Fayridge L.P.  
General Partner: SSFP XVII LLC  
Developer: SSFP CCFD XVII LLC  
Principals/Interested Parties: Stuart Shaw  
Syndicator: RBC Capital Markets  
Construction Lender: JPMorgan Chase  
Permanent Lender: JPMorgan Chase  
Other Funding: N/A  
City/County: Houston, Harris County  
Set-Aside: NA - General Population  
Type of Area: Urban  
Region: 6  
Type of Development: New Construction  
Population Served: General Population  
Units: 148 tax credit units and 4 market rate units  
2006 Tax Credit Allocation: \$2,000,000  
Allocation per HTC Unit: \$13,514 credits per unit  
Prior Board Actions: 7/2010 – Approved award of tax credits  
REA Findings: No negative impact from the changes was found.



June 13, 2011

Ms. Robbye Meyer  
Texas Department of Housing & Community Affairs  
221 East 11th Street  
Austin, Texas 78701

Re: Cypress Creek at Fayridge, TDHCA #10178, LIHTC Application Amendment

Dear Ms. Meyer,

I am submitting the following LIHTC application amendment request on behalf of Cypress Creek Fayridge LP for the Cypress Creek at Fayridge Drive (CCFD) Apartment Homes, TDHCA #10178, located at 14155 Fayridge Drive, Houston, Texas 77048. Cypress Creek Fayridge LP requests approval to amend the LIHTC application to reflect a land purchase of 11.23 acres.

The CCFD team submitted a Pre-Applications in January 2010 followed up by a Full Application in March 2010. The land purchase contracts for the Pre-Application and Full Application detailing the transactions between the current owner, Richard Gassaway, Stuart Shaw Family Partnership, Ltd. (SSFP) and Cypress Creek Fayridge LP (CCFD LP) are detailed below.

**Pre-Application in January 2010 (copies attached)**

Purchase Contract 01A - Gassaway sells up to 13 acres to SSFP

Purchase Contract 01B - SSFP sells up to 13 acres to CCFD LP ← *extraneous identity of interest*

**Full Application in March 2010 (copies attached)**

Purchase Contract 02A - Gassaway sells up to 13 acres to SSFP

Purchase Contract 02B Amendment - SSFP sells 10 acres to CCFD LP ← *extraneous identity of interest*

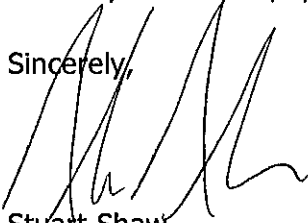
At Full Application, the purchase contract between SSFP and CCFD LP was amended to reflect a site of 10 acres. In January 2011, CCFD received approval from the TDHCA to add amenities in lieu of a penalty for a delayed submission of the Carryover Allocation. CCFD LP added amenities, including but not limited to a sport court, pavilion and sports field, that require more land than the 10 acre site plan detailed in the Full Application. The site optimizes at 11.23 acres and a copy of the current site plan is attached for your reference.

CCFD requests approval to amend the site acreage to 11.23 acres in order to accommodate the additional amenities detailed above. The change will benefit the residents at CCFD and does not affect scoring since CCFD had site control of up to 13 acres at Pre-Application. Current

underwriting information reflecting the land purchase price will be uploaded to the FTP server under separate cover.

Should you have any questions please contact Casey Bump in my office at 512-220-9902.

Sincerely,

A handwritten signature in black ink, appearing to read 'Stuart Shaw', written over the word 'Sincerely,'.

Stuart Shaw  
Applicant's Representative

- Attachments:
- 1) Amendment Fee & Receipt
  - 2) Current Site Plan
  - 3) Contracts from Pre-Application & Full Application



## TEXAS DEPARTMENT OF HOUSING AND COMMUNITY AFFAIRS

[www.tdhca.state.tx.us](http://www.tdhca.state.tx.us)

### Memorandum

**To:** File  
**From:** Duc Nguyen, Underwriter, Real Estate Analysis Division  
**CC:** Ben Sheppard, Multifamily Finance Production  
**Date:** October 28th, 2011  
**Subject:** Amendment Request for Cypress Creek at Fayride, TDHCA #10178

#### Conclusion

The Underwriter's analysis indicates that while the requested changes impact the initial underwriting of the development and capital structure, no change to the credit amount is recommended.

#### Background

The Development was approved for an allocation of 9% tax credits in the amount of \$2,000,000 in 2010. The Applicant received a penalty for a delayed submission of the Carryover Allocation but obtained approval from TDHCA to add amenities to the development in lieu of the penalty. The additional amenities, including but not limited to a sport court, pavilion, and sports field, required additional land which increased the original 10 acre site plan that was submitted at Application to encompass 11.23 acres.

#### Amendment Request

On June 13, 2011, the Department received a request to amend the application to reflect a site acreage increase from 10 acres to 11.23 acres in order to accommodate the additional amenities.

The exhibits provided to support the amendment request also indicated significant changes to the net rentable area, rental income, operating expenses, and capital structure.

#### Development Cost

The Applicant previously had the Purchase Contract for up to 13 acres, with a price of \$3.00 per Gross Square Foot. As a result of the increase in acreage over the amount assumed in the underwriting, the acquisition price of the Development has increased from \$1,653,880 to \$1,814,616. The acquisition cost was verified by the Underwriter to be in line with purchase contract of \$3.00 per Gross Square Foot. With the addition of the sport court, covered pavilion, and a sports field; the site plan was adjusted to fit the additional amenities.

The size of each unit has increased by an average of 33 sq. ft., resulting in a 3.2% increase in net rentable area, from 158,600 sq. ft. to 163,600 sq. ft. The Underwriter confirmed these changes after reviewing the updated unit plans. The increased NRA is used in the Underwriter's revised costing estimate.

The Applicant's revised development cost schedule indicates an increase of \$2 Million in total development cost, from \$20.8M to \$22.8M attributed primarily to a \$1M increase of ineligible costs and \$500K of total land and hard cost increases. Ineligible costs dramatically increased due to the syndicator's budget requirement of 36 months of construction period interest. After re-costing and assuming the ineligible interest estimate, total cost is within 1% of the Underwriter's revised estimate (\$22.6M). The Applicant's total cost generates an adjusted eligible basis of \$23.3M, which supports a tax credit allocation of \$2,099,763. As a result, the original allocation, as limited by the \$2M cap, remains supported however a final recommended credit allocation will not be determined until cost certification. .

### **Pro Forma**

The Applicant provided Income and Expenses exhibits that used rents lower than the program maximum and higher expenses than submitted at application. The Applicant stated that the estimates are based on the Lender's underwriting assumptions. The REA underwriting analysis is based on maximum program rents and expenses at comparable properties.

The Applicant's expenses and NOI are not within 5% of the Underwriter's estimates; therefore the Underwriter's estimates are used to determine the feasibility of the development. The Underwriter's calculated Debt Coverage Ratio (DCR) is 1.51 given the proposed financing structure; therefore the Underwriter's analysis assumes an increase to the permanent debt of \$625K to lower the DCR to the program maximum of 1.35.

### **Financing**

The previously underwritten capital structure consisted of a primary loan of \$4.92M, a City of Houston HOME loan of \$1.3M, \$13.6M in equity proceeds, and \$1M in deferred developer fee.

In the Applicant's revised structure, the City of Houston HOME loan has been eliminated as a permanent source. (It has been replaced for the construction phase by a loan from the Houston Housing Finance Corp.) The primary mortgage has increased to \$5.2M, and the equity proceeds have increased by \$3.4M, to \$16.99M, due to an increased credit price from \$0.68 to \$0.85.

As stated above, the Underwriter's pro forma and the proposed capital structure result in a 1.51 debt coverage ratio. As a result, REA guidelines require an assumed increase in the permanent debt to \$5.825 million to bring the first year DCR down to the maximum 1.35.

A primary mortgage of \$5,825,000 and equity proceeds of \$16,998,300 (\$2,000,000 in annual credits @ \$0.85) indicate the need for \$26,949 in additional permanent funds. The pro forma shows that a deferred developer fee of this amount can be repaid within one year of stabilized operations.

### **Status of Underwriting Conditions due at 10% Test:**

Receipt, review, and acceptance, by the 10% Test, of documentation that a subsurface investigation was conducted to evaluate if soil and/or groundwater have been affected by potential releases from the historical oil/gas exploration and production activity, and evidence that any subsequent recommendations have been implemented.

Status: A Limited Site Investigation (LSI) performed by Terracon “recommends that the well casing on site be lowered to a depth below planned construction elevation. The lowering of the well casing should be performed by an oil/gas E&P contractor. Terracon also recommends that no structures be built directly over the well casing.” The report satisfies the 10% Test condition.

Documentation must be provided at Cost Certification to show that all recommendations from the LSI have been met.

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.

Status: A noise assessment performed by HFP Acoustical Consultants reported the following: “Based on the measured data, the nearest residential units should be no closer than 105 feet north of the center of the north-most feeder lane of Beltway 8.” The assessment satisfies the 10% Test condition.

Documentation must be provided at Cost Certification to show that this recommendation has been met.



REPORT DATE: 06/25/10 PROGRAM: HTC 9% FILE NUMBER: 10178

**DEVELOPMENT**

**Cypress Creek at Fayridge**

Location: Northeast of intersection of Beltway 8 & Fayridge Dr. Region: 6  
 City: Houston County: Harris Zip: 77048  OCT  DDA  
 Key Attributes: General, New Construction, Urban

**ALLOCATION**

	REQUEST			RECOMMENDATION		
	Amount	Interest	Amort/Term	Amount	Interest	Amort/Term
TDHCA Program						
Housing Tax Credit (Annual)	\$2,000,000			\$2,000,000		

**CONDITIONS**

- 1 Receipt, review, and acceptance, by cost certification, of an as-built survey verifying no buildings or improvements are located in the 100-year floodplain; or, if buildings or improvements are found to be in the floodplain, 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.
- 2 Receipt, review, and acceptance, by the 10% Test, of documentation that a subsurface investigation was conducted to evaluate if soil and/or groundwater have been affected by potential releases from the historical oil/gas exploration and production activity, and evidence that any subsequent recommendations have been implemented.
- 3 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.
- 4 Receipt, review, and acceptance, by Cost Certification, of documentation that all noise assessment recommendations were implemented.
- 5 Receipt, review and acceptance, by Commitment, of a firm commitment from the City of Houston clearly stating the terms of the HOME funds.
- 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	8
50% of AMI	50% of AMI	66
60% of AMI	60% of AMI	74

**STRENGTHS/MITIGATING FACTORS**

**WEAKNESSES/RISKS**

- The principals of the Applicant have experience developing and owning over 1,700 Housing Tax Credit units.
- The non-conventional sources of local financing for this development could be safely replaced by deferral of developer & contractor fees if needed.
- Average occupancy at five out of six HTC properties in the area is 94%.
- A property similar to the subject, developed by the Applicant, located within six miles, was completely absorbed within five months.
- Proposed rents for the tax credit units are on average 35% lower than the achievable market rents for those units.
- Market units are being offered at 23% below the market analyst's achievable market rents. The discount to market may aid in the absorption of these units, and if necessary, rents could be increased to the achievable market rents.

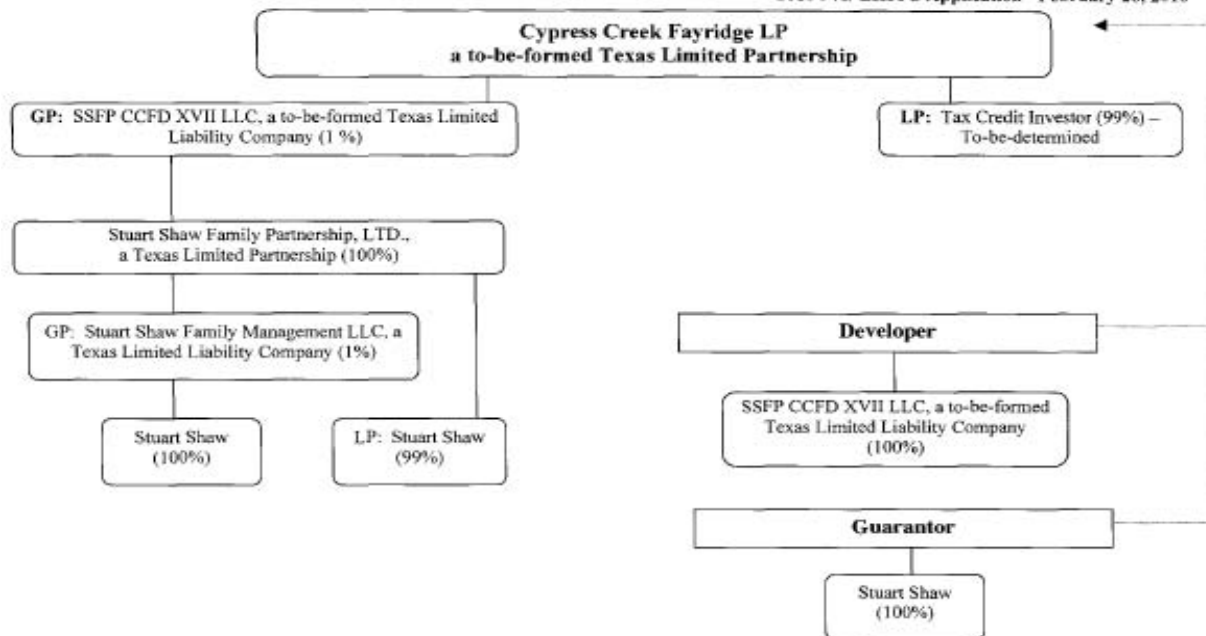
- Overall occupancy in the PMA for 2009 ranged between 84-86%

**PREVIOUS UNDERWRITING REPORTS**

No previous reports.

**DEVELOPMENT TEAM**

**OWNERSHIP STRUCTURE**



**CONTACT**

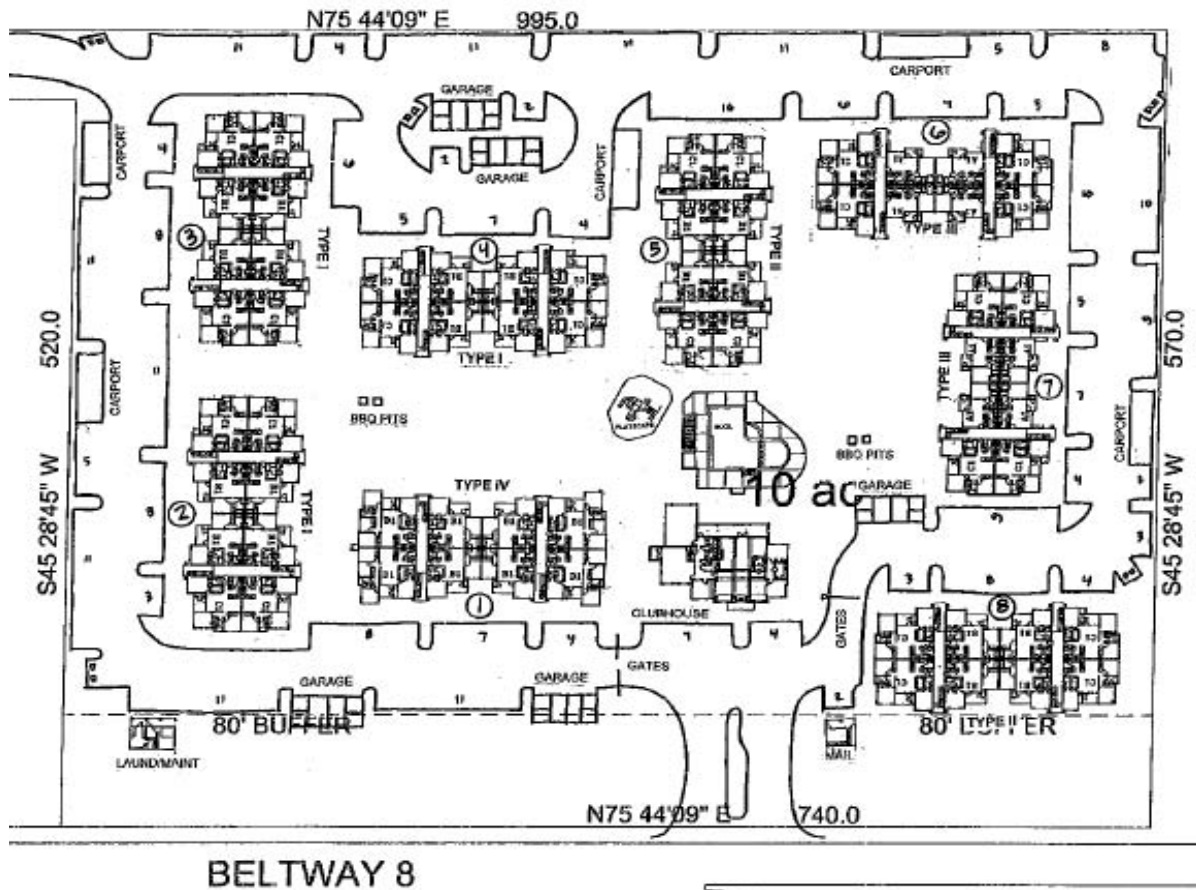
Contact: Stuart Shaw Phone: (512) 220-8000 Fax: (512) 329-9002  
 Email: stuart@bonnercarrington.com

**IDENTITIES of INTEREST**

- The Applicant, Developer, and General Contractor are related entities. These are common relationships 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	I	II	III	IV								Total Buildings
Floors/Stories	3	2	3	3								
Number	3	2	2	1								<b>8</b>

BR/BA	SF	Units										Total Units	Total SF
1	700			12								24	16,800
2	1,000	12	8		12							64	64,000
3	1,200	8	8	8								56	67,200
4	1,325				8							8	10,600
Units per Building		20	16	20	20							<b>152</b>	<b>158,600</b>



**SITE ISSUES**

Total Size: 10 acres Scattered site?  Yes  No  
 Flood Zone: Zones AE & X Within 100-yr floodplain?  Yes  No  
 Zoning: N/A Needs to be re-zoned?  Yes  No  N/A

Comments:

According to the 2010 QAP §20.6(a) "Any Development proposing New Construction or Reconstruction and located within the one-hundred (100) year floodplain as identified by the Federal Emergency Management Agency (FEMA) Flood Insurance Rate Maps must develop the site so that all finished ground floor elevations are at least one foot above the flood plain and parking and drive areas are no lower than six inches below the floodplain, subject to more stringent local requirements. If no FEMA Flood Insurance Rate Maps are available for the proposed Development, flood zone documentation must be provided from the local government with jurisdiction identifying the one-hundred (100) year floodplain.

**TDHCA SITE INSPECTION**

Inspector: Manufactured Housing Staff Date: 5/18/2010

Overall Assessment:

Excellent  Acceptable  Questionable  Poor  Unacceptable

Surrounding Uses:

North: Residential & vacant East: Mykawa Rd, residential & commercial  
 South: Beltway 8 & vacant West: Fayridge Dr & vacant

**HIGHLIGHTS of ENVIRONMENTAL REPORTS**

Provider: Terracon Consultants, Inc. Date: 3/25/2010

Recognized Environmental Concerns (RECs) and Other Concerns:

- "Based on the scope of services, limitations, and findings of this assessment, potential releases from the historical on-site/adjacent oil/gas exploration and production (E&P) activities represent an REC to the site. Terracon recommends that a subsurface investigation be conducted to evaluate if soil and/or groundwater have been affected by potential releases from the REC." (p. iii)
- "Beltway 8 runs east and west adjacent south of the site. In accordance with U.S. Department of Housing and Urban Development guidelines and based on the proximity of a major roadway to the site, Terracon recommends that a noise study be conducted." (p. ii)

Any funding recommendation will be subject to the following conditions:

- Receipt, review, and acceptance, by the 10% Test, of documentation that a subsurface investigation was conducted to evaluate if soil and/or groundwater have been affected by potential releases from the historical oil/gas exploration and production activity, and evidence that any subsequent recommendations have been implemented.
- 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: 3/24/2010  
 Contact: Robert Coe Phone: (713) 375-4279  
 Number of Revisions: none Date of Last Applicant Revision: N / A

Primary Market Area (PMA): 68 sq. miles 5 mile equivalent radius

The Primary Market Area is defined by 10 census tracts in south Houston, along Beltway 8 between I45 and HWY 288.

ELIGIBLE HOUSEHOLDS BY INCOME								
Harris 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	\$12,274	\$13,400	---	---	\$20,503	\$22,350	\$24,583	\$26,820
2	\$12,274	\$15,300	---	---	\$20,503	\$25,500	\$24,583	\$30,600
3	\$14,777	\$17,250	---	---	\$24,583	\$28,700	\$29,520	\$34,440
4	\$17,074	\$19,150	---	---	\$28,423	\$31,900	\$34,114	\$38,280
5	\$17,074	\$20,700	---	---	\$28,423	\$34,450	\$34,114	\$41,340
6	---	---	---	---	\$31,714	\$37,000	---	---

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 )				5	Total Units	1,218	

**Proposed, Under Construction, and Unstabilized Comparable Supply:**

There are no proposed, under construction, or unstabilized comparable units in the PMA that will impact the demand for the subject.

There are several comparable projects in the surrounding area. South Acres Ranch I & II are located four miles northwest of the subject; they consist of 129 single-family four-bedroom units. The Primary Market Area defined for the South Acres Ranch properties is adjacent to the subject PMA, but does not target the same population. Regency Park is a 2007 tax exempt bond development located seven miles east of the subject; it is located one mile beyond the subject PMA, and it is currently 95% occupied, so it has not been considered in determining a capture rate for the subject.

OVERALL DEMAND ANALYSIS		
	Market Analyst	Underwriter
Total Households in the Primary Market Area	38,358	38,358
Potential Demand from the Primary Market Area	6,443	3,600
Potential Demand from Other Sources	110	0
<b>GROSS DEMAND</b>	<b>6,553</b>	<b>3,600</b>
Subject Affordable Units	148	148
Unstabilized Comparable Units	0	0
<b>RELEVANT SUPPLY</b>	<b>148</b>	<b>148</b>
<b>Relevant Supply ÷ Gross Demand = GROSS CAPTURE RATE</b>	<b>2.3%</b>	<b>4.1%</b>

**Demand Analysis:**

The Market Analyst reports Potential Demand for 6,443 units from income-eligible renter households in the PMA. This seems overstated. Based on the demographic data provided for household income for all households, the Market Analyst's conclusion implies that 64% of households are renters, which is inconsistent with the data. The Market Analyst also includes Potential Demand for 110 units from households with Section 8 Vouchers. Overall the Market Analyst reports Gross Demand for 6,553 units, and a Gross Capture Rate of 2.3% for the subject 148 units.

The Market Analyst's calculations are based on demographic data from Claritas. The underwriting analysis is based on Ribbon Demographics HISTA data. While this is also sourced from Claritas, the HISTA data provides a more detailed breakdown of households based on income, size, tenure, and age. For the subject market area, HISTA indicates that 37% of renter households are income-eligible. The Underwriter calculates Gross Demand for 3,600 units, resulting in a Gross Capture Rate of 4.1%.

Demand from households with Section 8 Vouchers was not considered because sufficient demand was identified without it.

The maximum Gross Capture Rate for urban developments targeting family 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%	125	2	0	2%	66	2	0	3%
1 BR/50%	213	10	0	5%	162	10	0	6%
1 BR/60%	318	12	0	4%	179	12	0	7%
2 BR/30%	88	3	0	3%	54	3	0	6%
2 BR/50%	238	28	0	12%	174	28	0	16%
2 BR/60%	319	31	0	10%	222	31	0	14%
3 BR/30%	30	3	0	10%	26	3	0	12%
3 BR/50%	101	24	0	24%	83	24	0	29%
3 BR/60%	162	27	0	17%	109	27	0	25%
4 BR/50%	41	4	0	10%	40	4	0	10%
4 BR/60%	32	4	0	13%	28	4	0	14%

**Primary Market Occupancy Rates:**

The market study reports there are 12,736 units in the zip codes containing the PMA. Overall occupancy by quarter for 2009 ranged between 84-86%; this is down from 2008 readings between 89-91%. The market study also identifies six HTC properties either in the PMA or just outside. All were built between 2000 and 2005. One property is reported to be 81% occupied; the remaining five properties report occupancies between 90-99% and averaging 94.4%.

**Absorption Projections:**

"We were unable to locate any Family HTC development which has been completed within the past 48 months within the subject PMA ... three market-rate Family properties have been completed within the past three years located within the zip codes containing the subject PMA ... Carrington Park @ Gulf Pointe ... attained stabilized occupancy in June 2008, which equates to an average absorption of approximately 63 units per month. Cobblestone Park II ... attained stabilized occupancy in September 2009, which equates to an average absorption of approximately 61 units per month. Landmark @ City Park was completed in April 2009... which equates to an average absorption of approximately 33 units per month." (p. 35)

Additionally, Cypress Creek at Reed Road (#07291), a similar property developed by the Applicant, is located six miles northwest of the subject. Data reported to the Department indicates that Cypress Creek at Reed Road began leasing in September 2009 and was 100% occupied in February 2010.

Market Impact:

"Due to the overall lack of recently-constructed Family affordable housing projects in the subject's primary market area, and based on the performance of the current low income housing projects, it appears as though there is pent-up demand in the subject's primary market area." (p. 41)

Comments:

Overall occupancy in the market area is low, but occupancy of comparable affordable properties is above average; new market rate properties have been readily absorbed; a property similar to the subject, developed by the Applicant, located within six miles, was completely absorbed within five months; and the Gross Capture Rate as determined by the Underwriter is well below the maximum. This suggests that a new affordable property will perform well in this market. Overall, 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:      6/24/2010

The Applicant's projected rents collected per unit were calculated by subtracting tenant-paid utility allowances as of January 1, 2010, maintained by the Houston 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. Tenants will be required to pay electric utility costs only. Tenants will be required to pay electric & natural gas utility costs.

For the market rate units, the Applicant chose not to use the rents quoted by the Market Analyst as achievable but rather utilized rents that are \$235 to \$315 less for the market units. Further, the Applicant's market rents for the two and three-bedroom units are \$57 and \$37 higher, respectively, than the 60% rents for the same unit types. If the Applicant were able to collect the estimated market rents for these units as indicated by the Market Analyst, an additional \$1,106 in rental income could be achieved per month. This would increase the Applicant's DCR to 1.19, and would not change the recommendation. The Underwriter used the Market Analysts achievable market rents for the market units.

The Applicant's vacancy and collection loss assumptions are in line with current TDHCA underwriting guidelines, as is secondary income, which includes fees for carports, garages, and storage spaces. Additionally, despite the Applicant's use of lower Market rate rents effective gross income is within 5% of the Underwriter's estimate.

Expense:      Number of Revisions:      None      Date of Last Applicant Revision:      N/A

The Applicant's total annual operating expense projection at \$4,509 per unit is within 5% of the Underwriter's estimate of \$4,676, derived from the TDHCA database, and third-party data sources. The Applicant's estimate of general & administrative is 23% higher than the Underwriter's estimate; however, there is potential for savings in other areas such as repairs and maintenance (discussed in more detail below), that should allow the development to adjust expense costs as necessary, while maintaining an acceptable level of feasibility. The Applicant's estimate of payroll & payroll tax is also 22% higher than the Underwriter's estimate; however, the Applicant has provided a preliminary staffing plan for the 152-unit development, indicating a full time staff consisting of a manager & assistant, maintenance supervisor, porter & leasing staff. Furthermore, the Applicant's estimate is in line with the IREM database and as such is considered reasonable.

Repairs and maintenance is 47% lower than the Underwriter's current estimate; however, increases in repairs and maintenance expenses for Houston area developments affected by inclement weather (i.e. Hurricane Ike) in the past two years, may account for inflated database figures. It is reasonable to assume that a new construction development like the Subject, would operate more efficiently, thus reducing repairs and maintenance expenses.

Also of note, the Applicant's estimate of property tax is 9% lower than the Underwriter's estimate; however, the Underwriter's estimate of \$35K/unit is based on a 10% cap rate and substantiated by NOI. Finally, the Applicant's estimate of TDHCA compliance fees is slightly overstated.

**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 1.16, which is within the Department's DCR guideline of 1.15 to 1.35.

**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: O'Connor & Associates Date: 2/16/2010  
Number of Revisions: None Date of Last Applicant Revision: N/A  
Land Only: 10 acres \$1,310,000 As of: 2/16/2010  
Comments:

The Applicant ordered and included a land appraisal with the application due to a related party interest in the transfer of ownership. (This is discussed further under "Acquisition Value" below.) However, because the acquisition cost claimed in the application is not greater than the original acquisition cost, the appraisal was not required under Department guidelines.

**ASSESSED VALUE**

Land Only: 39.7 acres \$1,730,560 Tax Year: 2010  
1 acre: \$43,560 Valuation by: Harris CAD  
Total Pro rata: 10.0 acres \$435,600 Tax Rate: 2.5237

**EVIDENCE of PROPERTY CONTROL**

Type: Purchase and Sale Agreement Acreage: 10  
Contract Expiration: 12/31/2010 Valid Through Board Date?  Yes  No  
Acquisition Cost: \$1,698,840 Other: \$3.00 per square foot  
Seller: Stuart Shaw Family Partnership, Ltd Related to Development Team?  Yes  No

**CONSTRUCTION COST ESTIMATE EVALUATION**

*COST SCHEDULE* Number of Revisions: 2 Date of Last Applicant Revision: 6/24/2010

**Acquisition Value:**

The Applicant provided a Purchase and Sale Agreement in which Stuart Shaw Family Partnership will purchase a larger 13 acre tract from a third party seller, Richard Gasaway & Marcella Bernhardt for a cost of \$3 per gross square foot or \$130,680 per acre (\$1,698,840 total). The original purchase contract, dated 1/8/10, between Stuart Shaw Family Partnership and Cypress Creek Fayridge LP reflect that the entire 13 acres will be transferred. However, an amendment to the contract, dated 2/13/10, revises the land purchase area to 10 acres. Subsequently, the 10 acre Subject site will be sold to the Applicant, Cypress Creek Fayridge LP, at an equivalent cost of \$130,680 per acre or \$1,306,800 total.

Accordingly, the Underwriter has calculated a land acquisition cost for the subject 10 acres by multiplying the original contract price for the 13 acres of \$130,680 per acre times the subject 10 acres to achieve a prorated land value of \$1,306,800.

Additionally, the Applicant has included \$107,500 in closing costs & \$239,580 for a detention pond tie-in, to bring the total acquisition price to \$1,698,840. Similar to the site acreage being acquired, the tie-in rights to the detention pond are first being purchased by the Stuart Shaw Family Partnership for \$239,580, and then being purchased by the Applicant for the same price.

**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, extensive landscaping & flood plain mitigation. 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, Novogradac, to preliminarily opine that all of the total \$2,740,042 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 revised direct construction cost estimate is \$295K or 4% higher than the Underwriter's Marshall & Swift Residential Cost Handbook-derived estimate. Of note, garages, storage 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:**

Of note, the Underwriter's ineligible cost is adjusted for carports, garages, and storage. Specifically, the Underwriter determined carports, storage, and garages to be \$91,568 based on Marshall & Swift; however, the Applicant has included \$120K for these costs.

**Contingency & Fees:**

The Applicant's contractor's and developer's fees for general requirements, general and administrative expenses, and profit are both nominally over 14% & 15% of the Applicant's adjusted eligible basis by \$1; 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 the Hurricane Rita GO Zone.

**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 \$17,759,052 supports annual tax credits of \$2,020,165. 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: 1 Date of Last Applicant Revision: 5/3/2010

Source: Brock Investment Group, Inc. Type: Interim Financing

Principal: \$450,000 Interest Rate: 7.0%  Fixed Term: 15 months

**Comments:**

Brock Investment Group has provided a commitment for a construction period loan of \$450K. The interest rate will be the greater of prime + 2.0% or 7.0%. The loan has a term of the lesser of 15 months or completion of construction.

Source: City of Houston Type: Interim to Permanent Financing  
 Principal: \$1,300,000 Interest Rate: 1.0%  Fixed Amort: 360 months  
 Term: 30 years

Comments:

The Applicant has indicated an intent to apply for City of Houston HOME funds. The intent to apply indicates a request for the \$1.3M loan amortized over 30 years at a 1% interest rate. Should the City funds ultimately, not be received, there appears to be sufficient developer and contractor fee to fill the gap from available cash flow. Nevertheless, any funding recommendation will be conditioned upon receipt, review and acceptance, by Commitment, of a firm commitment from the City of Houston clearly stating the terms of the HOME funds.

Source: Chase Type: Interim to Permanent Financing  
 Interim: \$10,750,000 Interest Rate: 3.85%  Fixed Term: 24 months  
 Permanent: \$4,920,000 Interest Rate: 8.75%  Fixed Amort: 360 months

Comments:

The Interim Rate Index is LIBOR + 350 bps with an underwriting rate of 6.5%. The term sheet indicates an alternate rate of Chase Bank Floating Rate plus 1%. The Underwriter assumed a rate equal to LIBOR at the time the underwriting was completed plus 350 bps. The Permanent Rate Index will be fixed at a spread over the 10 Year Treasury, and was underwritten at 8.75%. The term on the permanent loan will be 18 years.

Source: RBC Capital Markets Type: Syndication  
 Proceeds: \$13,598,640 Syndication Rate: 68% Anticipated HTC: \$ 2,000,000  
 Amount: \$1,029,010 Type: Deferred Developer Fees

**CONCLUSIONS**

Recommended Financing Structure:

The Applicant's total development cost estimate less the permanent loan of \$4,920,000 and \$1,300,000 City of Houston funds indicates the need for \$14,627,648 in gap funds. Based on the submitted syndication terms, a tax credit allocation of \$2,151,340 annually would be required to fill this gap in financing. The three possible tax credit allocations are:

Allocation determined by eligible basis:	\$2,020,165
Allocation determined by gap in financing:	\$2,151,340
<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 \$13,598,640 at a syndication rate of \$0.68 per tax credit dollar.

The Underwriter's recommended financing structure indicates the need for \$1,029,008 in additional permanent funds. Deferred developer fees in this amount appear to be repayable from development cashflow within 10 years of stabilized operation.

Underwriter:	<u>Diamond Unique Thompson</u>	Date:	<u>June 25, 2010</u>
Manager of Real Estate Analysis:	<u>Audrey Martin</u>	Date:	<u>June 25, 2010</u>
Director of Real Estate Analysis:	<u>Brent Stewart</u>	Date:	<u>June 25, 2010</u>

## UNIT MIX/RENT SCHEDULE

*Cypress Creek at Fayridge, Houston, HTC 9% #10178*

LOCATION DATA		UNIT DISTRIBUTION			Other Unit Designation							OTHER ASSUMPTIONS		
CITY:	Houston	# Beds	# Units	% Total	PROGRAMS:			HOME				DEVELOPMENT ACTIVITY:	New	
COUNTY:	Harris	Eff			Rent Limit	Eff	1	2	3	4	Total Units	REVENUE GROWTH:	2.00%	
SUB-MARKET:		1	24	15.8%	LH	\$558	\$598	\$717	\$829	\$925	8	EXPENSE GROWTH:	3.00%	
PROGRAM REGION:	6	2	64	42.1%	HH	\$640	\$714	\$866	\$1,044	\$1,145	22	HIGH COST ADJUSTMENT:	130%	
RURAL RENT USED:	No	3	56	36.8%								APPLICABLE FRACTION:	97.23%	
IREM REGION:	Houston	4	8	5.3%								APP % - ACQUISITION:	N/A	
		<b>TOTAL</b>	<b>152</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	2	1	1	700	\$358	\$53	\$305	\$0	\$0.44	\$305	\$610	\$610	\$305	\$0.44	\$0	\$598	\$885	\$580	
TC 50%	HH	10	1	1	700	\$598	\$53	\$545	\$0	\$0.78	\$545	\$5,450	\$5,450	\$545	\$0.78	\$0	\$714	\$885	\$340	
TC 60%	HH	12	1	1	700	\$717	\$53	\$664	\$0	\$0.95	\$664	\$7,968	\$7,932	\$661	\$0.94	(\$3)	\$714	\$885	\$224	
TC 30%	LH	3	2	2	1,000	\$431	\$68	\$363	(\$1)	\$0.36	\$362	\$1,086	\$1,089	\$363	\$0.36	\$0	\$717	\$1,085	\$722	
TC 50%		28	2	2	1,000	\$717	\$68	\$649	\$0	\$0.65	\$649	\$18,172	\$18,172	\$649	\$0.65	\$0		\$1,085	\$436	
TC 60%		31	2	2	1,000	\$861	\$68	\$793	\$0	\$0.79	\$793	\$24,583	\$24,583	\$793	\$0.79	\$0		\$1,085	\$292	
MR		2	2	2	1,000		\$68		NA	\$0.85	\$850	\$1,700	\$2,170	\$1,085	\$1.09	NA		\$1,085	\$0	
TC 30%	LH	3	3	2	1,200	\$498	\$82	\$416	(\$1)	\$0.35	\$415	\$1,245	\$1,248	\$416	\$0.35	\$0	\$829	\$1,265	\$849	
TC 50%		24	3	2	1,200	\$829	\$82	\$747	\$0	\$0.62	\$747	\$17,928	\$17,928	\$747	\$0.62	\$0		\$1,265	\$518	
TC 60%		27	3	2	1,200	\$995	\$82	\$913	\$0	\$0.76	\$913	\$24,651	\$24,651	\$913	\$0.76	\$0		\$1,265	\$352	
MR		1	3	2	1,200		\$82		NA	\$0.79	\$950	\$950	\$1,265	\$1.05	NA			\$1,265	\$0	
MR		1	3	2	1,200		\$82		NA	\$0.79	\$950	\$950	\$1,265	\$1.05	NA			\$1,265	\$0	
TC 50%		4	4	2	1,325	\$925	\$104	\$821	\$0	\$0.62	\$821	\$3,284	\$3,284	\$821	\$0.62	\$0		\$1,445	\$624	
TC 60%		4	4	2	1,325	\$1,110	\$104	\$1,006	\$0	\$0.76	\$1,006	\$4,024	\$4,024	\$1,006	\$0.76	\$0		\$1,445	\$439	
<b>TOTAL:</b>		<b>152</b>				<b>158,600</b>						<b>\$112,601</b>	<b>\$113,671</b>							
<b>AVG:</b>						<b>1,043</b>				<b>(\$0)</b>	<b>\$0.71</b>	<b>\$741</b>			<b>\$748</b>	<b>\$0.72</b>	<b>(\$0)</b>	<b>\$142</b>	<b>\$1,139</b>	<b>(\$391)</b>
<b>ANNUAL:</b>												<b>\$1,351,212</b>	<b>\$1,364,052</b>							



**PROFORMA ANALYSIS & DEVELOPMENT COSTS**

**Cypress Creek at Fayridge, Houston, HTC 9% #10178**

**INCOME**

Total Net Rentable Sq Ft:

				<b>TDHCA</b>	<b>APPLICANT</b>			
POTENTIAL GROSS RENT				\$1,364,052	\$1,351,212			
Secondary Income	Per Unit Per Month:	\$20.00		36,480	13,680	\$7.50	Per Unit Per Month	
Other Support Income: Garages, carports & storage					22,800	\$12.50	Per Unit Per Month	
POTENTIAL GROSS INCOME				\$1,400,532	\$1,387,692			
Vacancy & Collection Loss	% of Potential Gross Income:	-7.50%		(105,040)	(104,076)	-7.50%	of Potential Gross Income	
Employee or Other Non-Rental Units or Concessions				0				
<b>EFFECTIVE GROSS INCOME</b>				<b>\$1,295,492</b>	<b>\$1,283,616</b>			

**EXPENSES**

	<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	4.28%	\$365	0.35	\$55,494	\$42,650	\$0.27	\$281	3.32%	
Management	5.00%	\$426	0.41	64,775	64,181	0.40	422	5.00%	
Payroll & Payroll Tax	13.48%	\$1,149	1.10	174,631	213,025	1.34	1,401	16.60%	
Repairs & Maintenance	6.85%	\$584	0.56	88,787	47,220	0.30	311	3.68%	
Utilities	2.56%	\$218	0.21	33,144	43,000	0.27	283	3.35%	
Water, Sewer, & Trash	4.38%	\$373	0.36	56,724	56,200	0.35	370	4.38%	
Property Insurance	4.25%	\$362	0.35	54,995	49,400	0.31	325	3.85%	
Property Tax	2.5237	10.36%	\$883	0.85	134,261	121,600	0.77	800	9.47%
Reserve for Replacements	2.93%	\$250	0.24	38,000	38,000	0.24	250	2.96%	
TDHCA Compliance Fees	0.46%	\$39	0.04	5,920	6,080	0.04	40	0.47%	
Other: Supportive Services	0.31%	\$26	0.03	4,000	4,000	0.03	26	0.31%	
<b>TOTAL EXPENSES</b>	<b>54.86%</b>	<b>\$4,676</b>	<b>\$4.48</b>	<b>\$710,730</b>	<b>\$685,356</b>	<b>\$4.32</b>	<b>\$4,509</b>	<b>53.39%</b>	
<b>NET OPERATING INC</b>	<b>45.14%</b>	<b>\$3,847</b>	<b>\$3.69</b>	<b>\$584,762</b>	<b>\$598,260</b>	<b>\$3.77</b>	<b>\$3,936</b>	<b>46.61%</b>	

**DEBT SERVICE**

Chase	\$464,468	\$464,468
City of Houston	\$50,176	\$50,176
Additional Financing	\$0	
Additional Financing	0	
Additional Financing	0	
<b>TOTAL DEBT SERVICE</b>	<b>514,644</b>	<b>514,644</b>
<b>NET CASH FLOW</b>	<b>\$70,118</b>	<b>\$83,616</b>
<b>AGGREGATE DEBT COVERAGE RATIO</b>	<b>1.14</b>	<b>1.16</b>
<b>RECOMMENDED DEBT COVERAGE RATIO</b>		<b>1.16</b>

**CONSTRUCTION COST**

Description	Factor	% of TOTAL	PER UNIT	PER SQ FT	<b>TDHCA</b>	<b>APPLICANT</b>	PER SQ FT	PER UNIT	% of TOTAL
Acquisition Cost (site or bldg)		8.02%	\$10,881	\$10.43	\$1,653,880	\$1,653,880	\$10.43	\$10,881	7.93%
Off-Sites		0.00%	\$0	\$0.00	0	0	0.00	0	0.00%
Sitework		13.28%	\$18,027	\$17.28	2,740,042	2,740,042	17.28	18,027	13.14%
Direct Construction		40.59%	\$55,096	\$52.80	8,374,550	8,464,835	53.37	55,690	40.60%
Contingency	5.04%	2.72%	\$3,686	\$3.53	560,244	560,244	3.53	3,686	2.69%
Contractor's Fees	14.00%	7.60%	\$10,320	\$9.89	1,568,684	1,568,684	9.89	10,320	7.52%
Indirect Construction		7.07%	\$9,594	\$9.20	1,458,350	1,458,350	9.20	9,594	7.00%
Ineligible Costs		3.71%	\$5,038	\$4.83	765,828	794,260	5.01	5,225	3.81%
Developer's Fees	15.00%	11.16%	\$15,150	\$14.52	2,302,856	2,316,399	14.61	15,239	11.11%
Interim Financing		3.15%	\$4,280	\$4.10	650,500	650,500	4.10	4,280	3.12%
Reserves		2.70%	\$3,660	\$3.51	556,340	640,454	4.04	4,214	3.07%
<b>TOTAL COST</b>		<b>100.00%</b>	<b>\$135,732.06</b>	<b>\$130.08</b>	<b>\$20,631,273</b>	<b>\$20,847,648</b>	<b>\$131.45</b>	<b>\$137,156</b>	<b>100.00%</b>
<b>Construction Cost Recap</b>		<b>64.19%</b>	<b>\$87,128</b>	<b>\$83.50</b>	<b>\$13,243,520</b>	<b>\$13,333,805</b>	<b>\$84.07</b>	<b>\$87,722</b>	<b>63.96%</b>

**SOURCES OF FUNDS**

						<b>RECOMMENDED</b>	
Chase	23.85%	\$32,368	\$31.02	\$4,920,000	\$4,920,000	\$4,920,000	Developer Fee Available
City of Houston	6.30%	\$8,553	\$8.20	1,300,000	1,300,000	1,300,000	\$2,316,398
RBC Capital Markets	65.91%	\$89,465	\$85.74	13,598,640	13,598,640	13,598,640	% of Dev. Fee Deferred
Deferred Developer Fees	4.99%	\$6,770	\$6.49	1,029,010	1,029,010	1,029,008	44%
Additional (Excess) Funds Req'd	-1.05%	(\$1,424)	(\$1.36)	(216,377)	(2)	0	15-Yr Cumulative Cash Flow
<b>TOTAL SOURCES</b>				<b>\$20,631,273</b>	<b>\$20,847,648</b>	<b>\$20,847,648</b>	<b>\$1,815,352</b>

**MULTIFAMILY COMPARATIVE ANALYSIS (continued)**

*Cypress Creek at Fayridge, Houston, HTC 9% #10178*

**DIRECT CONSTRUCTION COST ESTIMATE**

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

CATEGORY	FACTOR	UNITS/SQ FT	PER SF	AMOUNT
Base Cost			\$54.05	\$8,571,779
<b>Adjustments</b>				
Exterior Wall Finish	0.00%		\$0.00	\$0
Elderly	0.00%		0.00	0
9-Ft. Ceilings	3.00%		1.62	257,153
Roofing			0.00	0
Subfloor			1.26	199,548
Floor Cover			2.41	382,226
Breezeways	\$23.05	12,552	1.82	289,271
Balconies	\$22.75	9,792	1.40	222,735
Plumbing Fixtures	\$845	384	2.05	324,480
Rough-ins	\$420	304	0.81	127,680
Built-In Appliances	\$1,850	152	1.77	281,200
Exterior Stairs	\$1,900	56	0.67	106,400
Enclosed Corridors	\$44.13	0	0.00	0
Carports (30)	\$9.70	6,000	0.37	58,200
Heating/Cooling			1.85	293,410
Garages (10)	\$17.80	4,000	0.45	71,200
Comm & Aux Bldgs	\$68.16	6,432	2.76	438,379
Other: fire sprinkler	\$2.25	158,600	2.25	356,850
<b>SUBTOTAL</b>			<b>75.54</b>	<b>11,980,511</b>
Current Cost Multiplier	0.99		(0.76)	(119,805)
Local Multiplier	0.88		(9.06)	(1,437,661)
<b>TOTAL DIRECT CONSTRUCTION COSTS</b>			<b>\$65.72</b>	<b>\$10,423,045</b>
Plans, specs, survy, bld prmts	3.90%		(\$2.56)	(\$406,499)
Interim Construction Interest	3.38%		(2.22)	(351,778)
Contractor's OH & Profit	11.50%		(7.56)	(1,198,650)
<b>NET DIRECT CONSTRUCTION COSTS</b>			<b>\$53.38</b>	<b>\$8,466,118</b>

**PROPOSED PAYMENT COMPUTATION**

Chase	\$4,920,000	Amort	360
Int Rate	8.75%	DCR	1.26

City of Houston	\$1,300,000	Amort	360
Int Rate	1.00%	Subtotal DCR	1.14

Additional Financing	\$0	Amort	
Int Rate		Aggregate DCR	1.14

Additional Financing	\$0	Amort	
Int Rate		Subtotal DCR	1.14

Additional Financing	\$0	Amort	
Int Rate		Aggregate DCR	1.14

**RECOMMENDED FINANCING STRUCTURE**

**APPLICANT'S NOI:**

Chase	\$464,468
City of Houston	50,176
Additional Financing	0
Additional Financing	0
Additional Financing	0
<b>TOTAL DEBT SERVICE</b>	<b>\$514,644</b>

Chase	\$4,920,000	Amort	360
Int Rate	8.75%	DCR	1.29

City of Houston	\$1,300,000	Amort	360
Int Rate	1.00%	Subtotal DCR	1.16

Additional Financing	\$0	Amort	0
Int Rate	0.00%	Aggregate DCR	1.16

Additional Financing	\$0	Amort	0
Int Rate	0.00%	Subtotal DCR	1.16

Additional Financing	\$0	Amort	0
Int Rate	0.00%	Aggregate DCR	1.16

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

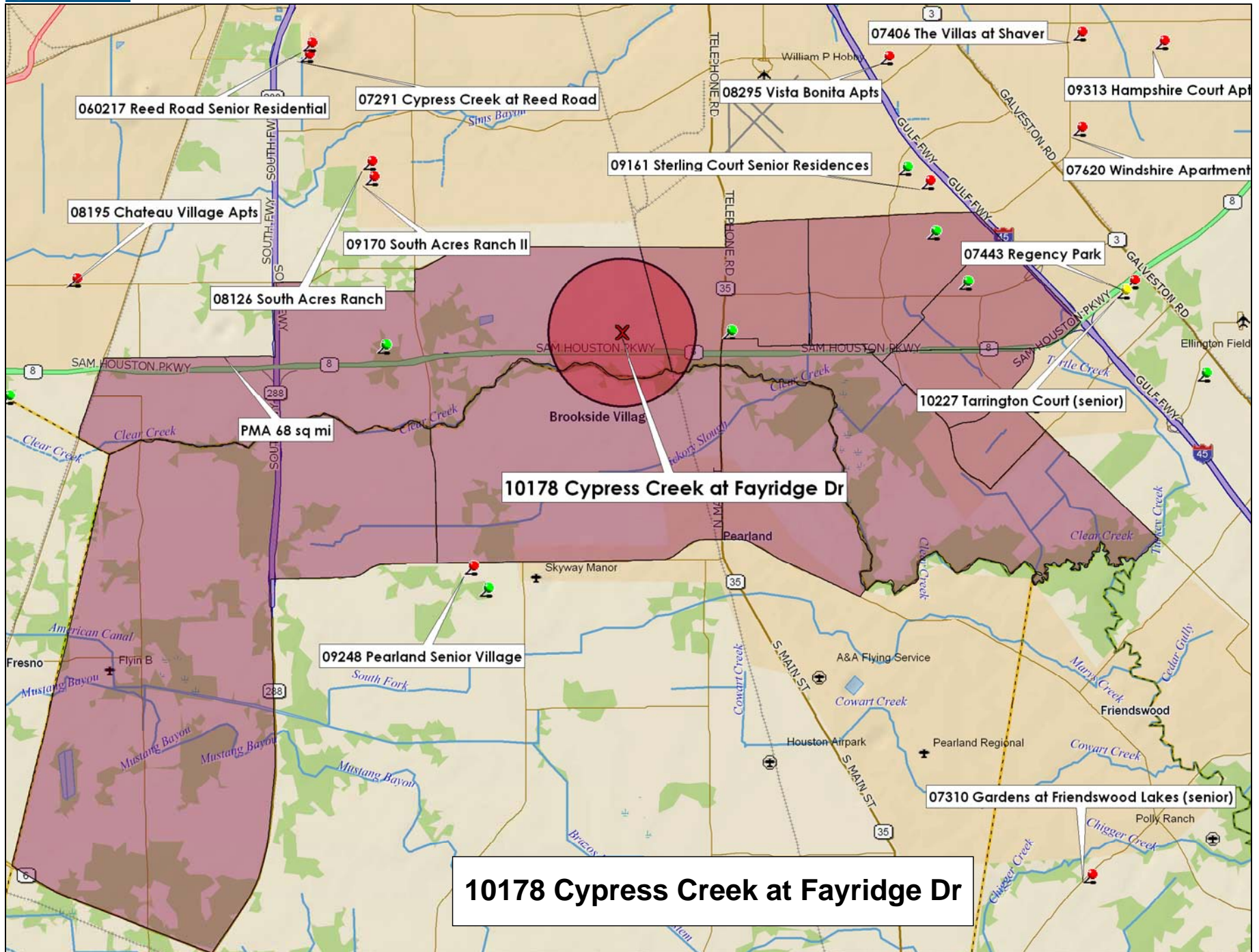
INCOME at 2.00%	YEAR 1	YEAR 2	YEAR 3	YEAR 4	YEAR 5	YEAR 10	YEAR 15	YEAR 20	YEAR 30
POTENTIAL GROSS RENT	\$1,351,212	\$1,378,236	\$1,405,801	\$1,433,917	\$1,462,595	\$1,614,823	\$1,782,896	\$1,968,461	\$2,399,543
Secondary Income	13,680	13,954	14,233	14,517	14,808	16,349	18,050	19,929	24,294
Other Support Income: Garages, c	22,800	23,256	23,721	24,196	24,679	27,248	30,084	33,215	40,489
Other Support Income:	0	0	0	0	0	0	0	0	0
POTENTIAL GROSS INCOME	1,387,692	1,415,446	1,443,755	1,472,630	1,502,082	1,658,420	1,831,030	2,021,605	2,464,325
Vacancy & Collection Loss	(104,076)	(106,158)	(108,282)	(110,447)	(112,656)	(124,382)	(137,327)	(151,620)	(184,824)
Employee or Other Non-Rental Ur	0	0	0	0	0	0	0	0	0
<b>EFFECTIVE GROSS INCOME</b>	<b>\$1,283,616</b>	<b>\$1,309,287</b>	<b>\$1,335,473</b>	<b>\$1,362,183</b>	<b>\$1,389,426</b>	<b>\$1,534,039</b>	<b>\$1,693,703</b>	<b>\$1,869,985</b>	<b>\$2,279,501</b>
<b>EXPENSES at 3.00%</b>									
General & Administrative	\$42,650	\$43,930	\$45,247	\$46,605	\$48,003	\$55,649	\$64,512	\$74,787	\$100,508
Management	64,181	65,464,3293	66,774	68,109	69,471	76,702	84,685	93,499	113,975
Payroll & Payroll Tax	213,025	219,416	225,998	232,778	239,762	277,949	322,219	373,541	502,007
Repairs & Maintenance	47,220	48,637	50,096	51,599	53,147	61,611	71,424	82,801	111,277
Utilities	43,000	44,290	45,619	46,987	48,397	56,105	65,041	75,401	101,332
Water, Sewer & Trash	56,200	57,886	59,623	61,411	63,254	73,328	85,008	98,547	132,439
Insurance	49,400	50,882	52,408	53,981	55,600	64,456	74,722	86,623	116,414
Property Tax	121,600	125,248	129,005	132,876	136,862	158,660	183,931	213,226	286,558
Reserve for Replacements	38,000	39,140	40,314	41,524	42,769	49,581	57,478	66,633	89,549
TDHCA Compliance Fee	6,080	6,262	6,450	6,644	6,843	7,933	9,197	10,661	14,328
Other	4,000	4,120	4,244	4,371	4,502	5,219	6,050	7,014	9,426
<b>TOTAL EXPENSES</b>	<b>\$685,356</b>	<b>\$705,275</b>	<b>\$725,778</b>	<b>\$746,884</b>	<b>\$768,609</b>	<b>\$887,194</b>	<b>\$1,024,268</b>	<b>\$1,182,733</b>	<b>\$1,577,815</b>
<b>NET OPERATING INCOME</b>	<b>\$598,260</b>	<b>\$604,013</b>	<b>\$609,695</b>	<b>\$615,299</b>	<b>\$620,817</b>	<b>\$646,844</b>	<b>\$669,435</b>	<b>\$687,252</b>	<b>\$701,686</b>
<b>DEBT SERVICE</b>									
First Lien Financing	\$464,468	\$464,468	\$464,468	\$464,468	\$464,468	\$464,468	\$464,468	\$464,468	\$464,468
Second Lien	50,176	50,176	50,176	50,176	50,176	50,176	50,176	50,176	50,176
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>\$83,617</b>	<b>\$89,369</b>	<b>\$95,051</b>	<b>\$100,655</b>	<b>\$106,173</b>	<b>\$132,201</b>	<b>\$154,791</b>	<b>\$172,608</b>	<b>\$187,043</b>
<b>DEBT COVERAGE RATIO</b>	<b>1.16</b>	<b>1.17</b>	<b>1.18</b>	<b>1.20</b>	<b>1.21</b>	<b>1.26</b>	<b>1.30</b>	<b>1.34</b>	<b>1.36</b>

**HTC ALLOCATION ANALYSIS -Cypress Creek at Fayridge, Houston, HTC 9% #10178**

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	\$1,653,880	\$1,653,880		
Purchase of buildings				
<b>Off-Site Improvements</b>				
<b>Sitework</b>	\$2,740,042	\$2,740,042	\$2,740,042	\$2,740,042
<b>Construction Hard Costs</b>	\$8,464,835	\$8,374,550	\$8,464,835	\$8,374,550
<b>Contractor Fees</b>	\$1,568,684	\$1,556,043	\$1,568,683	\$1,556,043
<b>Contingencies</b>	\$560,244	\$560,244	\$560,244	\$560,244
<b>Eligible Indirect Fees</b>	\$1,458,350	\$1,458,350	\$1,458,350	\$1,458,350
<b>Eligible Financing Fees</b>	\$650,500	\$650,500	\$650,500	\$650,500
<b>All Ineligible Costs</b>	\$794,260	\$765,828		
<b>Developer Fees</b>			\$2,316,398	\$2,300,959
Developer Fees	\$2,316,399	\$2,302,856		
<b>Development Reserves</b>	\$640,454	\$556,340		
<b>TOTAL DEVELOPMENT COSTS</b>	<b>\$20,847,648</b>	<b>\$20,618,632</b>	<b>\$17,759,052</b>	<b>\$17,640,689</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>		\$17,759,052	\$17,640,689
High Cost Area Adjustment		130%	130%
<b>TOTAL ADJUSTED BASIS</b>		\$23,086,767	\$22,932,896
Applicable Fraction		97%	97%
<b>TOTAL QUALIFIED BASIS</b>		\$22,446,277	\$22,296,674
Applicable Percentage		9.00%	9.00%
<b>TOTAL AMOUNT OF TAX CREDITS</b>		\$2,020,165	\$2,006,701

<b>Syndication Proceeds</b>	<b>0.6799</b>	<b>\$13,735,748</b>	<b>\$13,644,200</b>
<b>Total Tax Credits (Eligible Basis Method)</b>		<b>\$2,020,165</b>	<b>\$2,006,701</b>
<b>Syndication Proceeds</b>		<b>\$13,735,748</b>	<b>\$13,644,200</b>
<b>Requested Tax Credits</b>		<b>\$2,000,000</b>	
<b>Syndication Proceeds</b>		<b>\$13,598,640</b>	
<b>Gap of Syndication Proceeds Needed</b>		<b>\$14,627,648</b>	
<b>Total Tax Credits (Gap Method)</b>		<b>\$2,151,340</b>	
<b>Recommended Tax Credits</b>		<b>2,000,000</b>	
<b>Syndication Proceeds</b>		<b>\$13,598,640</b>	



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**TEXAS NEIGHBORHOOD STABILIZATION PROGRAM**

**BOARD ACTION REQUEST**

**December 15, 2011**

Presentation, Discussion, and Possible Action regarding the recommendation to approve the Neighborhood Stabilization Program – Program Income (NSP-PI) Reservation System Participants.

**Recommended Action**

**WHEREAS**, the Department anticipates that it will receive funds from loan repayments and deobligated funds under the Neighborhood Stabilization Program and that it will need to redistribute such funds in accordance with NSP rules and regulations, and;

**WHEREAS**, program income received will be made available to Reservation System Participants, in order that it can be used efficiently; therefore be it

**RESOLVED**, that the NSP Reservation System Participants, Texas State Affordable Housing Corporation, Cesar Chavez Foundation and City of Grand Prairie, be and hereby are approved as presented to this meeting.

**Background**

The Neighborhood Stabilization Program (NSP) is a HUD-funded program authorized by HR 3221, the “Housing and Economic Recovery Act of 2008” (HERA), as a supplemental allocation to the Community Development Block Grant (CDBG) Program through an amendment to the existing State of Texas 2008 CDBG Action Plan. 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 need for arresting declining property values as a result of excessive foreclosures.

As NSP subgrantees move forward with completion of their NSP projects, significant program income will be generated through the resale of properties to income-eligible households. A portion of funds will be received as mortgage loan payments from households at or below 50% AMFI that have accessed NSP permanent financing, along with loan payments from subrecipient organizations that are providing rental housing to low-income households. The balance of the program income available for redistribution will be generated by loan repayments as subrecipients sell non-set-aside homes to households over 50% AMFI.

On January 20, 2011, the Board approved the NSP1-Program Income NOFA, a revision to the NOFA was approved by the Board at the meeting on September 15, 2011. The application form was posted to the TDHCA website (NSP page) and applications are continuing to be accepted. Four entities submitted applications to participate in the NSP Reservation System, three of which are recommended for conditional approval, pending clearance of administrative deficiencies.

<b>Application Number</b>	<b>Applicant Name</b>	<b>NSP Activity</b>
2011-508	Texas State Affordable Housing Corporation	Use C – Land Bank Use D: Demolition Use E: Redevelopment
2011-510	Cesar Chavez Foundation	Use B- Purchase and Rehabilitation
2011-511	City of Grand Prairie	Use B – Purchase and Rehabilitation

1k



**TEXAS NEIGHBORHOOD STABILIZATION PROGRAM**

**BOARD ACTION REQUEST**

**December 15, 2011**

Presentation, Discussion, and Possible Action to approve a request for amendment to NSP Contract 77090000157 with Travis County Housing Finance Corporation.

**Recommended Action**

**WHEREAS**, Travis County Housing Finance Corporation has requested amendment of their NSP1 contract to extend the contract term to June 30, 2012; therefore be it

**RESOLVED**, that amendment of NSP Contract 77090000157, be and hereby is approved as presented to this meeting.

**Background**

The Neighborhood Stabilization Program (NSP) is a HUD-funded program authorized by HR 3221, the "Housing and Economic Recovery Act of 2008" (HERA), as a supplemental allocation to the Community Development Block Grant (CDBG) Program through an amendment to the existing State of Texas 2008 CDBG Action Plan. 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 need for arresting declining property values as a result of excessive foreclosures.

Travis County Housing Finance Corporation (TCHFC) received an award of NSP funds on July 16, 2009, in the original amount of \$1,372,540.00. At the obligation deadline on September 3, 2010, they provided documentation of closing eight NSP Homebuyer transactions, for a total of \$427,429.00. NSP staff has been working with the TCHFC since the obligation deadline to reimburse expenses and assign the homebuyer financing documents to TDHCA. During that time, TCHFC has experienced significant staff turnover, including the retirement of their long-term Director, which has slowed the approval and reimbursement process.

Previous Amendments to the TCHP Contract have extended the termination date from November 30, 2010, to November 30, 2011. The NSP Rule (10 TAC Chapter 9) and NSP contract allow the Executive Director of TDHCA to extend contracts up to one year as administrative action, further extension requires approval by the TDHCA Governing Board. If approved, the current request will extend the contract an additional seven months, for a total of nineteen months from the original termination date. NSP and TCHFC agree that activities can be approved and TCHFC expenses reimbursed within this timeframe.

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TEXAS DEPARTMENT OF HOUSING AND COMMUNITY AFFAIRS  
BOARD MEETING

November 10, 2011  
9:00 am

Capitol Extension, E1.028  
1500 North Congress Ave.  
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 November 10, 2011, was called to order by Chair, J. Paul Ozer, at 9:01 a.m. It was held at the Capitol Extension, E1.028, 1500 North Congress Ave, Austin, Texas. Roll call certified a quorum was present.

**Members Present:**

J. Paul Ozer, Chair  
Tom H. Gann, Vice Chair  
Kent Conine, Member  
Leslie Bingham-Escareño, Member  
Juan Muñoz, Member  
Lowell Keig, Member

The Board recognized the Veterans in the audience.

**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.

Juan Ayala, Chief of Staff, on behalf of the Honorable State Representative Eric Johnson, read into record a letter of support of TDHCA 11098, Hatcher Square development.

Don Williams, Foundation of Community Empowerment, provided testimony in support of TDHCA 11098, Hatcher Square development.

Don Parish, Truly Missionary Baptist Church, provided testimony in support of TDHCA 11098, Hatcher Square development.

Anna Hill, President, Dolphin Heights Neighborhood Association, provided testimony in support of TDHCA 11098, Hatcher Square development.

Cynthia Bast, Locke Lord, recognized Tim Irvine as a finalist for the Magna Stella awards. The Magna Stella recognizes in-house counsel for outstanding achievements in the previous year for certain categories.

Chairman Ozer recognized Julie Frank, Senate IGR staff, as being in the audience.

**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.

*Various action items below, (including consent agenda items and other items) relating to awards or other actions under different programs list specific applicants by name. These lists are informational and do not limit the Board's ability to take action with respect to others under the specific program action items.*

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

***Executive***

- a) Presentation, Discussion, and Possible Action regarding the Board Minute Summaries for September 15 and October 4, 2011  
**Mr. Irvine noted a couple of corrections to the Minutes Summary for October 4<sup>th</sup>, 2011. First, the Amendment offered by Dr. Muñoz, regarding forward commitments, was accepted by the author. Second, Linda Brown provided public testimony on 1400 Bellview; not Sarah Reedy as recorded in the Minutes Summary. Mr. Irvine also added, by way of amplification, on the consent item requested to approve tax credit counsel, there were several other significant tax-credit firms that were contacted and advised of this and elected not to proceed.**

***Legal***

- b) Presentation, Discussion, and Possible Action on staff's recommendation for Low Income Housing Tax Credit Counsel and for approval to proceed with negotiating a contract and obtaining the approval of the Office of the Attorney General

***Financial Administration***

- c) Presentation of the Department's 4th Quarter Investment Report

***Bond Finance***

- d) Presentation, Discussion, and Possible Action on Resolution No. 12-009 authorizing the extension of the Department's Warehousing Agreement

***Texas Homeownership***

- e) Presentation, Discussion, and Possible Action Ratifying the Selection of a Replacement Master Servicer

***Community Affairs***

- f) Presentation, Discussion, and Possible Approval of the of the PY 2012 Draft Department of Energy (DOE) Plan
- g) Presentation, Discussion, and Possible Action on Resolution #12-012, the 2012 Section 8 Payment Standards for Housing Choice Vouchers
- h) Presentation, Discussion, and Possible Action to approve the reprogramming of \$900,000 from emergency assistance to the Homeless Housing and Services Program

***Compliance and Asset Oversight***

- i) Presentation, Discussion, and Possible Action on a material amendment to Land Use Restriction Agreements for Granada

***Withdrawn from Consideration***

- j) Presentation, Discussion, and Possible Waiver of 10 TAC Chapter 60, §60.124(b) for Gholson Hotel
- k) Presentation, Discussion, and Possible Action on a final resolution of certain HOME rental Developments

***Housing Resource Center***

- l) Presentation, Discussion, and Possible Approval of the 2012 Affordable Housing Needs Score Methodology
- m) Presentation, Discussion, and Possible Approval of the 2012 State of Texas Consolidated Plan: One-Year Action Plan

***Multifamily***

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

09910	Lexington Square Apartments	Angleton
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- o) Presentation, Discussion, and Possible Action on Housing Tax Credit Program Extensions
 

04463	Lakeside Manor	Little Elm
07091	CityWalk at Akard	Dallas
08416	Timbers Edge Apartments	Beaumont
08417	Seville Apartments	Beaumont
- p) Presentation, Discussion, and Possible Action on a Determination Notice for Housing Tax Credits with another Issuer
 

11406	Chatham Green Apartments	
	Arlington, Tarrant County	
	Tarrant County Housing Finance Corporation	
	Recommended Credit Amount \$332,418	

***Neighborhood Stabilization Program***

- q) Presentation, Discussion, and Possible Action to approve a request for waiver of certain programmatic and loan requirements for Land Bank properties under NSP1 contracts
 

770900001	Texas State Affordable Housing Corporation	Statewide
770900001	Affordable Homes South Texas, Inc.	McAllen
770900001	Community Development Corporation of	Brownsville
50	Brownsville	
- r) Presentation, Discussion, and Possible Action to approve the Neighborhood Stabilization Program – Program Income (NSP-PI) Reservation System Participants
- s) Presentation, Discussion, and Possible Action to waive certain NSP1 – Program Income NOFA requirements for organizations providing assistance to households impacted by Texas wildfires
- t) Presentation, Discussion, and Possible Action to approve a request for amendment to NSP Contract 77090000104 with Tarrant County Housing Partnership, Inc.

***Program Services***

- u) Presentation, Discussion, and Possible Approval to Contract with Staff Recommended Vendor to Perform the Phase 2 Analysis of

Impediments to Fair Housing Choice for the State of Texas, #332-RFP-12-1001

**Pulled from Consent for further discussion. Item taken up after the Executive Session.**

- v) Presentation, Discussion, and Possible Approval to publish a draft of proposed rules for the Comprehensive Energy Assistance Program (CEAP), 10 TAC, Chapter 5, Subchapter D §§5.402, 5.405 – 5.408, 5.422 – 5.424, 5.426, and 5.431 for publication and public comment in the *Texas Register*
- w) Presentation, Discussion, and Possible Approval of a final order adopting new 10 TAC Chapter 1, Subchapter A, §1.24, concerning Foreclosure Data Collection, for publication in the Texas Register

**Motion by Mr. Conine to approve consent agenda, with the exception of Agenda Item 1u which was pulled for further discussion; duly seconded by Mr. Gann; motion passed unanimously.**

#### ACTION ITEMS

##### AGENDA ITEM 2: BOARD

- a) Presentation, Discussion, and Possible Action on Resolution 12-010 adopting new requirements with regard to public comment at Board Meetings  
Barry Palmer, Coats Rose, provided testimony in opposition of the specific requested changes to the public comment process and requested that the board consider tabling this item and get input from the development community  
Michael Hartman, Round Stone Development, provided testimony with regard to requested changes to the public comment process and requested that the board consider tabling this item and get input from the development community  
John Henneberger, Texas Low-Income Housing Information Service, provided testimony with regard to requested changes to the public comment process and welcomes the opportunity to have input in the public comment policy process.  
**Motion by Ms. Bingham-Escareño to table this item and proposed that a roundtable workshop take place to address this issue and add to the December Board Meeting agenda, duly seconded by Mr. Conine; motion passed unanimously.**

##### AGENDA ITEM 3: APPEALS:

- a) Presentation, Discussion, and Possible Action on Multifamily Program Appeals:  
**None filed.**
- b) Presentation, Discussion, and Possible Action on Neighborhood Stabilization Program Appeals:  
**None filed.**
- c) Presentation, Discussion, and Possible Action on HOME Program Appeals:  
**None filed.**
- d) Presentation, Discussion, and Possible Action on Underwriting Appeals:  
**None filed.**

##### AGENDA ITEM 4: RULES:

- a) Presentation, Discussion, and Possible Approval of a final order adopting amendments to 10 TAC Chapter 60, Subchapter A §§60.101 - 60.106, 60.109 - 60.111, 60.113, 60.114, 60.116, 60.118 - 60.120, 60.122 - 60.124, 60.128; and new §60.130, concerning Compliance Monitoring, for publication in the *Texas Register*  
Justin McDonald, developer, provided testimony on the material noncompliance changes in the Rule.  
**Motion by Mr. Conine to approve staff recommendation; duly seconded by Mr. Gann; motion passed unanimously.**

Chairman Oser recognized Viveca Martinez, Governor's Office and Hasan Mack, Lieutenant Governor's Office, as being in the audience.

Tom Holloway, Chief of Staff, on behalf of the Honorable State Representative Charles Schwertner, read into record a letter regarding the definition of a central business district in the 2012 Qualified Allocation Plan.

Don Jones, on behalf of the Honorable State Representative Jose Menendez, read into record a letter concerning some of the language with regard to clarifying the issue dealing with quantifiable community participation in the Qualified Allocation Plan.

The Board took a brief recess at 10:22 am and resumed at 10:30 am.

- b) Presentation, Discussion, and Possible Approval of final orders adopting the repeal of 10 TAC Chapter 50, concerning 2010 Housing Tax Credit Program Qualified Allocation Plan and Rules, and adoption of new 10 TAC Chapter 50, concerning 2012-2013 Housing Tax Credit Program Qualified Allocation Plan, for publication in the *Texas Register*  
Bill Schlescinger, Vida Project, provided testimony on the QAP.  
Barry Palmer, Coats Rose, commented that he thinks the staff did an excellent job in working through the QAP comments and provided testimony on the QAP.  
Michael Hartman, Round Stone Development, commented that he thinks the staff did a great job on the QAP and provided testimony on the QAP.  
Audrey Martin, Realtex Development Corporation, commented on great job staff has done and provided testimony on the QAP.  
David Koogler, Mark Dana Corporation, thanked staff for their hard work and provided testimony on the QAP.

Gloria Naul, Solis Development, provided testimony on the QAP.

Justin McDonald, developer, thanked staff and the Board for taking so much time to listen and work with the affordable housing community on the QAP and provided testimony on the QAP.

Barry Kahn, thanked staff and provided testimony on the QAP.

Donna Rickenbacker, thanked Tim, Tom, Cameron, Teresa and the rest of the staff on the work they did on the QAP and provided testimony on the QAP.

Sarah Anderson, Texas Affiliation of Affordable Housing Providers (TAAHP), provided testimony on the QAP.

Bobby Bowling, developer, thanked staff and provided testimony on the QAP.

Bill Wenson, provided testimony on the QAP.

Mahesh Aiyer, provided testimony on the lender provisions in the QAP as it related to below-market finance.

Cynthia Bast, Locke Lord, on behalf of Southeast Texas Housing Finance Corporation and Capitol Area Housing Finance Corporation, provided testimony on the QAP.

Diana Mclver, DMA Development, provided testimony on the QAP.

Sara Andre, provided testimony on the QAP.

Christina Sanchez, National Church Residences, provided testimony on the QAP.

John Henneberger, Texas Low-Income Housing Information Service, provided testimony on the QAP.

Stuart Shaw, Bonner Carrington, provided testimony on the QAP.

Walter Moreau, Foundation Communities, provided testimony on the QAP.

Mr. Oser asked Cameron Dorsey to work on a response to some of the items discussed with regard to the QAP and to report back after Executive Session.

## EXECUTIVE SESSION

At 12:05 p.m. Chairman Oser convened the Executive Session.

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

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) *Heston Emergency Housing, LP and Naji Al-Fouzan vs. Texas Department of Housing and Community Affairs, Michael Gerber, Martin Rivera, Jr., Marisa Callan, and Timothy Irvine; Civil Action No. H-11-1121 in the United States District Court for the Southern District of Texas, Houston Division*
  - c) *Claim of Gladys House filed with the EEOC;*
  - d) *Complaint of James Reedom filed with U.S. HHS/OCR ( No. 09-99008)*
  - e) *TDHCA v. William Ross & Susan Ross; Cause No. D-1-GN-11-002226, filed in district court, Travis County*
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 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.
5. Pursuant to Tex. Gov't. Code, §2306.039(c) the Department's internal auditor, fraud prevention coordinator or ethics advisor may meet in an executive session of the Board to discuss issues related to fraud, waste or abuse.

## OPEN SESSION

At 1:33 p.m. Chairman Oser 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.

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

#### *Program Services*

- u) Presentation, Discussion, and Possible Approval to Contract with Staff Recommended Vendor to Perform the Phase 2 Analysis of Impediments to Fair Housing Choice for the State of Texas, #332-RFP12-1001  
**Pulled from consent for further discussion. Motion by Mr. Keig to approve staff's recommendation; duly seconded by Ms. Bingham-Escareño, opposed by Mr. Conine; motion passed.**

### AGENDA ITEM 4b CONT.

- b) Presentation, Discussion, and Possible Approval of final orders adopting the repeal of 10 TAC Chapter 50, concerning 2010 Housing Tax Credit Program Qualified Allocation Plan and Rules, and adoption of new 10 TAC Chapter 50, concerning 2012-2013 Housing Tax

Credit Program Qualified Allocation Plan, for publication in the *Texas Register*

Cameron Dorsey responded to public comment concerning the QAP.

**Motion by Mr. Conine to approve staff's recommendation as modified in the motion, duly seconded by Mr. Keig. Question by Dr. Muñoz on points for elderly. Mr. Keig withdrew his second. Motion seconded by Mr. Gann. Motion by Dr. Muñoz to amend the motion by Mr. Conine to change the point scoring to three-four on the elderly versus non-elderly, duly seconded by Mr. Keig; motion passed unanimously. Original motion made by Mr. Conine and seconded by Mr. Gann; motion passed unanimously.**

- c) Presentation, Discussion, and Possible Approval of final orders adopting the repeal of 10 TAC Chapter 1, Sections 1.31 – 1.37, 2011 Real Estate Analysis Rules and Guidelines and the adoption of new 10 TAC Chapter 1, §§1.31 – 1.37, 2012 Real Estate Analysis Rules and Guidelines, for publication in the *Texas Register*

**Motion by Mr. Conine to approve; duly seconded by Mr. Gann; motion passed unanimously.**

- d) Presentation, Discussion, and Possible Approval of final orders adopting the repeal of 10 TAC Chapter 1 §1.1 concerning Definitions for Housing Program Activities and the adoption of new 10 TAC Chapter 1 §1.1 Definitions and Amenities for Housing Program Activities, for publication in the *Texas Register*

**Motion by Mr. Conine to approve; duly seconded by Ms. Bingham; motion passed unanimously.**

- e) Presentation, Discussion, and Possible Approval of final orders adopting the repeal of 10 TAC Chapter 1, Sections 1.31 – 1.37, 2011 Real Estate Analysis Rules and Guidelines and the adoption of new 10 TAC Chapter 1, §§1.31 – 1.37, 2012 Real Estate Analysis Rules and Guidelines, for publication in the *Texas Register*

**Motion by Mr. Conine to approve; duly seconded by Ms. Bingham; motion passed unanimously.**

#### AGENDA ITEM 5: HOUSING RESOURCE CENTER:

- a) Presentation, Discussion, and Possible Approval of the 2012 Regional Allocation Formula Methodology  
Diana McIver, DMA Development, commented that she is satisfied that staff got it right.

Bobby Bowling, expressed thanks to staff for working with the development community on the RAF.

**Motion by Ms. Bingham-Escareño to approve; duly seconded by Mr. Gann; motion passed unanimously.**

#### AGENDA ITEM 6: HOME:

- a) Presentation, Discussion, and Possible Action regarding the Multifamily Development Program Award Recommendations
- |       |                                  |            |
|-------|----------------------------------|------------|
| 11031 | La Hacienda Casitas              | Harlingen  |
| 11033 | American GI Forum Village I & II | Robstown   |
| 11041 | Riverwood Commons                | Bastrop    |
| 11140 | Villas of Giddings               | Giddings   |
| 11223 | The Terrace at MidTowne          | Midlothian |

**Motion by Mr. Conine to approve; duly seconded by Ms. Bingham; motion passed unanimously.**

#### AGENDA ITEM 7: MULTIFAMILY DIVISION ITEMS – TAX CREDIT PROGRAM:

- a) Presentation, Discussion, and Possible Action Regarding Waivers of Ineligibility for Applicants Awarded during the 2011 Competitive Housing Tax Credit Application Cycle

11138	SilverLeaf at Gun Barrel City	Gun Barrel City
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Wade Bienski, provided testimony opposed to the approval of this waiver.

**Motion by Mr. Keig to approve waiver; duly seconded by Mr. Conine; motion passed unanimously.**

11139	Champion Homes at Copperidge	Dallas	PULLED
11140	Villas of Giddings	Giddings	PULLED
11261	North Angelo Housing Estates	San Angelo	PULLED

#### REPORT ITEMS

1. Status report on the Housing Tax Credit Exchange Program and Portfolio
2. Status Report on the Implementation of the American Recovery and Reinvestment Act of 2009 (Recovery Act)
3. Report on the Transfers of American Recovery and Reinvestment Act of 2009 (Recovery Act) and Housing & Economic Recovery Act of 2008 (HERA) funds amongst subrecipients
4. TDHCA Outreach Activities, September and October 2011
5. Status Report on the approval of HOME Program Reservation System Participants

#### ADJOURN

Since there was no other business to come before the Board, the meeting was adjourned at 2:50 p.m. on November 10, 2011.

Michele Atkins, Assistant 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)

2b



**BOARD ACTION REQUEST**  
**DECEMBER 15, 2011**

Presentation, Discussion, and Possible Adoption of expanded clarification regarding actions taken to award forward commitments.

Attached is a letter from Sen. Royce West, Chairman of the Department's Senate Oversight Committee, Intergovernmental Relations. The Senator is seeking a more detailed understanding of the rationale for decisions to award forward commitments. Also attached is a summary (Table A) of the forward commitments, setting forth the rationale reflected on the record (transcript) for each. This agenda item is an opportunity for the board to further develop and clarify the record, should it choose to do so, regarding the bases for its previous actions. Upon conclusion of the discussion the Board will need to vote in order to memorialize that it has expanded or clarified the record on these forward commitments. To the extent that the board determines, based on these discussions, that additional actions are merited with regard to specific commitments, it may set those items for consideration at a future meeting.



# The Senate of The State of Texas

## SENATE COMMITTEES:

### CHAIRMAN

Intergovernmental Relations

### MEMBER

Education

Finance

Health and Human Services

Higher Education

## Senator Royce West

District 23

### President Pro Tempore

2006

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November 30, 2011

Mr. J. Paul Oxer, PE, Chair

Texas Department of Housing and Community Affairs

221 East 11th Street

Austin, TX 78701

Dear Mr. Oxer:

The purpose of this correspondence is to request from you information regarding actions taken by the Board of the Texas Department of Housing and Community Affairs (TDHCA) at a recent meeting on October 4, 2011, specifically as it relates to an award of low-income housing tax credits in the Dallas area based on factors other than a competitive score. It is my understanding that at this meeting, the TDHCA Board voted to disregard the recommendations of staff and award a forward commitment of tax credits to a proposed development that scored considerably lower than two other proposals in Region 3. Although I do appreciate that the Board noted a greater infusion of local resources to this property as the basis for the award, I still have concerns regarding this action and would appreciate a better explanation of the rationale behind the Board's decision.

The Texas Legislature has provided clear guidance regarding the award of low-income housing tax credits. This authority is outlined in statute and provides TDHCA with the ability to develop rules, in consultation with appropriate stakeholders, which award tax credits based on a competitive process known as the Qualified Allocation Plan (QAP). The QAP takes into account many factors, including those mandated by statute, which TDHCA staff then use to evaluate proposed developments in order to recommend a list of awardees that ensures the best use of federal, state, and local resources. The rules established through the QAP provide a level playing field for all developments and does not upset the competitive process the Texas Legislature envisioned when the current statute was written. It also provides a safety net to ensure that all decisions made regarding the award of tax credits are fair and based on objective criteria.

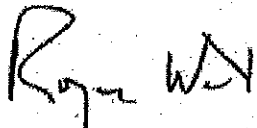
The awarding of tax credits in a manner that circumvents this process, such as those made without regard to staff recommendations, has the potential to call into question the



objectivity of decisions made regarding affordable housing funds and causes uncertainty amongst low-income housing providers. Therefore, an understanding of the rationale behind the action of the Board to award certain properties tax credits, regardless of their QAP score, would assist me in ascertaining whether the Legislature should consider additional safeguards regarding tax credit awards or study additional mechanisms to ensure a fair and competitive process.

I look forward to hearing from you on this matter. I appreciate the work that you do in the provision of affordable housing in our state. Please do not hesitate to call me or Julie Frank on my staff at (512) 463-2527, if you have any questions.

Sincerely,

A handwritten signature in black ink, appearing to read "Royce West". The signature is written in a cursive, somewhat stylized font.

Royce West, Chairman  
Senate Committee on Intergovernmental Relations  
District 23

cc:  
Members, TDHCA Board  
Tim Irvine, Chief of Staff, TDHCA

RW/jf

Table A

HTC Number	Development Name	Requested Amount	Location	Region	Amount Available in Region 2011/2012
11041	Riverwood Commons	\$622,937	Bastrop	7 R	\$599,439/\$500,000
<p>Reason(s) for forward: <b>New disaster area as a result of wildfires.</b>  October 4 transcript page 162, "MR. CONINE: ...project 11041, the Riverwood Commons in Bastrop, obviously for the disaster relief and fire damage over there..."</p> <p><i>Other significant comments in the record made prior to the Board's decision</i></p> <ul style="list-style-type: none"> <li>October 4 transcript page 69 Letter from Governor Dewhurst, "...it is anticipated that the Riverwood Commons development will bring 60 jobs to the Bastrop community."</li> <li>September 15 transcript page 71 Letter from Senator Glenn Hegar in support</li> </ul>					
HTC Number	Development Name	Requested Amount	Location	Region	Amount Available in Region 2011/2012
11140	Villas of Giddings	\$733,728	Giddings	7 R	\$599,439/\$500,000
<p>Reason(s) for forward: <b>New disaster area as a result of wildfires.</b>  October 4 transcript page 162, "MR. CONINE: ...obviously for the disaster relief and fire damage over there, and in addition to that, the other project is 11040, the Villas of Giddings for essentially the same reason. MR. OXER: 11140? MR. CONINE: 11040. MR. OXER: No. MR. CONINE: Did I mis-do that one too? MR. OXER: 11140. MR. CONINE: 11140. Sorry about that."</p> <p><i>Other significant comments in the record made prior to the Board's decision</i></p> <ul style="list-style-type: none"> <li>October 4 transcript page 107, "MR. GARRETT: ...located eight miles from the Bastrop fire where you heard that 1,600 homes were lost and over 34,000 acres."</li> <li>October 4 transcript page 108, "MR. GARRETT: ...The deal is truly shovel ready, the lots are fully developed, the streets are in, the sewer, water, electric, etcetera is sitting there waiting. We built this same project in Dallas last year which was 56 homes. From close to final CO on the final house was 165 days, that's all 56 homes."</li> <li>September 15 transcript page 176, "MAYOR BROWN: We've have very limited residential development in Giddings over the last ten years. There's been one 16-unit apartment complex built, there's been no new subdivisions and no new entry level projects such as this one built in Giddings over the last ten years. We have a real need for entry level housing for young professionals and young families starting out in life."</li> <li>September 15 transcript page 179, "MR. JOHNSON: there is a real need. There was a complex built in early January, a 16-unit complex, the rent was \$750 a month and it filled up within two months."</li> <li>September 15 transcript page 179, "MR. GARRETT: I think you've got a letter from Representative Kleinschmidt in your packet there that was handed out."</li> </ul>					
HTC Number	Development Name	Requested Amount	Location	Region	Amount Available in Region 2011/2012
11261	North Angelo Housing Estates	\$494,376	San Angelo	U 12	\$1,054,563/\$500,000
<p>Reason(s) for forward: <b>Viable prior award that returned its commitment when financing fell out and now has new backing</b>  October 4 transcript page 162, "MR. CONINE: ...project 11261, the North Angelo Blackshear area project in San Angelo. MR. OXER: For reasons? MR. CONINE: Because it's an old deal that was done before, we're going to do it again."</p> <p><i>Other significant comments in the record made prior to the Board's decision</i></p> <ul style="list-style-type: none"> <li>September 15 transcript page 22 Representative Darby spoke in support</li> <li>September 15 transcript page 187, "MR. MYERS: We're the only organization that is bringing to you a proposal that's in a context of bringing together all the resources of the community, not-for-profits, government, the energized citizens in blighted neighborhoods, attack all the neighborhoods that are blighted at the same time with every form of housing, every age, and this is approaching the specific kinds of holes that we have in our present plan, and that is low income, quality, single family housing."</li> <li>September 15 transcript page 189, "MR. MAC DONALD: The project is owned by Galilee CDC, we will not be receiving any developer fee, this project has the full support of the City of San Angelo and is targeted in their revitalization and blighted area to the city. The City of San Angelo is committed to this cause and they've even donated the lots where these homes will be built and constructed. This is by all accounts a true community supported project, as again pointed out by Representative Darby this morning."</li> </ul>					

Table A

HTC Number	Development Name	Requested Amount	Location	Region	Amount Available in Region 2011/2012
11033	American GI Forum Village I & II	\$944,918	Robstown	AR (R10)	\$8,182,646/\$7,353,117
<p>Reason(s) for forward: <b>Viable prior award that returned its commitment when financing fell out and now has new backing</b>  October 4 transcript page 162, "MR. CONINE: ... Same in Region 10, 11033, the American GI Forum. Those are, again, two projects that we had done before that I think merit forward commitments to see if we can get them done finally."</p> <p><i>Other significant comments in the record made prior to the Board's decision</i></p> <ul style="list-style-type: none"> <li>October 4 transcript page 151, "MR. MARTINEZ: ... the GI Forum took a few years to regroup and this year submitted a stronger application which went through underwriting and was listed on the recommended list for statewide at-risk projects at the July 28 meeting, just a few months ago. However, in a last-minute reversal, the project was removed from the recommended list and instead placed on the waiting list, number one in the at-risk pool."</li> <li>September 15 transcript page 72 Letter from Senator Juan "Chuy" Hinojosa in support</li> </ul>					
HTC Number	Development Name	Requested Amount	Location	Region	Amount Available in Region 2011/2012
11090	Sutton Oaks II	\$2,000,000	San Antonio	9 U	\$2,966,715/\$500,000
<p>Reason(s) for forward: <b>Significant amount of local funds, strong legislative support, highest score in region with no "new" deal</b>  October 4 transcript page 163, "MR. CONINE: ...Project 11090, Sutton Oaks, got a pretty high score, it's a Phase II of one we've already done there before, and they've got a considerable amount of third party financing."</p> <p><i>Other significant comments in the record made prior to the Board's decision</i></p> <ul style="list-style-type: none"> <li>October 4 transcript page 132, "MR. WILSON:...as one of the largest population centers in all of Texas, San Antonio received no allocation this year.... the San Antonio Housing Authority, who is the sponsor of this project, the partner in this project, is pledging near \$3 million of its own money to help provide public housing. So this will turn Sutton Oaks into not only a true mixed income development but also leverage tax credits with public community money to help make this project financially feasible, and if we don't commit those dollars this year, that money simply goes away, and what a tragedy that would be to lose this housing because we couldn't get credits this year."</li> <li>September 15 transcript page 59, "REPRESENTATIVE MENENDEZ : ...San Antonio's region lost \$1.4 million in available credits to other regions around the state, and while I know that many of you are aware of my concerns with the allocation formula, losing these credits from an already under-served region is simply inequitable to the community and to the overall distribution credits around the state."</li> <li>September 15 transcript page 80, "MR. CAVAZOS: The SAHA Board has committed over \$2 million to this project, it's a good community partnership, and it will provide additional quality services to east side residents in our community."</li> </ul>					
HTC Number	Development Name	Requested Amount	Location	Region	Amount Available in Region 2011/2012
11139	Champion Homes at Copper Ridge	\$2,000,000	Dallas	3 U	\$9,187,049/\$5,602,215
<p>Reason(s) for forward: <b>Significant amount of local funds, High opportunity area in 2011</b>  October 4 transcript page 163, "MR. CONINE: ...Project 11139, the Champion Homes at Copperidge is the absolute largest in gross dollars in third party financing, it's a transportation DART deal there in Dallas, in a good school district, so I'd like to see that one."</p> <p><i>Other significant comments in the record made prior to the Board's decision</i></p> <ul style="list-style-type: none"> <li>October 4 transcript page 110, "MR. FISHER: ...We're a true TOD, a true transit-oriented development located directly adjacent to the DART light rail line serving UT Southwestern Medical Center, the largest and fastest growing employment base in the City of Dallas. We are mixed income, 60 percent of the units are affordable and 40 percent of the units are market rate. We strategically located our development in a high opportunity area where the demographics in our market area and census tract in the City of Dallas assist the agency in furthering Fair Housing in Dallas."</li> <li>September 15 transcript page 29 reference to Letter from State Representative Eric Johnson by his Chief of Staff</li> </ul>					

Table A

HTC Number	Development Name	Requested Amount	Location	Region	Amount Available in Region 2011/2012
11114	Green Haus on the Santa Fe Trail	\$191,228	Dallas	3 U	\$9,187,049//\$5,602,215
<p>Reason(s) for forward: <b>Significant amount of local funds</b>                      October 4 transcript page 163, "MR. CONINE: ... And then project 11114, the Greenhouse on Santa Fe Trail, that's the largest percentage of total costs covered in the entire application cycle."</p> <p><i>Other significant comments in the record made prior to the Board's decision</i></p> <ul style="list-style-type: none"> <li>October 4 transcript page 125, "MR. LUNA:...Last year we had 213 points. Had the Board exercised its discretion for forward commitments in the Urban Region 3 in points score order, we would have received a forward commitment last year. Instead, two projects with fewer points leapfrogged us: Evergreen Residence with 210 points and North Park Villas with 197.... The Board can essentially treat our application as a pilot project for the shared housing concept. A forward commitment this year says that our model has merit and helps fulfill the department's mission to improve the lives of Texans through better communities.... And we've already received grants from the Harold Simmons Foundation and the Meadows Foundation. A forward commitment this year will recognize that this project has broad-based community support and that it is ready to move forward.... our tax credit request is relatively modest, literally hundreds of thousands as opposed to millions. As a small nonprofit it is getting cost-prohibitive to pursue these tax credits. Since our request is small, a forward commitment will not substantially impact next year's capacity for other applicants."</li> </ul>					
HTC Number	Development Name	Requested Amount	Location	Region	Amount Available in Region 2011/2012
11089	Parkstone Senior Village Phase II	\$721,737	Wichita Falls	2 U	\$703,775/\$500,000
<p>Reason(s) for forward: <b>Second phase of successful senior deal and significant amount of local funds</b>                      October 4 transcript page 163, "MR. CONINE: ... project 11080, Parkstone Seniors in Wichita Falls. It's a senior project, a Phase II again of one that's been successful there, and also has some third party financing attached to it."</p> <p><i>Other significant comments in the record made prior to the Board's decision</i></p> <ul style="list-style-type: none"> <li>October 4 transcript page 135, "MR. STEVENSON: ... This project is eleven years old. We've looked at applying before, we turned in a pre-app before, and we never could quite get there with the points. We have already rezoned and annexed this property. We've got over 200 signatures on petition that you have copies of, we have an extensive waiting list. What we have run into prior to this is that in the QAP, the development location and the economic development incentive, we cannot get to those points. We've got a highly successful, almost never had an inoccupancy in the eleven years there."</li> <li>September 15 transcript page 56 reference to Letter from State Representative Lanham Lyne by his Chief of Staff</li> <li>September 15 transcript page 58, "MS. VEST:...I have letters from the residents there, I have petitions from people that reside in Wichita Falls and see the need for the forward commitment. I have a waiting list. I turn people away every day and have ever since we opened, every day. There is just such a need in Wichita Falls for a senior community, so we ask that you consider us for the forward commitment."</li> <li>September 15 transcript page 66, "MR. STEVENSON:...we're in the same region as Abilene, Abilene got the award this year. What happens is oftentimes you need to realize that the Wichita Falls area services more than just Wichita Falls. What happens in smaller towns for the elderly, the first thing that seems to happen is that they lose their medical facilities, they are scared to be without it at that level, they're mostly in their 70s and early 80s moving in there, and they migrate to the towns that are of some substance which would be Wichita Falls in that general area."</li> </ul>					
HTC Number	Development Name	Requested Amount	Location	Region	Amount Available in Region 2011/2012
11105	Aster Villas	\$1,034,797	Del Rio	11 R	\$1,459,716/ \$621,404
<p>Reason(s) for forward: <b>Underfunded region with strong support for project</b>                      October 4 transcript page 163, "MR. CONINE: ... Region 11 was fairly under-funded, I believe. Project 11105, Aster Villas, got a lot of local support, it's a rural deal in that particular region, Region 11."</p> <p><i>Other significant comments in the record made prior to the Board's decision</i></p> <ul style="list-style-type: none"> <li>October 4 transcript page 120 Letter from Representative Pete Gallego, "The Del Rio community is in need of nearly 1,000 units</li> </ul>					

Table A

and the development of 80 units by Aster Villas be of great help in providing the much needed housing. The Aster Villas project will also be of great economic benefit to Del Rio with projected local expenditures of \$5.9 million for construction, as well as \$189,000 in city services, over \$35,000 in tax revenues, and nearly \$75,000 in sales per year.”

- October 4 transcript page 128, “MR. HARTMAN:...Region 11 has gotten no 2011 applications funded. Number two, when you go through the rural collapse, this would have been the next deal funded. I believe when you went through the rural collapse, we probably had enough credits for maybe 40 percent of what we had requested, so therefore, those got pushed elsewhere, so we were the first deal below the line.... We were the only rural application in Region 11 that got full local government contribution. Since then we've had two resolutions from the city council asking for a forward commitment that we read into the record, and you heard today from Representative Gallego who wants this development.”

HTC Number	Development Name	Requested Amount	Location	Region	Amount Available in Region 2011/2012
11031	Hacienda La Casitas	\$783,316	Harlingen	11 U	\$2,655,037/ \$2,973,821

Reason(s) for forward: **Underfunded region with NSP and strong support for project**  
 October 4 transcript page 164, “MR. CONINE: ... And also 11031, La Hacienda Casitas which is an urban deal in Region 11. As we heard testimony here, they got a lot of NSP funding which is a good sponsor and is an acquisition rehab instead of a new construction.”

*Other significant comments in the record made prior to the Board’s decision*

- October 4 transcript page 73 Letter from Senator Lucio, “Not only did the CDCB project rank above most others, it received a competitive score of 214 points, making it the second highest project ranking in the state. Clearly, although application 11031 met the requirements set forth by the Tax Credit Program in the 2011 tax cycle, it, along with Region 11, were passed over for an award during this year's tax cycle.”
- October 4 transcript page 153, “MR. BENNETT:...The La Hacienda site was made unlivable because of Hurricane Dolly. Fifty-six units of affordable housing with the Cameron County Housing Authority were lost during that time, and this reconstruction project will replace and return them to the stock of affordable housing in the Harlingen area.... CDCB has a grant award of NSP 1 dollars ready and waiting to be spent on demolishing this project. Literally, if you approve this, I make a phone call and the bulldozers start moving in...”

HTC Number	Development Name	Requested Amount	Location	Region	Amount Available in Region 2011/2012
11150	New Hope at Rittenhouse	\$989,141	Houston	6 U	\$10,145,991/\$ 9,512,316

Reason(s) for forward: **Special Needs Population, nationally recognized provider**  
 October 4 transcript page 165, “DR. MUNOZ: ...I also have a sense of strong support for 11150, the New Hope project in Houston. Here's a project that would have a significant size, already recognized with national awards for its innovative approach to affordable housing, and we also want to create templates and models for others to aspire to, and I think the amount of national recognition that they're developments have attracted affords us that.”

*Other significant comments in the record made prior to the Board’s decision*

- October 4 transcript page 103, “MS. HORAK-BROWN:...We have a track record -- thank you very much for helping us -- a track record of drawing attention both locally and nationally to the concept that supportive housing is something that you want in your neighborhood, it is not a blight.... we bring to you the fact that as a true nonprofit developer, every dollar that is allocated to us or comes through us through donors goes directly into our mission. There's no distribution of profits, our role is different. And our mission is to house the neediest among us, individuals living alone, about \$13,000 a year, 11 percent are veterans, 65 percent are disabled, more than 60 percent have been literally homeless, they are recovering from substance abuse, they are the working poor, they are elderly, and they are dependent.”

3a



**MULTIFAMILY FINANCE DIVISION  
BOARD ACTION REQUEST  
December 15, 2011**

Presentation, Discussion, and Possible Action Regarding Appeals for Applicants Awarded during the 2011 Competitive Housing Tax Credit Application Cycle.

**Requested Action**

Deny the request to reinstate the 2011 HTC Commitment Notice for #11203 Woodside Village Apartments in the amount of \$968,227 for failure to clear all outstanding final inspections for all associated developments with pending cost certifications by Carryover.

**WHEREAS**, an application for tax credits was submitted for Woodside Village Apartments on March 1, 2011; and

**WHEREAS**, the Board approved commitments of Housing Tax Credits from the 2011 State Housing Credit Ceiling at its July 28, 2011 meeting, including a commitment for Woodside Village Apartments; and

**WHEREAS**, a 2011 Housing Tax Credit Commitment Notice in the amount of \$968,227 was issued to the Applicant on August 16, 2011 with a condition that by Carryover (November 1, 2011) there must be clearance of the Department's final inspections for all developments involving Summit Housing Partners with pending cost certifications; and

**WHEREAS**, as of the deadline associated with the Carryover, the deficiencies noted during the final inspections have not been satisfactorily resolved; therefore,

It is hereby,

**RESOLVED**, that the Board deny the Applicant's request to reinstate the 2011 Housing Tax Credit Commitment Notice for #11203, Woodside Village Apartments.

**Background**

Woodside Village Apartments is a proposed 100 unit, acquisition and rehabilitation development targeting the general population in McKinney, Texas. The development was to be a partnership between Neighborhood Strategies LLC and Summit Housing Partners ("Summit") with Summit as the developer, co-owner of the general partner, guarantor and primary contact for the application. The Commitment Notice included a condition that the Applicant must have all deficiencies associated with final construction inspections on all pending cost certifications on existing Developments by Summit be cleared by the date the Carryover is submitted. All of the Department's correspondence regarding this application through commitment was with Summit.

As of the deadline associated with Carryover the deficiencies noted were not satisfactorily resolved; therefore, the Commitment was rescinded pursuant to §49.12(d) of the 2011 QAP.

The submitted appeal indicated the Department's termination of the Commitment Notice is discretionary based on the language in the QAP; that all other requirements of the Commitment Notice as well as Carryover were met; and that Neighborhood Strategies, LLC as 51% owner of the General Partner, is confident that a new 49% member of the General Partner and new Developer and Guarantor can be added to the Development Team to replace Summit.

The initially submitted appeal response did not specifically indicate the 49% replacement member. Subsequent information was received regarding the replacement partner but the necessary review of this replacement partner has not yet been completed. The application indicates that Summit was not only a 49% general partner, primary contact and Developer but also Guarantor, and required experienced entity for the application. Staff's decision was not to approve the appeal or further consider the replacement of Summit, the major participant in this transaction, without the resolution of all final inspection issues as provided for in the Commitment for the award of 5 other developments which were awarded in 2005, 2006, and 2007 that have been in the cost certification pipeline for over two and three years since Summit initially indicated they were complete.

The final inspections and third party inspections recently done by Mucasey and Associates are cause for significant concern due to major accessibility issues and insufficiency of the initial scope of work. Summit has made some progress, by executing new construction contracts, to begin the required rehabilitation scope of work since the completion of the property inspections however completion is not anticipated for several months. Prior to the July 2011 Board action to conditionally award the subject development Summit was notified in writing that any award would be subject to the successful completion of the older transactions. While staff acknowledges that Neighborhood Strategies, LLC may not have been involved in Summit's prior transactions, it was the responsibility of Neighborhood Strategies, LLC to perform the necessary due diligence on the other development team members. Moreover the change of ownership and control now proposed undermines the intent of the previous participation review process and staff believes that failure of a partner to complete prior transactions is not good cause for an ownership transfer prior to issuance of 8609s. Such a transfer requires a finding that a hardship exists that is outside the control of the parties involved.

**Claire G. Palmer**  
*Attorney and Counselor at Law*

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December 7, 2011

By Email to [tim.irvine@tdhca.state.tx.us](mailto:tim.irvine@tdhca.state.tx.us)  
Mr. Tim Irvine, Executive Director  
Texas Department of Housing and Community Affairs  
221 east 11<sup>th</sup> Street  
Austin, TX 78701-2410

RE: 2011 Housing Tax Credit ("HTC") Commitment Notice; TDHCA #11203  
Woodside Village Apartments, McKinney, Texas

Dear Mr. Irvine:

I am writing this letter on behalf of Linda McMahon and her company Neighborhood Strategies, LLC (the "Majority Owner") of that certain project known as Woodside Village Apartments, an acquisition rehabilitation project (the Project") to request that the Board of TDHCA grant a **waiver** of the termination of the Commitment for 2011 tax credits for Application #11203, Woodside Village Apartments and to reinstate the tax credits for the Project.

The Notice of Termination from TDHCA was dated November 9, 2011. An appeal of the Termination was timely filed and was denied by you on December 1, 2011. As you now, the Commitment was terminated because the Managing Member ("Summit") of the General Partner of the Owner of the Project "failed to clear TDHCA final inspections for all of its developments with pending cost certifications". The Majority Owner of this project is not involved in any way in the Projects that are in non-compliance with TDHCA requirements or any other project owned or controlled by Summit. In fact, the Majority Owner has located a new partner and a TDHCA Transfer Application has been prepared and submitted to TDHCA to change the General Partner entity to Woodside Village GP, LLC, a Colorado limited liability company and to transfer the Managing Member's 49% interest to Steele Woodside Village MM, LLC.

In the denial of the appeal, one issue that was raised was whether the Summit entities that were to serve as the Project's Developer and Guarantor would also be replaced. That is the case. The Summit entity

that was to manage the completed Project will be replaced with Monroe Group, Ltd., a Colorado corporation. The new Developer will be Steele Properties, LLC. The guarantors, if needed, will also be Steele Properties, LLC. This group has experience with TDHCA meeting the requirements for an experience certificate and application has been made for a new certificate. Summit will have no further involvement or financial interest in this Project. In the denial of the appeal, you note that the Majority Member and Ms. McMahon should have done due diligence on her partner. I can assure that due diligence was done before that relationship was established. Once she learned of the issues, she has been the driving force in finding a replacement partner and putting together a new team. She has done extensive due diligence on the proposed replacement member, including but not limited to checking their compliance history with the TDHCA.

Therefore, in accordance with §49.16 of the 2011 Qualified Allocation Plan, Waiver and Amendment of Rules, the Owner requests that the Board waive the requirement that had been placed on Summit in the Commitment Notice and reinstate the Commitment. We believe that this waiver is appropriate to fulfill the purposes of Chapter 2306 of the Texas Government Code and there is good cause for granting this waiver.

The Project is a 100% Section 8 property, in a high opportunity community, and is in dire need of the proposed rehabilitation. Promises have been made to residents that Ms. McMahon wants to keep. It would be a tragedy for these residents to lose this opportunity to have their units rehabilitated based on the actions of one partner in the transaction.

### **Reasons to Reinstate the Application**

1. Termination was based on the actions or inactions of the minority owner of the General Partner..
2. All other requirements of the Commitment Notice have been met.
3. The new ownership group can meet all of the requirements of Carryover by December 31, 2011.
4. The new ownership group can proceed with the current commitments for financing and with the current letter of intent with the equity provider.
5. The 51% owner has and will continue to take an active role in replacing Summit and providing leadership on the Project.

### **Attachments**

For your review, I have attached the following:

1. New Organizational Structure for the Owner entity.
2. New Organizational Structure for Developer.
3. New Organizational Structure for the Management Company.

### **Summary**

For the reasons stated in this letter and based on the fact that termination is discretionary for this item, I believe that there is good cause for this Commitment to be reinstated and this Project to be allowed to

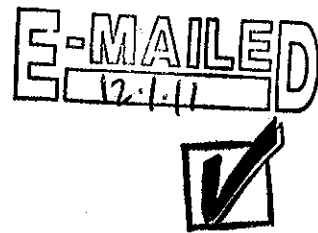
proceed. I respectfully request that the TDHCA Board waive the requirement from the Commitment Notice and to reinstate the Commitment of tax credits.

If you have any questions or need further information, please do not hesitate to contact me.

Very truly yours,

A handwritten signature in blue ink that reads "Claire Palmer". The signature is written in a cursive, flowing style.

Claire G. Palmer



TEXAS DEPARTMENT OF HOUSING AND COMMUNITY AFFAIRS

[www.tdhca.state.tx.us](http://www.tdhca.state.tx.us)

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GOVERNOR

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Juan S. Muñoz, PhD

December 1, 2011

(512) 475-3296

Email: [tim.irvine@tdhca.state.tx.us](mailto:tim.irvine@tdhca.state.tx.us)

Sarah Rucker  
Summit Woodside Village Apartments  
105 Tallapoosa St., Ste. 300  
Montgomery, AL 36104

RE: 2011 HTC Commitment Notice for #11203, Woodside Village Apartments

Dear Ms. Rucker:

The Department is in receipt of your letter dated November 15, 2011 wherein you appeal the rescission of the 2011 HTC Commitment Notice for #11203, Woodside Village Apartments. The tax credits were rescinded because one of the conditions of the Commitment Notice was not met, specifically:

“Receipt and acceptance by Carryover of clearance of the Department’s final inspections for all developments with pending cost certifications.”

As of the deadline associated with the Carryover, November 1, 2011, the deficiencies noted during the final inspections have not been satisfactorily resolved; therefore the Commitment Notice for the above referenced application was rescinded pursuant to §49.12(d) of the 2011 QAP.

**Appeal Review**

You appeal that the Department’s termination of the Commitment Notice is discretionary based on the language in the QAP; that all other requirements of the Commitment Notice as well as Carryover were met and that Neighborhood Strategies, LLC as 51% owner of the General Partner, is confident that a new 49% member will be added to the Development Team.

The submitted appeal response does not specifically indicate the 49% replacement member. Subsequent information was received but the necessary review of this replacement partner has not yet been completed. However, the application indicates that Summit was not only a 49% general partner but also the Developer, Guarantor, required experienced entity, and primary contact for the application. All of staff’s correspondence prior to the rescission notice was with representatives of Summit. We cannot approve the appeal or further consider the replacement of Summit, the major participant in this transaction, without the resolution of all final inspection issues as provided for in the award condition. The final inspections and third party inspections done by Mucasey and Associates are cause for

significant concern due to major accessibility issues and insufficiency of the initial scope of work. While the Department acknowledges that Neighborhood Strategies, LLC may not have been involved in Summit's prior transactions, it was the responsibility of Neighborhood Strategies, LLC to perform the necessary due diligence on the other development team members.

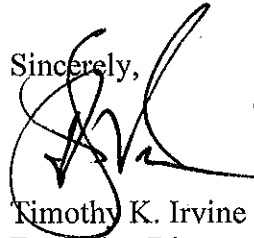
**Appeal Determination**

Given the circumstances presented, your appeal to reinstate the credits for #11203, Woodside Village Apartments is denied.

An Appeals Policy exists for the Housing Tax Credit Program. The restrictions and requirements relating to the filing of an appeal can be found in §49.10(d) of the 2011 QAP. If you wish to appeal to the Board the appeal request **must** be received by 5:00 p.m. CST on **December 8, 2011** to be included with the December Board materials.

If you have any questions, please do not hesitate to contact Raquel Morales at 512-475-1676 or [raquel.morales@tdhca.state.tx.us](mailto:raquel.morales@tdhca.state.tx.us).

Sincerely,



Timothy K. Irvine  
Executive Director

CFD:twm

Claire G. Palmer  
*Attorney and Counselor at Law*

2224 Clearspring Drive South  
Irving, Texas 75063  
972-948-3166  
Fax: 972-432-8825  
[clairepalmer@sbcglobal.net](mailto:clairepalmer@sbcglobal.net)

November 15, 2011

By Email to [tim.irvine@tdhca.state.tx.us](mailto:tim.irvine@tdhca.state.tx.us)  
Mr. Tim Irvine, Executive Director  
Texas Department of Housing and Community Affairs  
221 East 11<sup>th</sup> Street  
Austin, TX 78701-2410

RE: 2011 Housing Tax Credit ("HTC") Commitment Notice; TDHCA #11203  
Woodside Village Apartments, McKinney, TX (the "Project")

Dear Mr. Irvine:

I am writing this letter on behalf of Linda McMahon, the sole owner of Neighborhood Strategies, LLC ("NS"), the 51% owner of Summit Woodside GP, LLC, the General Partner of Summit Woodside Village Apartments, Ltd., the Project Owner (the "Owner") of that certain project known as Woodside Village Apartments, a 100 unit multifamily rehabilitation project to **appeal** a Notice of Termination of Commitment for 2011 tax credits based on failure to provide "receipt and acceptance by Carryover of clearance of the Department's final inspections for all developments with pending cost certifications."

According to the Commitment Notice dated August 16, 2011, failure to provide the listed items required by the Commitment Notice **may** (emphasis added) result in the termination of the commitment. This appears to be a discretionary item since the Commitment clearly states that failure to meet this deadline **may, rather than shall**, result in termination. We believe there is good cause for this application to be reinstated.

#### **Facts leading to Termination**

The Developer and 49% owner of the Project are related entities of Summit Housing Partners, LLC ("Summit"). Summit was involved in previous transactions with TDHCA that had not achieved final inspection clearance from the Department. TDHCA staff required that Summit



request final inspections for those developments prior to issuing the determination notice. In addition, the Department added a condition to the Commitment that required "Receipt and acceptance by Carryover of clearance of the Department's final inspections for all developments with pending cost certifications."

Summit advised NS that they were working with the Department to achieve inspection clearance for the developments in question and were confident, based on discussions with Staff, that even if they were not able to achieve clearance, their demonstration and provision to Staff of their best efforts and commitment to achieve clearance would be honored and Carryover granted.

The results for the inspections, requested between 7/25/2011 and 8/6/2011 were received by Summit 10/13/2011 and 10/18/2011 respectively. Those inspections identified deficiencies that needed to be addressed before clearance could be granted. Unfortunately, the bulk of the deficiencies were related to UFAS and accessibility issues. Summit provided Staff with full sets of third party architectural plans and executed third party construction contracts to address the deficiencies, and a completion schedule that would meet the timeframe required by the inspections. Based on discussions with Staff noted above, Summit advised NS that they were still confident Carryover would be granted. However, in a conference call with Staff on November 7, 2011, Summit was advised that inspection clearance had not been achieved by the Carryover deadline so the Department intended to issue a termination of the Commitment. The Termination Notice was sent November 9, 2011.

#### **Subsequent Actions**

On November 7, 2011, after talking to TDHCA staff, Summit informed NS of the potential termination of the Commitment. In the best interest of the Project, Summit has agreed to withdraw from the transaction and allow NS to replace them with an experienced developer. Several potential replacements have been identified and NS is in ongoing discussions with these developers to finalize an agreement for a suitable replacement. Given the short time between the Termination Notice and the date for filing an appeal, NS would request that they be given additional time to file a formal Transfer of Interest package for approval by your office. NS has been and continues to be actively involved in the Project and has every confidence that a new 49% member acceptable to TDHCA will be added to the development team.

#### **Reasons to Reinstate the Application**

1. Termination is discretionary with TDHCA.
2. The Owner has met all other requirements of the Commitment Notice and has made substantial expenditures to get the Project ready for construction.
3. The Owner has met all other requirements of Carryover on or before November 1, 2011.
4. The Owner is able to replace Summit with an experienced developer. NS had no participation in the projects that caused this termination. NS performed due diligence on Summit before partnering with them and had no reason to believe they should not partner with Summit on this needed Project.



E-MAILED  
11.9.11



TEXAS DEPARTMENT OF HOUSING AND COMMUNITY AFFAIRS

[www.tdhca.state.tx.us](http://www.tdhca.state.tx.us)

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Juan S. Muñoz, PhD

November 9, 2011

Writer's direct phone # (512)475-2213  
Email: [cameron.dorsey@tdhca.state.tx.us](mailto:cameron.dorsey@tdhca.state.tx.us)

Sarah Rucker  
Summit Woodside Village Apartments  
105 Tallapoosa St., Ste. 300  
Montgomery, AL 36104

RE: 2011 HTC Commitment Notice for #11203, Woodside Village Apartments

Dear Ms. Rucker:

A 2011 Housing Tax Credit Commitment Notice was issued on August 16, 2011 to the above referenced Application in the annual amount of \$968,227. Pursuant to the Conditions of Commitment, "failure to submit the documentation in sections A-J, by the specified dates may result in the termination of the commitment made by this Commitment notice." While requests for final inspections were received by the Department, the condition specifically stated the following:

"Receipt and acceptance by Carryover of clearance of the Department's final inspections for all developments with pending cost certifications."

As of the deadline associated with the Carryover, November 1, 2011, the deficiencies noted during the final inspections have not been satisfactorily resolved. Therefore, please be informed that the Department is rescinding the Commitment Notice for the above referenced application pursuant to §49.12(d) of the 2011 QAP.

An Appeals Policy exists for the Housing Tax Credit Program. The restrictions and requirements relating to the filing of an appeal can be found in §49.10(d) of the 2011 QAP. If you choose to appeal this determination, you must first submit an appeal to the Executive Director no later than 5:00 pm on **November 16, 2011**. In the event an appeal is denied by the Executive Director, you may appeal directly in writing to the Board.

If you have any questions, please do not hesitate to contact Raquel Morales at 512-475-1676 or [raquel.morales@tdhca.state.tx.us](mailto:raquel.morales@tdhca.state.tx.us).

Sincerely,

Cameron Dorsey  
Director of Housing Tax Credits

CFD:twm

3b

None at this time

3c

None at this time

3d

None at this time



4a

**BOND FINANCE DIVISION  
BOARD ACTION REQUEST  
DECEMBER 15, 2011**

Presentation, Discussion, and Possible Action on Resolution No. 12-014 authorizing the execution of a Universal Cap Escrow Agreement relating to Residential Mortgage Revenue Bonds, Series 2009A/B.

**RECOMMENDED ACTION**

Approve Resolution No. 12-014 authorizing the execution of a Universal Cap Escrow Agreement relating to Residential Mortgage Revenue Bonds, Series 2009A/B.

**WHEREAS**, the Governing Board desires to authorize the execution and delivery of an escrow agreement with the Texas Treasury Safekeeping Trust Company for the purpose of providing additional security for the Residential Mortgage Revenue Bonds, Series 2009A/B; and

**RESOLVED**, that as approved and presented at the TDHCA Board meeting, the Department is hereby authorized to execute an Escrow Agreement with the Texas Treasury Safekeeping Trust Company relating to Residential Mortgage Revenue Bonds, Series 2009A/B; and

**FURTHER RESOLVED**, that Resolution No. 12-014 is hereby adopted in the form presented to this meeting.

**BACKGROUND**

The universal cap rules under the Internal Revenue Code provide for an overall limitation to the amount of gross proceeds that may be allocated to a bond issue. Pursuant to the universal cap rules, the Department should determine the universal cap for each issue of bonds each year. Once the Department has determined those bond issues that are over parity and under parity, the Department should allocate, or de-allocate investments, in accordance with the universal cap rules.

This escrow agreement with the Texas Treasury Safekeeping Trust Company will provide the Department with the ability to allocate all amounts under the Escrow Agreement to the Residential Mortgage Revenue Bonds, Series 2009A/B. The Escrow Agreement will be funded from \$4 million available under the Department's RMRB Warehouse Escrow Fund held in the

General Fund. All amounts allocated under the Escrow Agreement will “de-allocate” a like amount of funds that are currently allocated under the universal cap from various RMRB Residual Revenue Funds; these amounts will be freed up to be used for down payment assistance 2<sup>nd</sup> lien loans under the Program 77 lending initiative. The following table illustrates the funding source, current restrictions and available balance.

<b>Source</b>	<b>Current Balance</b>	<b>Current Restrictions</b>	<b>Available for Universal Cap Escrow Agreement</b>
TDHCA Escrow Fund	\$5 million	\$1 million for RMRB Warehouse Agreement	\$4 million

**Resolution No. 12-014**

RESOLUTION AUTHORIZING THE EXECUTION AND DELIVERY OF AN ESCROW AGREEMENT WITH THE TEXAS TREASURY SAFEKEEPING TRUST COMPANY RELATING TO RESIDENTIAL MORTGAGE REVENUE BONDS, SERIES 2009A AND RESIDENTIAL MORTGAGE REVENUE REFUNDING BONDS, SERIES 2009B; 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 issued its Residential Mortgage Revenue Bonds, Series 2009A in the original aggregate principal amount of \$80,000,000 (the "2009A Bonds") and its Residential Mortgage Revenue Refunding Bonds, Series 2009B in the original aggregate principal amount of \$22,605,000 (the "Series 2009A Bonds" and together with the Series 2009A Bonds, collectively, the "Series 2009 A/B Bonds") pursuant to the Residential Mortgage Revenue Bond Trust Indenture dated as of November 1, 1987, as heretofore amended and supplemented (as amended and supplemented from time to time, collectively the "RMRB Indenture") between the Department's predecessor, the Texas Housing Agency, or the Department, as the case may be, and MTrust Corp or its successors as trustee, including The Bank of New York Mellon Trust Company, N.A. (the "Trustee"), and the Twenty-Eighth Supplemental Residential Mortgage Revenue Bond Trust Indenture dated as of August 1, 2009 between the Department and the Trustee with respect to the Series 2009A Bonds (the "Twenty-Eighth Supplemental Indenture") and the Twenty-Ninth Supplemental Residential Mortgage Revenue Bond Trust Indenture dated as of August 1, 2009 between the Department and the Trustee with respect to the Series 2009B Bonds (the "Twenty-Ninth Supplemental Indenture"), for the purpose, among others, of providing funds to make and acquire qualified mortgage loans (including participating interests therein); and

WHEREAS, the Governing Board desires to authorize the execution and delivery of an escrow agreement with the Texas Treasury Safekeeping Trust Company, as escrow agent (the "Trust Company"), in substantially the form attached hereto (the "Escrow Agreement") for the purpose of providing additional security for the Series 2009 A/B Bonds; and

WHEREAS, the Governing Board desires to approve the deposit of Department funds in an amount not to exceed \$4,000,000 under the Escrow Agreement; and

WHEREAS, the Governing Board desires to approve 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--Approval, Execution and Delivery of Escrow Agreement. The form and substance of the Escrow Agreement are hereby authorized and 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 Escrow Agreement and to deliver the Escrow Agreement to the Trust Company.

Section 1.2--Escrow Deposit. The deposit of Department funds in an amount not to exceed \$4,000,000 under the Escrow Agreement is hereby authorized.

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, 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 Escrow Agreement attached hereto, in the judgment of such authorized representative, 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 the Escrow Agreement 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: the Chair or Vice Chair of the Governing Board, the Executive Director or Acting Director of the Department, the Chief of Agency Administration of the Department, the Director of Bond Finance of the Department, and the Secretary or any Assistant Secretary to the Governing Board.

Section 1.6--Ratifying Other Actions. All other actions taken or to be taken by the Executive Director and the Department's staff in connection with the Escrow Agreement are hereby ratified and confirmed.

## 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 15th day of December, 2011.

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Chair, Governing Board

ATTEST:

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Secretary to the Governing Board

(SEAL)

4b



**BOND FINANCE DIVISION**  
**BOARD ACTION REQUEST**  
**DECEMBER 15, 2011**

Presentation, Discussion, and Possible Action of Resolution 12-015 authorizing the Sale of Certain Mortgage Loans under the Residential Mortgage Revenue Bond Trust Indenture.

**RECOMMENDED ACTION**

Approve Resolution 12-015 authorizing the Sale of Certain Mortgage Loans under the Residential Mortgage Revenue Bond Trust Indenture.

**WHEREAS**, the Department has previously issued various series of its Residential Mortgage Revenue Bonds (“RMRBs”), pursuant to the Residential Mortgage Revenue Bond Trust Indenture dated as of November 1, 1987; and

**WHEREAS**, certain mortgage loans secured RMRBs which are no longer outstanding (the “Whole Loans”) and continue to be held under the RMRB Indenture as part of the trust estate; and

**RESOLVED**, the Governing Board of the Department desires to authorize a sale of the RMRB Whole Loans from funds available under the Department’s Single Family Mortgage Revenue Bond Trust Indenture at a purchase price equal to 109.10% of the outstanding principal balance thereof pursuant to Section 707 of the RMRB Indenture; and

**FURTHER RESOLVED**, that Resolution No. 12-015 is hereby adopted in the form presented to this meeting.

**BACKGROUND**

Currently, \$650,000 in outstanding whole loans are held as residual assets in the Residential Mortgage Revenue Bond Trust Indenture. These loans were originated under Residential Mortgage Revenue Bonds 1987 Series A (Program 34) and were later pledged to Residential Mortgage Revenue Bonds 1999 Series A (Program 54). Upon the final redemption of the 1999 Series A bonds on May 1, 2011, these whole loans became residual assets. These loans have an average remaining term of seven years and carry an interest rate of 9.55%. In order to best utilize these funds and continue to accomplish the goals of the Mortgage Revenue Bond Program, the Department desires to sell these loans to the Single Family Mortgage Revenue Bond Trust Indenture. In turn, this sale will provide liquidity within the Residential Mortgage Revenue Bond Trust Indenture which, in turn, will help the Department provide down payment assistance to borrowers under Program 77.

**Resolution No. 12-015**

**RESOLUTION APPROVING THE SALE OF CERTAIN MORTGAGE LOANS HELD UNDER THE RESIDENTIAL MORTGAGE REVENUE BOND TRUST INDENTURE; 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 various series of its Residential Mortgage Revenue Bonds ("RMRBs"), pursuant to the Residential Mortgage Revenue Bond Trust Indenture dated as of November 1, 1987 between the Department, as successor to the Texas Housing Agency, and The Bank of New York Mellon Trust Company, N.A., as successor trustee (as amended and supplemented from time to time, the "RMRB Indenture"); and

WHEREAS, certain mortgage loans listed on Exhibit A attached hereto, originally financed with proceeds of RMRBs which are no longer outstanding (the "Whole Loans"), continue to be held under the RMRB Indenture as part of the trust estate; and

WHEREAS, the Governing Board of the Department desires to authorize a sale of the Whole Loans pursuant to Section 707 of the RMRB Indenture at a purchase price equal to 109.1% of the outstanding principal balance thereof from funds available under the Single Family Mortgage Revenue Bond Trust Indenture;

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

**ARTICLE I  
SALE OF WHOLE LOANS**

Section 1.1--Sale of Whole Loans. The sale of the Whole Loan at a purchase price equal to 109.1% of the outstanding principal balance thereof from funds available under the Single Family Mortgage Revenue Bond Trust Indenture is hereby approved, all under and in accordance with the Section 707 of the RMRB Indenture and subject to compliance with the terms of the RMRB Indenture.

Section 1.2--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 1.3--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 Chair of the Governing Board; the Vice Chair of the Governing Board; the Secretary or any Assistant Secretary to the Governing Board; the Executive Director or Acting Director of the Department; the Chief of Agency Administration of the Department; and the Director of Bond Finance of the Department.

## ARTICLE II APPROVAL AND RATIFICATION OF CERTAIN ACTIONS

Section 2.1--Engagement of Other Professionals. The Executive Director or Acting 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 RMRB 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 or Acting Director and the Department's staff in connection with sale of the Whole Loans 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 15th day of December, 2011.

---

Chair, Governing Board

ATTEST:

---

Secretary to the Governing Board

(SEAL)

EXHIBIT A

Whole Loans to be Sold to Single Family Mortgage Revenue Bond Trust Indenture

<b>Loan Number</b>	<b>Balance as of 10/31/2011</b>
3440098691	32,936.75
3440098758	28,413.77
3440098774	30,295.01
3440098840	36,108.75
3440098873	23,709.34
3440099186	31,086.15
3440099376	15,182.40
3440099467	21,578.51
3440099475	23,905.23
3440099533	26,887.36
3440099830	31,135.21
3440099913	22,511.50
3440142788	28,265.56
3440146532	19,791.56
3440146540	24,899.78
3440146565	18,990.07
3440147720	12,760.08
3440147787	1,776.32
3440147803	31,544.17
3440147985	38,082.41
3440149080	22,202.05
3440149130	27,072.32
3440149171	24,102.73
3440149445	26,362.38
3440149510	23,968.06
3440149551	24,914.99
3440149718	1,476.61
	<hr/>
	649,959.07

5

**TEXAS HOMEOWNERSHIP DIVISION  
BOARD ACTION REQUEST  
DECEMBER 15, 2011**

Presentation, Discussion, and Possible Action to publish a Request For Proposal (RFP) for a Market Rate Ginnie Mae (GNMA) To Be Announced (TBA) Program Administrator for the Texas First Time Homebuyer Program.

**RECOMMENDED ACTION**

Approve issuance of a RFP for a Market Rate GNMA TBA Program Administrator for the Texas First Time Homebuyer Program.

**WHEREAS**, publication of the RFP will allow the Department to identify qualified TBA Program administrators in order to offer competitively priced market rate loans with downpayment and closing cost assistance for first time homebuyers.

**RESOLVED**, that the Executive Director and his designee(s) be, and each of them are, authorized for and on behalf of the Department to publish a RFP for a Market Rate GNMA TBA Program Administrator and to select a qualified provider in accordance with that RFP and advise the Board of any provider selected.

**BACKGROUND**

Through the New Issue Bond Program (NIBP), the Department currently offers a Single Family Mortgage Revenue Bond (MRB) Program. NIBP was created by the U.S. Treasury Department in 2009 as a result of an inefficient municipal bond market and allows the Department to make available low interest rate mortgage funds through participating lenders across the State to eligible borrowers who are purchasing a home for the first time or who have not owned a home within the last three years. Although NIBP was recently extended through the end of 2012, it will only allow the Department to offer an MRB Program through mid 2012. If the municipal bond market has not returned by then, the Department will need to look at other alternative programs; such as a TBA Program that allows Housing Finance Agencies (HFAs) to sell into the GNMA market and to remain relevant until the traditional MRB product is again competitive. Without an NIBP backstop, an HFA faces market risk, and potential losses (or gains), should interest rates increase (decrease) pending loan delivery.

TBA programs or forward commitment mortgage programs were developed to enable HFAs to offer downpayment assistance and access to the TBA market without assuming pipeline interest rate risk. By offering downpayment assistance, an HFA can create a Mortgage Backed Security (MBS) that can sell for a premium in the highly liquid GNMA market. The Department intends that pipeline accumulation risk and forward delivery settlement risk be shifted to a third party experienced in handling such programs. HFAs

incur reduced out of pocket costs and no negative arbitrage since no Department tax-exempt bonds are issued. HFAs also have the flexibility to decide on program eligibility guidelines and are not limited by IRS MRB restrictions; such as first time homebuyer, income guidelines, etc.

Staff will develop and publish a RFP to identify qualified TBA administrators and make a recommendation to the Board. The RFP used will include language regarding the use of Historically Underutilized Businesses (HUBs). Based on responses, staff anticipates recommending a qualified TBA Administrator to the Board. Upon selection and approval, staff will develop, publish and adopt rules to facilitate a TBA program and present them to the Board for approval. Procuring a TBA Administrator will enable the Department to offer a competitively priced mortgage program including downpayment assistance absent a viable municipal bond market.



6a

**COMPLIANCE AND ASSET OVERSIGHT  
BOARD ACTION REQUEST  
December 15, 2011**

Presentation, Discussion, and Possible Action to publish a proposed new rule §1.25 for implementing Right of First Refusal at Fair Market Value, for public comment and publication in the *Texas Register*

**RECOMMENDED ACTION**

**WHEREAS**, staff has identified the need to publish rules to implement the Right of First Refusal Requirements for certain Land Use Restriction Agreements (LURAs),

Now therefore it is hereby

**RESOLVED**, that the proposed new 10 TAC §1.25, Right of First Refusal at Fair Market Value, is hereby approved, together with the preambles presented to this meeting, with any necessary non-substantive technical or grammatical corrections, to be published in the *Texas Register* for public comment.

**BACKGROUND**

There are existing Housing Tax Credit properties that were awarded prior to 1995 with the following language in their LURA:

“If at any time after the fifteenth year of the Compliance Period, the Project Owner shall determine to sell the Project, the Project Owner shall, prior to any such sale, notify the Department of its intent to sell the Project. If, within the 90-day period following receipt of such notice, the Department shall identify one or more qualified non-profits organizations, within the meaning of §42(h)(5)(C) of the Code, or tenant organizations, any of which shall make a *bona fide* offer to purchase the Project for fair market value, the Project owner shall sell the Project pursuant to such offer. If the Department or the Project Owner shall receive *bona fide* offers from more than one tenant or qualified non-profit organization, the Project Owner shall sell the Project to the tenant or qualified non-profit organization selected by the Department on such basis as it shall determine appropriate. The Department shall have the right to adopt procedures for identifying tenant or qualified non-profit organizations willing to purchase the Project or evaluating *bona fide* offers to purchase the Project. The tenant or non-profit organization’s exercise of the right of first refusal shall not terminate the Extended Use Period under the terms of this Declaration.”

The Department’s current rules regarding the Right of First Refusal requirement are embedded in the Department’s Qualified Contract Rule. That rule reflects the more recent Qualified Allocation Plan requirements which would require the property to be offered for sale at the Minimum Purchase Price under §42(i)(7)(B). This has caused confusion for owners, potential purchasers and Department staff. Therefore, staff is recommending adoption of the following

rule to specifically address the Right of First Refusal requirements for those properties that agreed to offer the property for sale at fair market value.

A roundtable was held on October 13, 2011, regarding Qualified Contracts and the Right of First Refusal. Department staff will be proposing amendments to existing rules or new sections to this rule to address other issues surrounding Right of First refusal requirements and Qualified Contracts. However, because the properties with the requirement to offer at the property for sale at fair market value are now approaching the end of their compliance period, staff recommends approval of this rule for public comment.

## **Attachment A: Preamble and Proposed new 10 TAC, Chapter 1, §1.25 Right of First refusal at Fair Market Value**

The Texas Department of Housing and Community Affairs proposes new 10 TAC Chapter 1, §1.25 Right of First Refusal at Fair Market Value. The purpose of this proposed new section is to provide guidance for existing properties with a LURA that requires an opportunity for qualified non-profits to purchase the property at fair market value.

Mr. Timothy K. Irvine, Executive Director, has determined that for each of the first five-year period the proposed new section is in effect there will be no fiscal implication for state or local governments as a result of enforcing or administering this section.

Mr. Irvine has also determined that for each of the first five years the proposed new section is in effect the public benefit anticipated is improved opportunity for non-profits to purchase affordable housing and the preservation of existing affordable housing.

The proposed new section will not have an adverse economic affect on small businesses or micro-businesses. The proposed new rule will not impact the local economy. The proposed new section will not impact local employment.

Public comment on the proposed new rule will be accepted through January 20, 2012. A Public Hearing will be held on January 18, 2012 to accept comment. Written comments may be submitted by email to [tdhcarulecomments@tdhca.state.tx.us](mailto:tdhcarulecomments@tdhca.state.tx.us) or by mail to the Texas Department of Housing and Community Affairs P.O. Box 13941 Austin, Texas 78711-3941 ATTN: Patricia Murphy, Chief of Compliance and Asset Oversight or by fax to (512) 475-3359. All comments must be received by 5:00 P.M. January 20, 2012.

The proposed new sections affect 10 TAC, Chapter 1, Subchapter A Rule §1.9. Conforming amendments are proposed for that Rule.

### **§1.25. Right of First Refusal at Fair Market Value.**

#### **(a) Purpose and Overview.**

This rule applies to certain Land Use Restriction Agreements (LURA) that provided an incentive for owners to offer a right of first refusal to non-profits at fair market value. The purpose of this rule is to provide administrative procedures for implementation of this requirement.

#### **(b) General.**

(1) The Department reviews and approves all ownership transfers, including transfers to a non-profit through a right of first refusal. TDHCA property may not be transferred to an entity that is considered an ineligible entity under the Department's most recent Qualified Allocation Plan. In addition, Department staff will not approve an ownership transfer to an entity that controls a property in Material Noncompliance as defined in §60.102 of this title (relating to Definitions). However, an entity that controls a property in Material

Noncompliance that wishes to pursue the acquisition of a TDHCA administered property may follow the procedures outlined in §60.128 of this title (relating to Temporary Suspension of Previous Participation Reviews).

(2) If a LURA includes a right of first refusal at fair market value requirement, an owner may not request a qualified contract until the requirements outlined in this Rule have been satisfied.

(3) Satisfying the right of first refusal requirements does not terminate the LURA.

**(c) Option One (Without Appraisal).**

(1) The owner may market the property for sale and may sell the property to any eligible non-profit.

(2) If the owner receives an offer to purchase the property from a for-profit that the owner would like to accept, the owner may execute a sales contract, conditioned upon satisfaction of the right of first refusal requirements, and the items in subparagraphs (A) – (J) of this paragraph must be submitted to the Department:

(A) the executed sales contract, conditioned upon satisfaction of the right of first refusal requirements;

(B) a description of the property, including all amenities;

(C) a description of all income, rental and other restrictions, if any, applicable to the operation of the property;

(D) a current title report, commitment or policy;

(E) The most recent physical needs assessment conducted by a third party;

(F) a copy of the monthly operating statements for the property for the most recent twelve (12) consecutive months;

(G) the three (3) most recent consecutive annual operating statements;

(H) a detailed set of photographs of the development, including interior and exterior of representative units and buildings, and the property's grounds (including digital photographs that may be easily displayed on the Department's website);

(I) a current and complete rent roll for the entire property; and

(J) if any portion of the land or improvements is leased, copies of the leases.

(3) Within five (5) business days of receipt of all required documentation, the Department will list the property for sale on the Department's website (<http://www.tdhca.state.tx.us>) and contact non-profits to inform them of the availability of the property. The Department will notify the owner when the property has been listed.

(4) If within ninety (90) days from the date listed on the website, the Department identifies a non-profit who can match the price, terms and conditions of the for-profit offer, and the owner does not accept the offer, the right of first refusal requirement will not be satisfied.

(5) If within ninety (90) days from the date listed on the website, the Department is not able to identify an eligible non-profit buyer that can meet the price, terms and conditions of the for-profit offer, the property may be sold to the for-profit buyer. Prior to closing, the final

settlement statement and final sales contract with all amendments must be submitted to the Department. If the closing price is less than the amount identified in the sales contract that was submitted in accordance with paragraph (2)(A) of this subsection or the conditions of the sale change materially, in the Department's sole determination, the procedures in paragraphs (3) and (4) of this subsection will be repeated.

(6) If the Department is not able to identify a non-profit that can meet the price, terms and conditions of the final sales contract taking into consideration all amendments, the Department will notify the owner in writing that the Right of First Refusal Requirement has been met.

(7) The sale of the property, either to a non-profit or a for-profit, does not terminate the LURA.

**(d) Option Two (With Appraisal).**

(1) If the owner of the property chooses to establish fair market value using an appraisal, the owner shall submit the following information:

(A) a description of the property, including all amenities;

(B) a description of all income, rental and other restrictions, if any, applicable to the operation of the property;

(C) a current title report, commitment or policy;

(D) The most recent physical needs assessment conducted by a third party;

(E) a copy of the monthly operating statements for the Development for the most recent twelve (12) consecutive months;

(F) the three most recent consecutive annual operating statements;

(G) a detailed set of photographs of the property, including interior and exterior of representative units and buildings, and the property's grounds (including digital photographs that may be easily displayed on the Department's website).

(H) a current and complete rent roll for the entire property;

(I) if any portion of the land or improvements is leased, copies of the leases; and

(J) an appraisal of the property completed during the last three (3) months, establishing a value for the property using the income approach and taking into account the existing and continuing requirements to operate the property under the LURA and any other restrictions that may exist. For the purposes of satisfying the right of first refusal requirements, this will be considered the fair market value of the property. Notwithstanding the forgoing, if the owner accepts an offer at a lower price from an eligible non-profit or an offer consistent with paragraph (10) of this subsection, such offer will be considered fair market value.

(2) Department staff will review all materials within thirty (30) days of receipt. If after the review the Department does not agree with the fair market value proposed in the owner's appraisal, the Department may order another appraisal at the owner's expense.

- (3) When all required documentation is received and the owner and the Department come to an agreement on the fair market value of the property, the ninety (90) day period will begin, as evidenced by a written communication of the agreement from the Department.
- (4) The owner may offer the property for sale below, at or above the appraised value.
- (5) The Department will list the property for sale on the Department's website and notify non-profits that the property is available for sale.
- (6) If the property was offered for sale at or below the fair market value, and no offers are received during the ninety (90) day period, the Department will notify the owner in writing that the right of first refusal requirement has been met.
- (7) Once the right of first refusal requirements have been satisfied, the owner may proceed with a request for a qualified contract or sell the property to a for-profit entity.
- (8) If an offer from an eligible non-profit is received at or above the fair market value, and the owner does not accept the offer, the right of first refusal requirement will not be satisfied.
- (9) If an offer from a non-profit is received at or below the lesser of the listing price or fair market value, the owner is not required to accept the offer.
- (10) If the owner receives an offer to purchase the property from a for-profit that the owner would like to accept, the owner may execute a sales contract, conditioned upon satisfaction of the right of first refusal requirements. The sales contract must be submitted to the Department and the procedures in subsection (c)(3) – (6) of this section must be followed.
- (11) If the property was offered for sale at greater than the fair market value and no offers were received, before the owner can request a qualified contract request, the Department will have ninety (90) days to identify an eligible non-profit to acquire the property at the fair market value. If the Department successfully identifies a non-profit willing to buy the property at or above the fair market value and the owner does not accept the offer, the right of first refusal requirements will not be satisfied.
- (12) If the Department is not successful in identifying a non-profit to acquire the property at or above the fair market value, the Department will notify the owner in writing that the right of first refusal requirement has been met.

6b



**COMPLIANCE AND ASSET OVERSIGHT**

**BOARD ACTION REQUEST**

**December 15, 2011**

Presentation, Discussion, and Possible Action to publish proposed amendments to 10 TAC §1.9, Qualified Contract Policy, for public comment and publication in the *Texas Register*

**RECOMMENDED ACTION**

**WHEREAS**, staff has identified the need to publish rules to implement the Right of First Refusal Requirements for certain Land Use Restriction Agreements, and those proposed rules will replace certain sections of 10 TAC §1.9,

Now therefore it is hereby

**RESOLVED**, that the amendments to 10 TAC §1.9, Qualified Contract Policy is hereby ordered and it is approved, together with the preambles presented to this meeting, for publication in the *Texas Register*,

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

**BACKGROUND**

The Department's current rules regarding the Right of First Refusal requirement are embedded in the Department's Qualified Contract Rule. That rule reflects the more recent QAP requirements which would require the property to be offered for sale at the Minimum Purchase Price under §42(i)(7)(B). This has caused confusion for owners, potential purchasers and Department staff. Therefore, staff is recommending adoption of a new rule to specifically address the Right of First Refusal requirements for those properties that agreed to offer the property for sale at fair market value. That rule necessitates the amendment of 10 TAC §1.9.

## **Attachment A: Preamble and Proposed amendments 10 TAC, Chapter 1, §1.9 Qualified Contract Policy**

The Texas Department of Housing and Community Affairs proposes amendments to 10 TAC Chapter 1, §1.9 concerning Qualified Contract Policy. These amendments are necessary in light of proposed new rule, 10 TAC, Chapter 1, §1.25 Right of First Refusal at Fair Market Value, which is to provide guidance for existing properties with a Land Use Restriction Agreement that requires an opportunity for qualified nonprofits to purchase the property at fair market value.

Mr. Timothy K. Irvine, Executive Director, has determined that for each of the first five-year period the proposed amendments are in effect there will be no fiscal implication for state or local governments as a result of enforcing or administering this amended section.

Mr. Irvine has also determined that for each of the first five years the amendments are in effect the public benefit anticipated is improved opportunity for nonprofits to purchase affordable housing and the preservation of existing affordable housing.

The proposed amendments will not have an adverse economic affect on small businesses or micro-businesses. The proposed amendment will not impact the local economy. The proposed amendment will not impact local employment.

Public comment on the proposed amendment will be accepted through January 20, 2012. Written comments may be submitted by email to [tdhcarulecomments@tdhca.state.tx.us](mailto:tdhcarulecomments@tdhca.state.tx.us) or by mail to the Texas Department of Housing and Community Affairs P.O. Box 13941 Austin, Texas 78711-3941 ATTN: Patricia Murphy, Chief of Compliance and Asset Oversight or by fax to (512) 475-3359. All comments must be received by 5:00PM January 20, 2012.

The proposed amendments affect no other code, article or statue.

### **§1.9. Qualified Contract Policy.**

(a) Purpose. Pursuant to §42(h)(6) of the Internal Revenue Code, after the end of the 14th year of the compliance period, the owner of a development utilizing housing tax credits can request that the allocating agency find a buyer at the qualified contract price. If a buyer cannot ~~can not~~ be located within one (1) year, the extended use commitment will expire. This section rule provides the procedures for the submittal and review of the qualified contract requests.

(b) Definitions. Many of the terms used in this section are defined in the Department's Housing Tax Credit Program Qualified Allocation Plan and Rules (QAP), ~~known as the "QAP"~~. Those terms that are not defined in the QAP or which may have another meaning when used in this section shall have the meaning set forth in this subsection unless the context clearly indicates otherwise.

(1) Code--The Internal Revenue Code of 1986, as amended from time to time, together with any applicable regulations, rules, rulings, revenue procedures, information statements or other official pronouncements issued thereunder by the United States Department of Treasury or the Internal Revenue Service.

(2) Compliance Period--With respect to a building, the period of fifteen (15)~~15~~ taxable years, beginning with the first taxable year of the credit period pursuant to §42(i)(1) of the Code, §42(i)(1).

(3) Department--The Texas Department of Housing and Community Affairs.

(4) Extended Use Period--The period beginning with the first day of the Compliance Period and ending on the date which is fifteen (15)~~15~~ years after the end of the Initial Affordability Period.

(5) Initial Affordability Period--The Compliance Period or such longer period as shall have been elected by the owner as the minimum period for which units in the development shall be retained for low-income tenants and rent restricted, as set forth in the LURA.

(6) Land Use Restriction Agreement (LURA)--An agreement between the Department and the owner which is binding upon the owner's successors in interest, that maintains the affordability of a development pursuant to the requirements of Chapter 2306 of the, Texas Government Code, and the requirements of §42 of the Code, ~~§42~~.

(7) One Year Period (1YP)--Period commencing on the date on which the Department and the owner agree to the Qualified Contract price in writing and lasting twelve (12) calendar months.

(8) Qualified Contract (QC)--A bona fide contract to acquire the non-low-income portion of the building for fair market value and the low-income portion of the building for an amount not less than the applicable fraction (specified in the LURA) of the calculation as defined within §42(h)(6)(F) of the Code.

(9) Qualified Contract Price (QC Price)--Calculated purchase price of the development as defined within §42(h)(6)(F) of the Code and as further delineated in subsection (g) of this section~~hereof~~.

(10) Qualified Contract Request (Request)--A request containing all information and items required by the Department.

(11) Qualified Purchaser--Proposed purchaser of the development who meets all eligibility and qualification standards stated in the QAP of the year the request is received. The purchaser must also attend, or assign another individual to attend, the Department's Property Compliance Training.

(c) Eligibility. An owner may submit a Qualified Contract Request at any time after the end of the year preceding the last year of the Initial Affordability Period, following the Department's determination that the owner is eligible, as hereinafter provided in subsection (f) of this section. The Initial Affordability Period starts concurrently with the credit period; therefore, beginning at placement in service or deferred until the beginning of the next tax year, if there is an election. Unless the owner has elected an Initial Affordability Period longer than the Compliance Period, this can commence at any time after the end of the 14th year of the Compliance Period. References in this section to actions which can occur after the 14th year of the Compliance Period shall refer, as applicable, to the year preceding the last year of the Initial Affordability Period, if the owner shall have elected an Initial Affordability Period longer than the Compliance Period.

(1) If there are multiple buildings placed in service in different years, the end of the Initial Affordability Period will be based upon the date the last building placed in service. For example, if five buildings in the development began their credit periods in 1990 and one began in 1991, the 15th year would be 2005.

(2) If a development received an allocation in multiple years, the end of the Initial Affordability Period will be based upon the last year of a multiple allocation. For example, if a development

received its first allocation in 1990 and a subsequent allocation and began the credit period in 1992, the 15th year would be 2006.

(3) Owners who received an allocation of credits on or after January 1, 2002 are not eligible to request a qualified contract.

(d) Preliminary Qualified Contract Request. An owner must file a preliminary Qualified Contract Request (Pre-request) any time after the end of the year preceding the last year of the Initial Affordability Period.

(1) In addition to determining the basic eligibility described in subsection (c) of this section, the Pre-request will be used to determine the following:

(A) the property does not have any outstanding instances of noncompliance, with the exception of the physical condition of the property;

(B) there is a right of first refusal connected to the property that has not been offered to the Department;

(C) the Compliance Period has not been extended in the LURA; and

(D) the owner has all of the necessary documentation to submit a Request.

(2) In order to assess the validity of the pre-request, the Owner must submit:

(A) Preliminary Request Form;

(B) \$250 nonrefundable processing fee;

(C) copy of recorded LURA;

(D) first year's 8609s for all buildings showing Part II completed;

(E) documentation from original application regarding right of first refusal, if applicable; and

(F) local code compliance report within the last twelve (12) ~~12~~ months or HUD-certified UPCS inspection.

(3) The Pre-request will not bind the owner to submit a Request and does not start the 1YP. A review of the pre-request will be conducted by the Department within ninety (90) ~~90~~ days of receipt of all documents described in paragraph (2) of this subsection. If the Department determines that this stage is satisfied, a letter will be sent to the owner stating that they are eligible to submit a Request.

(e) Right of First Refusal. If the owner elected at the time of application to provide a right of first refusal, the owner must first satisfy the right of first refusal requirements. If the owner agreed to a Right of First Refusal at Fair Market Value, the procedures in §1.25 of this chapter must be followed. All ~~all~~ requests for right of first refusal submitted to Department, regardless of existing regulations, must adhere to this process.

(1) If at any time following the end of the Compliance Period or Initial Affordability Period, as applicable, the owner shall determine to sell the development and the owner has agreed to provide a right of first refusal to purchase the property for the minimum purchase price provided in, and in accordance with the requirements of, §42(i)(7)(B) of the Code (the "Minimum Purchase Price"), to a Qualified Nonprofit Organization, the Department, or either an individual tenant with respect to a single family building, or a tenant cooperative, a resident management corporation in the Development or other association of tenants in the Development with respect to multifamily developments (together, in all such cases, including the tenants of a single family building, a "Tenant Organization"), the right of first refusal shall be subject to the following terms.

(A) Upon the earlier to occur of:

(i) the owner's determination to sell the Development, or  
(ii) the owner's request to the Department, pursuant to §42(h)(6)(H) of the Code, to find a buyer who will purchase the Development pursuant to a "qualified contract" within the meaning of §42(h)(6)(F) of the Code, the owner shall provide a notice of intent to sell the Development ("Notice of Intent") to the Department and to such other parties as the Department may direct at that time. If the owner determines that it will sell the Development at the end of the Compliance Period or Initial Affordability Period, as applicable, the Notice of Intent shall be given no later than two (2) years prior to expiration of the Compliance Period or Initial Affordability Period, as applicable. If the owner determines that it will sell the Development at some point later than the end of the Compliance Period, the Notice of Intent shall be given no later than two (2) years prior to date upon which the owner intends to sell the Development. If the Development is already within two (2) years of the expiration of the Compliance Period or Initial Affordability Period, as applicable, and the owner intends to sell the Development at the end of the Compliance Period or Initial Affordability Period, as applicable, the two year period referenced in subparagraph (B) of this paragraph will begin when the owner files a Notice of Intent.

(B) During the two (2) years following the giving of Notice of Intent, the Sponsor may enter into an agreement to sell the Development only in accordance with a right of first refusal for sale at the Minimum Purchase Price with parties in the following order of priority:

(i) during the first six-month period after the Notice of Intent, only with a Qualified Nonprofit Organization that is also a community housing development organization, as defined for purposes of the federal HOME Investment Partnerships Program at 24 ~~CFR~~ CFR §92.1 (a "CHDO") and is approved by the Department,

(ii) during the second six-month period after the Notice of Intent, only with a Qualified Nonprofit Organization or a Tenant Organization; and

(iii) during the second year after the Notice of Intent, only with the Department or with a Qualified Nonprofit Organization approved by the Department or a Tenant Organization approved by the Department.

(iv) If, during such two-year period, the owner shall receive an offer to purchase the Development at the Minimum Purchase Price from one of the organizations designated in clauses (i) ~~- through~~ (iii) of this subparagraph (within the period(s) appropriate to such organization), the owner shall sell the Development at the Minimum Purchase Price to such organization. If, during such period, the owner shall receive more than one offer to purchase the Development at the Minimum Purchase Price from one or more of the organizations designated in clauses (i) ~~- through~~ (iii) of this subparagraph (within the period(s) appropriate to such organizations), the owner shall sell the Development at the Minimum Purchase Price to whichever of such organizations it shall choose.

(C) After whichever occurs the later of:

(i) the end of the Compliance Period or Initial Affordability Period, as applicable, or;

(ii) two (2) years from delivery of a Notice of Intent, the owner may sell the Development without regard to any right of first refusal established by the LURA if no offer to purchase the Development at or above the Minimum Purchase Price has been made by a Qualified Nonprofit Organization, a Tenant Organization or the Department, or a period of one-hundred-twenty (120)~~120~~ days has expired from the date of acceptance of all such offers as shall have been received without the sale having occurred, provided that the failure(s) to close within any such 120-day period shall not have been caused by the owner or matters related to the title for the Development.

(D) At any time prior to the giving of the Notice of Intent, the owner may enter into an agreement with one or more specific Qualified Nonprofit Organizations and/or Tenant Organizations to provide a right of first refusal to purchase the Development for the Minimum Purchase Price, but any such agreement shall only permit purchase of the Development by such organization in accordance with and subject to the priorities set forth in subparagraph (B) of this paragraph unless prior approval was granted by the Department.

(E) The Department shall, at the request of the owner, identify in the LURA a Qualified Nonprofit Organization or Tenant Organization which shall hold a limited priority in exercising a right of first refusal to purchase the Development at the Minimum Purchase Price, in accordance with and subject to the priorities set forth in subparagraph (B) of this paragraph.

(F) The Department shall have the right to enforce the owner's obligation to sell the Development as herein contemplated by obtaining a power-of-attorney from the owner to execute such a sale or by obtaining an order for specific performance of such obligation or by such other means or remedy as shall be, in the Department's discretion, appropriate.

(2) The owner must submit evidence of the calculation of the Minimum Purchase Price with the Notice of Intent.

(3) The 1YP for the Qualified Contract process will begin eighteen (18)~~18~~ months after the right of first refusal process has commenced if the owner and the Department have agreed to the QC Price in writing.

(f) Qualified Contract Request. An owner may file a Qualified Contract Request (Request) anytime after approval that the owner is eligible to submit a Request has been received in writing from the Department.

(1) The ~~documentation following~~ documentation that must be submitted with a Request are:

(A) ~~a~~ A completed application and certification; ~~;~~

(B) ~~the~~ The qualified contract price calculation worksheets completed by a third party certified public accountant (CPA). The CPA shall certify that they have reviewed annual partnership tax returns for all years of operation, loan documents for all secured debt, and partnership agreements. They shall also certify that they are not being compensated for the assignment based upon a predetermined outcome; ~~;~~

(C) ~~a~~ A thorough description of the Development, including all amenities; ~~;~~

(D) ~~a~~ A description of all income, rental and other restrictions, if any, applicable to the operation of the Development; ~~;~~

(E) ~~a~~ A current title report; ~~;~~

(F) ~~a~~ A current appraisal consistent with ~~10 TAC~~ §1.34 of this chapter; ~~;~~

(G) ~~a~~ A current Phase I Environmental Site Assessment (Phase II if necessary) consistent with ~~10 TAC~~ §1.35 of this chapter; ~~;~~

(H) ~~a~~ A current property condition assessment consistent with ~~10 TAC~~ §1.36 of this chapter; ~~;~~

(I) ~~a~~ A copy of the monthly operating statements for the Development for the most recent twelve (12)~~12~~ consecutive months; ~~;~~

(J) ~~the~~ The three (3) most recent consecutive annual operating statements; ~~;~~

(K) ~~a~~ A detailed set of photographs of the development, including interior and exterior of representative units and buildings, and the property's grounds (including digital photographs that may be easily displayed on the Department's website); ~~;~~

(L) ~~a~~ A current and complete rent roll for the entire property; ~~;~~

(M) ~~a~~ A certification that all tenants in the Development have been notified in writing of the request for a Qualified Contract. A copy of the letter used for the notification must also be included; ~~-~~

(N) ~~if~~ any portion of the land or improvements is leased, copies of the leases; ~~-~~

(O) ~~non-refundable~~ Non-refundable processing fee in an amount equal to the lesser of \$3,000.00 or one fourth of one percent of the QC Price determined by the CPA; ~~and~~ ~~-~~

(P) ~~additional~~ Additional information deemed necessary by the Department.

(2) Unless otherwise directed by the Department pursuant to subsection (i) of this section, the owner shall contract with a broker approved by the Department to market and sell the property. The fee for this service will be paid by the seller, not to exceed 6 percent ~~%~~ of the QC Price.

(3) Within ninety (90) ~~90~~ days of the submission of a complete Request, the Department will notify the owner in writing of the acceptance or rejection of the owner's QC Price calculation. The Department will have one year from the date of the acceptance letter to find a Qualified Purchaser and present a Qualified Contract. The Department's rejection of the owner's QC Price calculation will be processed in accordance with subsection (h) of this section and the 1YP will commence as provided therein.

(g) Determination of Qualified Contract Price. The CPA contracted by the owner will determine the QC Price in accordance with §42(h)(6)(F) of the Code and ~~the following~~ guidelines; ~~-~~

(1) Distributions to the owner include any and all cash flowing to the owner, including incentive management fees and reserve balance distributions or future anticipated distributions, but excluding payments of any eligible deferred developer fee. These distributions can only be confirmed by a review of all prior year tax returns for the development; ~~-~~

(2) All equity contributions will be adjusted based upon the lesser of the consumer price index or five percent (5%) ~~(5%)~~ for each year, from the end of the year of the contribution to the end of year 14 or the end of the year of the request for a Qualified Contract Price if requested at the end of the year or the year prior if the request is made earlier than the last year of the month; ~~-~~

(3) These guidelines are subject to change based upon future IRS Rulings and/or guidance on the determination of owner distributions, equity contributions and/or any other element of the QC Price; ~~and~~ ~~-~~

(4) The QC Price calculation is not the same as the Minimum Purchase Price calculation for the right of first refusal.

(h) Appeal of Qualified Contract Price. The Department reserves the right, at any time, to request additional information to document the QC Price calculation or other information submitted. If the documentation does not support the price indicated by the CPA hired by the owner, the Department may engage its own CPA to perform a QC Price calculation. Cost of such service will be paid for by the owner. If an owner disagrees with the QC Price calculated by the Department, an owner may appeal in writing. A meeting will be arranged with representatives of the owner, the Department and the CPA contracted by the Department to attempt to resolve the discrepancy. The 1YP will not begin until the Department and owner have agreed to the QC Price in writing.

(i) Marketing of Property.

(1) By submitting a Request, the owner grants the Department the authority to market the development and provide development information to interested parties. Development

information will consist of pictures of the development, location, amenities, number of units, age of building, etc. Owner contact information will also be provided to interested parties. The owner is responsible for providing staff to assist with site visits and inspections. Marketing of the development will continue until such time that a Qualified Contract is presented or the 1YP has expired.

(2) Notwithstanding subsection (f)(2) of this section, the Department reserves the right to contract directly with a third party in marketing the development. Cost of such service, including a broker's fee not to exceed 6 percent ~~6%~~, will be paid for by the existing owner.

(3) The Department must have continuous cooperation from the owner. Lack of cooperation will cause the process to cease and the owner will be required to comply with requirements of the LURA for the remainder of the Extended Use Period. Responsibilities of the owner include but are not limited to:

(A) allowing access to the property and tenant files;

(B) keeping the Department informed of potential purchasers; and

(C) notifying the Department of any offers to purchase.

(4) A prospective purchaser must complete all exhibits required for an ownership transfer request. The Department will then assess if the prospective purchaser is a Qualified Purchaser.

(j) Presentation of a Qualified Contract.

(1) If the Department finds a Qualified Purchaser willing to present an offer to purchase the property for an amount at the QC Price, the owner must agree to enter into a commercially reasonable form of earnest money agreement or other contract of sale for the property and provide a reasonable time for necessary due diligence and closing of the purchase.

(2) Although the owner is obligated to sell the development for the QC Price pursuant to a Qualified Contract, the consummation of such a sale is not required for the LURA to continue to bind the development for the remainder of the extended use period. Once the Department presents a Qualified Contract to the owner, the possibility of terminating the extended use period is removed forever and the property remains bound by the provisions of the LURA.

(3) The Department will attempt to procure a QC for the acquisition of the low income portion of any project only once during the extended use period.

(4) If the transaction closes under the contract, the new owner will be required to fulfill the requirements of the LURA for the remainder of the extended use period.

(5) If the Department fails to present a QC before the end of the 1YP, the Department will file a release of the LURA and the development will no longer be restricted to low-income requirements and compliance. However, in accordance with §42(h)(6)(E)(ii) of the Code, for a three-year period commencing on the termination of the extended use period, the owner may not evict or displace tenants of low-income units for reasons other than good cause and will not be permitted to increase rents beyond the maximum tax credit rents. Additionally, the owner should submit evidence, in the form of a signed certification and a copy of the letter to be created by the Department, that the tenants in the Development have been notified in writing that the LURA has been terminated and have been informed of their protections during the three-year time frame.

(6) Prior to the Department filing a release of the LURA, the owner must correct all instances of noncompliance with the physical condition of the property.

(k) Compliance Monitoring during Extended Use Period. For developments that continue to be bound by the LURA and remain as affordable after the end of the Compliance Period, the



Department will implement modified compliance monitoring policies and procedures. Refer [WHERE – WE NEED TO BE SPECIFIC] to the Extended Use Period Compliance Policy for more information.

(1) Waiver and Amendment of Rules.

(1) The Board, in its discretion, may waive any one or more of these Rules if the Board finds that a waiver is appropriate to fulfill the purposes or policies of Chapter 2306 of the, Texas Government Code, or for other good cause, as determined by the Board.

(2) The Department may amend this section ~~Rule~~ to comply with IRS guidance, if and when issued.

6c

**COMMUNITY AFFAIRS DIVISION**  
**BOARD ACTION REQUEST**  
**December 15, 2011**

Presentation, Discussion, and Possible Action regarding approval for publication in the *Texas Register* a final order adopting amendments to 10 TAC Chapter 5, Subchapter D, §§ 5.402, 5.405 - 5.408, 5.422 - 5.424, 5.431, and repeal of §5.426, the Comprehensive Energy Assistance Program (CEAP).

**RECOMMENDED ACTION**

Approve for publication in the *Texas Register* a final order adopting amendments to 10 TAC, Chapter 5, Subchapter D, §§ 5.402, 5.405 - 5.408, 5.422 - 5.424, 5.431, and repeal of §5.426, related to the removal of the Heating and Cooling Component from the Comprehensive Energy Assistance Program (CEAP), with changes made to the text as published in the November 25, 2011 issue of the *Texas Register*.

**WHEREAS**, the Comprehensive Energy Assistance Program were approved for publication in the *Texas Register* for public comment at the November Board meeting and the public comment period has ended. Now therefore it is hereby,

**RESOLVED**, that the final order adopting amendments to 10 TAC Chapter 5, Subchapter D, amendments related to the Comprehensive Energy Assistance Program (CEAP), is hereby ordered and it is approved, together with the preamble presented to this meeting, for publishing in the *Texas Register*.

**FURTHER RESOLVED**, that the Executive Director and his designees be and each of them hereby are authorized, empowered, and directed, for and on behalf of the Department, to cause the amendments to 10 TAC Chapter 5, Subchapter D, regulations related to the Comprehensive Energy Assistance Program (CEAP), 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, including the preparation of subchapter specific preambles.

**BACKGROUND**

The Board approved the proposed amendments at the November 10, 2011 meeting to be published in order to receive public comment. A Public Hearing was held and the Department accepted public comments through December 6, 2011. Comments regarding the amendments were accepted in writing and by email.

Staff is recommending that specified Comprehensive Energy Assistance Program (CEAP) proposed rule amendments and repeal be adopted.

## **Attachment A. Preamble, Comments, Reasoned Response, and Rule.**

The Texas Department of Housing and Community Affairs (the "Department") adopts amendments to 10 TAC Chapter 5, Subchapter D, §§ 5.402, 5.405 - 5.408, 5.422 - 5.424, 5.431, and repeal of §5.426, related to the removal of the Heating and Cooling Component from the Comprehensive Energy Assistance Program (CEAP), with changes to the proposed text as published in the November 25, 2011 issue of the *Texas Register* (36 TexReg 47).

The purpose of these amendments and repealed section is to achieve greater overall benefit to CEAP clients and increase overall effectiveness of available CEAP funds.

The Texas Department of Housing and Community Affairs accepted comments to the proposed rule in writing and by email and a Public Hearing was held on December 6, 2011. This document provides the Department's response to all comments received. Comments and responses are presented in the order they appear in the rules. The comments and responses include both administrative changes made as well as substantive comments on the rule changes and suggested rule changes by staff and the public.

Comments were received by email from:

1. Jerry Clark, CenTech Supply
2. Warren Tongate, Tongate Services
3. Gregory J. Cassady
4. Albert Lykins

Comments were received at the public hearing from:

5. Stella Rodriguez, Texas Association of Community Action Agencies (TACAA)
6. Art Kampschafer, Community Services, Inc.
7. Brad Manning, Texas Neighborhood Services
8. Shawnee Bayer, Community Action Committee of Victoria

Further, comments were received by email in support of the TACAA Comments from:

9. Kelly Franke, Combined Community Action, Inc
10. Vicki K. Smith, Community Action Committee of Victoria, Texas
11. Shawnee Bayer, Community Action Committee of Victoria, Texas
12. Phyllis Cook, Panhandle Community Services
13. Lynn Ball, Texas Neighborhood Services
14. Richard Juarez, Community Council of Southwest Texas
15. Dr. Mark Bethune, Concho Valley Community Action Agency
16. Alma A. Barrera, Nueces County Community Action Agency
17. Jacquelyn Douglas, Galveston County Community Action Council
18. Karen Swenson, Greater East Texas Community Action Program
19. Kristie L. Smith, Economic Action Committee of the Gulf Coast
20. Amalia Garza, Cameron and Willacy Counties Community Projects, Inc.
21. Jim Williamson, Central Texas Opportunities, Inc.
22. Bryan D. Jones, Brazos Valley Community Action Agency
23. Emma Vasquez, Big Bend Community Action

## **SUMMARY OF COMMENTS AND REASONED RESPONSE FOR AMENDMENTS TO THE COMPREHENSIVE ENERGY ASSISTANCE PROGRAM RULES**

### **§ 5.402 – Purpose and Goals**

**COMMENT SUMMARY:** Commenter suggests revised sentence structure and adding the purchase of refrigerators with the rationale that very old refrigerators used by many eligible low-income clients consume a large amount of energy resulting in high energy bills, and would lead to spoilage of food and prescription medication.

**STAFF RESPONSE:** The Department agrees with the revised sentence structure and that the replacement of refrigerators under the household crisis component should be an allowable activity. However, the replacement of refrigerators should only be undertaken when medically vulnerable household member(s) risk spoilage of prescription medication due to non-existent or inoperable refrigerators. In those instances, documentation of the medical necessity from a medical professional must be documented in the client file. *Staff recommends changes based on this comment.*

### **§ 5.406 – Subrecipient Reporting Requirements**

**COMMENT SUMMARY:** Commenter suggested that CEAP subrecipients shall begin, not report, Direct Services expenditures within sixty (60) days of receipt of contract funds.

**STAFF RESPONSE:** Staff recommends that the 60 day requirement remain. To ensure that Direct Services are being provided to clients within a reasonable amount of time, staff recommends changing the proposed language to make it clear that Subrecipients shall provide Direct Services within 60 days of receipt of contract funds. *Staff recommends change based on this comment.*

### **§ 5.408 – Service Delivery Plan**

**COMMENT SUMMARY:** Commenter requests that CEAP Subrecipients are notified when format changes are made to the Service Delivery Plan and those changes will be posted on the Department's website.

**STAFF RESPONSE:** *Staff agrees and recommends change based on this comment.*

### **§ 5.422 (c) – General Assistance and Benefit Levels**

**COMMENT SUMMARY:** Commenter requests language consistent with comments in § 5.402, revising the sentence structure and adding the purchase of refrigerators as an allowable activity.

**STAFF RESPONSE:** *Staff recommends change based on this comment.*

### **§ 5.422 (d) (3) – General Assistance and Benefit Levels**

**COMMENT SUMMARY:** Commenter requests language consistent with comments in § 5.402, revising the sentence structure and adding the purchase of refrigerators as an allowable activity.

**STAFF RESPONSE:** *Staff recommends change based on this comment.*

**§ 5.422 (h) (1) – General Assistance and Benefit Levels**

**COMMENT SUMMARY:** Commenter requests to retain the language relating to “electrical wiring” and “lines, etc.” in this rule for safety precautions as outlined in §5.423(d)(2), propane or butane tank repair and replacement is allowed. Electricity and gas must be maintained in order to provide gas heating system. A vendor will not set a tank unless everything meets code. Therefore, electrical wiring, and lines, etc. should be an allowable expense; otherwise, Subrecipients are prevented from addressing crisis situations.

**STAFF RESPONSE:** *Staff agrees and recommends change based on this comment.*

**§ 5.423 (a) – Household Crisis Component**

**COMMENT SUMMARY:** Commenter requests language consistent with comments in § 5.402, adding the purchase of refrigerators as an allowable activity.

**STAFF RESPONSE:** *Staff recommends change based on this comment.*

**§ 5.423 (d) (4) – Household Crisis Component**

**COMMENT SUMMARY:** Commenter requests language consistent with comments in § 5.402, revising sentence structure and adding the purchase of refrigerators as an allowable activity. Commenter also requests changing “the client” to “a household member.”

**STAFF RESPONSE:** *Staff agrees and recommends changes based on this comment.*

**§ 5.423 (e) – Household Crisis Component**

**COMMENT SUMMARY:** Commenter requests language consistent with comments in § 5.402, adding the purchase of refrigerators as an allowable activity.

**STAFF RESPONSE:** *Staff recommends change based on this comment.*

**§ 5.423 (g) – Heating and Cooling Component**

**COMMENT SUMMARY:** Commenter requests changing the time for crisis assistance from 12:00pm to 6:00pm.

**STAFF RESPONSE:** Staff believes this allows sufficient time for Subrecipient to respond to a crisis application received on a Friday afternoon. *Staff recommends no change based on this comment.*

**§ 5.431 (e) – Payments to Subcontractors and Vendors**

**COMMENT SUMMARY:** Commenter request that payments to vendors for which a valid vendor agreement is not in place may be subject to disallowed costs, unless prior written approval is obtained from the Department.

**STAFF RESPONSE:** *Staff agrees and recommends change based on this comment.*

## **SUMMARY OF COMMENTS AND REASONED RESPONSE FOR REPEAL OF COMPREHENSIVE ENERGY ASSISTANCE PROGRAM RULES**

### **§5.426 – Heating and Cooling Component**

**COMMENT SUMMARY:** Commenter requests that the Heating and Cooling Component remain in the Comprehensive Energy Assistance Program.

**STAFF RESPONSE:** The Subrecipient network supports the removal of the Heating and Cooling Component from the Comprehensive Energy Assistance Program in an effort to achieve greater overall benefit to CEAP clients and increase overall effectiveness of available CEAP funds. *Staff recommends no change based on this comment.*

### **BOARD ACTION FOR AMENDMENTS AND REPEAL TO THE COMPREHENSIVE ENERGY ASSISTANCE PROGRAM RULES**

The Board approves the final order adopting the new sections and section repeal on December 15, 2011.

The new sections 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.

# COMPREHENSIVE ENERGY ASSISTANCE PROGRAM RULES

## Part 1. TEXAS DEPARTMENT OF HOUSING AND COMMUNITY AFFAIRS

### Chapter 5. COMMUNITY AFFAIRS PROGRAMS

#### Subchapter D. COMPREHENSIVE ENERGY ASSISTANCE PROGRAM

#### 10 TAC §§5.402, 5.405 - 5.408, 5.422 - 5.424, 5.431

##### *§5.402.Purpose and Goals.*

The purpose of CEAP is to assist low-income households, particularly those with the lowest incomes, that pay a high proportion of household income for home energy, primarily in meeting their immediate home energy needs. The program encourages priority be given to those with the highest home energy needs, meaning low income households with high residential energy use, a high energy burden and/or the presence of a "vulnerable" individual in the household, such as a child age 5 and younger, disabled person, or an elderly individual. CEAP services include: energy education, needs assessment, budget counseling (as it pertains to energy needs), utility payment assistance, and crisis-related repair of existing heating and cooling [system] units, [replacement, repair or retrofit] and crisis-related purchase of portable heating and cooling units and refrigerators. Purchase of refrigerators is limited to instances where medically vulnerable household member(s) risk spoilage of prescription medication due to non-existent or inoperable refrigerators.

##### *§5.405.Subrecipient Requirements for Appeals Process for Applicants.*

- (a) Subrecipients shall provide a written denial of assistance notice to applicant within ten (10) days of the adverse determination. This notification shall include written instructions of the appeals process and specific reasons for the denial by component. The applicant wishing to appeal a decision must provide written notice to subrecipient within ten (10) days of receipt of the denial notice.
- (b) The subrecipient who receives an appeal shall establish an appeals committee composed of at least three persons. Subrecipient shall maintain documentation of appeals in their client files.
- (c) The subrecipient shall hold the appeal hearing within ten (10) business days after the subrecipient received the appeal request from the applicant.
- (d) The subrecipient shall record the hearing.
- (e) The hearing shall allow time for a statement by subrecipient staff with knowledge of the case.
- (f) The hearing shall allow the applicant at least equal time, if requested, to present relevant information contesting the decision.



(g) Subrecipient shall notify applicant of the decision in writing. The subrecipient shall mail the notification by close of business on the business day following the decision (1 day turn-around).

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

(i) If client appeals to the Department, the funds should remain encumbered until the Department completes its decision.

(j) The Department may review the recording of the hearing, the committee's decision, and any other relevant information necessary.

(k) The Department appeals committee shall decide the case and forward their recommendation to the Community Affairs Division Director for final concurrence.

(l) The Department will notify all parties in writing of its decision within thirty (30) days of receipt of the appeal.

*§5.406.Subrecipient Reporting Requirements.*

(a) The subrecipient shall electronically submit to the Department a Monthly Expenditure Report of all expenditure of funds, request for advance or reimbursement, and a Monthly Performance Report no later than fifteen (15) days after the end of each month.

(b) The subrecipient shall ~~report~~ provide Direct Services to clients under the Household Crisis, Elderly Disabled or the Co-Payment program components within sixty (60) days of receipt of contract funds.

(c) The subrecipient shall electronically submit to the Department no later than sixty (60) days after the end of the subrecipient contract term a final expenditure or reimbursement and programmatic report utilizing the Expenditure Report and the Performance Report.

(d) The subrecipient shall submit to the Department no later than sixty (60) days after the end of the contract term an inventory of all vehicles, tools, and equipment with a unit acquisition cost of \$5,000 or more and a useful life of more than one year, if purchased in whole or in part with CEAP funds.

(e) The subrecipient shall submit other reports, data, and information on the performance of the CEAP program activities as required by the Department.

*§5.407.Subrecipient Requirements for Establishing Priority for Eligible Households and Client Eligibility Criteria.*

(a) The subrecipients shall set the client income eligibility level at or below 125% of the federal poverty level in effect at the time the client makes an application for services.

(b) Subrecipient shall determine client income. Income inclusions and exclusions to be used to determine total household income are those noted in §5.19 of this chapter (relating to Client Income Guidelines).

(c) Subrecipients shall base annualized eligibility determinations on household income from the thirty (30) day period prior to the date of application for assistance. Each subrecipient shall document and retain proof of income from all sources for all household member(s) eighteen (18) years and older for the entire thirty (30) day period prior to the date of application and multiply by twelve (12) to annualize income.

(d) In the case of migrant, or seasonal workers, or similarly situated workers, a longer period than thirty (30) days may be used for annualizing income.

(e) If proof of income is unavailable, the applicant must complete and sign a Declaration of Income Statement (DIS). In order to use the DIS form, each subrecipient shall develop and implement a written policy and procedure on the use of the DIS form, including policies requiring a client statement of efforts to obtain documentation of income with a notarized client signature. In developing the policy and procedure, subrecipients shall give consideration to limiting the use of the DIS form to cases where there are serious extenuating circumstances that justify the use of the form. Such circumstances might include crisis situations such as applicants that are affected by natural disaster which prevents the applicant from obtaining income documentation, applicants that flee a home due to physical abuse, applicants who are unable to locate income documentation of a recently deceased spouse, or whose work is migratory, part-time, temporary, self-employed or seasonal in nature. To ensure limited use, the Department will review the written policy and its use, as well as client-provided descriptions of the circumstances requiring use of the form, during on-site monitoring visits.

(f) Social security numbers are not required for applicants for CEAP.

(g) Proof of citizenship is not required for CEAP.

(h) The subrecipients shall establish priority criteria to serve persons in households who are particularly vulnerable such as the elderly, persons with disabilities, families with young children, high residential energy users, and households with high energy burden. High residential energy users and households with high energy burden are defined as follows:

(1) Households with Energy Burden which exceeds the median energy burden of income-eligible households characterized by the Department as experiencing high energy burden. The Department calculates energy burden by dividing home energy costs by the household's gross income.

(2) Households with annual energy expenditures which exceed the median home expenditures for income-eligible households are characterized by the Department as high energy consumers.

(i) Homeowners and renters will be treated equitably under all programs funded in whole or in part from LIHEAP funds. For those renters who pay heating and/or cooling bills as part of their rent, the subrecipient shall make special efforts to determine the portion of the rent that

constitutes the fuel heating and/or cooling payment. If "sub metering" is not available, the subrecipient shall exercise care when negotiating with the landlords so the cost of utilities quoted is in line with the consumption for similar residents of the community. If the subrecipient pays the landlord, then the landlord shall furnish evidence that he/she has paid the bill and the amount of assistance must be deducted from the rent, if the utility payment is not stated separately from the rent. An agreement stating the terms of the payment negotiations must be signed by the landlord.

(j) A household unit cannot be served if the meter is utilized by another household.

*§5.408. Service Delivery Plan.*

Subrecipients are required to submit on an annual basis a Department formatted Service Delivery Plan, which includes information on how they plan to implement CEAP in their service area. Format for the Service Delivery Plan, may change between program years ~~[and may be found]~~. The Department will notify CEAP Subrecipients when format changes are made and when updates will be posted on the Department's website.

*§5.422. General Assistance and Benefit Levels.*

(a) Subrecipients shall not discourage anyone from applying for CEAP assistance. Subrecipients shall provide all potential clients with opportunity to apply for LIHEAP programs.

(b) CEAP provides assistance to targeted beneficiaries, 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, and households with high energy consumption.

(c) CEAP includes activities, as defined in Assurances 1-16 in Title XXVI of the Omnibus Budget Reconciliation Act of 1981 (Public Law 97-35), as amended; such as education; and financial assistance to help very low- and extremely low-income consumers reduce their utility bills to an affordable level. CEAP services include energy education, needs assessment, budget counseling (as it pertains to energy needs), utility payment assistance; crisis related repair of existing heating and cooling units, and crisis-related purchase of portable heating and cooling units and refrigerators ~~[system replacement, repair, and/or retrofit; energy education; and budget counseling]~~.

(d) Sliding scale benefit for all CEAP components:

(1) Benefit determinations are based on the household's income, the household size, the energy cost and/or the need of the household, and the availability of funds;

(2) Energy assistance benefit determinations will use the following sliding scale:

(A) Households with Incomes of 0 to 50% of Federal Poverty Guidelines may receive an amount needed to address their energy payment shortfall not to exceed \$1,200;

(B) Households with Incomes of 51% to 75% of Federal Poverty Guidelines may receive an amount needed to address their energy payment shortfall not to exceed \$1,100; and

(C) Households with Incomes of 76% to at or below 125% of Federal Poverty Guidelines may receive an amount needed to address their energy payment shortfall not to exceed \$1,000; and

(3) A household may receive crisis-related repair of existing heating and cooling [system] units, and/or crisis-related purchase of portable heating and cooling units and refrigerators not to exceed \$2,500. Purchase of refrigerators is limited to instances where medically vulnerable household member(s) risk spoilage of prescription medication due to non-existent or inoperable refrigerators.

(e) Subrecipient shall not establish lower local limits of assistance for any component.

(f) Total maximum possible annual household benefit (all components combined) equals \$6,100 [~~\$5,800~~].

(g) Subrecipient shall determine client eligibility for utility payments and/or retrofit based on the agency's household priority rating system and household's income as a percent of poverty.

(h) Subrecipients shall provide only the following types of assistance with funds from CEAP:

(1) Payment to vendors and suppliers of fuel/utilities, goods, and other services, such as electrical wiring, propane or butane tanks, and lines, etc. for past due or current bills related to the procurement of energy for heating and cooling needs of the residence, not to include security lights and other items unrelated to energy assistance;

(2) Payment to vendors--only one energy bill payment per month as required by component;

(3) Needs assessment and energy conservation tips, coordination of resources, and referrals to other programs;

(4) Energy assistance to low-income elderly and disabled individuals most vulnerable to high cost of energy for heating and cooling needs of the residence;

(5) Payment of water bills only when such costs include expenses from operating an evaporative water cooler unit or when the water bill is an inseparable part of a utility bill. As a part of the intake process, outreach, and coordination, the subrecipient shall confirm that a client owns an operational evaporative cooler and has used it to cool the dwelling within sixty (60) days prior to application. Payment of other utility charges such as wastewater and waste removal are allowable only if these charges are an inseparable part of a utility bill. Documentation from vendor is required. Whenever possible, subrecipient shall negotiate with the utility providers to pay only the "home energy"--heating and cooling--portion of the bill;

(6) Energy bills already paid by householders may not be reimbursed by the program;

(7) Payment of reconnection fees in line with the registered tariff filed with the Public Utility Commission and/or Texas Railroad Commission. Payment cannot exceed that stated tariff cost. Subrecipient shall negotiate to reduce the costs to cover the actual labor and material and to ensure that the utility does not assess a penalty for delinquency in payments;

(8) Payment of security deposits only when state law requires such a payment, or if the Public Utility Commission or Texas Railroad Commission has listed such a payment as an approved cost, and where required by law, tariff, regulation, or a deferred payment agreement includes such a payment. Subrecipients shall not pay such security deposits that the energy provider will eventually return to the client;

(9) While rates and repair charges may vary from vendor to vendor, Subrecipient shall negotiate for the lowest possible payment. Prior to making any payments to an energy vendor a Subrecipient shall have a signed vendor agreement on file from the energy vendor receiving direct LIHEAP payments from the Subrecipient;

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

(11) In lieu of deposit required by an energy vendor, Subrecipient may make advance payments. The Department does not allow LIHEAP expenditures to pay deposits, except as noted in paragraph (7) of this subsection. Advance payments may not exceed an estimated two months' billings. Funds for the Texas CEAP shall not be used to weatherize dwelling units, for medicine, food, transportation assistance (i.e., vehicle fuel), income assistance, or to pay for penalties or fines assessed to clients.

*§5.423. Household Crisis Component.*

(a) A bona fide household crisis exists when extraordinary events or situations resulting from extreme weather conditions and/or fuel supply shortages or a terrorist attack have depleted or will deplete household financial resources and/or have created problems in meeting basic household expenses, particularly bills for energy so as to constitute a threat to the well-being of the household, particularly the elderly, the disabled, or children age 5 and younger ; or when medically vulnerable household member(s) risk an exacerbated condition due to non-existent or inoperable heating and cooling units; or when medically vulnerable household member(s) risk spoilage of prescription medications due to nonexistent or inoperable refrigerators.

(b) A utility disconnection notice may constitute a household crisis.

(c) Crisis assistance for one household cannot exceed the maximum allowable benefit level in one year. Crisis assistance payments cannot exceed the minimum amount needed to resolve the crisis. If the client's crisis requires more than the household limit to resolve, it exceeds the scope of this program. If the crisis exceeds the household limit, subrecipient may pay up to the household limit

but the rest of the bill will have to be paid from other funds to resolve the crisis. Payments may not exceed client's actual utility bill. The assistance must result in resolution of the crisis.

(d) Where necessary to prevent undue hardships from a qualified crisis, subrecipients may directly issue vouchers to provide:

(1) Temporary shelter not to exceed the annual household expenditure limit for the duration of the contract period in the limited instances that supply of power to the dwelling is disrupted -- causing temporary evacuation;

(2) Emergency deliveries of fuel up to 250 gallons per crisis per household, at the prevailing price. This benefit may include coverage for safety precautions, including propane or butane tank repair or replacement --up to the maximum household benefit;

(3) Service and repair of existing heating and cooling units not to exceed \$2,500. Documentation of service/repair and related warranty must be included in the client file.

(4) Purchase of portable heating/cooling units (portable electric heaters are allowable only as a last resort) not to exceed \$2,500 during the contract period. Portable air conditioning and heating units may be purchased for households that include at least one member that is elderly, disabled, or a child aged 5 or younger when Subrecipient has met local weather crisis criteria; and/or in situations [that threaten the life of the client]where medically vulnerable household member(s) risk an exacerbated condition due to non-existent or inoperable heating and cooling units whether the crisis criteria is met or not. ;

(5) Purchase of more than two portable heating/cooling units per household will require prior written approval from the Department;

(6) Purchase of refrigerators is allowable only when medically vulnerable household member(s) risk spoilage of prescription medications due to nonexistent or inoperable refrigerators.

(7) ~~(6)~~ Subrecipient shall maintain in the client file documentation of any special situation affecting client eligibility. For a client to qualify to receive a portable air conditioner or heater to protect life of medically vulnerable household member(s) when the crisis criteria has not been met ~~occupants~~, the subrecipient's client file must contain documentation from a medical professional, stating that a health condition of household member ~~occupant~~(s) requires such climate control. For a client to qualify to receive a refrigerator, the subrecipient's client file must contain documentation from a medical professional, stating that a medication prescribed to a household member(s) requires refrigeration. A doctor's statement or prior written approval from the Department is required;

(8) ~~(7)~~ Replacement of central systems and combustion heating units is not an approved use of crisis funds; and

(9) ~~(8)~~ Portable heating/cooling units must be Energy Star® or International Residential Code (IRC) compliant.

(e) Crisis funds, whether for emergency fuel deliveries, repair of existing heating and cooling units, purchase of portable heating/cooling units or refrigerators, or temporary shelter, shall be considered part of the total maximum household allowable assistance.

(f) When natural disasters result in energy supply shortages or other energy-related emergencies, LIHEAP will allow home energy related expenditures for the following:

(1) Costs to temporarily shelter or house individuals in hotels, apartments or other living situations in which homes have been destroyed or damaged, i.e., placing people in settings to preserve health and safety and to move them away from the crisis situation;

(2) Costs for transportation (such as cars, shuttles, buses) to move individuals away from the crisis area to shelters, when health and safety is endangered by loss of access to heating or cooling;

(3) Utility reconnection costs;

(4) Blankets, as tangible benefits to keep individuals warm;

(5) Crisis payments for utilities and utility deposits; and

(6) Purchase of fans, air conditioners and generators. The number, type, size and cost of these items may not exceed the minimum needed to resolve the crisis.

(g) Time Limits for Assistance--Subrecipients ensure that for clients who have already lost service or are in immediate danger of losing service, some form of assistance to resolve the crisis shall be provided within a 48-hour time limit (18 hours in life-threatening situations). The time limit commences upon completion of the application process. The application process is considered to be complete when an agency representative accepts an application and completes the eligibility process. For applications for assistance received from these clients on Fridays after 12:00 p.m. local time, the application process must be completed prior to 12:00 p.m. local time on the following Monday.

(h) Subrecipients must maintain written documentation in client files showing crises resolved within appropriate timeframes. The Department may disallow improperly documented expenditures.

*§5.424.Co-Payment Component.*

(a) Subrecipients use home energy payments, energy conservation tips, participation by utilities, and coordination with other services to assist low-income households to reduce their home energy needs.

(b) Subrecipients make payments directly to vendors on behalf of participating households. Participating households make co-payments while participating in the program.

- (c) Subrecipients shall calculate payments based on a sliding scale benefit structure.
- (d) First payment of co-payment plan may include 100% of a utility bill--including arrears--or an appropriate percentage determined by the subrecipient as detailed in the Service Delivery Plan.
- (e) A household's participation in the program may last from three (3) to twelve (12) months. Early termination may result if client fails to meet the provisions of the client service agreement.
- (f) A household's failure to complete the co-payment plan may not be used as basis for denying the household any other CEAP benefits for which they may be eligible.
- (g) If a co-payment client's assistance period extends beyond the end of a program year, that client must re-apply for eligibility certification to continue receiving assistance.
- (h) Subrecipient shall provide energy conservation education and referrals.

*§5.431. Payments to Subcontractors and Vendors.*

- (a) A Department approved bi-annual vendor agreement is required to be implemented by the subrecipient and shall contain assurances as to fair billing practices, delivery procedures, and pricing procedures for business transactions involving LIHEAP recipients. These agreements are subject to monitoring procedures performed by the Department staff.
- (b) Subrecipient shall maintain proof of payment to subcontractors and vendors as required by OMB Circulars.
- (c) The subrecipients shall notify each participating household of the amount of assistance paid on its behalf. Subrecipient shall document this notification.
- (d) The vendor payment method will be used by subrecipients for CEAP components. Subrecipient shall not make cash payments directly to eligible household for any of the CEAP components.
- (e) Payments to vendors for which a valid vendor agreement is not in place may be subject to disallowed costs unless prior written approval is obtained from the Department.



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**COMMUNITY AFFAIRS DIVISION**  
**BOARD ACTION REQUEST**  
**December 15, 2011**

**Recommended Action**

Staff recommends Board approval of the plan to obligate the 2012 Comprehensive Energy Assistance Program (CEAP) contracts totaling an estimated \$25,438,868 to the 44 CEAP subrecipients by the formula described in 10 TAC Chapter 5 §5.403.

RESOLVED, that the CEAP awards for FY 2012 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. Prior to the historic level of funding TDHCA (the Department) received during the 2009-11 program years, the Department allocated approximately 75 percent of available LIHEAP funding to the Comprehensive Energy Assistance Program (CEAP), 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 proposes this year to allocate approximately 70 percent of available LIHEAP funding to the CEAP, approximately 20 percent to the WAP, and the remaining ten percent to program administration. The Department is retaining 4% for TDHCA administration and awarding 6% to the Subrecipients for administration of the program. Upon award of any additional LIHEAP funds by the Congress and the President, staff will fully obligate these funds to the current awardees utilizing the existing formula as contract amendments.

Staff is recommending a holdover of 10 percent of the PY 2012 LIHEAP award for contingency funding or to be distributed in PY 2013 which is allowable under LIHEAP guidelines. 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. 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.

The CEAP subrecipient network is comprised of 44 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 crisis-related portable heating and cooling units in their household. 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, or provides a portable heating and cooling unit through a subcontracted service provider.

**2012 CEAP Allocation Spreadsheet****Contract Period 1/1/12-12/31/12****Effective: January 1, 2012**

Contractor	Total w/ Travel
Aspermont Small Business Development Council	192,179
Bee Community Action Agency	144,122
Bexar Co. Community and Development Services	1,529,304
Big Bend Community Action Agency	210,332
Brazos Valley Community Action Agency	831,647
Cameron-Willacy Counties Community Projects Inc.	724,654
Central Texas Opportunities	289,438
Combined Community Action	203,621
Community Action Committee of Victoria, Texas	354,065
Community Action Corporation of S. Tx	264,207
Community Action Inc. of Hays, Caldwell	140,568
Community Council of South Central TX	503,433
Community Council Southwest TX	293,903
Community Services Agency of South Texas (ON HOLD)	210,806
Community Services Inc	904,206
Community Services Northeast Texas	303,033
Concho Valley Community Action Agency	386,949
Dallas County Department of HHS	1,884,340
Economic Action Committee of the Gulf Coast	65,417
Economic Opportunities Advancement Corp. of Region XI	519,787
El Paso Community Action Program	1,009,354
Fort Worth Parks & Community Services	1,059,121
Galveston County Community Action Council	626,169
Greater E. Tx Community Action Program	1,017,109
Hidalgo County Community Services Agency	1,096,897
Hill Country Community Action Association	439,562
Kleberg County Human Services	210,454
Lubbock, City of, Community Development	342,615
Northeast TX Opportunities	288,262
Nueces County Community Action Agency	430,697
Panhandle Community Services	856,208
Pecos County Community Action Agency	109,834
Programs for Human Services	627,808
Rolling Plains Management Corporation	602,413
Sheltering Arms Senior Services	3,136,132
South Plains Community Action Assoc. Inc.	468,738
South Texas Development Council	241,538
Texas Neighborhood Services	349,724
Texoma Council Of Governments	235,885
Travis County Health and Human Services	635,696
Tri-County Community Action Inc.	475,866
Webb County Community Action Agency (ON HOLD)	325,888
West Texas Opportunities	784,194
Williamson-Burnet Co. Opportunities, Inc.	112,693
<b>Totals</b>	<b>\$ 25,438,868</b>

7b

**COMMUNITY AFFAIRS DIVISION  
BOARD ACTION REQUEST  
DECEMBER 15, 2011**

**Requested Action**

Presentation, Discussion and Possible Action on the Program Year 2012 Community Services Block Grant (CSBG) Annual Allocation Recommendations.

**RESOLVED**, that the 2012 Allocation for the Community Services Block Grant (CSBG), estimated to be \$17,412,880, be and is hereby approved as presented to this meeting.

**Background**

The Department has received its first quarter allocation (\$4,353,220) of 2012 CSBG funds. The funding is being provided by the federal government through a Continuing Resolution. The CSBG Act (42 USC 9907) requires that not less than 90 percent of annual CSBG funds shall be used by the State to make grants to eligible entities. The CSBG subrecipient network is currently comprised of 44 entities that provide services to all 254 counties in the state. The state is authorized to utilize up to five percent of the CSBG funds for administration. The Department sets aside the remaining five percent of the CSBG funds for state discretionary programs.

Based on the first quarter allocation from the U.S. Department of Health and Human Services, the estimated 2012 CSBG allocation is estimated to be \$17,412,880, which represents 53.45 percent of the amount received in FY 2011. By federal statute, 90 percent of the funds, \$15,671,592, must be awarded to CSBG eligible entities. Staff recommends that five percent of the Department's annual CSBG allocation, \$870,644, 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.). Staff also recommends setting aside five percent, \$870,644, of CSBG funds for discretionary purposes. Staff proposes to use a portion of the discretionary funds for projects through competitive CSBG State Discretionary Notice of Funding Availability which would be approved by the Board in the future. Additionally, a portion of the State CSBG Discretionary funds will be utilized to provide training and technical assistance to CSBG subrecipients and to provide assistance to eligible clients recovering from a natural disaster, including hurricanes and other events.

Staff proposes distributing the 90 percent funds provided to CSBG eligible entities (\$15,671,592) utilizing a multi-factor fund distribution formula which provides for a \$50,000 base and a \$75,000 floor (minimum funding level). The CSBG distribution formula proposed is a revision to the CSBG distribution formula approved by the Governing Board in the State's 2012-2013 CSBG State Application and Plan. Staff recommends a revision to the formula whereby the floor is reduced from \$150,000 to \$75,000, in order to account for the significant reduction in 2012 CSBG funding. Department staff request authority to make a final decisions on the allocation formula for 2012, once the final 2012 CSBG funding allocation is known. If funding is significantly reduced, the proposed formula will be utilized; however, if funding is not

significantly reduced then the Department will revert to the previously approved formula. If the formula is revised, the Department will amend the 2012-2013 CSBG State Application and Plan submitted to the U.S. Department of Health and Human Services.

The proposed formula, equitably distributes CSBG funds throughout the State's 254 counties through the CSBG eligible entities. The formula incorporates the U.S. Census Bureau Decennial 2010 Census and the 2009 Small Area Income and Poverty Estimates (SAIPE) Program data related to persons at 100 percent of poverty level; a base of \$50,000; a \$75,000 floor (the minimum funding level); a 98 percent weighted factor for poverty population; and, a two percent weighted factor for the inverse ratio of population density. Appendix I reflects the proposed funding amounts for each of the 44 current eligible entities and the amount set-aside for the four (4) unserved counties of Loving, Reeves, Ward, and Winkler. The highest possible amount for allocation to these four counties is reflected in the formula, although actual amounts will likely be lower. The Department has those four counties out for bid.

## 2012 CSBG Funding Allocation for 1st Quarter

CSBG Eligible Entities	PY12 Estimate at 50% of 2011 Funding Level  50K Base 75K Floor 98% Poverty Factor 2% Inverse Population Factor 2009 Poverty Data
Aspermont Small Business Development Center, Inc.	\$79,313
Austin, City of, Health & Human Services Department	\$521,381
Bee Community Action Agency	\$137,858
Big Bend Community Action Committee, Inc.	\$88,020
Brazos Valley Community Action Agency	\$497,626
Cameron & Willacy Counties Community Projects, Inc.	\$463,382
Central Texas Opportunities, Inc.	\$111,189
Combined Community Action, Inc.	\$112,602
Community Action Council of Victoria	\$133,415
Community Action Corporation of South Texas	\$126,802
Community Action Inc. of Hays, Caldwell and Blanco Counties	\$153,699
Community Action Social Services & Education	\$96,506
Reeves, Ward, Winkler, and Loving Counties	\$105,144
Community Council of South Central Texas, Inc.	\$247,419
Community Council of Southwest Texas, Inc.	\$133,782
Community Services Agency of South Texas	\$75,000
Community Services of Northeast Texas	\$139,162
Community Services, Inc.	\$646,786
Concho Valley Community Action Agency	\$133,755
Dallas Urban League dba Urban League of Greater Dallas	\$1,369,827
Economic Action Committee of The Gulf Coast	\$75,000
Economic Opportunities Advancement Corporation of Planning Region XI	\$253,708
El Paso Community Action Program, Project BRAVO, Inc.	\$562,154
Fort Worth, City of, Parks & Community Services Department	\$796,541
Galveston County Community Action Council, Inc.	\$402,614
Greater East Texas Community Action Program (GETCAP)	\$417,651
Gulf Coast Community Services Association	\$2,064,357
Hidalgo County Community Services Agency	\$807,331
Hill Country Community Action Association, Inc.	\$246,196
Lubbock, City of, Community Services Department	\$203,301
Northeast Texas Opportunities, Inc.	\$131,138
Nueces County Community Action Agency	\$235,551
Panhandle Community Services	\$260,004
Pecos County Community Action Agency	\$75,000
Rolling Plains Management Corporation	\$212,946
San Antonio, City of, Community Action Division	\$887,116
South Plains Community Action Association, Inc.	\$145,987
South Texas Development Council	\$136,957
Southeast Texas Regional Planning Commission	\$231,769
Texas Neighborhood Services	\$206,430
Texoma Council of Governments	\$129,863
Tri-County Community Action, Inc.	\$168,761
Webb County Community Action Agency	\$265,495
West Texas Opportunities, Inc.	\$239,955
Williamson-Burnet County Opportunities, Inc.	\$132,101
<b>TOTAL</b>	<b>14,660,594</b>

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**COMMUNITY AFFAIRS DIVISION  
BOARD ACTION REQUEST  
December 15, 2011**

Presentation, Discussion, and Possible Action on Approving Program Year 2011 Emergency Solutions Grant Program awards 2<sup>nd</sup> allotment

**Recommended Action**

Whereas the State has been awarded \$2,908,940 in Emergency Solutions Grants Program (ESGP) Awards, which is the second allotment of Program Year 2011. Staff recommends that the Board approve the staff recommendations to award 29 applicants a total of \$2,799,855. The award recommendations are based on the Department's scoring and ranking of the 2011 ESGP applications. Staff also recommends sharing 3.75 percent of the 7.5 percent administrative funds available with awardees.

**RESOLVED**, that the 2011 Emergency Solutions Grants Program (ESGP) Awards totaling \$2,799,855 be and they hereby are approved as presented to this meeting.

**Background**

At the Board meeting of June 11, 2011, the Board approved the first allotment of 2011 Emergency Shelter Grants Program funds to 44 applicants. At the time the first allotment was approved, staff notified the Board that a second allotment would be received. The second allotment of 2011 funds is provided under the Emergency Solutions Grants Program (ESGP) and is funded by the U.S. Department of Housing and Urban Development (HUD). The Emergency Solutions Grants Program's focus is to assist persons to quickly regain stability in permanent housing after experiencing a housing crisis and/or homelessness. HUD recently issued an Interim Rule for the ESGP Program. HUD requires that the Department commit ESGP grant awards within 60 days of official notification. ESGP regulations require that awardees provide a match of 100 percent of the ESGP award, with the exception of the first \$100,000 which does not have to be matched.

The State can utilize up to 7.5 percent of the award for administrative purposes and those funds must be shared with awardees that are units of local government and may be shared with awardees which are non-profit organizations. Staff proposes retaining 3.75 percent (\$109,085) of the administrative funds and providing 3.75 percent (\$109,085) of the funds to awardees. The administrative funds are proportionately shared with the 29 awardees.

On November 10, 2010, the Department released a Notice of Funding Availability (NOFA) notifying prospective applicants of the availability of ESGP funds for Program Year 2011. Applications were due on January 6, 2011. The Department received 104 applications from the 13 Service Regions. The available funds were distributed to each region based on each region's allocation. Applicants were chosen based on a standardized scoring instrument that evaluated and scored eligible proposals. The attached table reflects all applications and denotes the

recommended awardees, their original request and the recommended award amount. Funds that were unallocated in a particular region were reallocated to applicants in the regions with funding below \$250,000. As per the notice of funding availability, applicants with a score below funding threshold – below 70 percent of the highest score in the region – were not eligible to receive funding. Also deemed ineligible were subrecipients who expended less than 50 percent of an ESGP award during FY 2007 thru 2009 and applicants with significant unresolved audit findings.

A total of 44 applicants were provided an award with the first allotment of funds and 29 applicants are proposed to be awarded funds with the second allotment. In awarding the second allotment of funds, staff distributed funds to each of the 13 Service Regions based on the poverty population of the region as estimated by the 2009 Census Bureau poverty estimates from the Small Area Income and Poverty Estimates (SAIPE) program. In distributing the funds, staff continued to fund eligible applicants that did not receive 100 percent of the requested amount during the award of the first allotment and then funded the applications in rank order by region. If the amount proposed for distribution to an applicant was below \$30,000, the minimum funding level, the funds were not awarded to the applicant and were redistributed. As per the notice of funding availability, funds not distributed to a particular region, due to a lack of eligible applications, are distributed to regions whose funding is below \$250,000. Once the distribution formula has distributed as much of the remaining funding available to the regions with funding below \$250,000, then the remaining funds were distributed to regions with funding above \$250,000. Remaining funds were equally distributed among second allotment awardees.

**Award Recommendations for FY 2011 2nd Allotment of Emergency Solutions Grants Program**

<b>Applicant Name</b>	<b>Final Score</b>	<b>Requested Amount</b>	<b>Award - 1st Allotment</b>	<b>Award - 2nd Allotment</b>	<b>TOTAL AWARD</b>
Panhandle Crisis Center, Inc.	846.00	\$78,701	\$78,701	\$0	\$78,701
Women's Protective Services of Lubbock, Inc.	709.00	\$104,350	\$100,000	\$0	\$100,000
City of Amarillo	644.00	\$151,150	\$0	\$158,780	\$158,780
The Salvation Army - Lubbock	638.00	\$100,000	\$0	\$105,557	\$105,557
South Plains Community Action Association	345.00	\$100,000	Ineligible - Scored below funding threshold.		\$0
<b>Subtotal for Region 1</b>		<b>\$534,201</b>	<b>\$178,701</b>	<b>\$264,337</b>	<b>\$443,038</b>

First Step of Wichita Falls, Inc.	524.00	\$50,000	Ineligible - Expended less than 50% of prior ESGP award.		\$0
<b>Subtotal for Region 2</b>		<b>\$50,000</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>

City of Irving	769.00	\$300,000	Ineligible - Expended less than 50% of prior ESGP award.		\$0
The Salvation Army - Start Program	754.00	\$98,750	\$98,750	\$0	\$98,750
Grayson County Juvenile Alternative, Inc. dba North Texas Connection	724.00	\$599,988	\$599,988	\$0	\$599,988
Mission Granbury, Inc.	698.00	\$93,755	\$93,755	\$0	\$93,755
Johnson County Family Crisis Center	608.00	\$100,000	\$100,000	\$0	\$100,000
Presbyterian Night Shelter	593.00	\$100,000	\$100,000	\$0	\$100,000
Hope, Inc.	575.00	\$89,800	\$89,800	\$0	\$89,800
SafeHaven of Tarrant County	566.00	\$100,000	\$51,950	\$51,514	\$103,464
City of Dallas City of Dallas	538.00	\$400,000	Ineligible - Scored below funding threshold.		\$0
Christian Community Action	520.00	\$100,000	Ineligible - Scored below funding threshold.		\$0
Daniel's Den, Inc.	519.00	\$44,085	Ineligible - Scored below funding threshold.		\$0
Denton Co Friends of the Family Inc.	510.00	\$100,000	Ineligible - Scored below funding threshold.		\$0
The Salvation Army - Denton Corps	498.67	\$100,000	Ineligible - Scored below funding threshold.		\$0
Arlington Life Shelter	492.00	\$100,000	Ineligible - Scored below funding threshold.		\$0
The Salvation Army - Arlington Family Life Center	492.00	\$100,000	Ineligible - Scored below funding threshold.		\$0

**Award Recommendations for FY 2011 2nd Allotment of Emergency Solutions Grants Program**

<b>Applicant Name</b>	<b>Final Score</b>	<b>Requested Amount</b>	<b>Award - 1st Allotment</b>	<b>Award - 2nd Allotment</b>	<b>TOTAL AWARD</b>
City of Plano	481.00	\$200,000	Ineligible - Scored below funding threshold.		\$0
Promise House, Inc.	473.00	\$100,000	Ineligible - Scored below funding threshold.		\$0
The Salvation Army - Carr P. Collins Social Service Center	440.00	\$93,200	Ineligible - Scored below funding threshold.		\$0
<b>Subtotal for Region 3</b>		<b>\$2,819,578</b>	<b>\$1,134,243</b>	<b>\$51,514</b>	<b>\$1,185,757</b>

East Texas Crisis Center	734.00	\$100,000	\$100,000	\$0	\$100,000
Shelter Agencies For Families in East Texas, Inc.	639.00	\$60,000	\$60,000	\$0	\$60,000
The Salvation Army - Tyler	625.00	\$100,000	\$100,000	\$0	\$100,000
Sabine Valley Regional MHMR Center Center	624.00	\$51,359	\$0	\$54,944	\$54,944
Randy Sams' Outreach Shelter, Inc.	581.00	\$98,999	\$0	\$104,515	\$104,515
<b>Subtotal for Region 4</b>		<b>\$410,358</b>	<b>\$260,000</b>	<b>\$159,459</b>	<b>\$419,459</b>

Love Inc. of Nacogdoches	756.00	\$100,000	\$100,000	\$0	\$100,000
Women's Shelter of East Texas	576.33	\$35,820	\$35,820	\$0	\$35,820
Port Cities Rescue Mission Ministries	536.00	\$100,000	\$0	\$105,557	\$105,557
The Salvation Army - Beaumont	460.00	\$79,752	Ineligible - Scored below funding threshold.		\$0
<b>Subtotal for Region 5</b>		<b>\$315,572</b>	<b>\$135,820</b>	<b>\$105,557</b>	<b>\$241,377</b>

Montrose Counseling Center, Inc.	712.00	\$100,000	\$100,000	\$0	\$100,000
Matagorda County Women's Crisis Center, Inc.	712.00	\$99,970	\$99,970	\$0	\$99,970
Westside Homeless Partnership	676.00	\$100,000	\$100,000	\$0	\$100,000
Bread of Life, Inc.	658.33	\$247,840	\$190,940	\$0	\$190,940
Humble Area Assistance Ministries	647.00	\$100,000	\$100,000	\$0	\$100,000
SEARCH Homeless Services	646.00	\$400,000	\$400,000	\$0	\$400,000
Northwest Assistance Ministries	636.00	\$100,000	\$80,374	\$0	\$80,374
Houston Area Women's Center	623.00	\$100,000	\$0	\$105,557	\$105,557
The Bridge Over Troubled Waters, Inc.	622.00	\$77,425	\$0	\$82,066	\$82,066
Bay Area Homeless Services, Inc.	618.00	\$94,237	\$0	\$99,560	\$99,560
Harris County Community Services Department	606.33	\$100,000	\$0	\$105,557	\$105,557

**Award Recommendations for FY 2011 2nd Allotment of Emergency Solutions Grants Program**

<b>Applicant Name</b>	<b>Final Score</b>	<b>Requested Amount</b>	<b>Award - 1st Allotment</b>	<b>Award - 2nd Allotment</b>	<b>TOTAL AWARD</b>
Covenant House Texas	594.00	\$99,720	\$0	\$105,265	\$105,265
Memorial Assistance Ministries	583.00	\$100,000	\$0	\$105,557	\$105,557
The Women's Home	581.00	\$95,150	\$0	\$100,510	\$100,510
Wellsprings Village	567.33	\$100,000	\$0	\$105,557	\$105,557
The Children's Center Inc.	553.00	\$100,000	Ineligible - Unresolved Audit Findings.		\$0
Bay Area Turning Point	546.67	\$61,450	\$0	\$65,444	\$65,444
Harmony House, Inc.	538.00	\$100,000	\$0	\$105,557	\$105,557
Fort Bend County Women's Center	515.00	\$95,036	\$0	\$100,391	\$100,391
New Hope Counseling Center	481.67	\$199,991	Ineligible - Scored below funding threshold.		\$0
Santa Maria Hostel, Inc.	480.33	\$99,981	Ineligible - Scored below funding threshold.		\$0
Houston Area Urban League	473.00	\$100,000	Ineligible - Scored below funding threshold.		\$0
Star of Hope Mission	461.67	\$100,000	Ineligible - Scored below funding threshold.		\$0
Montgomery County Women's Center	237.00	\$44,315	Ineligible - Scored below funding threshold.		\$0
Elnita McClain Transitional Women's Center	-22.00	\$100,000	Ineligible - Scored below funding threshold.		\$0
<b>Subtotal for Region 6</b>		<b>\$2,915,115</b>	<b>\$1,071,284</b>	<b>\$1,081,021</b>	<b>\$2,152,305</b>

Advocacy Outreach	819.00	\$100,000	\$100,000	\$0	\$100,000
Youth and Family Alliance dba Lifeworks	714.00	\$100,000	\$100,000	\$0	\$100,000
Safe Place - Travis County Domestic Violence & Sexual Assault Survival Center	710.33	\$80,000	\$80,000	\$0	\$80,000
Caritas of Austin	606.00	\$100,000	\$0	\$105,557	\$105,557
Williamson-Burnet County Oportunities, Inc.	595.00	\$60,000	\$0	\$63,935	\$63,935
Highland Lakes Family Crisis Center	575.33	\$60,000	\$0	\$63,935	\$63,935
Bastrop County Women's Shelter, dba Family Crisis Center	558.33	\$91,803	Ineligible - Scored below funding threshold.		\$0
Community Action Inc of Hays, Caldwell and Blanco County	522.67	\$150,000	Ineligible - Scored below funding threshold.		\$0
<b>Subtotal for Region 7</b>		<b>\$741,803</b>	<b>\$280,000</b>	<b>\$233,427</b>	<b>\$513,427</b>

**Award Recommendations for FY 2011 2nd Allotment of Emergency Solutions Grants Program**

<b>Applicant Name</b>	<b>Final Score</b>	<b>Requested Amount</b>	<b>Award - 1st Allotment</b>	<b>Award - 2nd Allotment</b>	<b>TOTAL AWARD</b>
Families In Crisis, Inc.	735.00	\$99,980	\$99,980	\$0	\$99,980
Twin City Mission, Inc.	668.00	\$89,273	\$89,273	\$0	\$89,273
Family Abuse Center	659.33	\$99,959	\$85,031	\$0	\$85,031
Faith Mission and Help Center, Inc.	588.00	\$99,765	\$0	\$105,312	\$105,312
The Salvation Army - Waco	545.67	\$100,000	\$0	\$105,557	\$105,557
<b>Subtotal for Region 8</b>		<b>\$488,977</b>	<b>\$274,284</b>	<b>\$210,869</b>	<b>\$485,153</b>

Seton Home	774.00	\$100,000	\$100,000	\$0	\$100,000
Family Violence Prevention Services, Inc.	688.00	\$100,000	\$100,000	\$0	\$100,000
Bexar County	686.00	\$100,000	\$104,000	\$0	\$104,000
The Salvation Army - San Antonio	658.00	\$100,000	\$100,000	\$0	\$100,000
The Salvation Army - Kerrville	555.00	\$99,997	\$0	\$105,553	\$105,553
San Antonio Metropolitan Ministry, Inc.	520.00	\$500,000	Ineligible - Scored below funding threshold.		\$0
St Peter - St. Joseph Children's Home	441.00	\$100,000	Ineligible - Scored below funding threshold.		\$0
<b>Subtotal for Region 9</b>		<b>\$1,099,997</b>	<b>\$404,000</b>	<b>\$105,553</b>	<b>\$509,553</b>

Mid-Coast Family Services, Inc.	854.00	\$99,999	\$99,999	\$0	\$99,999
The Salvation Army - Corpus Christi	674.00	\$100,000	\$100,000	\$0	\$100,000
Corpus Christi Hope House, Inc.	652.00	\$97,514	\$0	\$102,970	\$102,970
Women's Shelter of South Texas	638.00	\$99,996	\$0	\$105,552	\$105,552
Corpus Christi Metro Ministries, Inc.	518.00	\$100,000	Ineligible - Scored below funding threshold.		\$0
<b>Subtotal for Region 10</b>		<b>\$497,509</b>	<b>\$199,999</b>	<b>\$208,522</b>	<b>\$408,521</b>

Family Crisis Center	697.00	\$94,559	\$94,559		\$94,559
Catholic Charities of the Rio Grande Valley	654.00	\$100,000	\$100,000	\$0	\$100,000
The Bishop Enrique San Pedro Ozanam Center, Inc.	620.00	\$100,000	\$100,000	\$0	\$100,000
Wintergarden Women Shelter	595.00	\$99,332	\$99,332	\$0	\$99,332
Loaves & Fishes of the Rio Grande Valley, Inc.	578.00	\$100,000	\$100,000	\$0	\$100,000
The Salvation Army - McAllen	548.00	\$99,780	\$99,780	\$0	\$99,780
Providence Ministry Corp. dba La Posada Providencia	479.00	\$98,058	Ineligible - Scored below funding threshold.		\$0

**Award Recommendations for FY 2011 2nd Allotment of Emergency Solutions Grants Program**

<b>Applicant Name</b>	<b>Final Score</b>	<b>Requested Amount</b>	<b>Award - 1st Allotment</b>	<b>Award - 2nd Allotment</b>	<b>TOTAL AWARD</b>
South Texas Adult Resource and Training Center	462.00	\$99,965	Ineligible - Scored below funding threshold.		\$0
Starr County	0.00	\$125,000	Ineligible - Scored below funding threshold.		\$0
<b>Subtotal Region 11</b>		<b>\$916,694</b>	<b>\$593,671</b>	<b>\$0</b>	<b>\$593,671</b>

The Salvation Army - Big Spring	585.00	\$50,000	\$50,000	\$0	\$50,000
The Salvation Army - Odessa	530.00	\$75,000	\$75,000	\$0	\$75,000
<b>Subtotal Region 12</b>		<b>\$125,000</b>	<b>\$125,000</b>	<b>\$0</b>	<b>\$125,000</b>

La Posada Home, Inc.	745.00	\$99,875	\$99,875	\$0	\$99,875
Center Against Family Violence, Inc.	652.00	\$60,000	\$60,000	\$0	\$60,000
El Paso Center for the Children	597.00	\$100,000	\$100,000	\$0	\$100,000
Sin Fronteras Organizing Project, Inc.	580.00	\$150,000	\$0	\$0	\$0
El Paso Human Services, Inc.	564.00	\$99,030	\$0	\$104,547	\$104,547
Opportunity Center for the Homeless	547.00	\$100,000	\$0	\$105,557	\$105,557
El Paso County	543.00	\$100,000	\$0	\$105,557	\$105,557
Child Crisis Center of El Paso	536.00	\$60,000	\$0	\$63,935	\$63,935
International AIDS Empowerment	510.00	\$89,000	Ineligible - Scored below funding threshold.		\$0
Dame La Mano Crisis Emergency Center Inc.	422.00	\$100,000	Ineligible - Scored below funding threshold.		\$0
<b>Subtotal Region 13</b>		<b>\$957,905</b>	<b>\$259,875</b>	<b>\$379,596</b>	<b>\$639,471</b>
<b>TOTAL AWARDED</b>		<b>\$11,872,710</b>	<b>\$4,916,877</b>	<b>\$2,799,855</b>	<b>\$7,716,732</b>

8a



**THIS ITEM HAS BEEN PULLED  
FROM THE AGENDA**

8b

**THIS ITEM HAS BEEN PULLED  
FROM THE AGENDA**

9

**HOUSING RESOURCE CENTER**  
**BOARD ACTION REQUEST**  
**DECEMBER 15, 2011**

Presentation, Discussion, and Possible Action on the 2012 State of Texas Low Income Housing Plan and Annual Report (Draft for Public Comment), and proposed amendment to 10 TAC §1.23 2012 State of Texas Low Income Housing Plan and Annual Report (SLIHP), Adoption by Reference, for public comment

**RECOMMENDED ACTION**

Approve the draft of the 2012 State of Texas Low Income Housing Plan and Annual Report for public comment.

**WHEREAS**, the Texas Department of Housing and Community Affairs enabling legislation Texas Government Code Section §2306.071 requires a state low income housing plan; and

**WHEREAS**, Section §2306.072 of that same enabling legislation requires an annual low income housing report;

**WHEREAS**, the proposed amendment to 10 TAC §1.23 is hereby ordered and approved, together with the preambles presented to this meeting, for publication in the *Texas Register*,

**RESOLVED**, that staff is hereby directed to cause the Draft 2012 State of Texas Low Income Housing Plan and Annual Report, in the form presented to this meeting, together with such grammatical and non-substantive technical corrections as they may deem necessary or advisable, 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 (TDHCA) is required to prepare and submit to the Board not later than March 18 of each year an annual report of the Department's housing activities for the preceding year. This State of Texas Low Income Housing Plan and Annual Report (SLIHP) must be submitted annually to the Governor, Lieutenant Governor, Speaker of the House, and legislative oversight committee members not later than 30 days after the Board receives and approves 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 2011 performance during the preceding fiscal year (September 1<sup>st</sup>, 2010 through August 31<sup>st</sup>, 2011).

The SLIHP will be made available for public comment on January 9 through February 7, 2012. The SLIHP will be presented to the Board for final approval on March 6, 2011.

The following attachments are provided:

- Attachment A - Summary of Substantive Changes from the 2011 SLIHP
- Attachment B - 2012 SLIHP (Draft for Public Comment)
- Attachment C - Preamble and proposed amendment to 10 TAC §1.23

## Attachment A

### Summary of Substantial Changes from the 2011 SLIHP

- Housing Analysis chapter:
  - added analysis of veterans and youth aging out of foster care as a result of changes made to Texas Government Code Section 2306.072 by the 82<sup>nd</sup> Legislative Regular Session;
  - included statewide estimates of victims of domestic violence as a special needs population;
  - updated figures with most recent socio-economic data available.
- Annual Report chapter:
  - updated numbers to reflect FY 2011 program performance by households/individuals and income group for the state and each region;
  - updated performance measure information for goals and strategies reflecting FY 2011 performance, including updated targets for FY 2012.
- Action Plan:
  - updated program descriptions to reflect programmatic changes;
  - updated Regional Allocation Formula reflecting updated data;
  - updated an extensive list of TDHCA workgroups and committees;
  - added policy-driven actions for veterans and youth aging out of foster care as a result of changes made to Section 2306.072 by the 82<sup>nd</sup> Legislative Regular Session.
- Stimulus Programs chapter:
  - removed programs funded through the American Recovery and Reinvestment Act (ARRA) of 2009 that were completed, such as Community Service Block Grant ARRA, 90-Day Down Payment Assistance Program and Mortgage Advantage Program, and National Foreclosure Mitigation Counseling Program Rounds 2 and 3;
  - updated report data for other stimulus programs based on their multiyear cycles instead of state fiscal year cycles.
- Disaster Recovery chapter:
  - removed chapter because the Disaster Recovery Division was moved to the General Land Office.
- Updated Colonia Action Plan.

**Attachment B**

*2012 State of Texas Low Income Housing Plan and Annual Report*

*(Draft for Public Comment)*





*Homeowner Rehabilitation*



*Tenant Based Rental Assistance*



*Multifamily Development*



*Contract for Deed Conversion*



*Homebuyer Assistance*

*Celebrating 20 Years of HOME*

## 2012 State of Texas Low Income Housing Plan & Annual Report Draft

HOME is the largest federal block grant to state and local governments designed exclusively to create affordable housing for low-income households. Since 1992, the TDHCA's HOME Program has expended approximately \$500 million to provide affordable housing assistance to over 22,000 Texas families.

*Homeowner Rehabilitation beneficiaries  
the Ellis family from Taylor*

*Tenant Based Rental Assistance beneficiary,  
Clarence Hoodye from Corpus Christi*

*Multifamily Development property,  
Canal Street Apartments in Houston*

*Contract for Deed Conversion beneficiaries,  
the Castillo-Mendoza family from El Paso*

*Homebuyer Assistance beneficiaries,  
the Zavalija-Leal family from Del Valle*

**TEXAS DEPARTMENT OF HOUSING AND COMMUNITY AFFAIRS**

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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 72<sup>nd</sup> 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 the Office of Rural Affairs within the Texas Department Agriculture (TDA) as a result of the 82<sup>nd</sup> Legislative Regular Session. However, TDHCA, through an interagency contract with TDA, administers 2.5 percent of the CDBG funds used for Self-Help Centers along the Texas-Mexico border. Effective September 1, 2002, in accordance with Senate Bill 322, the Manufactured Housing Division became an independent entity administratively attached to TDHCA. Regarding CDBG Disaster Recovery, effective July 1, 2011, the CDBG Disaster Recovery Programs were transferred to the Texas General Land Office (GLO) from the Department.

### **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 Family Income (AMFI) 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 Texas. 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 and HOME Homebuyer Assistance in limited areas, 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 Education, Assistance and Single-Family Development, (4) Rehabilitation and Weatherization, (5) Foreclosure Relief and (6) Disaster Relief.

The following table outlines TDHCA's State Fiscal Year 2012 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
<b>(1) Poverty and Homelessness Prevention</b>	<b>Community Services Block Grant</b>	Funds local community action agencies to provide essential services and poverty programs	<125% poverty
	<b>Comprehensive Energy Assistance Program</b>	Funds local agencies to offer energy education, financial assistance and Heating, Ventilating and Air Conditioning (HVAC) replacement	<125% poverty
	<b>Emergency Shelter/Solutions Grant Program</b>	Fund entities to provide shelter and related services to the homeless	<50% AMFI (Homeless)
	<b>Homeless Housing and Services Program</b>	Funds the eight largest Texas cities to provide services or facilities to homeless individuals and families	<50% AMFI (Homeless)
<b>(2) Rental Assistance and Multifamily Development</b>	<b>Section 8 Housing Choice Vouchers</b>	Acts as a public housing authority to offer tenant-based rental assistance vouchers in certain rural areas	<50% AMFI
	<b>Tenant-Based Rental Assistance (HOME Program)</b>	Grants for entities to provide tenant-based rental assistance	<80% AMFI
	<b>Affordable Housing Match Program (Housing Trust Fund)</b>	Provides funding to nonprofit organizations to attract or meet requirements for affordable housing grants or government programs	<80% AMFI
	<b>Housing Tax Credit Program</b>	Tax credits to developers for the creation or preservation of affordable rental housing	<60% AMFI
	<b>Multifamily Bond Program</b>	Loans to develop or preserve affordable rental housing	<60% AMFI
	<b>Multifamily Rental Housing Development (HOME Program)</b>	Loans or grants to develop or preserve affordable rental housing and are available to Community Housing Development Organization (CHDO)	<80 % AMFI
	<b>Neighborhood Stabilization Program</b>	Provides funds to nonprofit developers for acquisition, construction or rehabilitation of foreclosed, vacant or abandoned rental properties	<50% AMFI
<b>(3) Homebuyer Education, Assistance and Single-Family Development</b>	<b>Colonia Self-Help Center Program</b>	Provides funding for rehabilitation, reconstruction, new construction, homebuyer assistance and counseling for eligible colonia residents in the targeted colonias.	<80% AMFI (All)
	<b>Texas Statewide Homebuyer Education</b>	Training for nonprofits to provide homebuyer education	NO AMFI Limits
	<b>Affordable Housing Match Program (Housing Trust Fund)</b>	Provides funding to nonprofit organizations to attract or meet requirements for affordable housing grants or government programs.	<80% AMFI
	<b>Contract For Deed Conversion Program (HOME Program)</b>	Stabilizes home ownership for colonia residents by converting contract for deeds into traditional mortgages	<60% AMFI
	<b>First Time Homebuyer Program – Non-targeted funds</b>	Low-interest loans and/or down payment and closing costs for first time homebuyers	<115% AMFI

Continuum	Program/Activities	Description	Eligible Households
	<b>First Time Homebuyer Program – Targeted funds</b>	Low-interest loans and/or down payment and closing costs for first time homebuyers in areas of chronic economic distress	<140% AMFI
	<b>Homebuyer Assistance Program (Housing Trust Fund)</b>	0% Loans to low income borrowers for down payment and closing cost assistance	<80% AMFI
	<b>Mortgage Credit Certificate Program</b>	Annual tax credit for qualified homebuyers based on the interest paid on the homebuyer's mortgage loan	<115% AMFI
	<b>Neighborhood Stabilization Program (Stimulus Program)</b>	Funds for nonprofit or local government entities to purchase, construct or rehabilitate foreclosed, vacant or abandoned properties. Homebuyer Assistance and permanent financing for eligible households to purchase foreclosed, vacant or abandoned homes.	<120% AMFI
	<b>Homebuyer Assistance Program (HOME Program)</b>	Loans and grants for entities to offer down payment and closing cost assistance	<80% AMFI
	<b>Affordable Housing Match Program (Housing Trust Fund)</b>	Provides funding to nonprofit organizations to attract or meet requirements for affordable housing grants or government programs	<80% AMFI
	<b>Single Family Development (HOME Program)</b>	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
	<b>Texas Bootstrap Loan Program</b>	Provides 0% loan funds to owner-builders through certified nonprofit organizations to rehabilitate or construct their homes through self-help construction.	<60% AMFI
<b>(4) Rehabilitation and Weatherization</b>	<b>Amy Young Barrier Removal Program (Housing Trust Fund)</b>	Grants for entities to provide home modifications needed for accessibility for person with disabilities	<80% AMFI
	<b>Homeowner Rehabilitation Assistance Program (HOME Program)</b>	Loans and grants for entities to provide home repair assistance	<80% AMFI
	<b>Weatherization Assistance Program and Weatherization Assistance Program ARRA (Stimulus Program)</b>	Funds local agencies to provide minor home repairs to increase energy efficiency	<125% poverty (annual allocation) <200% poverty (stimulus)
<b>(5) Foreclosure Relief</b>	<b>National Foreclosure Mitigation Counseling (Stimulus Program)</b>	Fund Foreclosure Counselors to assist households avoid foreclosure	No AMFI limits
	<b>Neighborhood Stabilization Program (Stimulus Program)</b>	Purchase foreclosed properties to demolish or create affordable housing and stabilize existing neighborhoods	<120% AMFI



Continuum	Program/Activities	Description	Eligible Households
<b>(6) Disaster Relief</b>	<b>Community Services Block Grant</b>	Provide persons with emergency shelter, food, clothing and other essentials, such as appliances and hygiene items	<200% poverty
	<b>Disaster Relief (HOME Program)</b>	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

## ADMINISTRATIVE STRUCTURE

Agency programs are grouped into the following divisions: Community Affairs, 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 reporting and federal guidance that apply to programs established by the American Recovery and Reinvestment Act (ARRA) of 2009. The Department of 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.

## ***2012 STATE OF TEXAS LOW INCOME HOUSING PLAN AND ANNUAL REPORT***

The *2012 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 Texas' housing needs. The SLIHP is adopted by reference yearly in 10 Texas Administrative Code 1.23. The Plan 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 eight 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 state fiscal year 2011, including performance measures, actual numbers served and a discussion of TDHCA's goals
- *Section 4: Action Plan* - A description of TDHCA's program descriptions and plans, resource allocations, policy initiatives, special needs and goals.

- **Section 5: Stimulus Programs** - A description and report of 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 federal legislation that established temporary programs to address current economic issues.
- **Section 6: Public Participation** - Information on the Plan preparation and a summary of public comment
- **Section 7: Colonia Action Plan** - A biennial plan for 2012-2013, 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 8: Texas State Affordable Housing Corporation (TSAHC) Plan** - This section outlines TSAHC's plans and programs for 2012 and is included in accordance with legislation
- **Appendix: 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 used, but the Department lacks the resources to obtain such data through third parties or, confronted with an area 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 metropolitan areas can skew the data and mask the needs of the rural areas. Whenever possible, rural data is considered separately from 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 decennial Census, the Comprehensive Housing Affordability Strategy (CHAS), and the American Community Survey. Currently CHAS data is from 2000 updated with projections purchased from Ribbon Demographics (HISTA data), and from 2005-2007, which is available only at the state level and metropolitan area level and cannot be analyzed regionally. TDHCA anticipates that the 2005-2009 CHAS data, which will include both urban and rural areas statewide, will be released in December of 2011. The CHAS data in the final version of this document in March 2012 will reflect the 2005-2009 CHAS data analysis. Other sources and studies were used to fill gaps in data availability.

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 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.

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 (MSA). 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.

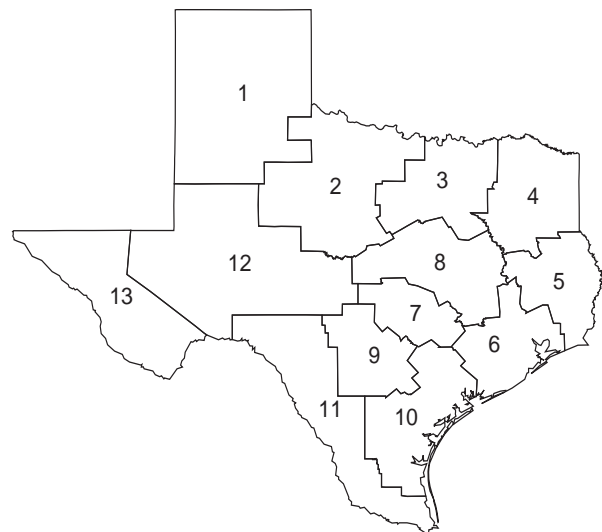
## STATE OF TEXAS

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.

## DEMOGRAPHIC CHARACTERISTICS

By using the decennial census for 2000 and 2010, it is possible to analyze population trends during the last 10 years and its implication for housing need.



State Service Regions

- Texas has grown in population at a rate more than twice the national growth rate between 2000 and 2010. Texas' population increased approximately 20.6 percent, compared to 9.7 percent nationwide. Approximately 4,293,741 people were added to Texas during this time, from 20,851,820 people to 25,145,561 people.
- Other races are growing at a faster rate than the White population. The Asian population grew 71.5 percent and the Black or African American population grew 23.9 percent, while the White population grew 19.6 percent. However, in 2010 the White population still made up the majority of Texas' population at 68.4 percent, with the Black or African American as the largest racial minority group at 11.5 percent, followed by Asian at 3.7 percent.
- The percentage of the Hispanic population is growing at a faster rate than non-Hispanic population. The rate of growth for the Hispanic population was approximately 41.8 percent since 2000. While the 2010 the non-Hispanic population is still the majority at 62.4 percent, given the current growth rates, the Hispanic population will become the majority in the future.
- The percentage of elderly people is increasing and the percentage of young people is decreasing. Both age categories grew in the last 10 years with the rise of the overall population. However, the elderly (65 and older) grew at a rate of 25.5 percent, while youth (under 18) grew only at a rate of 16.6 percent.
- Metro areas are growing faster than non-metro areas. The Harris and Dallas-Fort Worth metro areas accounted for 56.9 percent of Texas' population growth between 2000 and 2010 and makes up 49.0 percent of the population Texas in 2010. In addition, many Great Plains counties in Texas lost population during the same time period.<sup>1</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 2005-2009 American Community Survey, in

<sup>1</sup> 2010 Census Briefs. (2011, March). Population distribution and change: 2000 and 2010. Retrieved from <http://www.census.gov/prod/cen2010/briefs/c2010br-01.pdf>.

Texas the difference in median household income between Whites and Blacks was \$17,159 and the White-Hispanic difference was \$16,452. Generally Whites made more than both these populations during this time period. However, Whites' medium income is approximately \$12,036 less than Asians. Even with Asians high growth rate, Asians are a small racial minority in Texas at 7.8 to 33.9 percent smaller than Blacks and Hispanics respectively. Because of these disparities, households in Texas will become poorer over the coming decades unless the relationship between ethnicity and income changes.

The elderly face unique housing challenges that will become more prevalent as the population ages. The incidences of disability increase with age: in Texas 13.7 percent of persons between 18-49 years old have a disability, while 48.6 percent of persons 65 and older have a disability. In addition, older householders tend to live in older homes: in 2010, 65.2 percent of householders aged 50 years and older lived in housing stock built before 1970.<sup>2</sup> These factors will increase the need for housing modifications for accessibility and home repair.

The population in the table below shows that the rural population has been decreasing while the urban population has been increasing. In 2000, the rural population was approximately 15 percent of the total Texas population. In 2010, approximately 12 percent of the total Texas population is rural. The migration shift to urban areas comes with a shift in building types and patterns. For example, according to the 2005-2009 American Community Survey, Dallas-Fort Worth and Houston-Sugar Land-Baytown MSAs have a higher rate of multifamily apartment buildings (i.e. 3 or more units) than the State as a whole, at approximately 25 percent compared to 20 percent respectively.

It should be noted that the change in rural to urban population is a result of population shifts as well as a result of the change in how MSAs are defined by the U.S. Office of Management and Budget. Because 22 counties changed from not being in an MSA to being in an MSA between 2000 and 2010, the populations in those counties were counted as urban, even though the people did not move to an urban area. In a sense, the urban area moved to them.

*Urban and Rural Population Change*

	2000 Rural 196 Non-MSA Counties	2000 Urban 58 MSA counties	2000 Total	2010 Rural 177 Non- MSA Counties	2010 Urban 77 MSA counties	2010 Total
<b>State Total</b>	3,159,940	17,691,880	20,851,820	3,060,392	22,085,169	25,145,561

Source: U.S. Census Bureau, 2000 and 2010 Census. Metropolitan Statistical areas defined by Office of Management and Budget, 2009.

<sup>2</sup> American Association of Retired Persons. (2011). State Housing Profiles: Housing Conditions and Affordability for the Older Population. Retrieved from [http://assets.aarp.org/rgcenter/ppi/liv-com/AARP\\_Housing2011\\_Full.pdf](http://assets.aarp.org/rgcenter/ppi/liv-com/AARP_Housing2011_Full.pdf)

## STATEWIDE SPECIAL NEEDS

Section 2306.0721 requires the Department to include the housing needs of individuals with special needs. The Department identifies special needs as colonia residents, elderly and frail elderly persons, homeless persons, migrant farm workers, persons with alcohol and drug abuse, persons with disabilities, persons with HIV/AIDS and their families, public housing residents, and victims of domestic violence. New legislation from the 82<sup>nd</sup> Legislative Regular Session added veterans and youth aging out of foster care as populations to analyze in this chapter. Additional discussion on how the Department meets these needs is located in the *Action Plan* chapter of this document.

Throughout the Housing Analysis chapter, whenever possible the special need populations in each region are 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.

### 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

- 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>3</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>4</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>5</sup>

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<sup>3</sup> Federal Reserve Bank of Dallas. (n.d.). Texas colonias. Retrieved from <http://www.dallasfed.org/ca/pubs/colonias.html>.

<sup>4</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>5</sup> Federal Reserve Bank of Dallas. (n.d.). Texas colonias. Retrieved from <http://www.dallasfed.org/ca/pubs/colonias.html>.



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. Over 70% of colonia residents reside in urban areas.

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**

Region	County	Rural	Urban	Total
9	Frio	2,212	-	2,212
Region 9 Total		2,212	-	2,212

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
State Total		124,398	296,220	420,618

Source: Texas Office of the Attorney General, Border Colonia Geographic Database.

Note: The database includes only border counties. In each region, counties without Colonia residents are not included in this chart

### ELDERLY PERSONS AND FRAIL ELDERLY

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 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>6</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.

HUD defines frail elderly as an elderly person who is unable to perform at least three “activities of daily living, such as eating, bathing, grooming, dressing or home management.<sup>7</sup> In Texas, of householders age 50 or over, 9.5 percent have a self-care difficulty and 15.6 have an independent living difficulty. These rates increase to 12.8 percent and 22.2 percent respectively for persons aged 65 or over.<sup>8</sup> Frail elderly may benefit from housing combined with needed services for daily living.

According to the chart below, of elderly Texans, approximately 81.3 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>9</sup>

#### Elderly Persons (aged 65 years old and over) – Texas, 2010

	Rural Elderly Persons	Urban Elderly Persons	Total Elderly Persons	2010 Total Population	Percent Elderly of Statewide Population
State Total	485,617	2,112,592	2,598,209	25,145,561	10.3%

Source: Census 2010.

<sup>6</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>7</sup> U.S. Department of Housing and Urban Development. (n.d) Glossary of HUD Terms. Retrieved from [http://www.huduser.org/portal/glossary/glossary\\_all.html](http://www.huduser.org/portal/glossary/glossary_all.html)

<sup>8</sup> American Association of Retired Persons. (2011). State Housing Profiles: Housing Conditions and Affordability for the Older Population. Retrieved from [http://assets.aarp.org/rgcenter/ppi/liv-com/AARP\\_Housing2011\\_Full.pdf](http://assets.aarp.org/rgcenter/ppi/liv-com/AARP_Housing2011_Full.pdf)

<sup>9</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.

## HOMELESS PERSONS

On a single night in January 2011, a statewide count found 36,847 persons experiencing homelessness in Texas. Individuals slept in emergency shelters, in transitional housing, on the streets, in campsites, under bridges, in abandoned lots and other places not intended for human habitation. Homelessness impacts a complex population, which includes single adults, families with children, single men and women, unaccompanied youth, persons with disabilities or mental illness, full-time workers, chronic substance users, elderly persons, victims of family violence, and veterans. According to the 2011 point-in-time count, around 21 percent of Texas's homeless population experience chronic homelessness and 36 percent of the homeless population are families.

It must be noted that a larger number of individuals and families experience episodes of homelessness over the course of a year than on a single night. The Texas Interagency Council for the Homeless (TICH) estimates that more than 90,000 Texans experience at least one night of homelessness over the course of a year.<sup>10</sup> 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>11</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.

Homeless figures are taken from the 2010 Census Summary File 1, group quarters, other non-institutional group quarters. Other non-institutional group quarters include emergency and transitional shelters, soup kitchens, group homes and residential treatment centers for adults, maritime vessels, workers quarters, living quarters for victims of natural disasters and religious group quarters.<sup>12</sup> The numbers reflected in other non-institutional group quarters include all categories listed above and the individual categories cannot be separated. Therefore, the homeless figures will be overestimated since they include categories other than homeless shelters. However, the census does not include unsheltered homeless persons in its count, so the census also represents an undercount of the total number of homeless persons. Because data is needed at the county level in order to calculate regional estimates, this other non-institutional group quarters, while an imperfect count, is the data set used for homeless persons.

### Homeless, Non-Institutionalized Group Quarters Population – Texas, 2010

	Rural Non-Institutionalized Group Quarters	Urban Non-Institutionalized Group Quarters	Total Non-Institutionalized Group Quarters	2010 Total Population	% of Non-Institutionalized Group Quarters by Population
State Total	5,551	45,102	50,653	25,145,561	0.2%

Source: U.S. Census Bureau, 2010 Census. Group quarters population by group quarters type, non-institutionalized population, other non-institutional facilities.

<sup>10</sup> Texas Interagency Council for the Homeless. (2011) Texas state plan to prevent and end homelessness, draft for public comment. Retrieved from <http://www.tdhca.state.tx.us/tich/strategic-plan.htm>.

<sup>11</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>

<sup>12</sup> U.S. Census Bureau. (2011, June). 2010 Census Summary File 1: 2010 Census of Population and Housing, Technical Documentation. Retrieved from <http://www.census.gov/prod/cen2010/doc/sf1.pdf>.

**MIGRANT SEASONAL FARMWORKERS**

Texas is the nation’s second largest agricultural producing state, and agriculture is the second-largest industry in Texas. One of every five Texans (20%) works in an agriculture-related job, and many employed in this sector are migrant and seasonal farmworkers. The 2008 hurricane season had an adverse affect on crops in the Lower Rio Grande Valley, causing a drop in agricultural jobs in that area. Even with the shortfall, there were still 8,767 agricultural employers in Texas in 2008.<sup>13</sup>

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>14</sup> Approximately 54.7 percent of migrant farmworkers reside in rural areas of the State.

**Migrant Seasonal Farmworker Population Estimates – Texas, 2000**

	Rural	Urban	Total
State Total	197,588	163,826	361,414

Source: MSFW Enumeration Profiles Study – TX, Larson, Alice, 2000.

**PERSONS WITH ALCOHOL AND SUBSTANCE ABUSE DISORDERS**

Alcohol or substance abuse can lead to homelessness or can be a result of homelessness. Of the homeless population, it is estimated that approximately 38 percent of homeless people are dependent on alcohol and 26 percent abused other drugs.<sup>15</sup> There are emerging types of housing, such as Housing First or Permanent Supportive Housing, that are tailored for hard-to-serve populations such as persons with alcohol and substance abuse issues. Without secure housing, persons with alcohol or substance abuse disorders can cycle through more costly options such as emergency room care, the criminal justice system and other service providers.<sup>16</sup> 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.

Estimates from the 2008-09 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 2.5 percent of Texans as compared with 2.6 percent nationwide. This report estimates that, in Texas from 2008-2009, 438,000 people over the age of 18 were dependent or abusive of illicit drugs and 1,250,000 people over the age of 18 were dependent or abusive on alcohol. Approximately 1,619,000 people in Texas needed treatment but did not receive it.<sup>17</sup>

<sup>13</sup> Texas Workforce Commission. (2009, February 24). Texas state plan for agricultural services: Program year 2009. Retrieved on [http://www.twc.state.tx.us/svcs/agri/agsvcs\\_plan2008.pdf](http://www.twc.state.tx.us/svcs/agri/agsvcs_plan2008.pdf).

<sup>14</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*

<sup>15</sup> National Coalition for the Homeless. (2009, July). Substance Abuse and Homelessness. Retrieved from <http://www.nationalhomeless.org/factsheets/addiction.pdf>.

<sup>16</sup> HUD. (Spring 2011). Evidence Matters. Retrieved from [http://www.huduser.org/portal/publications/EM\\_Newsletter\\_Spring\\_2011\\_FNL.pdf](http://www.huduser.org/portal/publications/EM_Newsletter_Spring_2011_FNL.pdf).

<sup>17</sup> Office of Applied Studies. (2009). 2009 State Report Table of Contents. Retrieved from <http://oas.samhsa.gov/states.cfm>.

**PERSONS WITH DISABILITIES (MENTAL, PHYSICAL AND DEVELOPMENTAL)**

A significant number of persons with disabilities face extreme housing needs. Research conducted by the HUD’s Office of Policy Development and Research found that as many as 1.1 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 their income for housing or live in severely inadequate housing, or both. Between 2007 and 2009, the number of worst case needs among very low-income renters with disabilities increased from 38 to 41 percent.<sup>18</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>19</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>20</sup>

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>21</sup>

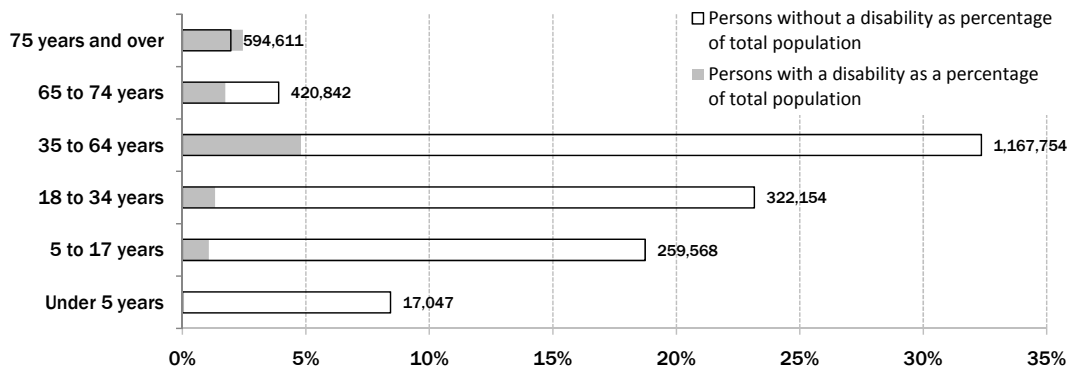
**Persons with Disabilities – Texas, 2000**

	Rural	Urban	Total
State Total	588,708	3,016,812	3,605,520

Source: Census 2000

Note: The American Community Survey changed the definition in the measurement of disability in 2008. Therefore, Census 2000 is the most recent complete data source for persons with disabilities.

**Persons with Disabilities graph as a percentage of Total Population – Texas, 2009**



<sup>18</sup> U.S. Department of Housing and Urban Development, Office of Policy Development and Research. (2011, March) 2009 Worst case housing needs of people with disabilities: Supplemental findings of the worst case housing needs 2009, report to congress. Retrieved from [http://www.huduser.org/Publications/pdf/WorstCaseDisabilities03\\_2011.pdf](http://www.huduser.org/Publications/pdf/WorstCaseDisabilities03_2011.pdf).

<sup>19</sup> National Council on Disability, (January 2010) *The State of Housing in America in the 21st Century: A Disability Perspective*. Retrieved from <http://www.ncd.gov/publications/2010/Jan192010>.

<sup>20</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*. Retrieved from [http://www.huduser.org/portal/publications/affhsg/wc\\_HsgNeeds07.html](http://www.huduser.org/portal/publications/affhsg/wc_HsgNeeds07.html).

<sup>21</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.

**Persons with Disabilities table as a percentage of Total Population – Texas, 200**

Age	Population	Persons without a disability as a percentage of total population	Persons with a disability as a percentage of total population
Under 5 years	17,047	8.4%	0.1%
5 to 17 years	259,568	18.7%	1.1%
18 to 34 years	322,154	23.2%	1.3%
35 to 64 years	1,167,754	32.4%	4.8%
65 to 74 years	420,842	3.9%	1.7%
75 years and over	594,611	2.0%	2.4%

Source: U.S. Census Bureau, 2009 American Community Survey.

**PERSONS LIVING WITH HIV/AIDS AND THEIR FAMILIES**

The *2011 Texas HIV/STD Statewide Prevention Plan* shows that the HIV epidemic has reached a crossroads. It states: “Advances in treatment now allow persons with HIV to live longer, healthier lives, but the number people living with HIV in Texas continues to rise.” Between 2003 and 2009, new diagnoses among persons aged 13-24 showed a 66% increase. Also, the distribution of this population is not uniform across the State. In 2009 over half of this population in Texas lived in Houston and Dallas areas.<sup>22</sup>The reason behind such a large urban concentration 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>23</sup>

The 2008-2010 Texas Statewide Coordinate Statement of Need found that housing was the second largest allocation category, with \$14,765,131 in Ryan White, Housing Opportunities for Persons with AIDS (HOPWA), and State Services and Medication funding in 2007.<sup>24</sup> However, the Statement of Need 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 assessed in Texas. 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. Also, through informant interviews, the Statement of Need found that reimbursement rates for housing are below fair market rates, which can 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.

**Persons with HIV/AIDS – Texas, 2010**

	Rural Persons with HIV/AIDS	Urban Persons with HIV/AIDS	Total Persons with HIV/AIDS	2010 Total Population	Percent of Persons with HIV/AIDS to Statewide Population
State Total	2,500	58,818	61,318	25,145,561	0.2%

Source: Texas Department of State Health Services, 2010 HIV Surveillance Report.

Note: Figures do not include those unaware of their HIV infection or 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.

<sup>22</sup> Texas Department of State Health Services, (2009, March 2) Texas statewide plan for delivery of HIV medical and psychosocial support services: 2009-2011, <http://www.dshs.state.tx.us/hivstd/planning/cpg.shtm>.

<sup>23</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)

<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)

## PUBLIC HOUSING RESIDENTS

Beginning in the 1930s, local public housing authorities (PHAs) built and managed properties for low-income residents primarily through funding provided by 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>25</sup>

A recent study 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>26</sup> Public housing residents may have educational barriers or transportation barriers that further challenge them from transitioning to market-rate housing.<sup>27</sup>

### PHA Units – Texas, 2011

	Rural PHA Units	Urban PHA Units	Total PHA Units	2010 Total Population	Percent PHA Units Compared to Population
State Total	14,256	42,827	57,083	25,145,561	0.2%

Source: US Department of Housing and Urban Development.

## VETERANS

According to the 2011 point-in-time homeless count, around 13 percent of Texas' homeless population was veterans.<sup>28</sup> Many homeless veterans live with Post Traumatic Stress Disorder and substance abuse disorder,<sup>29</sup> which may become barriers to sustaining housing. Veterans may benefit from housing with services to help them adjust to civilian life.

### Veterans – Texas, 2005-2009

	Rural Veterans	Urban Veterans	Total Veterans	2005-2009 Population over 18 years	Percent Veterans of Population Over 18 Years
State Total	51,036	369,906	420,942	17,170,560	2.5%

Source: American Community Survey 2005-2009.

<sup>25</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>26</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>27</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>28</sup> Texas Interagency Council for the Homeless. (2011) Texas state plan to prevent and end homelessness, draft for public comment. Retrieved from <http://www.tdca.state.tx.us/tich/strategic-plan.htm>.

<sup>29</sup> National Coalition for Homeless Veterans. (nd). Background and statistics. Retrieved from <http://www.nchv.org/background.cfm>

## VICTIMS OF DOMESTIC VIOLENCE

The Texas Family Code defines Family Violence as an act by a member of a family that is intended to result in physical harm, bodily injury, assault, or a threat that reasonably places the member in fear of imminent physical harm. In 2009, 12,213 adults received shelter as a result of domestic violence in Texas. However, 11.1 percent of adults seeking shelter were denied due to lack of space.<sup>30</sup> Because of long waiting lists for assisted housing, many people in abusive relationships must choose between abuse at home and homelessness.<sup>31</sup>

The table below shows total incidents of violence in Texas, but it must be noted that several incidents could be reported by the same couple. There is not a one-to-one ratio of “incidences of violence” to “victims of domestic violence”.

**Incidents of Violence – Texas, 2009**

	Total Incidents in 2009	Total Population in 2010	Percent of Incidents to Population
Rural	18,849	3,060,392	0.6%
Urban	177,940	22,085,169	0.8%
Texas	196,789	25,145,561	0.8%

Source: Crime in Texas, 2009. FBI Uniform Crime Reports.

## YOUTH AGING OUT OF FOSTER CARE

Foster youth that age out of foster care often have multiple factors that can keep them from entering into or maintaining stable housing. Lack of educational achievement, joblessness and lack of social capital all may affect foster care alumni.<sup>32</sup> These factors combine to make homelessness a real possibility for many youth that age out of foster care. One study found that 25% of foster youth have experienced homelessness at least one night within 2.5 to 4 years after existing foster care.<sup>33</sup> Foster care alumni may most benefit from housing tied with other services, such as educational, financial literacy and services to facilitate connections for emotional support.

**Youth Aging out of Foster Care – Texas, 2010**

	Rural	Urban	Total
State	180	838	1,018

Source: Foster Children Who Aged Out of DFPS Conservatorship, FY 2010, Department of Family and Protective Services.

<sup>30</sup> Texas Council on Family Violence. (2009). Family violence in Texas: 2009. Retrieved from [http://www.tcfv.org/wp-content/uploads/2007/10/tcfv\\_stats20091.pdf](http://www.tcfv.org/wp-content/uploads/2007/10/tcfv_stats20091.pdf)

<sup>31</sup> National Coalition for the Homeless. (2009, July). Domestic violence and homelessness. Retrieved from <http://www.nationalhomeless.org/factsheets/domestic.html>.

<sup>32</sup> Smith, W. (2011) Youth leaving foster care. New York, NY: Oxford University Press.

<sup>33</sup> Hearing before the sub-committee on income security and family support of the committee on ways and means, U.S. House of representatives. (2007, July 12). Children who age out of the foster care system. Serial No. 110-53. U.S. Government Printing Office: Washington: 2008.



## STATEWIDE POVERTY AND INCOME

According to the 2005-2009 American Community Survey, 3,892,532 individuals in Texas live below the poverty line. Poverty conditions along the Texas-Mexico border warrant special attention. Parts of the State, like McAllen-Edinburg-Mission, suffered from unemployment rates higher than the State's (12.3 percent vs. 8.5 percent in September 2011<sup>34</sup>) and its residents made approximately 62 percent of the State's median income.<sup>35</sup> Conditions are particularly acute in the colonias, unincorporated areas along the border.

### Individuals Below Poverty – Texas, 2005-2009

	Rural	Urban	Texas
Total Individuals	2,787,189	20,420,967	23,208,156
Individuals below poverty	537,068	3,355,464	3,892,532
% Individuals below poverty	19.30%	16.40%	16.80%

Source: U.S. Census Bureau, 2005-2009 American Community Survey.

The total number of individuals in poverty is one of the need indicators for some of the Department's programs. Urban areas have higher numbers of people in poverty, but a slightly lower poverty rate than rural areas.

The economic future of Texans is shifting. In 2010, median earnings for workers with a bachelor's degree or higher was 88 percent higher than a typical high school graduate in the same age range. However, tuition costs in Texas have more than quadrupled since the early 1990s. Workers employed in service jobs increased from 33 percent to 40 percent from 1990 to 2010. This shift leaves more Texans with lower wages and fewer employee benefits than other industries, such as manufacturing employment, which declined from 18 to 10 percent during the same time period. Even though medical costs have risen dramatically, 27 percent of Texas workers lack health insurance, compared to 17 percent nationwide. A medical emergency can lead to a financial emergency.<sup>36</sup> Barriers to education, lower-wage jobs and lack of health care can lead to poverty for many Texan families.

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:

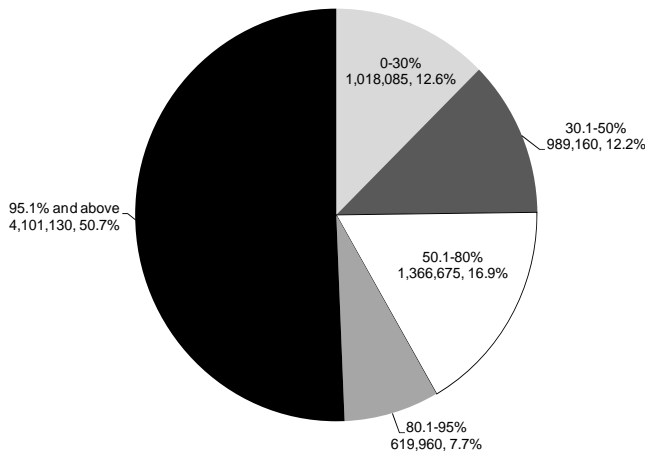
- Extremely Low Income: At or below 30 percent of HAMFI
- Very Low Income: Between 31 percent and 50 percent of HAMFI
- Low Income: between 51 percent and 80 percent of HAMFI
- Moderate Income: Between 81 percent and 95 percent of HAMFI
- Above 95 percent of HAMFI

<sup>34</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>35</sup>U.S. Census Bureau, 2005-2009 American Community Survey. (n.d.). Subject tables. Retrieved from <http://factfinder.census.gov>.

<sup>36</sup>Center for Public Policy Priorities. (2011, August 18). Under attack: Texas' middle class and the opportunity crisis. Retrieved from [http://www.cppp.org/files/2/UnderAttack\\_TXMiddleClass\\_Report2011.pdf](http://www.cppp.org/files/2/UnderAttack_TXMiddleClass_Report2011.pdf).

**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. In the final version of this document, these figures will reflect 2005-2009 CHAS.

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.

**STATEWIDE 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**

	<b>Renter At least one problem</b>	<b>Renter Total Households</b>	<b>Renter Percent with at least once problem</b>	<b>Owner At least one problem</b>	<b>Owner Total Households</b>	<b>Owner Percent with at least once problem</b>	<b>Total Households</b>
<b>0-30% AMI</b>	510,775	645,370	79.1%	291,625	372,720	78.2%	1,018,090
<b>31-50% AMI</b>	419,550	515,885	81.3%	289,945	473,275	61.3%	989,160
<b>51-80% AMI</b>	282,865	603,425	46.9%	355,265	763,245	46.5%	1,366,670
<b>81-95% AMI</b>	48,395	230,325	21.0%	138,800	389,640	35.6%	619,965
<b>More than 95% AMI</b>	64,650	821,110	7.9%	373,475	3,280,040	11.4%	4,101,150
<b>Total</b>	1,326,235	2,816,115	47.1%	1,449,110	5,278,920	27.5%	8,095,035

Source: CHAS 2005-07 statewide figures. In the final version of this document, these figures will reflect 2005-2009 CHAS.

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**

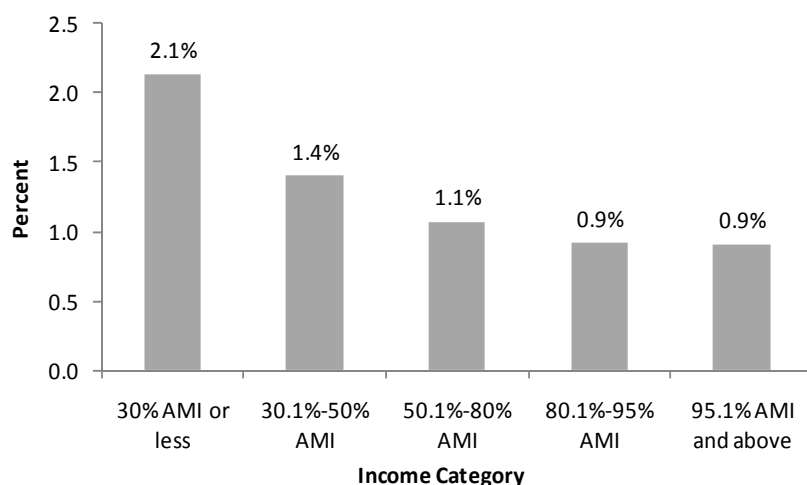
Income Group	Units	Percent
0% to 30%	20,635	29.3
31% to 50%	11,335	16.1
51% to 80%	13,195	18.8
80% to 95%	4,535	6.5
Over 95%	20,610	29.3
<b>Total</b>	<b>70,310</b>	

Source: CHAS 2005-07 statewide figures. In the final version of this document, these figures will reflect 2005-2009 CHAS.

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**

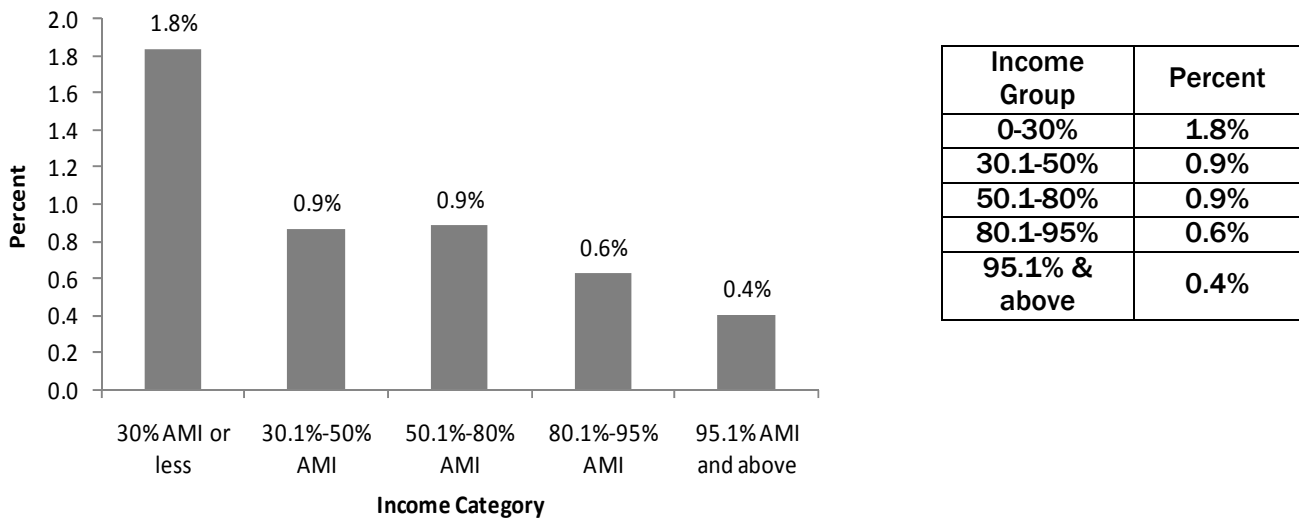


Income Group	Percent
0-30%	2.1%
30.1-50%	1.4%
50.1-80%	1.1%
80.1-95%	0.9%
95.1% & above	0.9%

Source: CHAS 2005-07 statewide figures. In the final version of this document, these figures will reflect 2005-2009 CHAS.

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**

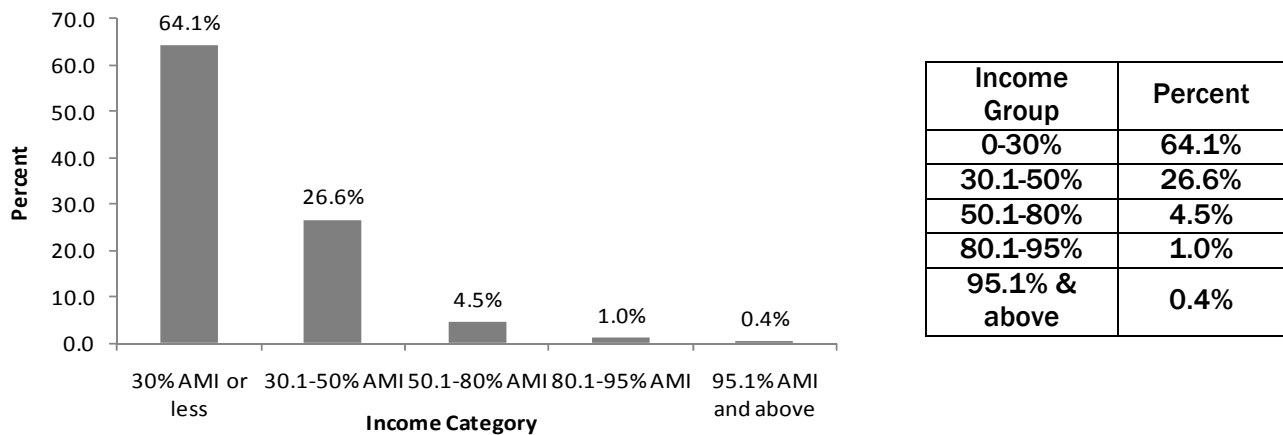


Source: CHAS 2005-07 statewide figures. In the final version of this document, these figures will reflect 2005-2009 CHAS.

**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.

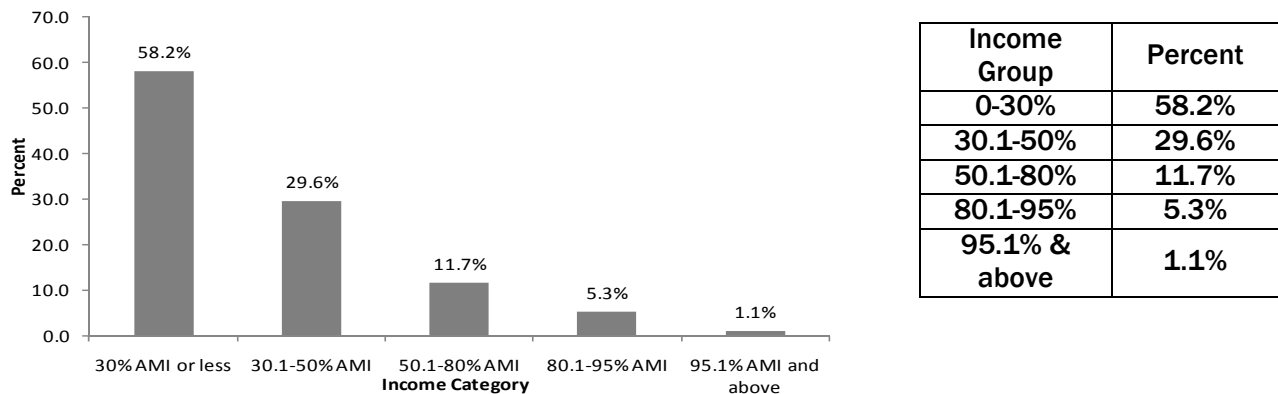
**Renter Households with Housing Cost Burden by Income Category – Texas, 2005-2007**



Source: CHAS 2005-07 statewide figures. In the final version of this document, these figures will reflect 2005-2009 CHAS.

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.

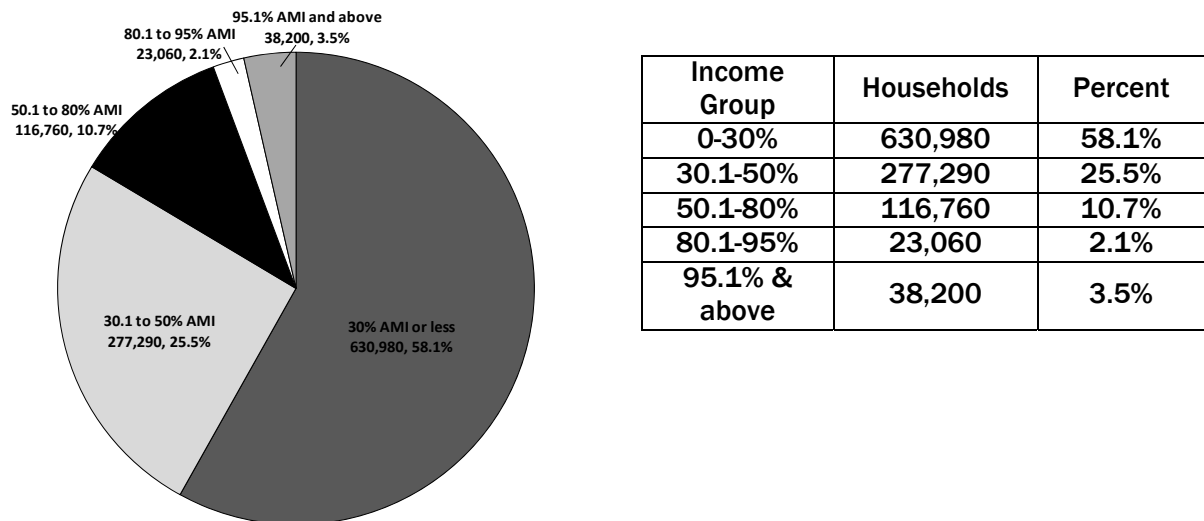
**Owner Households with Housing Cost Burden by Income Category – Texas 2005-2007**



Source: CHAS 2005-07 statewide figures. In the final version of this document, these figures will reflect 2005-2009 CHAS.

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**



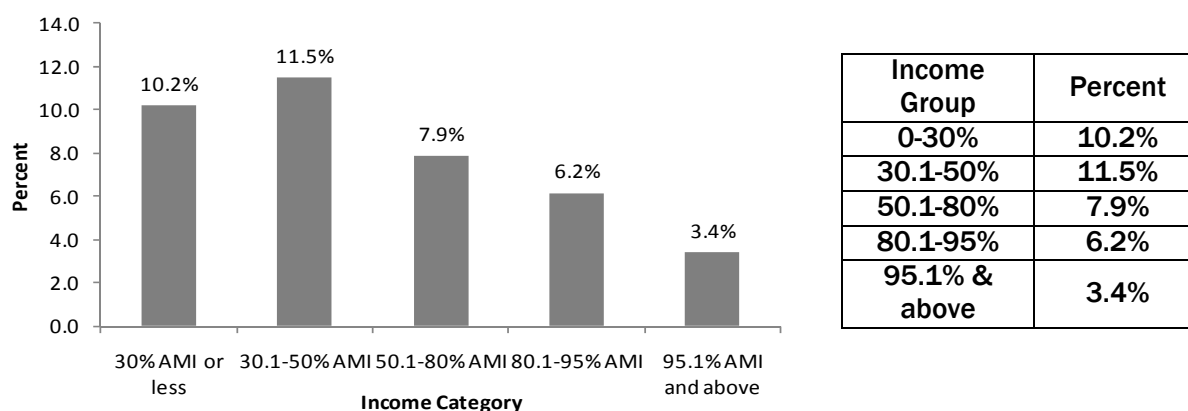
Source: CHAS 2005-07 statewide figures. In the final version of this document, these figures will reflect 2005-2009 CHAS.

## 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.

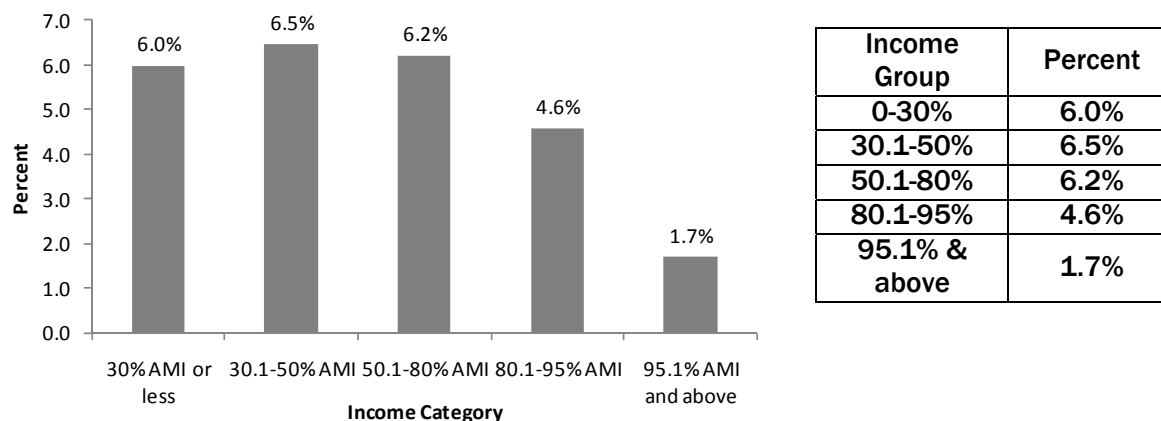
**Renter Households with Incidence of Overcrowding by Income Group – Texas, 2005-2007**



Source: CHAS 2005-07 statewide figures. In the final version of this document, these figures will reflect 2005-2009 CHAS.

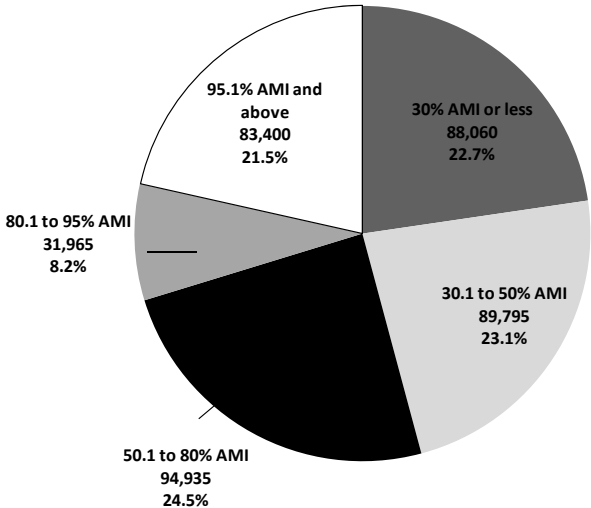
Lower income owner households also experience overcrowded conditions more frequently than higher income owner households. More than 6.5 percent of owner households earning less than 50 percent HAMFI live in overcrowded conditions compared to 4.6 percent of owner households over 80 percent HAMFI. The 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**



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. In the final version of this document, these figures will reflect 2005-2009 CHAS.



## STATEWIDE HOUSING AVAILABILITY AND AFFORDABILITY

### HOUSING SUPPLY

Approximately 67.8 percent of occupied units in Texas were single-family homes. Approximately 24.4 percent of housing units were within multifamily structures: 2.1 percent were in developments up to 2 units; 3.3 percent were in developments with 3 or 4 units; 11.8 percent were within 5 to 19 units; and 7.1 percent were in developments of over 20 units. The remaining 7.8 percent of units were manufactured homes and other units such as boats. Additionally, over 85.8 percent of all occupied housing units in Texas are located in urban areas.

#### Physical Housing Characteristics for Occupied Units – Texas, 2005-2009

	Rural Units	Urban Units	Total Units	Percent of Total
<b>1, detached</b>	972,022	5,164,551	6,136,573	65.2%
<b>1, attached</b>	16,194	231,401	247,595	2.6%
<b>2 apartments</b>	29,307	169,474	198,781	2.1%
<b>3 or 4 apartments</b>	31,140	280,276	311,416	3.3%
<b>5 to 19 apartments</b>	39,454	1,070,462	1,109,916	11.8%
<b>20 to 49 apartments</b>	9,958	288,382	298,350	3.2%
<b>50 apartments or more</b>	9,552	363,759	373,311	4.0%
<b>Mobile home</b>	224,833	492,532	717,365	7.6%
<b>Other type of housing</b>	2,857	11,528	14,385	0.2%
<b>Totals</b>	<b>1,335,317</b>	<b>8,072,375</b>	<b>9,407,692</b>	

Source: U.S. Census Bureau, 2005-2009 American Community Survey.

\*The “Housing Units, Other” category is for any living quarters occupied as a housing unit that do not fit in the previous categories. Examples that fit in the “other” category are houseboats, railroad cars, campers and vans.

The chart below shows occupied and vacant housing. Rural areas experienced higher levels of vacancy than urban areas. The statewide vacancy rate was 10.6 percent.

#### Housing Occupancy Rural, 2010

	Rural Occupied Housing Units	Rural Vacant Housing Units	Rural Percent of Vacant Housing Units
State Total	1,114,124	252,520	18.5%

#### Housing Occupancy Urban, 2010

	Urban Occupied Housing Units	Urban Vacant Housing Units	Urban Percent of Vacant Housing Units
State Total	7,808,809	801,983	9.3%

#### Housing Occupancy Statewide, 2010

	Statewide Percent of Vacant Housing Units
State Total	10.6%

Source: U.S. Census Bureau, 2010 Census. Summary File 1, Table H3, H4, H5, and HCT1.

## STATEWIDE ASSISTED HOUSING INVENTORY

The following table shows the number of multifamily units in Texas 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 2011 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 total.

### Subsidized Multifamily Units, Texas 2011

	State Total	Percent of State Inventory
TDHCA Units	209,133	44.7%
HUD Units	57,648	12.3%
PHA Units	57,083	12.2%
Section 8 Vouchers	129,432	27.7%
USDA Units	14,165	3.0%
HFC Units*	100,596	21.5%
Total	467,461	

\*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 financed through state and federal sources.

### Subsidized Multifamily Units, Texas 2011

	TDHCA Units	HUD Units	PHA Units	Section 8 Vouchers	USDA Units	HFC Units*	Total Assisted Units	2010 Total Population	% Assisted Units to Population
State	209,133	57,648	57,083	129,432	14,165	2,874	467,461	25,145,561	1.9%

\*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**

<b>Renter Households</b>	<b>Total</b>	<b>50% or less</b>	<b>50.1-80%</b>	<b>Above 80%</b>
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
<b>Total</b>	<b>2,779,085</b>	<b>1,140,240</b>	<b>596,965</b>	<b>1,041,880</b>

<b>Percent of Renter Households</b>	<b>Total</b>	<b>50% or less</b>	<b>50.1-80%</b>	<b>Above 80%</b>
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.

<b>Owner Households</b>	<b>Total</b>	<b>50% or less</b>	<b>50.1-80%</b>	<b>Above 80%</b>
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
<b>Total</b>	<b>5,245,620</b>	<b>835,035</b>	<b>756,505</b>	<b>3,654,080</b>

<b>Percent of Owner Households</b>	<b>Total</b>	<b>50% or less</b>	<b>50.1-80%</b>	<b>Above 80%</b>
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%

<b>Number of Total Units</b>	<b>Total</b>	<b>50% or less</b>	<b>50.1-80%</b>	<b>Above 80%</b>
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

<b>Percent of Total Units</b>	<b>Total</b>	<b>50% or less</b>	<b>50.1-80%</b>	<b>Above 80%</b>
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%
	<b>Total units:</b>		<b>8,024,705</b>	

Source: CHAS 2005-07, Table 15 A, 15 B. In the final version of this document,  
these figures will reflect 2005-2009 CHAS.

## 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 a Public Assistance Request Inventory, which consists of communication from members of the general public using the following contact methods:

- calls made to TDHCA's Automated Call Distribution line (800-525-0657);
- emails sent to TDHCA's general mailbox (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. Below are explanations of types of requests received:

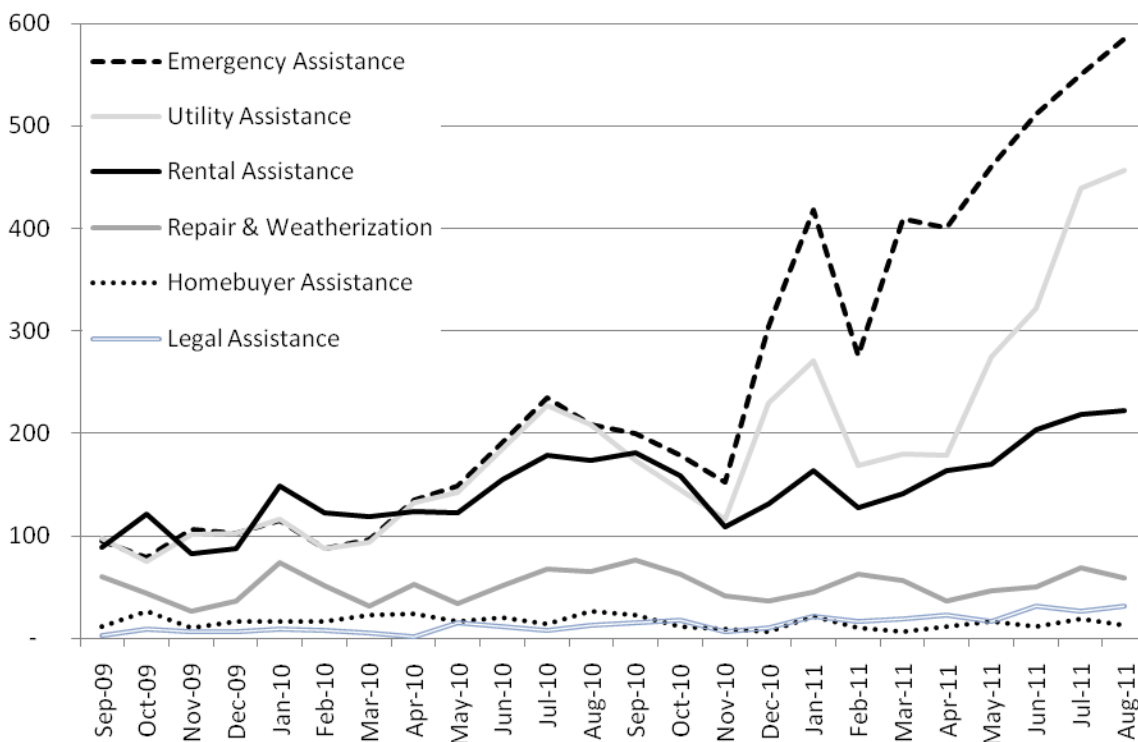
1. **Emergency Assistance:** short-term rental payments, often used to prevent eviction, and various social services for poverty-level households.
2. **Utility Assistance:** utility payment needs, possibly to prevent utilities from being disconnected.
3. **Rental Assistance:** longer-term rental assistance, such as subsidized rent in a market-rate apartment or lower rents in reduced-rent apartments.
4. **Repair and Weatherization:** modifications for accessibility, owner-occupied home repairs, and weatherization to decrease utility use.
5. **Homebuyer Assistance:** down payment assistance, low-interest loans, and mortgage credit certificates.
6. **Legal Assistance:** landlord/tenant disputes, contract for deeds issuances and other legal matters. (Please note that TDHCA does not provide legal assistance to the public.)
7. **Foreclosure Prevention:** problems with banks or servicers or problems making mortgage payments. (Please note that TDHCA does not provide mediation with banks or servicers or mortgage assistance payments.)
8. **Disaster Assistance:** home rebuilding or rental vouchers needed to recover from a natural or manmade disaster.
9. **Other Housing-Related Assistance:** referrals to realtors, sewers connections, homeowners associations and other general questions about housing. (Please note that TDHCA does not have jurisdiction over the issues in "Other Housing-Related Assistance".)

For all requests except Legal Assistance and Other-Housing Related Assistance, TDHCA usually responds by referring the requestor to local agencies that provide help with these services. Some of the local providers are funded through TDHCA's programs. While majority of TDHCA's programs do not serve individuals directly, there are two exceptions: (1) The Section 8 program run by TDHCA in limited areas of the State which serves individuals directly, and (2) the HOME Homebuyer Program in limited areas of the State which serves individuals directly. For Legal Assistance, most requests are referred to the Office of the Attorney General or local nonprofits that help with legal matters. For Other Housing-Related Assistance, most requests are referred to other State agencies.

Over a two-year period, the volume of requests for assistance has changed dramatically, as can be seen in the following graph. Emergency Assistance requests increased 178.2 percent from state fiscal year (SFY) 2010 to SFY 2011. Often TDHCA provides Emergency Assistance referrals and Utility Assistance referrals to the same requestor, which most likely explains why Utility Assistance requests had the next largest increase at 88.4 percent during that timeframe. Rental Assistance requests

increased at a more modest rate of 30.5 percent. The number of other types of assistance requests remained relatively steady during this time period.

**Public Assistance Request Inventory Graph, Comparison SFY 2010-2011**



*Note: For ease of reading, the graph above does not include requests for assistance under 100 in number (e.g. Foreclosure Prevention, Disaster Assistance, Other Housing-Related Assistance).*

**Public Assistance Request Inventory Table, Comparison SFY 2010-2011**

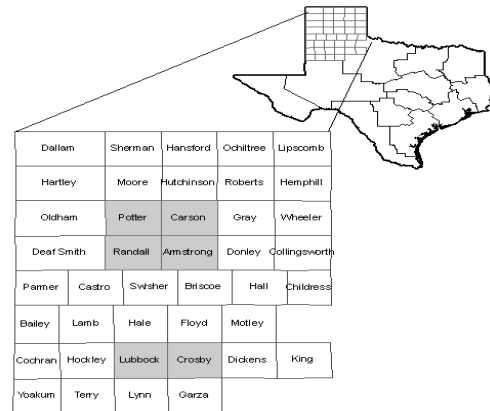
State Fiscal Year (SFY)	Month/Year	Emergency Assistance	Utility Assistance	Rental Assistance	Repair & Weatherization	Homebuyer Assistance	Legal Assistance	Foreclosure Prevention	Disaster Assistance	Other Housing-Related Assistance	Total
2010	Sep-09	95	97	89	60	11	3	-	-	1	15
	Oct-09	79	75	121	44	27	9	4	4	6	50
	Nov-09	106	101	82	26	10	7	1	1	3	22
	Dec-09	103	102	87	37	17	7	1	4	2	360
	Jan-10	115	116	149	74	17	9	2	5	2	489
	Feb-10	87	88	122	51	17	8	1	3	2	379
	Mar-10	96	94	119	32	23	5	1	1	-	371
	Apr-10	135	132	124	53	24	2	5	-	1	476
	May-10	149	143	123	34	16	15	5	1	-	486
	Jun-10	191	185	155	52	20	12	1	2	1	619
	Jul-10	235	227	178	67	14	8	5	2	1	737
Aug-10	208	209	173	65	26	13	3	4	2	703	
Total	1,599	1,569	1,522	595	222	98	29	27	21	5,682	

State Fiscal Year (SFY)	Month/Year	Emergency Assistance	Utility Assistance	Rental Assistance	Repair & Weatherization	Homebuyer Assistance	Legal Assistance	Foreclosure Prevention	Disaster Assistance	Other Housing-Related Assistance	Total
2011	Sep-10	200	174	181	76	23	15	5	4	1	679
	Oct-10	178	145	158	63	11	18	7	6	-	586
	Nov-10	153	116	109	42	9	6	8	2	-	445
	Dec-10	305	230	131	36	6	10	9	1	6	734
	Jan-11	418	271	164	45	21	22	6	3	5	955
	Feb-11	276	169	127	62	10	17	11	4	-	676
	Mar-11	409	180	141	56	7	19	5	1	1	819
	Apr-11	401	179	163	37	12	23	5	-	6	826
	May-11	461	274	170	46	17	16	3	2	3	992
	Jun-11	512	322	203	50	11	32	6	12	7	1,155
	Jul-11	550	439	218	69	19	26	14	6	1	1,342
	Aug-11	585	457	222	59	13	31	8	7	-	1,382
Total	4,448	2,956	1,987	641	159	235	87	48	30	10,591	
2-SFY Total	6,047	4,525	3,509	1,236	381	333	116	75	51	16,273	

**REGION 1**

This 41-county region in the northwest corner of Texas encompasses over 39,500 square miles of the Panhandle. Region 1 has approximately 839,586 people, which is 3.3 percent of Texas' population.

**Region 1**



**Region 1 Population Figures**

	2000 Population	% Change	2010 Population
Rural	320,247	-4.8%	304,815
Urban	460,486	16.1%	534,771
<b>Region 1 Total</b>	<b>780,733</b>	<b>7.5%</b>	<b>839,586</b>

Source: U.S. Census Bureau, 2000 and 2010 Census.

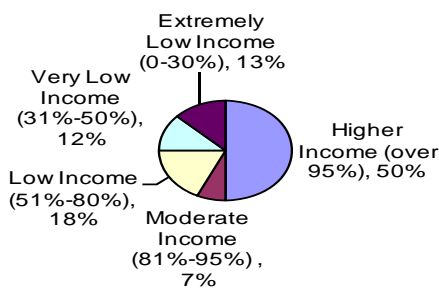
Approximately 63.6 percent of the Region 1 residents live in the urban areas, including Amarillo and Lubbock, and the rest live in rural areas of the region. In the map of Region 1 (above), the shaded counties are MSAs as defined by the U.S. Census. The table below depicts the number of individuals living below the poverty line in Region 1. Of the 135,344 individuals living below poverty, approximately 63.7 percent live in urban areas and the remaining 36.3 percent live in rural areas. However, the percentage of total rural residents below poverty is slightly higher than the percentage of total urban residents that are below the poverty line. This may be due to the region's rural counties lagging behind the Amarillo and Lubbock MSAs in recent and expected job creation.<sup>37</sup>

**Region 1 Poverty Figures, 2005-2009**

	At or above poverty Individuals	At or above poverty Percent	Individuals below poverty Individuals	Individuals below poverty Percent
Rural	225,669	82.1%	49,119	17.9%
Urban	407,057	82.5%	86,225	17.5%
<b>Region 1 Total</b>	<b>632,726</b>	<b>82.4%</b>	<b>135,344</b>	<b>17.6%</b>

Source: U.S. Census Bureau, 2005-2009 American Community Survey.

The pie chart below depicts the income breakdown of the households in the region. Approximately 43 percent of households are low income. According to the Texas Comptroller's *Texas In Focus* report, the majority of occupations with high job growth in Region 1 are low paying and do not require a post-secondary education.<sup>38</sup>



**Region 1 Household Incomes**

Income Group	Percent
0-30%	13%
31-50%	12%
51-80%	18%
81-95%	7%
95% & above	50%

Source: 2000 CHAS. In the final version of this document, these figures will reflect 2005-2009 CHAS.

**REGION 1 SPECIAL NEEDS POPULATIONS**

<sup>37</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>38</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).



Some data for persons with special needs is only available at the state level. For example, numbers of persons with alcohol and substance abuse are 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 the state section above so that Regions 9 to 13 can be formatted in a uniform fashion to the other regions for ease of reading.

**ELDERLY PERSONS**

Region 5 elderly persons make up 12.3 percent of the region’s population, compared to statewide elderly population which makes up 10.3 percent the State’s total population. Elderly persons in Region 1 make up 4.0 percent of the statewide total elderly population.

**Region 1 Elderly Persons – Texas 2010**

	Elderly Persons	Regional Population	Percent of Elderly Persons to Regional Population	Statewide Elderly Persons	Regional Percent of Statewide Elderly Population
Rural	41,758	304,815	13.7%	485,617	8.6%
Urban	61,536	534,771	11.5%	2,112,592	2.9%
Total	103,114	839,586	12.3%	2,589,209	4.0%

Source: Census 2010.

**HOMELESS PERSONS**

Region 1 persons in group quarters make up 0.2 percent of the region’s population, compared to statewide persons in group quarters which makes up 0.2 percent the State’s total population. Homeless persons in Region 1 make up 4.0 percent of the statewide total homeless persons. For a sample urban county, Lubbock, and a sample rural county, Bailey, there is an estimated 1,145 people and 0 people, respectively, in non-institutional group quarters.

**Region 1 Persons in Other Group Quarters, 2010**

	Homeless persons	Regional Population	Percent of Homeless to Regional Population	Statewide Homeless Population	Regional Percent of Statewide Homeless Population
Rural	356	304,815	0.1%	5,551	6.4%
Urban	1,668	534,771	0.3%	45,102	3.7%
Total	2,024	839,586	0.2%	50,653	4.0%

Source: U.S. Census Bureau, 2010 Census. Group quarters population by group quarters type, non-institutionalized population, other non-institutional facilities.

**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>39</sup>

**Region 1 Migrant and Seasonal Farmworker Population, 2000**

	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

Source: Migrant and Seasonal Farmworker Enumeration Profiles Study – TX, Larson, Alice, 2000.

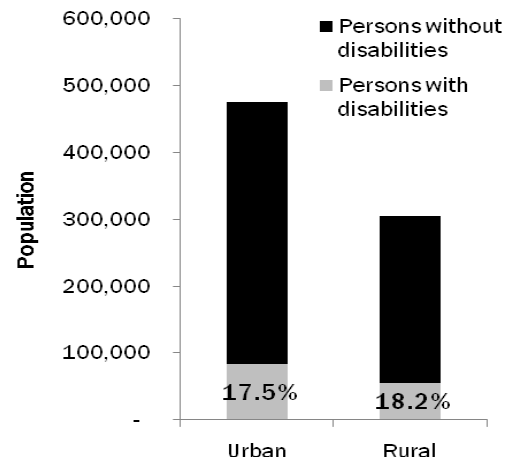
**PERSONS WITH DISABILITIES**

Of the total population in Region 1, persons with disabilities account for approximately 17.7 percent of the population. Of this total, approximately 60.0 percent are residing in urban areas, with the remaining 40.0 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.



**PERSONS WITH HIV/AIDS**

Region 1 persons with HIV/AIDS make up 0.1 percent of the region's population, compared to statewide persons with HIV/AIDS population which makes up 0.2 percent the State's total population. Approximately 81.6 percent of this population lives in urban areas, with the remaining 18.4 percent in rural areas.

**Region 1 Persons Living with HIV/AIDS, 2010**

	Persons with HIV/AIDS, 2010	Regional Population	Percent of Persons with HIV/AIDS to Regional Population
Rural	137	304,815	0.0%
Urban	606	534,771	0.1%
Total	743	839,586	0.1%

Source: Texas Department of State Health Services, 2010 HIV Surveillance Report.

<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).

**VETERANS**

Region 1 has the lowest percentage of veterans compared to the region's total population (1.9 percent), which is lower than the statewide percentage of veterans compared to total population (2.5 percent). Veterans in Region 1 make up 2.6 percent of the statewide total veteran population.

**Region 1 Veteran Population, 2005-2009**

	Veteran Population	Population 18 years and older	Percent of Veterans to Population 18 and older	Regional Percent of Statewide Veteran Population
Rural	3,311	207,491	1.6%	0.8%
Urban	7,641	380,317	2.0%	1.8%
Total	10,952	587,808	1.9%	2.6%

Source: American Community Survey 2005-2009.

**VICTIMS OF DOMESTIC VIOLENCE**

Region 1 is tied with Region 1 for the highest percent of incidence of domestic violence compared to regional population (1.1 percent) which is higher than the statewide percentage of incidents of domestic violence compared to population (0.8 percent). Incidents of violence in Region 1 make up 4.5 percent of the statewide total incidents of violence.

**Region 1 Incidences of Violence – 2009**

	Total Incidents in 2009	Percent of Incidents to 2010 Regional Population	Regional Percent of Statewide Incidences of Violence
Rural	1,877	0.6%	10.0%
Urban	6,999	1.3%	3.9%
Total	8,876	1.1%	4.5%

Source: Crime in Texas, 2009. FBI Uniform Crime Reports.

**YOUTH AGING OUT OF FOSTER CARE**

In Region 1, 64.6 percent of youth aging out of foster care live in urban areas, while the remaining 35.4 percent live in rural areas. Region 1 has 6.4 percent of the statewide number of youth aging out of foster care.

**Region 1 Youth Aging out of Foster Care – Texas, 2010**

	Youth Aging Out of Foster Care	Regional Percent of Statewide Youth Aging Out of Foster Care
Rural	23	12.8%
Urban	42	5.0%
Total	65	6.4%

Source: Foster Children Who Aged Out of DFPS Conservatorship, FY 2010, Department of Family and Protective Services.

## LOCAL REQUESTS FOR HOUSING ASSISTANCE

According to the TDHCA Public Request Assistance Inventory for SFY2011, the agency received 249 public assistance requests from Region 1, which accounted for 2.4 percent of total annual requests. Of requests from Region 1, the three most requested categories of assistance were, in order: Rental Assistance, Emergency Assistance, and Utility Assistance. Region 1 had the lowest percentage of requests compared to regional population (0.01 percent), which was lower than the statewide average (0.04 percent).

### Region 1 Public Assistance Request Inventory, SFY 2011

	Emergency Assistance	Utility Assistance	Rental Assistance	Repair & Weatherization	Homebuyer Assistance	Legal Assistance	Foreclosure Prevention	Disaster Assistance	Other Housing Related Assistance	Total
Region 1	69	46	98	17	5	9	2	-	3	249
<b>Total</b>	<b>4,448</b>	<b>2,956</b>	<b>1,987</b>	<b>641</b>	<b>159</b>	<b>235</b>	<b>87</b>	<b>48</b>	<b>30</b>	<b>10,591</b>

## 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 the Census Bureau, 89.2 percent of the housing units in the region are occupied. Of the total housing stock, approximately 74.4 percent are one unit; 3.4 percent are two units; 13.8 percent are three or more units; 8.3 percent are manufactured homes; and the rest are boats and RVs.

### Region 1 Housing Supply – 2005-2009

	Rural	Urban	Total
Total housing units	128,476	216,176	344,652
Housing units, 1 unit	103,980	152,505	256,485
Housing units, 2 units	3,273	8,362	11,635
Housing units, 3 to 4 units	3,347	7,446	10,793
Housing units, 5 to 19 units	3,374	18,123	21,497
Housing units, 20 to 49 units	626	6,550	7,176
Housing units, 50+ units	829	7,098	7,927
Housing units, mobile home	12,909	15,827	28,736
Housing units, other	138	265	403

Source: U.S. Census Bureau, 2005-2009 American Community Survey.

**Region 1 Housing Occupancy – 2010**

	Total Housing Units	Vacant Housing Units	Percent of Vacant Housing Units
Rural	126,120	19,002	5.1%
Urban	220,512	18,383	8.3%
Total	346,632	37,385	10.8%

Source: U.S. Census Bureau, 2010 Census. Summary File 1, Table H3, H4, H5, and HCT1.

**ASSISTED HOUSING INVENTORY**

This region's total number of assisted multifamily units compared to regional population is 1.7 percent, which is lower than the statewide average of 1.9 percent.

**Region 1 Assisted Multifamily Units**

	Region Total	Percent in Region	Percent of State Total
TDHCA Units	5,332	38.1%	2.5%
HUD Units	2,006	14.3%	3.5%
PHA Units	1,478	10.6%	2.6%
Section 8 Vouchers	4,117	29.4%	3.2%
USDA Units	1,062	7.6%	7.5%
HFC Units*	1,607		
<b>Total</b>	<b>13,995</b>	<b>100%</b>	<b>3.0%</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 2011, the median home prices for Amarillo and Lubbock are \$137,100 and \$125,300, respectively.<sup>40</sup> In addition, the fair market rent for a two-bedroom unit in Amarillo MSA is \$676, requiring an annual income of approximately \$27,040, and in Lubbock MSA is \$728, which requires an annual income of approximately \$29,120. In a sample rural county, Bailey, fair market rent on a two-bedroom apartment is \$595, which requires an annual income of approximately \$23,800.<sup>41</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 91,669 owners and renters with housing problems in 2009.

<sup>40</sup> Real Estate Center at Texas A&M University, (n.d.) Texas residential multiple listing service (MLS) activity. Retrieved from <http://recenter.tamu.edu/data/hs/trends.asp>

<sup>41</sup> National Low Income Housing Coalition. (2011). Out of reach 2011. Retrieved from <http://www.nlihc.org/oor/oor2011/>

**Region 1 Households with Housing Problems, 2009**

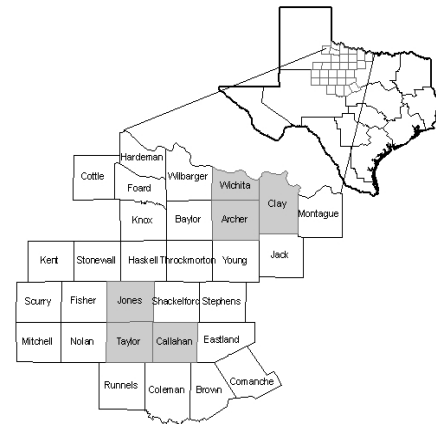
<b>Households</b>	<b>Region Total</b>	<b>Extremely Low Income (0-30%)</b>	<b>Very Low Income (31-50%)</b>	<b>Low Income (51-80%)</b>	<b>Higher Incomes (81% and up)</b>
Extreme Cost Burden	67,159	25,939	18,689	13,818	8,712
Lacking Kitchen and/or Plumbing	3,211	898	558	604	1,151
Overcrowding	21,299	3,374	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. In the final version of this document, these figures will reflect 2005-2009 CHAS.

**REGION 2**

Region 2 surrounds the metropolitan areas of Wichita Falls and Abilene. The 2010 Census found that the total population in Region 2 is 552,250, which grew by 0.2 percent since 2000. The rural areas lost population and urban areas gained population. However, this shift may be tempered with the changes in urban/rural designation of counties from 2000 to 2010, since 22 counties statewide changed from not being in an MSA to being included in an MSA, and the population in those counties will now be counted as urban.

**Region 2**



**Region 2 Population Figures**

	2000 Population	% Change	2010 Population
Rural	282,194	-17.2%	233,692
Urban	267,073	18.5%	316,558
Region 2 Total	549,267	0.2%	550,250

Source: U.S. Census Bureau, 2000 and 2010 Census.

Approximately 57.5 percent of Region 2 residents live in urban areas. In the map of Region 2 (above), the shaded counties are MSAs as defined by the U.S. Census. The table below depicts the number of individuals living below the poverty line in Region 2. Of the 81,752 individuals living below poverty, approximately 52.0 percent live in urban areas and the remaining 48.0 percent live in rural areas. However, the percentage of total rural residents below poverty is higher than the percentage of total urban residents below poverty.

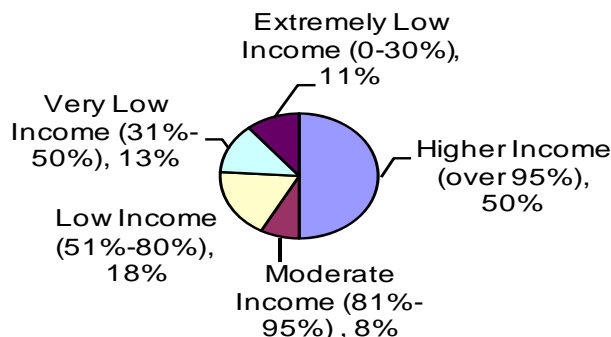
**Region 2 Poverty Figures, 2005-2009**

	At or above poverty Individuals	At or above poverty Percent	Individuals below poverty Individuals	Individuals below poverty Percent
Rural	176,049	81.8%	39,209	18.2%
Urban	241,520	85.0%	42,543	15.0%
Region 2 Total	417,569	83.6%	81,752	16.4%

Source: U.S. Census Bureau, 2005-2009 American Community Survey.

The pie chart below depicts the income breakdown of Region 2. Approximately 42 percent of households are low income.

**Region 2 Household Incomes**



Income Group	Percent
0-30%	11%
31-50%	13%
51-80%	18%
81-95%	8%
95% & above	50%

Source: 2000 CHAS. In the final version of this document, these figures will reflect 2005-2009 CHAS.

## 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 are 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 the state section above so that Regions 9 to 13 can be formatted in a uniform fashion to the other regions for ease of reading.

## ELDERLY PERSONS

Elderly persons in Region 2 account for 15.6 percent of the population, which ties with Region 4 for the highest percentage of elderly persons compared to the region's population. Elderly persons in Region 2 make up 3.3 percent of the statewide total elderly population.

### Region 2 Elderly Persons, 2010

	Elderly Persons	Regional Population	Percent of Elderly Persons to Regional Population	Statewide Elderly Persons	Regional Percent of Statewide Elderly Population
Rural	42,770	233,692	18.3%	485,617	8.8%
Urban	43,126	316,558	13.6%	2,112,592	2.0%
Total	85,896	550,250	15.6%	2,598,209	3.3%

Source: Census 2010.

## HOMELESS PERSONS

According to 2010 Census, the ratio of Persons in Group Quarters compared to the regional population is slightly higher (0.4 percent) in Region 2 than the State average (0.2 percent). This is the highest percentage in all the regions of persons in group quarters compared to the population. Region 2 has 4.3 percent of the statewide homeless population. For a sample urban county, Wichita, and a sample rural county, Mitchell, there is an estimated 276 people and 0 people, respectively, in non-institutional group quarters.

### Region 2 Persons in Other Group Quarters, 2010

	Homeless persons	Regional Population	Percent of Homeless to Regional Population	Statewide Homeless Population	Regional Percent of Statewide Homeless Population
Rural	814	233,692	0.3%	5,551	14.7%
Urban	1,363	316,558	0.4%	45,102	3.0%
Total	2,177	550,250	0.4%	50,653	4.3%

Source: U.S. Census Bureau, 2010 Census. Group quarters population by group quarters type, non-institutionalized population, other non-institutional facilities.

## 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.



**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

Source: Migrant and Seasonal Farmworker Enumeration Profiles Study – TX, Larson, Alice, 2000.

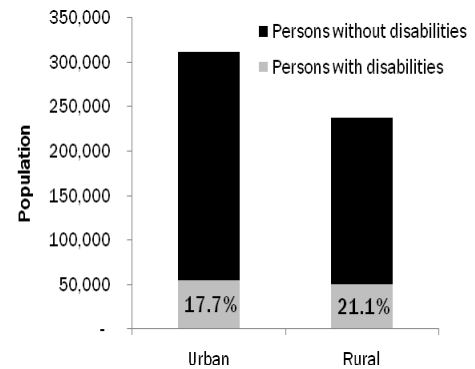
**PERSONS WITH DISABILITIES**

According to the 2000 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 and 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.



**PERSONS WITH HIV/AIDS**

Region 2 persons with HIV/AIDS make up 0.1 percent of the region’s population, compared to statewide persons with HIV/AIDS population which makes up 0.2 percent the State’s total population. Region 2 has the lowest number of persons with HIV/AIDS compared to the other regions. Approximately 64.4 percent of this population lives in urban areas, with the remaining 35.6 percent in rural areas.

**Region 2 Persons Living with HIV/AIDS, 2010**

	Persons with HIV/AIDS, 2010	Regional Population	Percent of Persons with HIV/AIDS to Regional Population
Rural	163	233,692	0.1%
Urban	295	316,558	0.1%
Total	458	550,250	0.1%

Source: Texas Department of State Health Services, 2010 HIV Surveillance Report.

### VETERANS

In Region 2, 59.2 percent of veterans live in urban areas, while the remaining 40.8 percent live in rural areas. Region 2 tied with Region 5 for the highest percentage of veterans compared to the region's total population (2.9 percent), which is higher than the statewide percentage of veterans compared to total population (2.5 percent). Region 2 has 2.8 percent of the statewide veteran population.

#### Region 2 Veteran Population, 2005-2009

	Veteran Population	Population 18 years and older	Percent of Veterans to Population 18 and older	Regional Percent of Statewide Veteran Population
Rural	4,780	173,874	2.7%	1.1%
Urban	6,934	232,873	3.0%	1.6%
Total	11,714	406,747	2.9%	2.8%

Source: American Community Survey 2005-2009.

### VICTIMS OF DOMESTIC VIOLENCE

While incidents of domestic violence do not correlate directly to victims of domestic violence, it is a good indicator of where the victims of domestic violence live. In Region 2, incidences of violence affect 0.9 percent of the region's population, compared to statewide average of 0.8 percent. Incidents of violence in Region 2 make up 2.5 percent of the statewide total incidents of violence.

#### Region 2 Incidences of Violence – 2009

	Total Incidents in 2009	Percent of Incidents to 2010 Regional Population	Regional Percent of Statewide Incidences of Violence
Rural	1,357	0.6%	7.2%
Urban	3,499	1.1%	2.0%
Total	4,856	0.9%	2.5%

Source: Crime in Texas, 2009. FBI Uniform Crime Reports.

### YOUTH AGING OUT OF FOSTER CARE

In Region 2, 50.0 percent of youth aging out of foster care live in urban areas, while the remaining 50.0 percent live in rural areas. Region 2 has 2.9 percent of the statewide number of youth aging out of foster care.

#### Region 2 Youth Aging out of Foster Care – Texas, 2010

	Youth Aging Out of Foster Care	Regional Percent of Statewide Youth Aging Out of Foster Care
Rural	15	8.3%
Urban	15	1.8%
Total	30	2.9%

Source: Foster Children Who Aged Out of DFPS Conservatorship, FY 2010, Department of Family and Protective Services.

**LOCAL REQUESTS FOR HOUSING ASSISTANCE**

According to the TDHCA Public Request Assistance Inventory for SFY2011, the agency received 165 public assistance requests from Region 2, which accounted for 1.6 percent of total annual requests. Of requests from Region 2, the three most requested categories of assistance were, in order: Emergency Assistance, Rental Assistance and Utility Assistance.

**Region 2 Public Assistance Request Inventory, SFY 2011**

	Emergency Assistance	Utility Assistance	Rental Assistance	Repair & Weatherization	Homebuyer Assistance	Legal Assistance	Foreclosure Prevention	Disaster Assistance	Other Housing Related Assistance	Total
Region 2	56	39	41	13	4	12	-	-	-	165
<b>Total</b>	<b>4,448</b>	<b>2,956</b>	<b>1,987</b>	<b>641</b>	<b>159</b>	<b>235</b>	<b>87</b>	<b>48</b>	<b>30</b>	<b>10,591</b>

**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 Census Bureau, 83.3 percent of the housing units in the region are occupied. Of the total housing stock, approximately 77.3 percent are one unit; 2.7 percent are two units; 10.2 percent are three or more units; 9.6 percent are manufactured homes; and the rest are boats and RVs.

**Region 2 Housing Supply, 2005-2009**

	Rural	Urban	Total
Total housing units	118,533	132,757	251,290
Housing units, 1 unit	93,872	100,290	194,162
Housing units, 2 units	3,316	3,379	6,695
Housing units, 3 to 4 units	2,212	5,032	7,244
Housing units, 5 to 19 units	2,609	9,360	11,969
Housing units, 20 to 49 units	598	1,697	2,295
Housing units, 50+ units	801	3,378	4,179
Housing units, mobile home	14,841	9,276	24,117
Housing units, other	284	345	926

Source: U.S. Census Bureau, 2005-2009 American Community Survey.

**Region 2 Housing Occupancy – 2010**

	Total Housing Units	Vacant Housing Units	Percent of Vacant Housing Units
Rural	117,743	26,638	22.6%
Urban	134,544	15,465	11.5%
Total	252,287	42,103	16.7%

Source: U.S. Census Bureau, 2010 Census. Summary File 1, Table H3, H4, H5, and HCT1.

**ASSISTED HOUSING INVENTORY**

This region's total number of assisted multifamily units compared to regional population is 2.2 percent, which is higher than the statewide average of 1.9 percent.

**Region 2 Assisted Multifamily Units**

	Region Total	Percent in Region	Percent of State Total
TDHCA Units	3,546	28.9%	1.7%
HUD Units	1,401	11.4%	2.4%
PHA Units	3,886	31.7%	6.8%
Section 8 Vouchers	2,280	18.6%	1.8%
USDA Units	1,144	9.3%	8.1%
HFC Units*	359		
<b>Total</b>	<b>12,257</b>	<b>100%</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 2011, the median home prices for Wichita Falls and Abilene are \$105,200 and \$110,000, respectively.<sup>42</sup> In addition, the fair market rent for a two-bedroom unit in Wichita Falls is \$673, requiring an annual income of approximately \$26,920, and in Abilene MSA is \$650, which requires an annual income of approximately \$26,000. In a sample rural county, Mitchell, fair market rent on a two-bedroom apartment is \$595, which requires an annual income of approximately \$23,800.<sup>43</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.

<sup>42</sup> Real Estate Center at Texas A&M University, (n.d.) Texas residential multiple listing service (MLS) activity. Retrieved from <http://recenter.tamu.edu/data/hs/trends.asp>

<sup>43</sup> National Low Income Housing Coalition. (2011). Out of reach 2011. Retrieved from <http://www.nlihc.org/oor/oor2011/>

**Region 2 Households with Housing Problems, 2009**

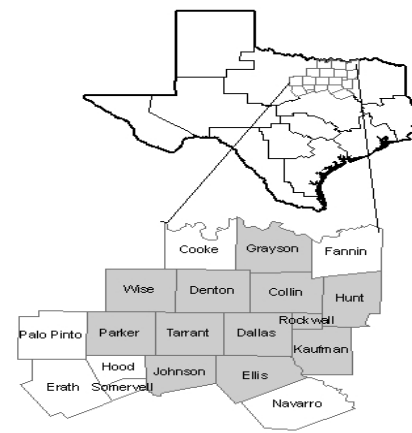
<b>Households</b>	<b>Region Total</b>	<b>Extremely Low Income (0-30%)</b>	<b>Very Low Income (31-50%)</b>	<b>Low Income (51-80%)</b>	<b>Higher Incomes (81% and up)</b>
Extreme Cost Burden	44,820	16,401	13,389	8,732	6,298
Lacking Kitchen and/or Plumbing	2,161	607	367	459	665
Overcrowding	9,466	1,470	1,440	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. In the final version of this document, these figures will reflect 2005-2009 CHAS.

### REGION 3

Region 3, which encompasses the metropolitan areas of Dallas, Fort Worth, Arlington, Sherman and Denison, is the State's most populous region. The 2010 Census reports that Region 3 has a population of 6,733,179, which grew by 22.7 percent since 2000. Both rural and urban areas showed an increase in population.

Region 3



Region 3 Population Figures

	2000 Population	% Change	2010 Population
Rural	228,358	7.6%	245,760
Urban	5,259,119	23.4%	6,487,419
Region 3 Total	5,487,477	22.7%	6,733,179

Source: U.S. Census Bureau, 2000 and 2010 Census.

Approximately 96.4 percent of Region 3 residents 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 individuals living below the poverty line in Region 3. Of the 848,698 individuals below poverty, approximately 95.6 percent live in urban areas and the remaining 4.4 percent in rural areas. However, the percentage of total rural residents below poverty is higher than the percentage of total urban residents below poverty.

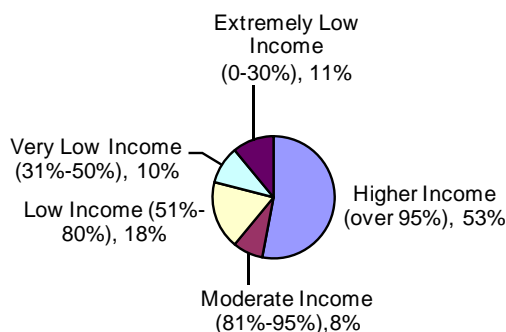
Region 3 Poverty Figures, 2005-2009

	At or above poverty Individuals	At or above poverty Percent	Individuals below poverty Individuals	Individuals below poverty Percent
Rural	194,928	83.9%	37,539	16.1%
Urban	5,345,091	86.8%	811,159	13.2%
Region 3 Total	5,540,019	86.7%	848,698	13.3%

Source: U.S. Census Bureau, 2005-2009 American Community Survey.

The pie chart below depicts the income breakdown Region 3. Approximately 39 percent of the households are low income.

Region 3 Household Incomes, 2000



Income Group	Percent
0-30%	11%
31-50%	10%
51-80%	18%
81-95%	8%
95% & above	53%

Source: 2000 CHAS. In the final version of this document, these figures will reflect 2005-2009 CHAS.

**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 are 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 the state section above so that Regions 9 to 13 can be formatted in a uniform fashion to the other regions for ease of reading.

**ELDERLY PERSONS**

Region 3 elderly persons make up 9.2 percent of the region's population, compared to statewide elderly population which makes up 10.3 percent the State's total population. Elderly persons in Region 3 make up 23.8 percent of the statewide total elderly population.

**Region 3 Elderly Persons, 2010**

	Elderly Persons	Regional Population	Percent of Elderly Persons to Regional Population	Statewide Elderly Persons	Regional Percent of Statewide Elderly Population
Rural	40,239	245,760	16.4%	485,617	8.3%
Urban	578,224	6,487,419	8.9%	2,112,592	27.4%
Total	618,463	6,733,179	9.2%	2,598,209	23.8%

Source: Census 2010.

**HOMELESS PERSONS**

According to 2010 Census, this region has approximately 19.4 percent of the statewide total of people in non-institutional group quarters, including homeless shelters. While the Region 3 has the second highest number of persons in other group quarters, the region's percentage of persons in group quarters compared to total population (0.1 percent) is less than the statewide percentage of persons in group quarters compared to population (0.2 percent). For a sample urban county, Johnson, and a sample rural county, Navarro, there is an estimated 158 people and 79 people, respectively, in non-institutional group quarters.

**Region 3 persons in group quarters, 2010**

	Homeless persons	Regional Population	Percent of Homeless to Regional Population	Statewide Homeless Population	Regional Percent of Statewide Homeless Population
Rural	586	245,760	0.2%	5,551	10.6%
Urban	9,224	6,487,419	0.1%	45,102	20.5%
Total	9,810	6,733,179	0.1%	50,653	19.4%

Source: U.S. Census Bureau, 2010 Census. Group quarters population by group quarters type, non-institutionalized population, other non-institutional facilities.

**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.

**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

Source: Migrant and Seasonal Farmworker Enumeration Profiles Study – TX, Larson, Alice, 2000.

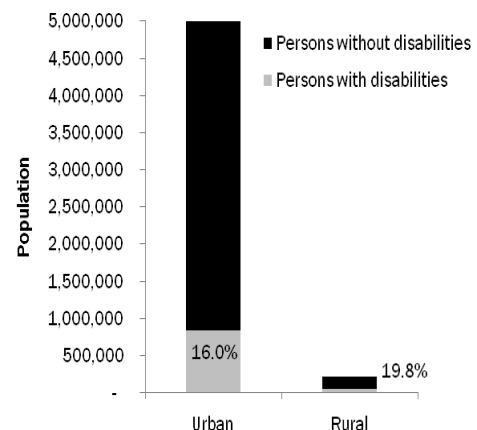
**PERSONS WITH DISABILITIES**

According to the 2000 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 and 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	487,477

Source: Census 2000, Urban defined by presence of an MSA.



**PERSONS WITH HIV/AIDS**

There are 20,141 persons living with HIV/AIDS in Region 3. Region 3 has the second highest number of persons with HIV/AIDS and the region's percentage of persons in with HIV/AIDS compared to total population (0.3 percent) is slightly higher than the statewide percentage of persons with HIV/AIDS compared to population (0.2 percent).

**Region 3 Persons Living with HIV/AIDS, 2010**

	Persons with HIV/AIDS, 2010	Regional Population	Percent of Persons with HIV/AIDS to Regional Population
Rural	191	245,760	0.1%
Urban	19,950	6,487,419	0.3%
Total	20,141	6,733,179	0.3%

Source: Texas Department of State Health Services, 2010 HIV Surveillance Report.



**VETERANS**

Region 3 veterans make up 2.3 percent of the region's population, compared to statewide veteran population which makes up 2.5 percent the State's total population. Veterans in Region 3 make up 25.5 percent of the statewide total veteran population.

**Region 3 Veteran Population, 2005-2009**

	Veteran Population	Population 18 years and older	Percent of Veterans to Population 18 and older	Regional Percent of Statewide Veteran Population
Rural	5,124	181,010	2.8%	1.2%
Urban	102,114	4,504,905	2.3%	24.3%
Total	107,238	4,685,915	2.3%	25.5%

Source: American Community Survey 2005-2009.

**VICTIMS OF DOMESTIC VIOLENCE**

Region 3 is tied with Region 7 for the lowest percent of incidence of domestic violence compared to regional population (0.7 percent), which is lower than the statewide percentage of incidents of domestic violence compared to population (0.8 percent). Incidents of violence in Region 3 make up 22.9 percent of the statewide total incidents of violence.

**Region 3 Incidences of Violence - 2009**

	Total Incidents in 2009	Percent of Incidents to 2010 Regional Population	Regional Percent of Statewide Incidences of Violence
Rural	1,425	0.6%	7.6%
Urban	43,662	0.7%	24.5%
Total	45,087	0.7%	22.9%

Source: Crime in Texas, 2009. FBI Uniform Crime Reports.

**YOUTH AGING OUT OF FOSTER CARE**

In Region 3, 93.4 percent of youth aging out of foster care live in urban areas, while the remaining 6.6 percent live in rural areas. Region 3 has the second highest number of youth aging out of foster care compared to the other regions.

**Region 3 Youth Aging out of Foster Care - Texas, 2010**

	Youth Aging Out of Foster Care	Regional Percent of Statewide Youth Aging Out of Foster Care
Rural	13	7.2%
Urban	184	22.0%
Total	197	19.4%

Source: Foster Children Who Aged Out of DFPS Conservatorship, FY 2010, Department of Family and Protective Services.

**LOCAL REQUESTS FOR HOUSING ASSISTANCE**

According to the TDHCA Public Request Assistance Request Inventory for SFY2011, the agency received 3,213 public assistance requests from Region 3, which accounted for 30.3 percent of total annual requests. Of requests from Region 3, the three most requested categories of assistance were, in order: Emergency Assistance, Utility Assistance and Rental Assistance.

**Region 3 Public Assistance Request Inventory, SFY 2011**

	Emergency Assistance	Utility Assistance	Rental Assistance	Repair & Weatherization	Homebuyer Assistance	Legal Assistance	Foreclosure Prevention	Disaster Assistance	Other Housing Related Assistance	Total
Region 3	1,499	959	476	155	31	62	22	3	6	3,213
<b>Total</b>	<b>4,448</b>	<b>2,956</b>	<b>1,987</b>	<b>641</b>	<b>159</b>	<b>235</b>	<b>87</b>	<b>48</b>	<b>30</b>	<b>10,591</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 Census Bureau, 91.4 percent of the housing units in the region are occupied. Of the total housing stock, 66.5 percent are one unit; 1.5 percent are two units; 27.2 percent are three or more units; 4.6 are manufactured homes; and the rest are boats and RVs.

**Region 3 Housing Supply, 2005-2009**

	Rural	Urban	Total
Total housing units	102,359	2,400,626	2,502,985
Housing units, 1 unit	73,846	1,591,392	1,665,238
Housing units, 2 units	2,027	36,639	38,666
Housing units, 3 to 4 units	2,286	83,193	85,479
Housing units, 5 to 19 units	2,856	374,652	377,508
Housing units, 20 to 49 units	1,235	107,021	108,256
Housing units, 50+ units	983	109,293	110,276
Housing units, mobile home	18,868	96,700	115,568
Housing units, other	258	1,736	1,994

Source: U.S. Census Bureau, 2005-2009 American Community Survey.

**Region 3 Housing Occupancy – 2010**

	Total Housing Units	Vacant Housing Units	Percent of Vacant Housing Units
Rural	111,857	18,502	16.5%
Urban	2,553,344	210,029	8.2%
<b>Total</b>	<b>2,665,201</b>	<b>228,534</b>	<b>8.6%</b>

Source: U.S. Census Bureau, 2010 Census. Summary File 1, Table H3, H4, H5, and HCT1.

**ASSISTED HOUSING INVENTORY**

This region's total number of assisted multifamily units compared to regional population is 1.7 percent, which is lower than the statewide average of 1.9 percent.

**Region 3 Assisted Multifamily Units**

	Region Total	Percent in Region	Percent of State Total
TDHCA Units	58,437	51.7%	27.9%
HUD Units	10,686	9.5%	18.5%
PHA Units	8,704	7.7%	15.2%
Section 8 Vouchers	32,826	29.0%	25.4%
USDA Units	2,371	2.1%	16.7%
HFC Units**	21,552		
<b>Total</b>	<b>113,024</b>	<b>100%</b>	<b>24.2%</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 2011, the median home price in Collin County is \$214,800 and in Sherman-Denison is \$81,500.<sup>44</sup> In addition, the fair market rent for a two-bedroom unit in Collin County is \$738, requiring an annual income of approximately \$35,640, and in Sherman-Denison MSA is \$745, which requires an annual income of approximately \$29,800. In a sample rural county, Navarro, fair market rent on a two-bedroom apartment is \$685, which requires an annual income of approximately \$27,400.<sup>45</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 699,636 owners and renters with housing problems in 2009.

<sup>44</sup> Real Estate Center at Texas A&M University, (n.d.) Texas residential multiple listing service (MLS) activity. Retrieved from <http://recenter.tamu.edu/data/hs/trends.asp>

<sup>45</sup> National Low Income Housing Coalition. (2011). Out of reach 2011. Retrieved from <http://www.nlihc.org/oor/oor2011/>

**Region 3 Households with Housing Problems, 2009**

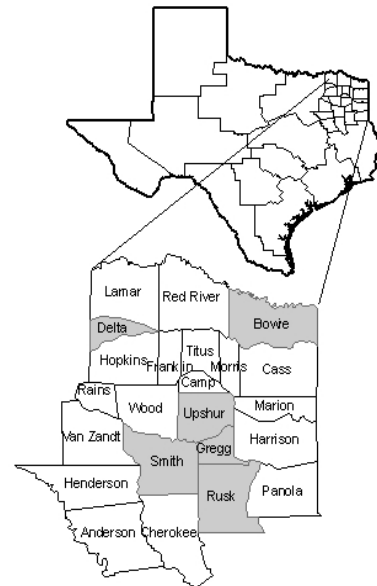
<b>Households</b>	<b>Region Total</b>	<b>Extremely Low Income (0-30%)</b>	<b>Very Low Income (31-50%)</b>	<b>Low Income (51-80%)</b>	<b>Higher Incomes (81% and up)</b>
Extreme Cost Burden	483,443	148,173	124,704	118,320	92,246
Lacking Kitchen and/or Plumbing	18,571	4,988	3,378	3,940	6,266
Overcrowding	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. In the final version of this document, these figures will reflect 2005-2009 CHAS.

## REGION 4

Region 4, located in the northeast corner of the state, surrounds the urban areas of Texarkana, Longview-Marshall and Tyler. The 2010 Census reports that the total population in Region 4 is 1,111,696, which grew by 9.5 percent since 2000. Region 4 is unique in that the urban areas lost population. This could be explained by Harrison and Henderson Counties' MSA status, which were in an MSA in 2000, but not in an MSA 2010, changing their designation from urban to rural.

Region 4



Region 4 Population Figures

	2000 Population	% Change	2010 Population
Rural	469,579	25.6%	589,817
Urban	546,069	-4.4%	521,879
Region 4 Total	1,015,648	9.5%	1,111,696

Source: U.S. Census Bureau, 2000 and 2010 Census.

In the map of Region 4 (right), the shaded counties are MSAs as defined by the U.S. Census. As seen in the table below, the percentage of rural residents below poverty is slightly higher than the urban residents below poverty. This may be due to the region's rural counties lagging behind the Longview and Tyler MSAs in recent and expected job creation.<sup>46</sup>

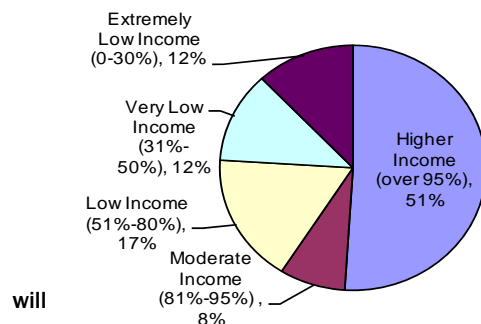
Region 4 Poverty Figures, 2005-2009

	At or above poverty Individuals	At or above poverty Percent	Individuals below poverty Individuals	Individuals below poverty Percent
Rural	454,258	83.1%	92,545	16.9%
Urban	405,133	84.3%	75,319	15.7%
Region 4 Total	859,391	83.7%	167,864	16.3%

Source: U.S. Census Bureau, 2005-2009 American Community Survey.

According to the pie chart below, approximately 41 percent of households are low income. Per the Texas Comptroller's *Texas In Focus* report, Region 4 exceeds the State's 2007 per capita income level of \$37,187, with 171 occupations paying more than this amount.<sup>47</sup>

Region 4 Household Incomes



Income Group	Percent
0-30%	12%
31-50%	12%
51-80%	17%
81-95%	8%
95% & above	51%

Source: 2000 CHAS. In the final version of this document, these figures reflect 2005-2009 CHAS.

<sup>46</sup> Texas Comptroller. (2008, Oct). *Texas in Focus: Upper East Texas*. Retrieved from <http://www.window.state.tx.us/specialrpt/tif/uppereast/pdf/UpperEastFullReport.pdf>

<sup>47</sup> Texas Comptroller. (2008, Oct). *Texas in Focus: Upper East Texas*. Retrieved from <http://www.window.state.tx.us/specialrpt/tif/uppereast/pdf/UpperEastFullReport.pdf>

**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 are 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 the state section above so that Regions 9 to 13 can be formatted in a uniform fashion to the other regions for ease of reading.

**ELDERLY PERSONS**

Elderly persons in Region 4 account for 15.6 percent of the population, which ties with Region 2 for the highest percentage of elderly persons compared to the region's population. Elderly persons in Region 4 make up 6.7 percent of the statewide total elderly population.

**Region 4 Elderly Persons, 2010**

	Elderly Persons	Regional Population	Percent of Elderly Persons to Regional Population	Statewide Elderly Persons	Regional Percent of Statewide Elderly Population
Rural	98,949	589,817	16.8%	485,617	20.4%
Urban	74,145	521,879	14.2%	2,112,592	3.5%
Total	173,094	1,111,696	15.6%	2,598,209	6.7%

Source: Census 2010.

**HOMELESS PERSONS**

Region 4 persons in group quarters make up 0.2 percent of the region's population, compared to statewide persons in group quarters which makes up 0.2 percent the State's total population. Homeless persons in Region 4 make up 5.1 percent of the statewide total homeless persons. For a sample urban county, Smith, and a sample rural county, Marion, there is an estimated 470 people and 0 people, respectively, in non-institutional group quarters.

**Region 4 Persons in Other Group Quarters, 2010**

	Homeless persons	Regional Population	Percent of Homeless to Regional Population	Statewide Homeless Population	Regional Percent of Statewide Homeless Population
Rural	1,121	589,817	0.2%	5,551	20.2%
Urban	1,485	521,879	0.3%	45,102	3.3%
Total	2,606	1,111,696	0.2%	50,653	5.1%

Source: U.S. Census Bureau, 2010 Census. Group quarters population by group quarters type, non-institutionalized population, other non-institutional facilities.

**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.

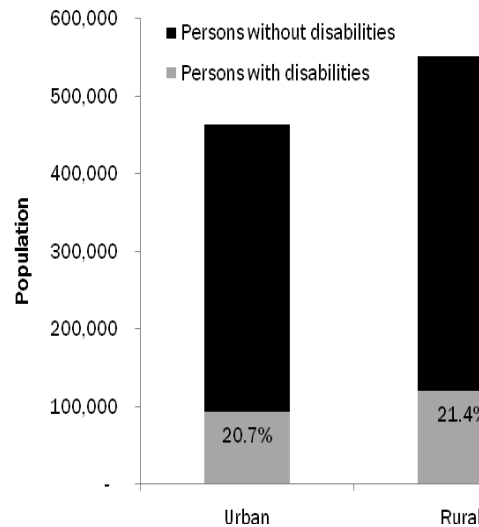
**Region 4 Migrant and Seasonal Farmworker Population, 2000**

	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

Source: Migrant and Seasonal Farmworker Enumeration Profiles Study – TX, Larson, Alice, 2000.

**PERSONS WITH DISABILITIES**

According to the 2000 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

**PERSONS WITH HIV/AIDS**

There are 1,445 persons living with HIV/AIDS in Region 4. Region 4 persons with HIV/AIDS make up 0.1 percent of the region’s population, compared to statewide persons with HIV/AIDS population which makes up 0.2 percent the State’s total population. Approximately 58.3 percent of this population is living in urban areas, with the remaining 41.7 percent in rural areas.

**Region 4 Persons Living with HIV/AIDS, 2010**

	Persons with HIV/AIDS, 2010	Regional Population	Percent of Persons with HIV/AIDS to Regional Population
Rural	602	589,817	0.1%
Urban	843	521,879	0.2%
Total	1,445	1,111,696	0.1%

Source: Texas Department of State Health Services, 2010 HIV Surveillance Report.

**VETERANS**

Region 4 veterans make up 2.4 percent of the region’s population, compared to statewide veteran population which makes up 2.5 percent the State’s total population. Veterans in Region 4 make up 4.6 percent of the statewide total veteran population.

**Region 4 Veteran Population, 2005-2009**

	Veteran Population	Population 18 years and older	Percent of Veterans to Population 18 and older	Regional Percent of Statewide Veteran Population
Rural	10,132	437,589	2.3%	2.4%
Urban	9,391	370,837	2.5%	2.2%
Total	19,523	808,426	2.4%	4.6%

Source: American Community Survey 2005-2009.

**VICTIMS OF DOMESTIC VIOLENCE**

While incidents of domestic violence do not correlate directly to victims of domestic violence, it is a good indicator of where the victims of domestic violence live. In Region 4, incidences of violence affect 0.8 percent of the region’s population, compared to statewide average of 0.8 percent. Incidents of violence in Region 4 make up 4.2 percent of the statewide total incidents of violence.

**Region 4 Incidences of Violence – 2009**

	Total Incidents in 2009	Percent of Incidents to 2010 Regional Population	Regional Percent of Statewide Incidences of Violence
Rural	3,557	0.6%	18.9%
Urban	4,787	0.9%	2.7%
Total	8,344	0.8%	4.2%

Source: Crime in Texas, 2009. FBI Uniform Crime Reports.

**YOUTH AGING OUT OF FOSTER CARE**

In Region 4, 47.0 percent of youth aging out of foster care live in urban areas, while the remaining 53.0 percent live in rural areas. Region 4 has 6.5 percent of the statewide number of youth aging out of foster care.

**Region 4 Youth Aging out of Foster Care – Texas, 2010**

	Youth Aging Out of Foster Care	Regional Percent of Statewide Youth Aging Out of Foster Care
Rural	35	19.4%
Urban	31	3.7%
Total	66	6.5%

Source: Foster Children Who Aged Out of DFPS Conservatorship, FY 2010, Department of Family and Protective Services.



**LOCAL REQUESTS FOR HOUSING ASSISTANCE**

According to the TDHCA Public Request Assistance Inventory for SFY2011, the agency received 552 public assistance requests from Region 4, which accounted for 5.2 percent of total annual requests. Of requests from Region 4, the three most requested categories of assistance were, in order: Emergency Assistance, Utility Assistance and Rental Assistance.

**Region 4 Public Assistance Request Inventory, SFY 2011**

	Emergency Assistance	Utility Assistance	Rental Assistance	Repair & Weatherization	Homebuyer Assistance	Legal Assistance	Foreclosure Prevention	Disaster Assistance	Other Housing Related Assistance	Total
Region 4	195	145	128	51	15	13	4	-	1	552
<b>Total</b>	<b>4,448</b>	<b>2,956</b>	<b>1,987</b>	<b>641</b>	<b>159</b>	<b>235</b>	<b>87</b>	<b>48</b>	<b>30</b>	<b>10,591</b>

**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 Census Bureau, 87.2 percent of the housing units in the region are occupied. Of the total housing stock, 71.8 percent are one unit; 2.2 percent are two units; 8.8 percent are three or more units; 17.0 are manufactured homes; and the rest are boats and RVs.

**Region 4 Housing Supply, 2005-2009**

	Rural	Urban	Total
Total housing units	255,509	203,372	458,881
Housing units, 1 unit	184,396	145,117	329,513
Housing units, 2 units	4,350	5,600	9,950
Housing units, 3 to 4 units	5,312	6,511	11,823
Housing units, 5 to 19 units	6,528	13,464	19,992
Housing units, 20 to 49 units	1,769	2,110	3,879
Housing units, 50+ units	1,126	3,728	4,854
Housing units, mobile home	51,337	26,518	77,855
Housing units, other	691	324	1,015

Source: U.S. Census Bureau, 2005-2009 American Community Survey.

**Region 4 Housing Occupancy – 2010**

	Total Housing Units	Vacant Housing Units	Percent of Vacant Housing Units
Rural	262,578	40,604	15.5%
Urban	215,578	20,567	9.5%
Total	478,156	61,171	12.8%

Source: U.S. Census Bureau, 2010 Census. Summary File 1, Table H3, H4, H5, and HCT1.

**ASSISTED HOUSING INVENTORY**

This region's total number of assisted multifamily units compared to regional population is 1.7 percent, which is lower than the statewide average of 1.9 percent.

**Region 4 Assisted Multifamily Units**

	Region Total	Percent in Region	Percent of State Total
TDHCA Units	6,510	35.5%	3.1%
HUD Units	2,980	16.2%	5.2%
PHA Units	3,323	18.1%	5.8%
Section 8 Vouchers	3,688	20.1%	2.8%
USDA Units	1,849	10.1%	13.1%
HFC Units*	1,173		
Total	18,350	100%	3.9%

\*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 2011, the median home prices for Tyler and Longview-Marshall are \$144,900 and \$126,000, respectively.<sup>48</sup> In addition, the fair market rent for a two-bedroom unit in Tyler MSA is \$722, requiring an annual income of approximately \$28,880, and in Longview-Marshall MSA is \$659, which requires an annual income of approximately \$26,360. In a sample rural county, Marion, fair market rent on a two-bedroom apartment is \$613, which requires an annual income of approximately \$24,520.<sup>49</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>48</sup> Real Estate Center at Texas A&M University, (n.d.) Texas residential multiple listing service (MLS) activity. Retrieved from <http://recenter.tamu.edu/data/hs/trends.asp>

<sup>49</sup> National Low Income Housing Coalition. (2011). Out of reach 2011. Retrieved from <http://www.nlihc.org/oor/oor2011/>

**Region 4 Households with Housing Problems, 2009**

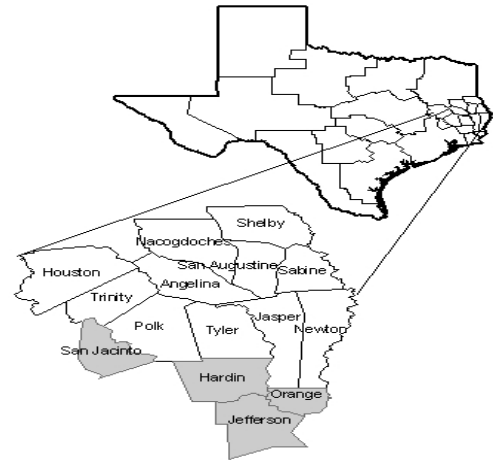
<b>Households</b>	<b>Region Total</b>	<b>Extremely Low Income (0-30%)</b>	<b>Very Low Income (31-50%)</b>	<b>Low Income (51-80%)</b>	<b>Higher Incomes (81% and up)</b>
Extreme Cost Burden	87,846	31,977	23,560	18,322	13,988
Lacking Kitchen and/or Plumbing	5,578	1,724	994	1,002	1,858
Overcrowding	21,963	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. In the final version of this document, these figures will reflect 2005-2009 CHAS.

## REGION 5

Region 5 encompasses a 15-county area in east Texas including the urban areas of Beaumont and Port Arthur. The 2010 Census reports that the total population in Region 5 is 767,222, which grew by 3.5 percent since 2000.

Region 5



Region 5 Population Figures

	2000 Population	% Change	2010 Population
Rural	355,862	-1.1%	352,093
Urban	385,090	7.8%	415,129
Region 5 Total	740,952	3.5%	767,222

Source: U.S. Census Bureau, 2000 and 2010 Census.

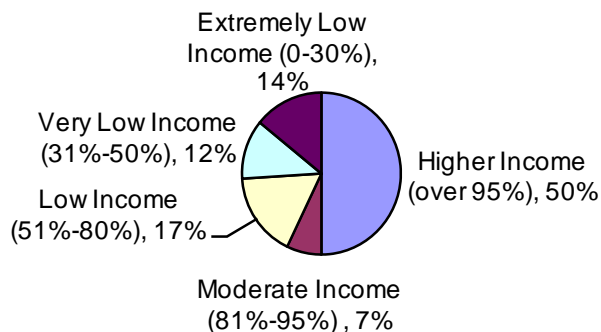
Approximately 54.1 percent of Region 5 residents live in urban areas. In the map of Region 5 (above), the shaded counties are MSAs as defined by the U.S. Census. The table below depicts the number of individuals living below the poverty line in Region 5. Of the 131,670 individuals living below poverty, approximately 48.7 percent live in urban areas and the remaining 51.3 percent live in rural areas. Additionally, the percentage of total rural residents below poverty is higher than the percentage of total urban residents below poverty.

Region 5 Poverty Figures, 2005-2009

	At or above poverty Individuals	At or above poverty Percent	Individuals below poverty Individuals	Individuals below poverty Percent
Rural	256,031	79.1%	67,501	20.9%
Urban	319,706	83.3%	64,169	16.7%
Region 5 Total	575,737	81.4%	131,670	18.6%

Source: U.S. Census Bureau, 2005-2009 American Community Survey.

The pie chart below depicts the income breakdown of Region 5. Approximately 43 percent of the households are low income.



Region 5 Household Incomes

Income Group	Percent
0-30%	14%
31-50%	12%
51-80%	17%
81-95%	7%
95% & above	50%

Source: 2000 CHAS. In the final version of this document, these figures will reflect 2005-2009 CHAS.

## 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 are 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 the state section above so that Regions 9 to 13 can be formatted in a uniform fashion to the other regions for ease of reading.

## ELDERLY PERSONS

Region 5 elderly persons make up 14.7 percent of the region's population, compared to statewide elderly population which makes up 10.3 percent the State's total population. Elderly persons in Region 5 make up 4.3 percent of the statewide total elderly population.

### Region 5 Elderly Persons, 2010

	Elderly Persons	Regional Population	Percent of Elderly Persons to Regional Population	Statewide Elderly Persons	Regional Percent of Statewide Elderly Population
Rural	57,281	352,093	16.3%	485,617	11.8%
Urban	55,429	415,129	13.4%	2,112,592	2.6%
Total	112,710	767,222	14.7%	2,598,209	4.3%

Source: Census 2010.

## HOMELESS PERSONS

Region 5 persons in group quarters make up 0.2 percent of the region's population, compared to statewide persons in group quarters which makes up 0.2 percent the State's total population. Homeless persons in Region 5 make up 3.5 percent of the statewide total homeless persons. For a sample urban county, Hardin, and a sample rural county, Shelby, there is an estimated 26 people and 10 person, respectively, in non-institutional group quarters.

### Region 5 Persons in Other Group Quarters, 2010

	Homeless persons	Regional Population	Percent of Homeless to Regional Population	Statewide Homeless Population	Regional Percent of Statewide Homeless Population
Rural	922	352,093	0.3%	5,551	16.6%
Urban	876	415,129	0.2%	45,102	1.9%
Total	1,798	767,222	0.2%	50,653	3.5%

Source: U.S. Census Bureau, 2010 Census. Group quarters population by group quarters type, non-institutionalized population, other non-institutional facilities.

## 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.

**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

Source: Migrant and Seasonal Farmworker Enumeration Profiles Study – TX, Larson, Alice, 2000.

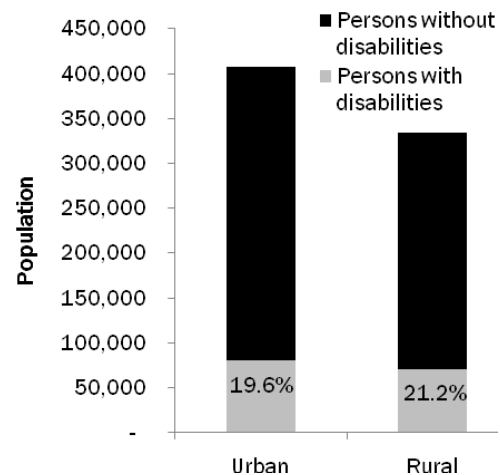
**PERSONS WITH DISABILITIES**

According to the 2000 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.



**PERSONS WITH HIV/AIDS**

There are 1,346 persons living with HIV/AIDS in Region 5. Region 5 persons with HIV/AIDS make up 0.2 percent of the region's population, compared to statewide persons with HIV/AIDS population which makes up 0.2 percent the State's total population. Approximately 67.2 percent of this population is living in urban areas, with the remaining 32.8 percent in rural areas.

**Region 5 Persons with HIV/AIDS, 2010**

	Persons with HIV/AIDS, 2010	Regional Population	Percent of Persons with HIV/AIDS to Regional Population
Rural	442	352,093	0.1%
Urban	904	415,129	0.2%
Total	1,346	767,222	0.2%

Source: Texas Department of State Health Services, 2010 HIV Surveillance Report.

**VETERANS**

In Region 5, 66.7 percent of veterans live in urban areas, while the remaining 33.3 percent live in rural areas. Region 5 tied with Region 2 for the highest percentage of veterans compared to the region's total population (2.9 percent), which is higher than the statewide percentage of veterans compared to total population (2.5 percent). Veterans in Region 5 make up 3.8 percent of the statewide total veteran population

**Region 5 Veteran Population, 2005-2009**

	Veteran Population	Population 18 years and older	Percent of Veterans to Population 18 and older	Regional Percent of Statewide Veteran Population
Rural	5,354	260,076	2.1%	1.3%
Urban	10,701	301,199	3.6%	2.5%
Total	16,055	561,275	2.9%	3.8%

Source: American Community Survey 2005-2009.

**VICTIMS OF DOMESTIC VIOLENCE**

While incidents of domestic violence do not correlate directly to victims of domestic violence, it is a good indicator of where the victims of domestic violence live. In Region 5, incidences of violence affect 0.8 percent of the region's population, compared to statewide average of 0.8 percent. Incidents of violence in Region 5 make up 3.3 percent of the statewide total incidents of violence.

**Region 5 Incidences of Violence – 2009**

	Total Incidents in 2009	Percent of Incidents to 2010 Regional Population	Regional Percent of Statewide Incidences of Violence
Rural	2,265	0.6%	12.0%
Urban	4,155	1.0%	2.3%
Total	6,420	0.8%	3.3%

Source: Crime in Texas, 2009. FBI Uniform Crime Reports.

**YOUTH AGING OUT OF FOSTER CARE**

In Region 5, 73.1 percent of youth aging out of foster care live in urban areas, while the remaining 26.9 percent live in rural areas. Region 5 has the lowest number of youth aging out of foster care compared to the other regions.

**Region 5 Youth Aging out of Foster Care – Texas, 2010**

	Youth Aging Out of Foster Care	Regional Percent of Statewide Youth Aging Out of Foster Care
Rural	7	3.9%
Urban	19	2.3%
Total	26	2.6%

Source: Foster Children Who Aged Out of DFPS Conservatorship, FY 2010, Department of Family and Protective Services.

**LOCAL REQUESTS FOR HOUSING ASSISTANCE**

According to the TDHCA Public Request Assistance Inventory for SFY2011, the agency received 341 public assistance requests from Region 5, which accounted for 3.2 percent of total annual requests. Of requests from Region 5, the three most requested categories of assistance were, in order: Emergency Assistance, Utility Assistance and Rental Assistance.

**Region 5 Public Assistance Request Inventory, SFY 2011**

	Emergency Assistance	Utility Assistance	Rental Assistance	Repair & Weatherization	Homebuyer Assistance	Legal Assistance	Foreclosure Prevention	Disaster Assistance	Other Housing Related Assistance	Total
Region 5	104	81	57	45	12	9	5	26	2	341
<b>Total</b>	<b>4,448</b>	<b>2,956</b>	<b>1,987</b>	<b>641</b>	<b>159</b>	<b>235</b>	<b>87</b>	<b>48</b>	<b>30</b>	<b>10,591</b>

**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 the Census Bureau, 84.0 percent of the housing units in the region are occupied. Of the total housing stock, 70.3 percent are one unit; 1.9 percent are two units; 10.3 percent are three or more units; and 17.3 percent are manufactured homes. Boats and RVs make up the rest of the housing stock.

**Region 5 Housing Supply, 2005-2009**

	Rural	Urban	Total
Total housing units	165,069	174,338	339,407
Housing units, 1 unit	110,229	128,365	238,594
Housing units, 2 units	3,748	2,704	6,452
Housing units, 3 to 4 units	3,170	4,467	7,637
Housing units, 5 to 19 units	5,034	13,700	18,734
Housing units, 20 to 49 units	1,310	2,231	3,541
Housing units, 50+ units	1,607	3,379	4,986
Housing units, mobile home	39,701	19,179	58,880
Housing units, other	270	313	583

Source: U.S. Census Bureau, 2005-2009 American Community Survey.



**Region 5 Housing Occupancy – 2010**

	Total Housing Units	Vacant Housing Units	Percent of Vacant Housing Units
Rural	165,645	34,129	20.6%
Urban	175,521	20,491	11.7%
<b>Total</b>	<b>341,166</b>	<b>54,620</b>	<b>16.0%</b>

Source: U.S. Census Bureau, 2010 Census. Summary File 1, Table H3, H4, H5, and HCT1.

**ASSISTED HOUSING INVENTORY**

Region 5 has the highest percentage of total number of assisted multifamily units compared to regional population (2.9 percent), which is higher than the statewide average of 1.9 percent.

**Region 5 Assisted Multifamily Units**

	Region Total	Percent in Region	Percent of State Total
TDHCA Units	7,244	32.6%	3.5%
HUD Units	4,309	19.4%	7.5%
PHA Units	3,145	14.2%	5.5%
Section 8 Vouchers	6,557	29.6%	5.1%
USDA Units	932	4.2%	6.6%
HFC Units*	1,289		
<b>Total</b>	<b>22,187</b>	<b>100%</b>	<b>4.7%</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 2011, the median home prices for Beaumont and Port Arthur are \$144,600 and \$103,800, respectively.<sup>50</sup> In addition, the fair market rent for a two-bedroom unit in Beaumont-Port Arthur MSA is \$697, requiring an annual income of approximately \$27,880.<sup>51</sup> In a sample rural county, Shelby, fair market rent on a two-bedroom apartment is \$595, which requires an annual income of approximately \$23,800.

**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.

<sup>50</sup> Real Estate Center at Texas A&M University, (n.d.) Texas residential multiple listing service (MLS) activity. Retrieved from <http://recenter.tamu.edu/data/hs/trends.asp>

<sup>51</sup> National Low Income Housing Coalition. (2011). Out of reach 2011. Retrieved from <http://www.nlihc.org/oor/oor2011/>

**Region 5 Households with Housing Problems, 2009**

<b>Households</b>	<b>Region Total</b>	<b>Extremely Low Income (0-30%)</b>	<b>Very Low Income (31-50%)</b>	<b>Low Income (51-80%)</b>	<b>Higher Incomes (81% and up)</b>
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. In the final version of this document, these figures will reflect 2005-2009 CHAS.

**REGION 6**

Region 6 includes the urban area of Houston, Brazoria and Galveston. The Census shows that the rural areas lost population and urban areas gained population. However, this may be tempered with the changes in urban/rural designation. Twenty-two counties statewide changed from not being in an MSA to being included in an MSA from 2000 to 2010, and those counties will now be counted as urban.

*Region 6*



**Region 6 Population Figures**

	2000 Population	% Change	2010 Population
Rural	184,883	-9.8%	166,717
Urban	4,669,571	26.8%	5,920,416
Region 6 Total	4,854,454	25.4%	6,087,133

Source: U.S. Census Bureau, 2000 and 2010 Census.

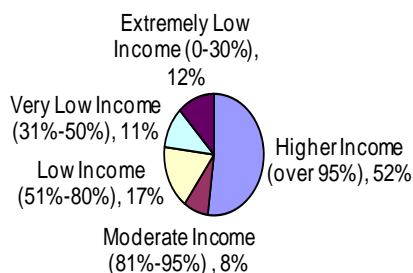
In the map of Region 6 (above), the shaded counties are MSAs as defined by the U.S. Census. According to the table below, the percentage of total rural residents below poverty is higher than the percentage of total urban residents below poverty. This may be due to the region's rural counties lagging behind the Houston MSA in recent and expected job creation.<sup>52</sup>

**Region 6 Poverty Figures, 2005-2009**

	At or above poverty Individuals	At or above poverty Percent	Individuals below poverty Individuals	Individuals below poverty Percent
Rural	112,439	80.5%	27,287	19.5%
Urban	4,666,701	85.0%	820,361	15.0%
Region 6 Total	4,779,140	84.9%	847,648	15.1%

Source: U.S. Census Bureau, 2005-2009 American Community Survey.

According to the chart below, approximately 40 percent of households are low income. Per 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>53</sup>



**Region 6 Household Income**

Income Group	Percent
0-30%	12%
31-50%	11%
51-80%	17%
81-95%	8%
95% & above	52%

Source: 2000 CHAS. In the final version of this document, these figures will reflect 2005-2009 CHAS.

<sup>52</sup> Texas Comptroller of Public Accounts. (2010, March). Texas in focus: Gulf coast region. Retrieved from <http://www.window.state.tx.us/specialrpt/tif/gulf/pdf/GulfCoastFullReport.pdf>

<sup>53</sup> Texas Comptroller of Public Accounts. (2010, March). Texas in focus: Gulf coast region. Retrieved from <http://www.window.state.tx.us/specialrpt/tif/gulf/pdf/GulfCoastFullReport.pdf>

## 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 are 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 the state section above so that Regions 9 to 13 can be formatted in a uniform fashion to the other regions for ease of reading.

## ELDERLY PERSONS

Elderly persons in Region 6 account for 8.7 percent of the total regional population, which is the lowest percentage of all regions. Elderly persons in Region 6 make up 20.4 percent of the statewide total elderly population.

### Region 6 Elderly Persons, 2010

	Elderly Persons	Regional Population	Percent of Elderly Persons to Regional Population	Statewide Elderly Persons	Regional Percent of Statewide Elderly Population
Rural	22,288	166,717	13.4%	485,617	4.6%
Urban	506,988	5,920,416	8.6%	2,112,592	24.0%
Total	529,276	6,087,133	8.7%	2,598,209	20.4%

Source: Census 2010.

## HOMELESS PERSONS

According to 2010 Census, this region has approximately 23.3 percent of the statewide total of people in non-institutional group quarters, including homeless shelters. While the Region 6 has the highest number of persons in other group quarters, the percentage of persons in group quarters compared to total population (0.2 percent) is equal to the statewide percentage of persons in group quarters compared to population (0.2 percent). For a sample urban county, Fort Bend, and a sample rural county, Walker, there is an estimated 330 people and 159 people, respectively, in non-institutional group quarters.

### Region 6 Persons in Other Group Quarters, 2010

	Homeless persons	Regional Population	Percent of Homeless to Regional Population	Statewide Homeless Population	Regional Percent of Statewide Homeless Population
Rural	245	166,717	0.1%	5,551	4.4%
Urban	11,539	5,920,416	0.2%	45,102	25.6%
Total	11,784	6,087,133	0.2%	50,653	23.3%

Source: U.S. Census Bureau, 2010 Census. Group quarters population by group quarters type, non-institutionalized population, other non-institutional facilities.

## 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.

**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

Source: Migrant and Seasonal Farmworker Enumeration Profiles Study – TX, Larson, Alice, 2000.

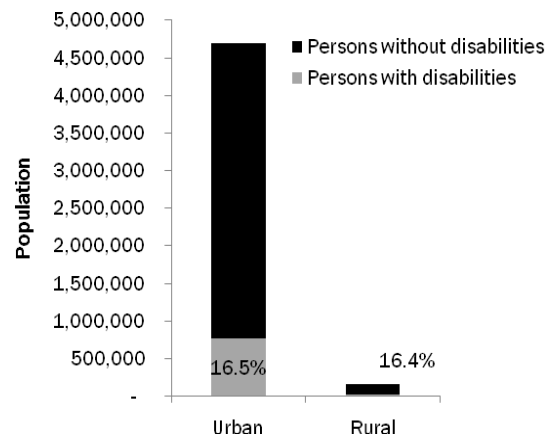
**PERSONS WITH DISABILITIES**

According to the 2000 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 and 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.



**PERSONS WITH HIV/AIDS**

There are 22,063 persons living with HIV/AIDS in Region 6. Region 6 has the highest number of persons with HIV/AIDS and the region's percentage of persons in with HIV/AIDS compared to total population (0.4 percent) is slightly higher than the statewide percentage of persons with HIV/AIDS compared to population (0.2 percent).

**Region 6 Persons Living with HIV/AIDS, 2010**

	Persons with HIV/AIDS, 2010	Regional Population	Percent of Persons with HIV/AIDS to Regional Population
Rural	190	166,717	0.1%
Urban	21,873	5,920,416	0.4%
Total	22,063	6,087,133	0.4%

Source: Texas Department of State Health Services, 2010 HIV Surveillance Report.

**VETERANS**

Region 6 veterans make up 2.8 percent of the region's population, compared to statewide veteran population which makes up 2.5 percent the State's total population. Veterans in Region 6 make up 27.6 percent of the statewide total veteran population.

**Region 6 Veteran Population, 2005-2009**

	Veteran Population	Population 18 years and older	Percent of Veterans to Population 18 and older	Regional Percent of Statewide Veteran Population
Rural	3,187	125,631	2.5%	0.8%
Urban	113,081	3,974,959	2.8%	26.9%
Total	116,268	4,100,590	2.8%	27.6%

Source: American Community Survey 2005-2009.

**VICTIMS OF DOMESTIC VIOLENCE**

While incidents of domestic violence do not correlate directly to victims of domestic violence, it is a good indicator of where the victims of domestic violence live. In Region 6, incidences of violence affect 0.8 percent of the region's population, compared to statewide average of 0.8 percent. Incidents of violence in Region 6 make up 25.2 percent of the statewide total incidents of violence.

**Region 6 Incidences of Violence – 2009**

	Total Incidents in 2009	Percent of Incidents to 2010 Regional Population	Regional Percent of Statewide Incidences of Violence
Rural	1,394	0.8%	7.4%
Urban	48,229	0.8%	27.1%
Total	49,623	0.8%	25.2%

Source: Crime in Texas, 2009. FBI Uniform Crime Reports.

**YOUTH AGING OUT OF FOSTER CARE**

In Region 6, 97.1 percent of youth aging out of foster care live in urban areas, while the remaining 2.9 percent live in rural areas. Region 6 has the highest number of youth aging out of foster care compared to the other regions.

**Region 6 Youth Aging out of Foster Care – Texas, 2010**

	Youth Aging Out of Foster Care	Regional Percent of Statewide Youth Aging Out of Foster Care
Rural	6	3.3%
Urban	200	23.9%
Total	206	20.2%

Source: Foster Children Who Aged Out of DFPS Conservatorship, FY 2010, Department of Family and Protective Services.

**LOCAL REQUESTS FOR HOUSING ASSISTANCE**

According to the TDHCA Public Request Assistance Inventory for SFY2011, the agency received 2,587 public assistance requests from Region 6, which accounted for 24.4 percent of total annual requests. Of requests from Region 6, the three most requested categories of assistance were, in order: Emergency Assistance, Utility Assistance and rental Assistance.

**Region 6 Public Assistance Request Inventory, SFY 2011**

	Emergency Assistance	Utility Assistance	Rental Assistance	Repair & Weatherization	Homebuyer Assistance	Legal Assistance	Foreclosure Prevention	Disaster Assistance	Other Housing Related Assistance	Total
Region 6	1,150	765	438	129	24	38	21	15	7	2,587
<b>Total</b>	<b>4,448</b>	<b>2,956</b>	<b>1,987</b>	<b>641</b>	<b>159</b>	<b>235</b>	<b>87</b>	<b>48</b>	<b>30</b>	<b>10,591</b>

**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 Census Bureau, 89.7 percent of the housing units in the region are occupied. Of the total housing stock, 64.8 percent are one unit; 1.3 percent are two units; 28.4 percent are three or more units; 545 percent are manufactured homes; and the rest are RVs and boats.

**Region 6 Housing Supply, 2005-2009**

	Rural	Urban	Total
Total housing units	69,700	2,149,097	2,218,797
Housing units, 1 unit	46,191	1,391,812	1,438,003
Housing units, 2 units	1,324	27,243	28,567
Housing units, 3 to 4 units	2,205	58,701	60,906
Housing units, 5 to 19 units	5,539	346,022	351,561
Housing units, 20 to 49 units	1,346	86,377	87,723
Housing units, 50+ units	1,821	127,194	129,015
Housing units, mobile home	11,154	109,292	120,446
Housing units, other	120	2,456	2,576

Source: U.S. Census Bureau, 2005-2009 American Community Survey.

**Region 6 Housing Occupancy – 2010**

	Total Housing Units	Vacant Housing Units	Percent of Vacant Housing Units
Rural	70,513	12,336	17.5%
Urban	2,295,018	232,489	10.1%
Total	2,365,531	244,825	10.3%

Source: U.S. Census Bureau, 2010 Census. Summary File 1, Table H3, H4, H5, and HCT1.

**ASSISTED HOUSING INVENTORY**

This region's total number of assisted multifamily units compared to regional population is 1.7 percent, which is lower than the statewide average of 1.9 percent.

**Region 6 Assisted Multifamily Units**

	Region Total	Percent in Region	Percent of State Total
TDHCA Units	59,232	58.2%	28.3%
HUD Units	13,894	13.6%	24.1%
PHA Units	5,019	4.9%	8.8%
Section 8 Vouchers	22,373	22.0%	17.3%
USDA Units	1,318	1.3%	9.3%
HFC Units*	40,619		
<b>Total</b>	<b>101,836</b>	<b>21.8%</b>	<b>21.8%</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 August 2011, the median home prices for Houston and Galveston are \$157,700 and \$160,000 respectively.<sup>54</sup> In addition, the fair market rent for a two-bedroom unit in Houston/Baytown/Sugar Land HMFA and Galveston County is \$931 requiring an annual income of approximately \$37,240. In a sample rural county, Walker, fair market rent on a two-bedroom apartment is \$761, which requires an annual income of approximately \$30,440.<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 update with HISTA population projections. There were approximately 621,947 owners and renters with housing problems in 2009.

<sup>54</sup> Real Estate Center at Texas A&M University, (n.d.) Texas residential multiple listing service (MLS) activity. Retrieved from <http://recenter.tamu.edu/data/hs/trends.asp>

<sup>55</sup> National Low Income Housing Coalition. (2011). Out of reach 2011. Retrieved from <http://www.nlihc.org/oor/oor2011/>



**Region 6 Households with Housing Problems, 2009**

<b>Households</b>	<b>Region Total</b>	<b>Extremely Low Income (0-30%)</b>	<b>Very Low Income (31-50%)</b>	<b>Low Income (51-80%)</b>	<b>Higher Incomes (81% and up)</b>
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. In the final version of this document, these figures will reflect 2005-2009 CHAS.

**REGION 7**

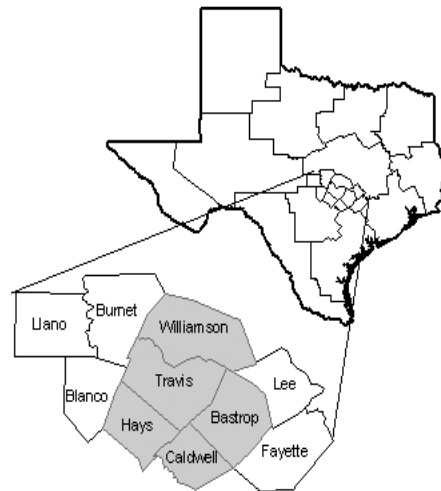
The urban area of Austin-San Marcos is at the center of Region 7. The 2010 Census reports that the total population in Region 7 is 1,830,003, which grew by 35.9 percent since 2000. Region 7 had the largest regional increase in urban population and the second largest regional increase in rural population.

**Region 7 Population Figures**

	2000 Population	% Change	2010 Population
Rural	97,070	17.1%	113,714
Urban	1,249,763	37.3%	1,716,289
Region 7 Total	1,346,833	35.9%	1,830,003

Source: U.S. Census Bureau, 2000 and 2010 Census.

**Region 7**



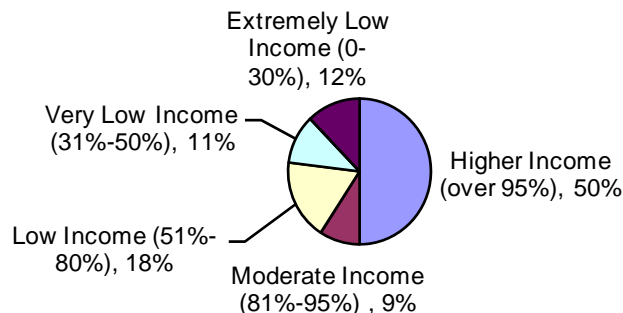
Approximately 93.8 percent of Region 7 residents live in urban areas. In the map of Region 7 (right), the shaded counties are MSAs as defined by the U.S. Census. The table below depicts the number of individuals living below the poverty line in Region 7. Of the 218,786 individuals living below poverty, approximately 94.4 percent live in urban areas and the remaining 5.6 percent live in rural areas. The percentage of total rural residents below poverty is lower than the percentage of total urban residents below poverty.

**Region 7 Poverty Figures, 2005-2009**

	At or above poverty Individuals	At or above poverty Percent	Individuals below poverty Individuals	Individuals below poverty Percent
Rural	94,230	88.5%	12,294	11.5%
Urban	1,348,100	86.7%	206,492	13.3%
Region 7 Total	1,442,330	86.8%	218,786	13.2%

Source: U.S. Census Bureau, 2005-2009 American Community Survey.

The pie chart below depicts the income breakdown of Region 7. Approximately 41 percent of households are low income.



**Region 7 Household Income**

Income Group	Percent
0-30%	12%
31-50%	11%
51-80%	18%
81-95%	9%
95% & above	50%

Source: 2000 CHAS. In the final version of this document, these figures will reflect 2005-2009 CHAS.

**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 are 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 the state section above so that Regions 9 to 13 can be formatted in a uniform fashion to the other regions for ease of reading.

**ELDERLY PERSONS**

Elderly persons in Region 7 account for 8.9 percent of the regional population, which is the second lowest percentage of all regions. Elderly persons in Region 7 make up 6.3 percent of the statewide total elderly population.

**Region 7 Elderly persons, 2010**

	Elderly Persons	Regional Population	Percent of Elderly Persons to Regional Population	Statewide Elderly Persons	Regional Percent of Statewide Elderly Population
Rural	23,749	113,714	20.9%	485,617	4.9%
Urban	138,736	1,716,289	8.1%	2,112,592	6.6%
Total	162,485	1,830,003	8.9%	2,598,209	6.3%

Source: Census 2010.

**HOMELESS PERSONS**

Region 7 persons in group quarters make up 0.3 percent of the region's population, compared to statewide persons in group quarters which makes up 0.2 percent the State's total population. Homeless persons in Region 7 make up 11.4 percent of the statewide total homeless persons. For a sample urban county, Williamson, and a sample rural county, Llano, there is an estimated people 229 and 6 people, respectively, in non-institutional group quarters.

**Region 7 Persons in Other Group Quarters, 2010**

	Homeless persons	Regional Population	Percent of Homeless to Regional Population	Statewide Homeless Population	Regional Percent of Statewide Homeless Population
Rural	129	113,714	0.1%	5,551	2.3%
Urban	5,643	1,716,289	0.3%	45,102	12.5%
Total	5,772	1,830,003	0.3%	50,653	11.4%

Source: U.S. Census Bureau, 2010 Census. Group quarters population by group quarters type, non-institutionalized population, other non-institutional facilities.

**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.

**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

Source: Migrant and Seasonal Farmworker Enumeration Profiles Study – TX, Larson, Alice, 2000.

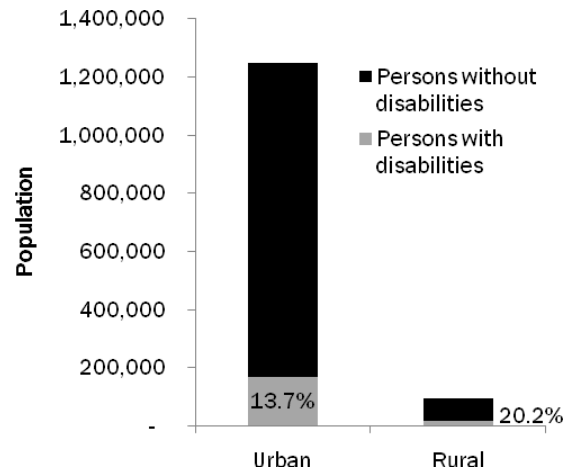
**PERSONS WITH DISABILITIES**

According to the 2000 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 and 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.



**PERSONS WITH HIV/AIDS**

There are 4,408 persons living with HIV/AIDS in Region 7. Region 7 persons with HIV/AIDS make up 0.2 percent of the region’s population, compared to statewide persons with HIV/AIDS population which makes up 0.2 percent the State’s total population. Approximately 98.5 percent of this population is living in urban areas, with the remaining 1.5 percent in rural areas.

**Region 7 Persons Living with HIV/AIDS, 2010**

	Persons with HIV/AIDS, 2010	Regional Population	Percent of Persons with HIV/AIDS to Regional Population
Rural	66	113,714	0.1%
Urban	4,342	1,716,289	0.3%
Total	4,408	1,830,003	0.2%

Source: Texas Department of State Health Services, 2010 HIV Surveillance Report.

**VETERANS**

Region 7 veterans make up 2.2 percent of the region’s population, compared to statewide veteran population which makes up 2.5 percent the State’s total population. Veterans in Region 7 make up 6.7 percent of the statewide total veteran population.

**Region 7 Veteran Population, 2005-2009**

	Veteran Population	Population 18 years and older	Percent of Veterans to Population 18 and older	Regional Percent of Statewide Veteran Population
Rural	1,776	85,122	2.1%	0.4%
Urban	26,615	1,188,989	2.2%	6.3%
Total	28,391	1,274,111	2.2%	6.7%

Source: American Community Survey 2005-2009.

**VICTIMS OF DOMESTIC VIOLENCE**

Region 7 is tied with Region 3 for the lowest percent of incidence of domestic violence compared to regional population (0.7 percent), which is lower than the statewide percentage of incidents of domestic violence compared to population (0.8 percent). Incidents of violence in Region 7 make up 6.4 percent of the statewide total incidents of violence.

**Region 7 Incidences of Violence – 2009**

	Total Incidents in 2009	Percent of Incidents to 2010 Regional Population	Regional Percent of Statewide Incidences of Violence
Rural	468	0.4%	2.55%
Urban	12,157	0.7%	6.8%
Total	12,625	0.7%	6.4%

Source: Crime in Texas, 2009. FBI Uniform Crime Reports.

**YOUTH AGING OUT OF FOSTER CARE**

In Region 7, 84.8 percent of youth aging out of foster care live in urban areas, while the remaining 15.2 percent live in rural areas. Region 7 has 7.8 percent of the statewide number of youth aging out of foster care.

**Region 7 Youth Aging out of Foster Care – Texas, 2010**

	Youth Aging Out of Foster Care	Regional Percent of Statewide Youth Aging Out of Foster Care
Rural	12	6.7%
Urban	67	8.0%
Total	79	7.8%

Source: Foster Children Who Aged Out of DFPS Conservatorship, FY 2010, Department of Family and Protective Services.

**LOCAL REQUESTS FOR HOUSING ASSISTANCE**

According to the TDHCA Public Request Assistance Inventory for SFY2011, the agency received 1,228 public assistance requests from Region 7, which accounted for 11.6 percent of total annual requests. Of requests from Region 7, the three most requested categories were, in order: Emergency Assistance, Utility Assistance and Rental Assistance. Region 7 had the highest percentage of requests compared to regional population (0.07 percent), which was higher than the statewide average (0.04) percent.

**Region 7 Public Assistance Request Inventory, SFY 2011**

	Emergency Assistance	Utility Assistance	Rental Assistance	Repair & Weatherization	Homebuyer Assistance	Legal Assistance	Foreclosure Prevention	Disaster Assistance	Other Housing Related Assistance	Total
Region 7	485	328	282	55	30	31	13	1	3	1,228
<b>Total</b>	<b>4,448</b>	<b>2,956</b>	<b>1,987</b>	<b>641</b>	<b>159</b>	<b>235</b>	<b>87</b>	<b>48</b>	<b>30</b>	<b>10,591</b>

**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 Census Bureau, 90.6 percent of the housing units in the region are occupied. Of the total housing stock, 63.7 percent are one unit; 3.4 percent are two units; 26.5 percent are three or more units; 6.3 are manufactured homes; and the rest are boats and RVs.

**Region 7 Housing Supply, 2005-2009**

	Rural	Urban	Total
Total housing units	56,633	635,997	692,630
Housing units, 1 unit	41,682	399,651	441,333
Housing units, 2 units	1,031	22,414	23,445
Housing units, 3 to 4 units	1,392	20,804	22,196
Housing units, 5 to 19 units	1,648	81,101	82,749
Housing units, 20 to 49 units	364	37,747	38,111
Housing units, 50+ units	143	40,582	40,725
Housing units, mobile home	10,363	33,006	43,369
Housing units, other	10	692	702

Source: U.S. Census Bureau, 2005-2009 American Community Survey.

**Region 7 Housing Occupancy – 2010**

	Total Housing Units	Vacant Housing Units	Percent of Vacant Housing Units
Rural	62,049	15,992	25.8%
Urban	706,505	56,046	7.9%
Total	768,554	72,038	9.4%

Source: U.S. Census Bureau, 2010 Census. Summary File 1, Table H3, H4, H5, and HCT1.

**ASSISTED HOUSING INVENTORY**

This region's total number of assisted multifamily units compared to regional population is 1.9 percent, which is equal to the statewide average of 1.9 percent.

**Region 7 Assisted Multifamily Units**

	Region Total	Percent in Region	Percent of State Total
TDHCA Units	19,309	55.3%	9.2%
HUD Units	3,057	8.8%	5.3%
PHA Units	3,417	9.8%	6.0%
Section 8 Vouchers	8,714	24.9%	6.7%
USDA Units	429	1.2%	3.0%
HFC Units*	8,559		
<b>Total</b>	<b>34,926</b>	<b>100%</b>	<b>7.5%</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 2011, the median home price for Austin is \$194,000.<sup>56</sup> In addition, the fair market rent for a two-bedroom unit in Austin/Round Rock MSA is \$963, requiring an annual income of approximately \$38,520.<sup>57</sup> In a sample rural county, Llano, fair market rent on a two-bedroom apartment is \$814, which requires an annual income of approximately \$32,500.

**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.

<sup>56</sup> Real Estate Center at Texas A&M University, (n.d.) Texas residential multiple listing service (MLS) activity. Retrieved from <http://recenter.tamu.edu/data/hs/trends.asp>

<sup>57</sup> National Low Income Housing Coalition. (2010). Out of Reach 2010. Retrieved from <http://www.nlihc.org/oor/oor2010/>

**Region 7 Households with Housing Problems, 2009**

<b>Households</b>	<b>Region Total</b>	<b>Extremely Low Income (0-30%)</b>	<b>Very Low Income (31-50%)</b>	<b>Low Income (51-80%)</b>	<b>Higher Incomes (81% and up)</b>
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. In the final version of this document, these figures will reflect 2005-2009 CHAS.



**REGION 8**

Region 8, located in the center of the state, surrounds the urban areas of Waco, Bryan, College Station, Killeen and Temple. The Census shows that the rural areas lost population and urban areas gained population. However, this may be tempered with the changes in urban/rural designation. Twenty-two counties statewide changed from not being in an MSA to being included in an MSA from 2000 to 2010; those counties will now be counted as urban.

Region 8



**Region 8 Population Figures**

	2000 Population	% Change	2010 Population
Rural	284,255	-12.2%	249,495
Urban	678,884	28.0%	868,866
Region 8 Total	963,139	16.1%	1,118,361

Source: U.S. Census Bureau, 2000 and 2010 Census.

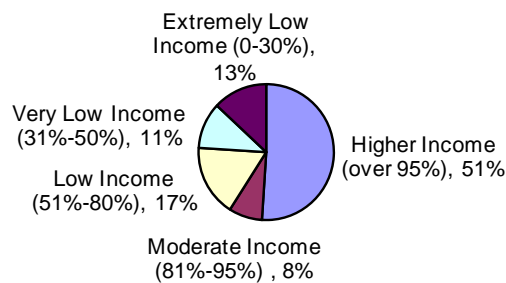
Approximately 77.7 percent of Region 8 residents live in urban areas. In the map of Region 8 (above), the shaded counties are MSAs as defined by the U.S. Census. According to the table below, the percentage of rural residents below poverty is lower than the percentage of urban residents below poverty. However, the rural counties lag behind the Bryan-College Station and Killeen MSAs in expected job creation, which may result in more residents below poverty in the future.<sup>58</sup>

**Region 8 Poverty Figures, 2005-2009**

	At or above poverty Individuals	At or above poverty Percent	Individuals below poverty Individuals	Individuals below poverty Percent
Rural	183,606	82.2%	39,726	17.8%
Urban	609,260	80.2%	150,700	19.8%
Region 8 Total	792,866	80.6%	190,426	19.4%

Source: U.S. Census Bureau, 2005-2009 American Community Survey.

According to the pie chart below, approximately 41 percent of the households are low income. Per 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>59</sup>



**Region 8 Household Income**

Income Group	Percent
0-30%	13%
31-50%	11%
51-80%	17%
81-95%	8%
95% & above	51%

Source: 2000 CHAS. In the final version of this document, these figures will reflect 2005-2009 CHAS.

<sup>58</sup> Texas Comptroller of Public Accounts. (2009, May) Texas in focus: Central Texas. Retrieved from <http://www.window.state.tx.us/specialrpt/tif/central/>

<sup>59</sup> Texas Comptroller of Public Accounts. (2009, May) Texas in focus: Central Texas. Retrieved from <http://www.window.state.tx.us/specialrpt/tif/central/>

## 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 are 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 the state section above so that Regions 9 to 13 can be formatted in a uniform fashion to the other regions for ease of reading.

## ELDERLY PERSONS

Region 8 elderly persons make up 11.6 percent of the region's population, compared to statewide elderly population which makes up 10.3 percent the State's total population. Elderly persons in Region 8 make up 5.0 percent of the statewide total elderly population.

### Region 8 Elderly Persons, 2010

	Elderly Persons	Regional Population	Percent of Elderly Persons to Regional Population	Statewide Elderly Persons	Regional Percent of Statewide Elderly Population
Rural	44,325	249,495	17.8%	485,617	9.1%
Urban	84,883	868,866	9.8%	2,112,592	4.0%
Total	129,208	1,118,361	11.6%	2,598,209	5.0%

Source: Census 2010.

## HOMELESS PERSONS

Region 8 persons in group quarters make up 0.2 percent of the region's population, compared to statewide persons in group quarters which makes up 0.2 percent the State's total population. Homeless persons in Region 8 make up 4.2 percent of the statewide total homeless persons. For a sample urban county, Bell, and a sample rural county, San Saba, there is an estimated people 751 and 19 people, respectively, in non-institutional group quarters.

### Region 8 Persons in Other Group Quarters, 2010

	Homeless persons	Regional Population	Percent of Homeless to Regional Population	Statewide Homeless Population	Regional Percent of Statewide Homeless Population
Rural	472	249,495	0.2%	5,551	8.5%
Urban	1,638	868,866	0.2%	45,102	3.6%
Total	2,110	1,118,361	0.2%	50,653	4.2%

Source: U.S. Census Bureau, 2010 Census. Group quarters population by group quarters type, non-institutionalized population, other non-institutional facilities.

## 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.

**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

Source: Migrant and Seasonal Farmworker Enumeration Profiles Study – TX, Larson, Alice, 2000.

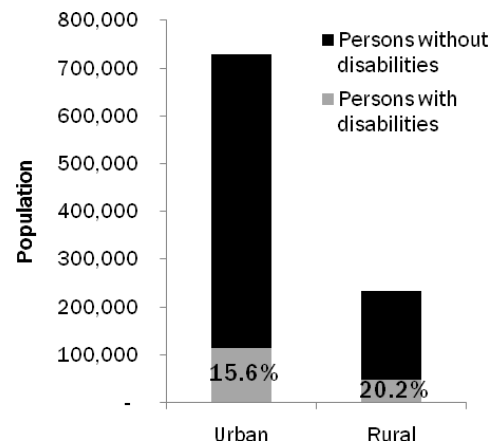
**PERSONS WITH DISABILITIES**

According to the 2000 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 and 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.



**PERSONS WITH HIV/AIDS**

There are 1,279 persons living with HIV/AIDS in Region 8. Region 8 persons with HIV/AIDS make up 0.1 percent of the region's population, compared to statewide persons with HIV/AIDS population which makes up 0.2 percent the State's total population. Approximately 82.9 percent of this population is living in urban areas, with the remaining 17.1 percent in rural areas.

**Region 8 Persons Living with HIV/AIDS, 2010**

	Persons with HIV/AIDS, 2010	Regional Population	Percent of Persons with HIV/AIDS to Regional Population
Rural	219	249,495	0.1%
Urban	1,060	868,866	0.1%
Total	1,279	1,118,361	0.1%

Source: Texas Department of State Health Services, 2010 HIV Surveillance Report.

**VETERANS**

Region 8 veterans make up 2.5 percent of the region’s population, compared to statewide veteran population which makes up 2.5 percent the State’s total population. Veterans in Region 8 make up 4.6 percent of the statewide total veteran population.

**Region 8 Veteran Population, 2005-2009**

	Veteran Population	Population 18 years and older	Percent of Veterans to Population 18 and older	Regional Percent of Statewide Veteran Population
Rural	4,985	184,483	2.7%	1.2%
Urban	14,199	592,744	2.4%	3.4%
Total	19,184	777,227	2.5%	4.6%

Source: American Community Survey 2005-2009.

**VICTIMS OF DOMESTIC VIOLENCE**

While incidents of domestic violence do not correlate directly to victims of domestic violence, it is a good indicator of where the victims of domestic violence live. In Region 8, incidences of violence affect 0.8 percent of the region's population, compared to statewide average of 0.8 percent. Incidents of violence in Region 8 make up 4.5 percent of the statewide total incidents of violence.

**Region 8 Incidences of Violence – 2009**

	Total Incidents in 2009	Percent of Incidents to 2010 Regional Population	Regional Percent of Statewide Incidences of Violence
Rural	982	0.4%	5.2%
Urban	7,849	0.9%	4.4%
Total	8,831	0.8%	4.5%

Source: Crime in Texas, 2009. FBI Uniform Crime Reports.

**YOUTH AGING OUT OF FOSTER CARE**

In Region 8, 70.9 percent of youth aging out of foster care live in urban areas, while the remaining 29.1 percent live in rural areas. Region 8 has 5.4 percent of the statewide number of youth aging out of foster care.

**Region 8 Youth Aging out of Foster Care – Texas, 2010**

	Youth Aging Out of Foster Care	Regional Percent of Statewide Youth Aging Out of Foster Care
Rural	16	8.9%
Urban	39	4.7%
Total	55	5.4%

Source: Foster Children Who Aged Out of DFPS Conservatorship, FY 2010, Department of Family and Protective Services.

**LOCAL REQUESTS FOR HOUSING ASSISTANCE**

According to the TDHCA Public Request Assistance Request Inventory for SFY2011, the agency received 479 public assistance requests from Region 8, which accounted for 4.5 percent of total annual requests. Of requests from Region 8, the most requested categories of assistance were, in order: Emergency Assistance, Rental Assistance and Utility Assistance.

**Region 8 Public Assistance Request Inventory, SFY 2011**

	Emergency Assistance	Utility Assistance	Rental Assistance	Repair & Weatherization	Homebuyer Assistance	Legal Assistance	Foreclosure Prevention	Disaster Assistance	Other Housing Related Assistance	Total
Region 8	149	105	136	52	9	24	3	-	1	479
<b>Total</b>	<b>4,448</b>	<b>2,956</b>	<b>1,987</b>	<b>641</b>	<b>159</b>	<b>235</b>	<b>87</b>	<b>48</b>	<b>30</b>	<b>10,591</b>

**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 Census Bureau, 87.8 percent of the total housing units in the region are occupied. Of the total housing stock, 67.3 percent are one unit; 4.9 are two units; 17.2 percent are three or more units; 10.5 percent are manufactured homes; and the rest are boats and RVs.

**Region 8 Housing Supply, 2005-2009**

	Rural	Urban	Total
Total housing units	110,596	323,346	433,942
Housing units, 1 unit	84,251	207,734	291,985
Housing units, 2 units	2,032	19,309	21,341
Housing units, 3 to 4 units	1,796	18,834	20,630
Housing units, 5 to 19 units	2,159	36,675	38,834
Housing units, 20 to 49 units	507	6,753	7,260
Housing units, 50+ units	253	7,716	7,969
Housing units, mobile home	19,356	26,015	45,371
Housing units, other	242	310	552

Source: U.S. Census Bureau, 2005-2009 American Community Survey.

**Region 8 Housing Occupancy – 2010**

	Total Housing Units	Vacant Housing Units	Percent of Vacant Housing Units
Rural	116,196	23,540	20.3%
Urban	349,506	33,393	9.6%
Total	465,702	56,933	12.2%

Source: U.S. Census Bureau, 2010 Census. Summary File 1, Table H3, H4, H5, and HCT1.

**ASSISTED HOUSING INVENTORY**

This region's total number of assisted multifamily units compared to regional population is 1.8 percent, which is lower than the statewide average of 1.9 percent.

**Region 8 Assisted Multifamily Units**

	Region Total	Percent in Region	Percent of State Total
TDHCA Units	6,421	32.7%	3.1%
HUD Units	2,693	13.7%	4.7%
PHA Units	3,270	16.7%	5.7%
Section 8 Vouchers	5,586	28.5%	4.3%
USDA Units	1,661	8.5%	11.7%
HFC Units*	536		
<b>Total</b>	<b>19,631</b>	<b>100.0%</b>	<b>4.2%</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 2011, the median home price for Bryan-College Station is \$146,700.<sup>60</sup> In addition, the fair market rent for a two-bedroom unit in Bryan/College Station MSA is \$843, requiring an annual income of approximately \$33,720.<sup>61</sup> In a sample rural county, San Saba, fair market rent on a two-bedroom apartment is \$642, which requires an annual income of approximately \$25,680.

**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>60</sup> Real Estate Center at Texas A&M University, (n.d.) Texas residential multiple listing service (MLS) activity. Retrieved from <http://recenter.tamu.edu/data/hs/trends.asp>

<sup>61</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**

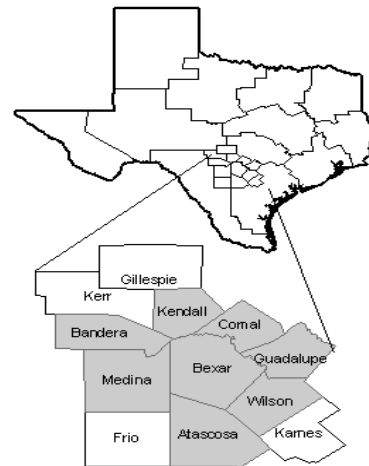
<b>Households</b>	<b>Region Total</b>	<b>Extremely Low Income (0-30%)</b>	<b>Very Low Income (31-50%)</b>	<b>Low Income (51-80%)</b>	<b>Higher Incomes (81% and up)</b>
Extreme Cost Burden	90,612	34,211	23,462	19,895	13,043
Lacking Kitchen and/or Plumbing	4,173	1,240	805	789	1,340
Overcrowding	24,473	4,191	3,775	6,648	9,859
<b>Total</b>	<b>119,258</b>	<b>39,641</b>	<b>28,042</b>	<b>27,332</b>	<b>24,242</b>

Source: 2000 CHAS Database with projections based on HISTA data. In the final version of this document, these figures will reflect 2005-2009 CHAS.

## REGION 9

San Antonio is the main metropolitan area in Region 9. The Census shows that the rural areas lost population and urban areas gained population. However, this may be tempered with the changes in urban/rural designation. Twenty-two counties statewide changed from not being in an MSA to being included in an MSA from 2000 to 2010; those counties will now be counted as urban.

### Region 9



### Region 9 Population Figures

	2000 Population	% Change	2010 Population
Rural	215,485	-50.6%	106,503
Urban	1,592,383	34.5%	2,142,508
Region 9 Total	1,807,868	24.4%	2,249,011

Source: U.S. Census Bureau, 2000 and 2010 Census.

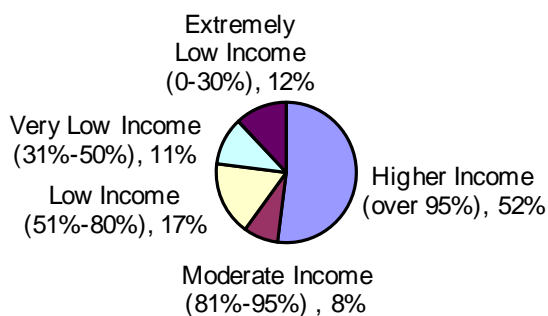
Approximately 95.3 percent of Region 9 residents live in urban areas. In the map of Region 9 (above), the shaded counties are MSAs as defined by the U.S. Census. According to the table below, the percentage of rural residents below poverty is slightly lower than the percentage of urban residents below poverty. 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>62</sup>

### Region 9 Poverty Figures, 2005-2009

	At or above poverty Individuals	At or above poverty Percent	Individuals below poverty Individuals	Individuals below poverty Percent
Rural	78,509	86.3%	12,418	13.7%
Urban	1,622,364	84.1%	307,081	15.9%
Region 9 Total	1,700,873	84.2%	319,499	15.8%

Source: U.S. Census Bureau, 2005-2009 American Community Survey.

According to the pie chart below, approximately 40 percent of households are low income. Per 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>63</sup>



### Region 9 Household Income

Income Group	Percent
0-30%	12%
31-50%	11%
51-80%	17%
81-95%	8%
95% & above	52%

Source: 2000 CHAS. In the final version of this document, these figures will reflect 2005-2009 CHAS.

<sup>62</sup> Texas Comptroller of Public Accounts. (2009, October) Texas in focus: Alamo region. Retrieved from <http://www.window.state.tx.us/specialrpt/tif/alamo/>

<sup>63</sup> Texas Comptroller of Public Accounts. (2009, October) Texas in focus: Alamo region. Retrieved from <http://www.window.state.tx.us/specialrpt/tif/alamo/>



## 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 are 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 the state section above so that Regions 9 to 13 can be formatted in a uniform fashion to the other regions for ease of reading.

## ELDERLY PERSONS

Region 8 elderly persons make up 11.5 percent of the region's population, compared to statewide elderly population which makes up 10.3 percent the State's total population. Elderly persons in Region 8 make up 9.9 percent of the statewide total elderly population.

### Region 9 Elderly Persons, 2010

	Elderly Persons	Regional Population	Percent of Elderly Persons to Regional Population	Statewide Elderly Persons	Regional Percent of Statewide Elderly Population
Rural	22,904	106,503	21.5%	485,617	4.7%
Urban	235,066	2,142,508	11.0%	2,112,592	11.1%
Total	257,970	2,249,011	11.5%	2,598,209	9.9%

Source: Census 2010.

## HOMELESS PERSONS

Region 9 persons in group quarters make up 0.2 percent of the region's population, compared to statewide persons in group quarters which makes up 0.2 percent the State's total population. Homeless persons in Region 9 make up 10.4 percent of the statewide total homeless persons. For a sample urban county, Medina, and a sample rural county, Karnes, there is an estimated people 113 and 5 people, respectively, in non-institutional group quarters.

### Region 9 Persons in Other Group Quarters, 2010

	Homeless persons	Regional Population	Percent of Homeless to Regional Population	Statewide Homeless Population	Regional Percent of Statewide Homeless Population
Rural	227	106,503	0.2%	5,551	4.1%
Urban	5,046	2,142,508	0.2%	45,102	11.2%
Total	5,273	2,249,011	0.2%	50,653	10.4%

Source: U.S. Census Bureau, 2010 Census. Group quarters population by group quarters type, non-institutionalized population, other non-institutional facilities.

## 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.

**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

Source: Migrant and Seasonal Farmworker Enumeration Profiles Study – TX, Larson, Alice, 2000.

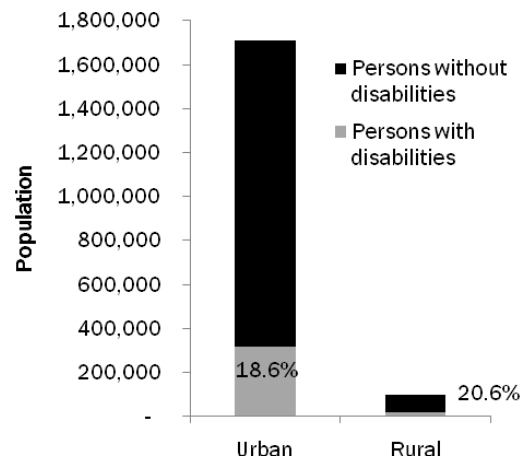
**PERSONS WITH DISABILITIES**

According to the 2000 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 and 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.



**PERSONS WITH HIV/AIDS**

There are 4,628 persons living with HIV/AIDS in Region 9. Region 9 persons with HIV/AIDS make up 0.2 percent of the region’s population, compared to statewide persons with HIV/AIDS population which makes up 0.2 percent the State’s total population. Approximately 98.7 percent of this population is living in urban areas, with the remaining 1.3 percent in rural areas.

**Region 9 Persons Living with HIV/AIDS, 2010**

	Persons with HIV/AIDS, 2010	Regional Population	Percent of Persons with HIV/AIDS to Regional Population
Rural	62	106,503	0.1%
Urban	4,566	2,142,508	0.2%
Total	4,628	2,249,011	0.2%

Source: Texas Department of State Health Services, 2010 HIV Surveillance Report.

**VETERANS**

Region 9 veterans make up 2.5 percent of the region’s population, compared to statewide veteran population which makes up 2.5 percent the State’s total population. Veterans in Region 9 make up 9.2 percent of the statewide total veteran population.

**Region 9 Veteran Population, 2005-2009**

	Veteran Population	Population 18 years and older	Percent of Veterans to Population 18 and older	Regional Percent of Statewide Veteran Population
Rural	1,732	81,371	2.1%	0.4%
Urban	36,812	1,432,814	2.6%	8.7%
Total	38,544	1,514,185	2.5%	9.2%

Source: American Community Survey 2005-2009.

**VICTIMS OF DOMESTIC VIOLENCE**

While incidents of domestic violence do not correlate directly to victims of domestic violence, it is a good indicator of where the victims of domestic violence live. In Region 9, incidences of violence affect 0.8 percent of the region’s population, compared to statewide average of 0.8 percent. Incidents of violence in Region 9 make up 9.5 percent of the statewide total incidents of violence.

**Region 9 Victims of Domestic Violence – 2009**

	Total Incidents in 2009	Percent of Incidents to 2010 Regional Population	Regional Percent of Statewide Incidences of Violence
Rural	543	0.5%	2.9%
Urban	18,062	0.8%	10.2%
Total	18,605	0.8%	9.5%

Source: Crime in Texas, 2009. FBI Uniform Crime Reports.

**YOUTH AGING OUT OF FOSTER CARE**

In Region 9, 92.0 percent of youth aging out of foster care live in urban areas, while the remaining 8.0 percent live in rural areas. Region 9 has 12.3 percent of the statewide number of youth aging out of foster care.

**Region 9 Youth Aging out of Foster Care – Texas, 2010**

	Youth Aging Out of Foster Care	Regional Percent of Statewide Youth Aging Out of Foster Care
Rural	10	5.6%
Urban	115	13.7%
Total	125	12.3%

Source: Foster Children Who Aged Out of DFPS Conservatorship, FY 2010, Department of Family and Protective Services.

**LOCAL REQUESTS FOR HOUSING ASSISTANCE**

According to the TDHCA Public Assistance Request Inventory for SFY2011, the agency received 761 public assistance requests from Region 9, which accounted for 7.2 percent of total annual requests. Of requests from Region 9, the most requested categories of assistance were, in order: Emergency Assistance, Utility Assistance and Rental Assistance.

**Region 9 Public Assistance Request Inventory, SFY 2011**

	Emergency Assistance	Utility Assistance	Rental Assistance	Repair & Weatherization	Homebuyer Assistance	Legal Assistance	Foreclosure Prevention	Disaster Assistance	Other Housing Related Assistance	Total
Region 9	362	229	96	39	11	13	9	-	2	761
<b>Total</b>	<b>4,448</b>	<b>2,956</b>	<b>1,987</b>	<b>641</b>	<b>159</b>	<b>235</b>	<b>87</b>	<b>48</b>	<b>30</b>	<b>10,591</b>

**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 Census Bureau, 90.7 percent of the housing units in the region are occupied. Of the total housing stock, 70.7 percent are one unit; 1.9 percent are two units; 20.5 percent are three or more units; 6.8 percent are manufactured homes and the rest are boats and RVs.

**Region 9 Housing Supply, 2010**

	Rural	Urban	Total
Total housing units	43,852	752,509	796,361
Housing units, 1 unit	32,824	530,226	563,050
Housing units, 2 units	827	14,599	15,426
Housing units, 3 to 4 units	1,450	27,883	29,333
Housing units, 5 to 19 units	1,195	90,593	91,788
Housing units, 20 to 49 units	342	18,105	18,447
Housing units, 50+ units	207	23,335	23,542
Housing units, mobile home	6,812	47,079	53,891
Housing units, other	195	689	884

Source: U.S. Census Bureau, 2005-2009 American Community Survey.

**REGION 9 Housing Occupancy – 2010**

	Total Housing Units	Vacant Housing Units	Percent of Vacant Housing Units
Rural	48,105	7,666	15.9%
Urban	837,999	74,977	8.9%
Total	886,104	82,643	9.3%

Source: U.S. Census Bureau, 2010 Census. Summary File 1, Table H3, H4, H5, and HCT1.

**ASSISTED HOUSING INVENTORY**

This region's total number of assisted multifamily units compared to regional population is 2.1 percent, which is higher than the statewide average of 1.9 percent.

**Region 9 Assisted Multifamily Units**

	Region Total	Percent in Region	Percent of State Total
TDHCA Units	17,606	37.3%	8.4%
HUD Units	5,477	11.6%	9.5%
PHA Units	7,239	15.3%	12.7%
Section 8 Vouchers	16,403	34.8%	12.7%
USDA Units	464	1.0%	3.3%
HFC Units*	22,524		
<b>Total</b>	<b>47,189</b>	<b>100.0%</b>	<b>10.1%</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 2011, the median home price for San Antonio is \$153,100.<sup>64</sup> In addition, the fair market rent for a two-bedroom unit in San Antonio HMFA is \$842, requiring an annual income of approximately \$33,680.<sup>65</sup> In a sample rural county, Karnes, fair market rent on a two-bedroom apartment is \$595, which requires an annual income of approximately \$23,800.

**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.

<sup>64</sup> Real Estate Center at Texas A&M University, (n.d.) Texas residential multiple listing service (MLS) activity. Retrieved from <http://recenter.tamu.edu/data/hs/trends.asp>

<sup>65</sup> National Low Income Housing Coalition. (2010). Out of Reach 2010. Retrieved from <http://www.nlihc.org/oor/oor2010/>

**Region 9 Households with Housing Problems, 2010**

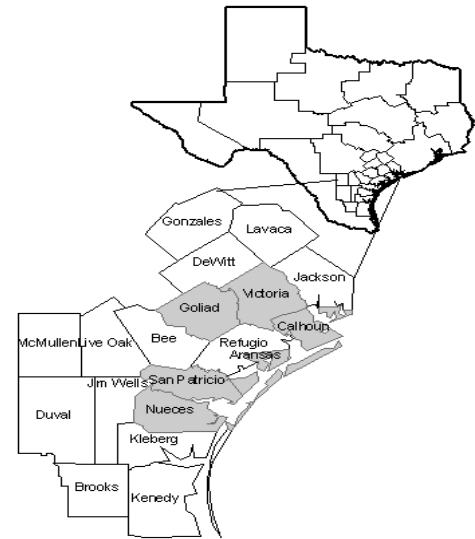
<b>Households</b>	<b>Region Total</b>	<b>Extremely Low Income (0-30%)</b>	<b>Very Low Income (31-50%)</b>	<b>Low Income (51-80%)</b>	<b>Higher Incomes (81% and up)</b>
Extreme Cost Burden	153,507	47,556	38,733	36,371	30,846
Lacking Kitchen and/or Plumbing	7,521	2,128	1,319	1,581	2,493
Overcrowding	62,420	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. In the final version of this document, these figures will reflect 2005-2009 CHAS.

**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. The Census shows that the rural areas lost population and urban areas gained population. However, this may be tempered with the changes in urban/rural designation. Twenty-two counties statewide changed from not being in an MSA to being included in an MSA from 2000 to 2010; those counties will now be counted as urban.

**Region 10**



**Region 10 Population Figures**

	2000 Population	% Change	2010 Population
Rural	268,046	-19.0%	217,044
Urban	464,871	16.9%	543,569
<b>Region 10 Total</b>	<b>732,917</b>	<b>3.8%</b>	<b>760,613</b>

Source: U.S. Census Bureau, 2000 and 2010 Census.

In the map of Region 10 (above), the shaded counties are MSAs as defined by the U.S. Census. According to the table below, the percentage of rural residents below poverty is slightly higher than the percentage of urban residents below poverty. However, studies reveal that the rural counties are projected to outpace job growth of the state from 2002 to 2012, while the Corpus Christi MSA is growing slower than the State and region as a whole.<sup>66</sup>

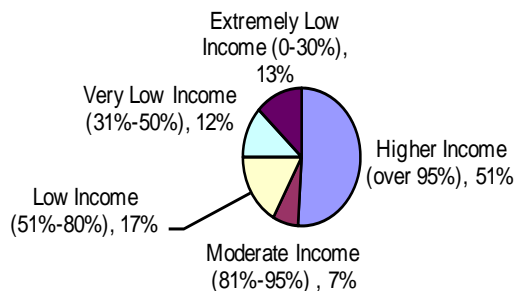
**Region 10 Poverty Figures, 2005-2009**

	At or above poverty Individuals	At or above poverty Percent	Individuals below poverty Individuals	Individuals below poverty Percent
Rural	155,752	79.2%	40,837	20.8%
Urban	423,989	82.1%	92,483	17.9%
<b>Region 10 Total</b>	<b>579,741</b>	<b>81.3%</b>	<b>133,320</b>	<b>18.7%</b>

Source: U.S. Census Bureau, 2005-2009 American Community Survey.

According to the pie chart below, approximately 42 percent of households are low income. Per the *Texas In Focus* report, the top five occupations with high projected job growth are low paying (average annual wage of \$16,103) and do not require a post-secondary education.<sup>67</sup>

**Region 10 Household Income**



Income Group	Percent
0-30%	13%
31-50%	12%
51-80%	17%
81-95%	7%
95% & above	51%

Source: 2000 CHAS. In the final version of this document, these figures will reflect 2005-2009 CHAS.

<sup>66</sup> Texas Comptroller of Public Accounts. (2010, March 3). Texas in focus: Gulf coast region. Retrieved from <http://www.window.state.tx.us/specialrpt/tif/gulf/pdf/GulfCoastFullReport.pdf>

<sup>67</sup> Texas Comptroller of Public Accounts. (2010, March 3). Texas in focus: Gulf coast region. Retrieved from <http://www.window.state.tx.us/specialrpt/tif/gulf/pdf/GulfCoastFullReport.pdf>

## 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 are 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 the state section above so that Regions 9 to 13 can be formatted in a uniform fashion to the other regions for ease of reading.

## ELDERLY PERSONS

Region 10 elderly persons make up 13.1 percent of the region's population, compared to statewide elderly population which makes up 10.3 percent the State's total population. Elderly persons in Region 10 make up 3.8 percent of the statewide total elderly population.

### Region 10 Elderly Persons, 2010

	Elderly Persons	Regional Population	Percent of Elderly Persons to Regional Population	Statewide Elderly Persons	Regional Percent of Statewide Elderly Population
Rural	28,863	217,044	13.3%	485,617	5.9%
Urban	71,146	543,569	13.1%	2,112,592	3.4%
Total	100,009	760,613	13.1%	2,598,209	3.8%

Source: Census 2010.

## HOMELESS PERSONS

Region 10 persons in group quarters make up 0.2 percent of the region's population, compared to statewide persons in group quarters which makes up 0.2 percent the State's total population. Homeless persons in Region 10 make up 3.6 percent of the statewide total homeless persons. For a sample urban county, Victoria, and a sample rural county, Lavaca, there is an estimated 331 people and 2 people, respectively, in non-institutional group quarters.

### Region 10 Persons in Other Group Quarters, 2010

	Homeless persons	Regional Population	Percent of Homeless to Regional Population	Statewide Homeless Population	Regional Percent of Statewide Homeless Population
Rural	230	217,044	0.1%	5,551	4.1%
Urban	1,603	543,569	0.3%	45,102	3.6%
Total	1,833	760,613	0.2%	50,653	3.6%

Source: U.S. Census Bureau, 2010 Census. Group quarters population by group quarters type, non-institutionalized population, other non-institutional facilities.

## 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.



**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

Source: Migrant and Seasonal Farmworker Enumeration Profiles Study – TX, Larson, Alice, 2000.

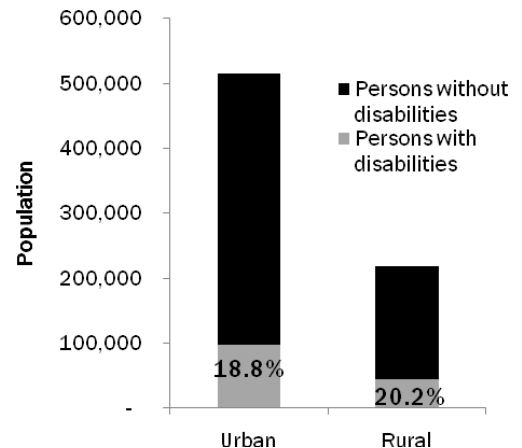
**PERSONS WITH DISABILITIES**

According to the 2000 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 and 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.



**PERSONS WITH HIV/AIDS**

There are 744 persons living with HIV/AIDS in Region 10. Region 10 persons with HIV/AIDS make up 0.1 percent of the region’s population, compared to statewide persons with HIV/AIDS population which makes up 0.2 percent the State’s total population. Approximately 86.4 percent of this population is living in urban areas, with the remaining 13.6 percent in rural areas.

**Region 10 Persons Living with HIV/AIDS, 2010**

	Persons with HIV/AIDS, 2010	Regional Population	Percent of Persons with HIV/AIDS to Regional Population
Rural	101	217,044	0.0%
Urban	643	543,569	0.1%
Total	744	760,613	0.1%

Source: Texas Department of State Health Services, 2010 HIV Surveillance Report.

**VETERANS**

Region 10 veterans make up 2.6 percent of the region’s population, compared to statewide veteran population which makes up 2.5 percent the State’s total population. Veterans in Region 10 make up 3.2 percent of the statewide total veteran population

**Region 10 Veteran Population, 2005-2009**

	Veteran Population	Population 18 years and older	Percent of Veterans to Population 18 and older	Regional Percent of Statewide Veteran Population
Rural	3,625	142,820	2.5%	0.9%
Urban	9,955	383,485	2.6%	2.4%
Total	13,580	529,305	2.6%	3.2%

Source: American Community Survey 2005-2009.

**VICTIMS OF DOMESTIC VIOLENCE**

While incidents of domestic violence do not correlate directly to victims of domestic violence, it is a good indicator of where the victims of domestic violence live. In Region 10, incidences of violence affect 1.0 percent of the region’s population, compared to statewide average of 0.8 percent. Incidents of violence in Region 10 make up 4.0 percent of the statewide total incidents of violence.

**Region 10 Incidences of Violence – 2009**

	Total Incidents in 2009	Percent of Incidents to 2010 Regional Population	Regional Percent of Statewide Incidences of Violence
Rural	1,624	0.7%	8.6%
Urban	6,293	1.2%	3.5%
Total	7,917	1.0%	4.0%

Source: Crime in Texas, 2009. FBI Uniform Crime Reports.

**YOUTH AGING OUT OF FOSTER CARE**

In Region 10, 66.7 percent of youth aging out of foster care live in urban areas, while the remaining 33.3 percent live in rural areas. Region 10 has 4.7 percent of the statewide number of youth aging out of foster care.

**Region 10 Youth Aging out of Foster Care – Texas, 2010**

	Youth Aging Out of Foster Care	Regional Percent of Statewide Youth Aging Out of Foster Care
Rural	16	8.9%
Urban	32	3.8%
Total	48	4.7%

Source: Foster Children Who Aged Out of DFPS Conservatorship, FY 2010, Department of Family and Protective Services.

**LOCAL REQUESTS FOR HOUSING ASSISTANCE**

According to the TDHCA Public Request Assistance Inventory for SFY2011, the agency received 264 public assistance requests from Region 10, which accounted for 2.5 percent of total annual requests. Of requests from Region 10, the three most requested categories of assistance were, in order: Emergency Assistance, Utility Assistance and Rental Assistance.

**Region 10 Public Assistance Request Inventory, SFY 2011**

	Emergency Assistance	Utility Assistance	Rental Assistance	Repair & Weatherization	Homebuyer Assistance	Legal Assistance	Foreclosure Prevention	Disaster Assistance	Other Housing Related Assistance	Total
Region 10	83	55	76	36	4	4	2	3	1	264
<b>Total</b>	<b>4,448</b>	<b>2,956</b>	<b>1,987</b>	<b>641</b>	<b>159</b>	<b>235</b>	<b>87</b>	<b>48</b>	<b>30</b>	<b>10,591</b>

**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 Census Bureau, 84.3 percent of the housing units in the region are occupied. Of the total housing stock, 71.7 percent are one unit; 2.5 percent are two units; 16.2 percent are three or more units; 9.3 percent are manufactured homes; and the rest are boats and RVs.

**Region 10 Housing Supply, 2005-2009**

	Rural	Urban	Total
Total housing units	94,294	224,436	318,730
Housing units, 1 unit	70,562	157,857	228,419
Housing units, 2 units	2,531	5,384	7,915
Housing units, 3 to 4 units	2,803	11,679	14,482
Housing units, 5 to 19 units	3,658	21,267	24,925
Housing units, 20 to 49 units	588	4,105	4,693
Housing units, 50+ units	701	6,718	7,419
Housing units, mobile home	13,078	16,586	29,664
Housing units, other	373	840	1,213

Source: U.S. Census Bureau, 2005-2009 American Community Survey.

**Housing Occupancy – 2010**

	Total Housing Units	Vacant Housing Units	Percent of Vacant Housing Units
Rural	93,758	17,752	18.9%
Urban	233,446	33,606	14.4%
Total	327,204	51,358	15.7%

Source: U.S. Census Bureau, 2010 Census. Summary File 1, Table H3, H4, H5, and HCT1.

**ASSISTED HOUSING INVENTORY**

This region's total number of assisted multifamily units compared to regional population is 2.4 percent, which is higher than the statewide average of 1.9 percent.

**Region 10 Assisted Multifamily Units**

	Region Total	Percent in Region	Percent of State Total
TDHCA Units	5,579	30.7%	2.7%
HUD Units	3,822	21.0%	6.6%
PHA Units	4,005	22.1%	7.0%
Section 8 Vouchers	3,987	22.0%	3.1%
USDA Units	770	4.2%	5.4%
HFC Units*	975		
<b>Total</b>	<b>18,163</b>	<b>100.0%</b>	<b>3.9%</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 2011 the median home price for Corpus Christi is \$135,100.<sup>68</sup> In addition, the fair market rent for a two-bedroom unit in Corpus Christi HMFA is \$823, requiring an annual income of approximately \$32,920. In a sample rural county, Lavaca, fair market rent on a two-bedroom apartment is \$595, which requires an annual income of approximately \$23,800.<sup>69</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.

<sup>68</sup> Real Estate Center at Texas A&M University, (n.d.) Texas residential multiple listing service (MLS) activity. Retrieved from <http://recenter.tamu.edu/data/hs/trends.asp>

<sup>69</sup> National Low Income Housing Coalition. (2010). Out of Reach 2010. Retrieved from <http://www.nlihc.org/oor/oor2010/>

**Region 10 Households with Housing Problems, 2009**

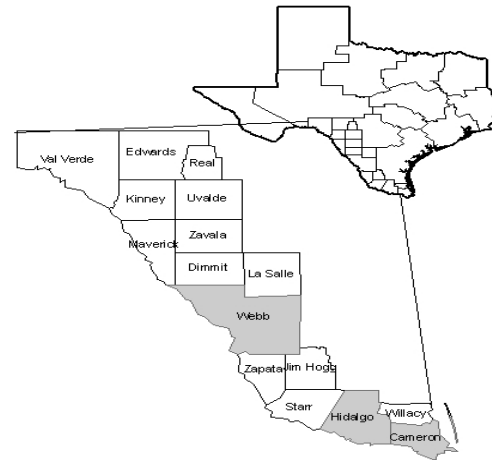
<b>Households</b>	<b>Region Total</b>	<b>Extremely Low Income (0-30%)</b>	<b>Very Low Income (31-50%)</b>	<b>Low Income (51-80%)</b>	<b>Higher Incomes (81% and up)</b>
Extreme Cost Burden	59,191	20,620	15,872	12,697	10,002
Lacking Kitchen and/or Plumbing	3,763	1,266	737	771	989
Overcrowding	24,509	4,937	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. In the final version of this document, these figures will reflect 2005-2009 CHAS.

**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. The 2010 Census reports that the total population in Region 11 is 1,700,723, which is a 26.6 percent increase since 2000.

**Region 11**



**Region 11 Population Figures**

	2000 Population	% Change	2010 Population
Rural	245,523	9.7%	269,430
Urban	1,097,807	30.4%	1,431,293
<b>Region 11 Total</b>	<b>1,343,330</b>	<b>26.6%</b>	<b>1,700,723</b>

Source: U.S. Census Bureau, 2000 and 2010 Census.

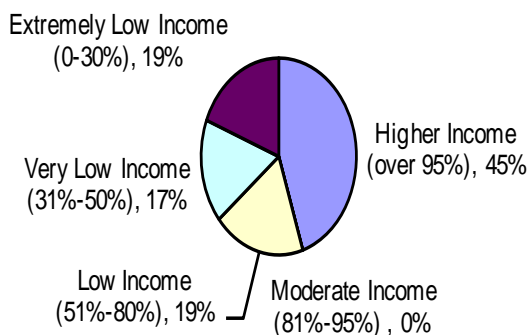
In the map of Region 11 (right), the shaded counties are MSAs as defined by the U.S. Census. According to the Texas Comptroller's *Texas In Focus* report, the per capita income in South Texas in 2006 was only 57.6 percent of the state average, at \$20,300 to \$35,200 respectively.<sup>70</sup>

**Region 11 Poverty Figures, 2005-2009**

	At or above poverty Individuals	At or above poverty Percent	Individuals below poverty Individuals	Individuals below poverty Percent
Rural	171,925	67.3%	83,502	32.7%
Urban	849,869	65.2%	454,532	34.8%
<b>Region 11 Total</b>	<b>1,021,794</b>	<b>65.5%</b>	<b>538,034</b>	<b>34.5%</b>

Source: U.S. Census Bureau, 2005-2009 American Community Survey.

According to the pie chart below, approximately 55 percent of households are low income. The 2000 CHAS figures 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.



**Region 11 Household Income**

Income Group	Percent
0-30%	19%
31-50%	17%
51-80%	19%
81-95%	0%
95% & above	45%

Source: 2000 CHAS. In the final version of this document, these figures will reflect 2005-2009 CHAS.

<sup>70</sup> Texas Comptroller of Public Accounts. (2008, August). Texas in focus: South Texas. Retrieved from <http://www.window.state.tx.us/specialrpt/tif/southtexas/pdf/SouthTexasFullReport.pdf>

**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 are 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 the state section above so that Regions 9 to 13 can be formatted in a uniform fashion to the other regions for ease of reading.

**ELDERLY PERSONS**

Region 11 elderly persons make up 10.0 percent of the region’s population, compared to statewide elderly population which makes up 10.3 percent the State’s total population. Elderly persons in Region 11 make up 6.5 percent of the statewide total elderly population.

**Region 11 Elderly Persons, 2010**

	Elderly Persons	Regional Population	Percent of Elderly Persons to Regional Population	Statewide Elderly Persons	Regional Percent of Statewide Elderly Population
Rural	32,644	269,430	12.1%	485,617	6.7%
Urban	136,646	1,431,293	9.5%	2,112,592	6.5%
Total	169,290	1,700,723	10.0%	2,598,209	6.5%

Source: Census 2010.

**HOMELESS PERSONS**

Region 11 persons in group quarters make up 0.1 percent of the region’s population, compared to statewide persons in group quarters which makes up 0.2 percent the State’s total population. Homeless persons in Region 11 make up 4.8 percent of the statewide total homeless persons. For a sample urban county, Webb, and a sample rural county, Real, there is an estimated 738 people and 0 people, respectively, in non-institutional group quarters.

**Region 11 Persons in Other Group Quarters, 2010**

	Homeless persons	Regional Population	Percent of Homeless to Regional Population	Statewide Homeless Population	Regional Percent of Statewide Homeless Population
Rural	346	269,430	0.1%	5,551	6.2%
Urban	2,076	1,431,293	0.1%	45,102	4.6%
Total	2,422	1,700,723	0.1%	50,653	4.8%

Source: U.S. Census Bureau, 2010 Census. Group quarters population by group quarters type, non-institutionalized population, other non-institutional facilities.

**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>71</sup> The high farmworker population correlates with a dominant agriculture industry in Region 11, an area which produces

<sup>71</sup> Migrant and Seasonal Farmworker Enumeration Profiles Study – TX, Larson, Alice, 2000.

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>72</sup>

**Region 11 Migrant and Seasonal Farmworker Population, 2000**

	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

Source: Migrant and Seasonal Farmworker Enumeration Profiles Study – TX, Larson, Alice, 2000.

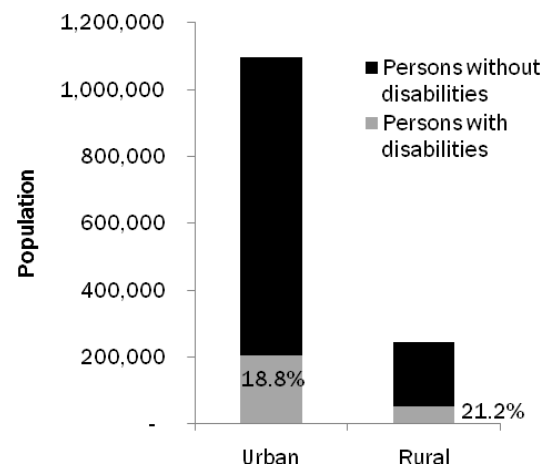
**PERSONS WITH DISABILITIES**

According to the 2000 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 and 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.



**PERSONS WITH HIV/AIDS**

There are 1,949 persons living with HIV/AIDS in Region 11. Region 11 has the second lowest number of persons with HIV/AIDS compared to other regions. Approximately 91.0 percent of this population is living in urban areas, with the remaining 9.0 percent in rural areas.

**Region 11 Persons Living with HIV/AIDS, 2010**

	Persons with HIV/AIDS, 2010	Regional Population	Percent of Persons with HIV/AIDS to Regional Population
Rural	175	269,430	0.1%
Urban	1,774	1,431,293	0.1%
Total	1,949	1,700,723	0.1%

Source: Texas Department of State Health Services, 2010 HIV Surveillance Report.

<sup>72</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).



**VETERANS**

In Region 11, 80.4 percent of veterans live in urban areas, while the remaining 19.6 percent live in rural areas. Region 11 has the second lowest percentage of veterans compared to the region's total population (2.0 percent), which is lower than the statewide percentage of veterans compared to total population (2.5 percent). Veterans in Region 11 make up 4.7 percent of the statewide total veteran population

**Region 11 Veteran Population, 2005-2009**

	Veteran Population	Population 18 years and older	Percent of Veterans to Population 18 and older	Regional Percent of Statewide Veteran Population
Rural	3,897	174,639	2.2%	0.9%
Urban	16,016	841,732	1.9%	3.8%
Total	19,913	1,016,371	2.0%	4.7%

Source: American Community Survey 2005-2009.

**VICTIMS OF DOMESTIC VIOLENCE**

While incidents of domestic violence do not correlate directly to victims of domestic violence, it is a good indicator of where the victims of domestic violence live. In Region 11, incidences of violence affect 0.8 percent of the region's population, compared to statewide average of 0.8 percent. Incidents of violence in Region 11 make up 6.7 percent of the statewide total incidents of violence.

**Region 11 Incidences of Violence – 2009**

	Total Incidents in 2009	Percent of Incidents to 2010 Regional Population	Regional Percent of Statewide Incidences of Violence
Rural	1,968	0.7%	10.4%
Urban	11,302	0.8%	6.4%
Total	13,270	0.8%	6.7%

Source: Crime in Texas, 2009. FBI Uniform Crime Reports.

**YOUTH AGING OUT OF FOSTER CARE**

In Region 11, 76.2 percent of youth aging out of foster care live in urban areas, while the remaining 23.8 percent live in rural areas. Region 11 has 6.2 percent of the statewide number of youth aging out of foster care.

**Region 11 Youth Aging out of Foster Care – Texas, 2010**

	Youth Aging Out of Foster Care	Regional Percent of Statewide Youth Aging Out of Foster Care
Rural	15	8.3%
Urban	48	5.7%
Total	63	6.2%

Source: Foster Children Who Aged Out of DFPS Conservatorship, FY 2010, Department of Family and Protective Services.

**LOCAL REQUESTS FOR HOUSING ASSISTANCE**

According to the TDHCA Public Assistance Inventory for SFY2011, the agency received 235 public assistance requests from Region 11, which accounted for 2.2 percent of total annual requests. Of requests from Region 11, the three most requested categories of assistance were, in order: Emergency Assistance, Rental Assistance and Utility Assistance.

**Region 11 Public Assistance Request Inventory, SFY 2011**

	Emergency Assistance	Utility Assistance	Rental Assistance	Repair & Weatherization	Homebuyer Assistance	Legal Assistance	Foreclosure Prevention	Disaster Assistance	Other Housing Related Assistance	Total
Region 11	77	54	58	22	7	9	4	-	4	235
<b>Total</b>	<b>4,448</b>	<b>2,956</b>	<b>1,987</b>	<b>641</b>	<b>159</b>	<b>235</b>	<b>87</b>	<b>48</b>	<b>30</b>	<b>10,591</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 Census Bureau, 86.1 percent of the housing units in the region are occupied. Of the total housing stock, 69.0 percent are one unit, 3.2 percent are two units, 13.5 percent are three or more units, 13.6 percent are manufactured homes and the rest are boats and RVs.

**Region 11 Housing Supply, 2005-2009**

	Rural	Urban	Total
Total housing units	95,431	458,269	553,700
Housing units, 1 unit	72,883	309,417	382,300
Housing units, 2 units	2,748	14,914	17,662
Housing units, 3 to 4 units	3,370	22,526	25,896
Housing units, 5 to 19 units	2,881	29,587	32,468
Housing units, 20 to 49 units	529	6,695	7,224
Housing units, 50+ units	321	8,932	9,253
Housing units, mobile home	12,526	62,993	75,519
Housing units, other	173	3,205	3,378

Source: U.S. Census Bureau, 2005-2009 American Community Survey.

### Housing Occupancy – 2010

	Total Housing Units	Vacant Housing Units	Percent of Vacant Housing Units
Rural	99,658	17,964	18.0%
Urban	463,707	60,499	13.0%
Total	563,365	78,463	13.9%

Source: U.S. Census Bureau, 2010 Census. Summary File 1, Table H3, H4, H5, and HCT1.

### ASSISTED HOUSING INVENTORY

This region's total number of assisted multifamily units compared to regional population is 2.2 percent, which is higher than the statewide average of 1.9 percent.

#### Region 11 Assisted Multifamily Units

	Region Total	Percent in Region	Percent of State Total
TDHCA Units	10,757	29.2%	5.1%
HUD Units	3,643	9.9%	6.3%
PHA Units	6,425	17.4%	11.3%
Section 8 Vouchers	14,524	39.4%	11.2%
USDA Units	1,538	4.25	10.9%
HFC Units*	323		
<b>Total</b>	<b>36,887</b>	<b>100.0%</b>	<b>7.9%</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 2011, the median home price for Brownsville is \$196,200 and McAllen is \$109,700.<sup>73</sup> In addition, the fair market rent for a two-bedroom unit in Brownsville/Harlingen MSA is \$605, requiring an annual income of approximately \$24,200, and in McAllen/Edinburg/Mission MSA is \$660, which requires an annual income of approximately \$26,400. In a sample rural county, Real, fair market rent on a two-bedroom apartment is \$595, which requires an annual income of approximately \$23,800.<sup>74</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.

<sup>73</sup> Real Estate Center at Texas A&M University, (n.d.) Texas residential multiple listing service (MLS) activity. Retrieved from <http://recenter.tamu.edu/data/hs/trends.asp>

<sup>74</sup> National Low Income Housing Coalition. (2010). Out of reach 2010. Retrieved from <http://www.nlihc.org/oor/oor2010/>

**Region 11 Households with Housing Problems, 2009**

<b>Households</b>	<b>Region Total</b>	<b>Extremely Low Income (0-30%)</b>	<b>Very Low Income (31-50%)</b>	<b>Low Income (51-80%)</b>	<b>Higher Incomes (81% and up)</b>
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
<b>Total</b>	<b>184,917</b>	<b>62,100</b>	<b>43,719</b>	<b>37,757</b>	<b>41,343</b>

Source: CHAS Database with projections based on HISTA data. In the final version of this document, these figures will reflect 2005-2009 CHAS.

**REGION 12**

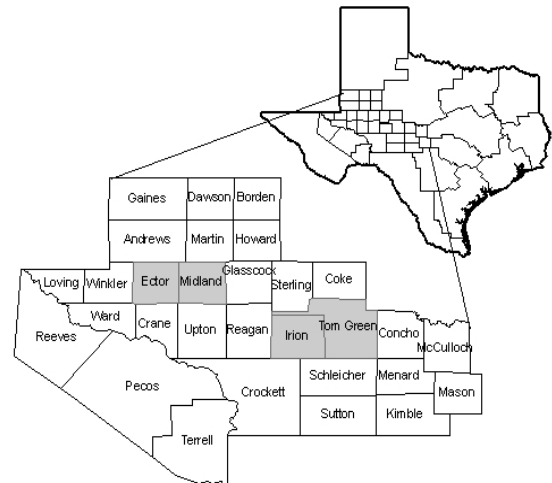
Region 12 in west Texas surrounds the urban areas of Odessa-Midland and San Angelo. The 2010 Census reports that the total population in Region 12 is 571,871, which grew by 9 percent since 2000.

**Region 12 Population Figures**

	2000 Population	% Change	2010 Population
Rural	183,742	1.3%	186,046
Urban	341,142	13.1%	385,825
<b>Region 12 Total</b>	<b>524,884</b>	<b>9.0%</b>	<b>571,871</b>

Source: U.S. Census Bureau, 2000 and 2010 Census.

**Region 12**



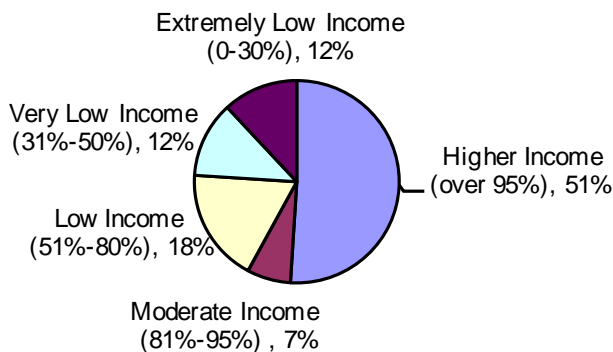
Approximately 67.5 percent of Region 12 residents live in urban areas. In the map of Region 12 (right), the shaded counties are MSAs as defined by the U.S. Census. The table below depicts the number of individuals living below the poverty line in Region 12. Of the 83,299 individuals living below poverty, approximately 65.0 percent live in urban areas and the remaining 35.0 percent live in rural areas. However, the percentage of total rural residents below poverty is higher than the percentage of total urban residents below poverty.

**Region 12 Poverty Figures, 2005-2009**

	At or above poverty Individuals	At or above poverty Percent	Individuals below poverty Individuals	Individuals below poverty Percent
Rural	128,657	81.5%	29,131	18.5%
Urban	301,287	84.8%	54,168	15.2%
<b>Region 12 Total</b>	<b>429,944</b>	<b>83.8%</b>	<b>83,299</b>	<b>16.2%</b>

Source: U.S. Census Bureau, 2005-2009 American Community Survey.

The pie chart below depicts the income breakdown of Region 12. Approximately 42 percent of households are low income.



**Region 12 Household Income**

Income Group	Percent
0-30%	12%
31-50%	12%
51-80%	18%
81-95%	7%
95% & above	51%

Source: 2000 CHAS. In the final version of this document, these figures will reflect 2005-2009 CHAS.

### 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 are 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 the state section above so that Regions 9 to 13 can be formatted in a uniform fashion to the other regions for ease of reading.

### ELDERLY PERSONS

Region 12 elderly persons make up 12.3 percent of the region’s population, compared to statewide elderly population which makes up 10.3 percent the State’s total population. Elderly persons in Region 12 make up 2.7 percent of the statewide total elderly population.

#### Region 12 Elderly Persons – Texas 2010

	Elderly Persons	Regional Population	Percent of Elderly Persons to Regional Population	Statewide Elderly Persons	Regional Percent of Statewide Elderly Population
Rural	25,558	186,046	13.7%	485,617	5.3%
Urban	44,624	385,825	11.6%	2,112,592	2.1%
Total	70,182	571871	12.3%	2,598,209	2.7%

Source: Census 2010.

### HOMELESS PERSONS

Region 12 persons in group quarters make up 0.3 percent of the region’s population, compared to statewide persons in group quarters which makes up 0.2 percent the State’s total population. Homeless persons in Region 12 make up 3.2 percent of the statewide total homeless persons. For a sample urban county, Tom Green, and a sample rural county, Pecos, there is an estimated 671 people and 1 person, respectively, in non-institutional group quarters.

#### Region 12 Persons in Other Group Quarters, 2010

	Homeless persons	Regional Population	Percent of Homeless to Regional Population	Statewide Homeless Population	Regional Percent of Statewide Homeless Population
Rural	95	186,046	0.1%	5,551	1.7%
Urban	1,511	385,825	0.4%	45,102	3.4%
Total	1,606	571871	0.3%	50,653	3.2%

Source: U.S. Census Bureau, 2010 Census. Group quarters population by group quarters type, non-institutionalized population, other non-institutional facilities.

### 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.

**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

Source: Migrant and Seasonal Farmworker Enumeration Profiles Study – TX, Larson, Alice, 2000.

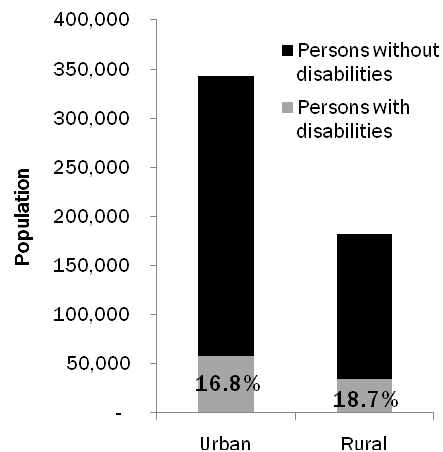
**PERSONS WITH DISABILITIES**

According to the 2000 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 and 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.



**PERSONS WITH HIV/AIDS**

There are 497 persons living with HIV/AIDS in Region 12. Region 12 persons with HIV/AIDS make up 0.1 percent of the region’s population, compared to statewide persons with HIV/AIDS population which makes up 0.2 percent the State’s total population. Approximately 71.0 percent of this population is living in urban areas, with the remaining 29.0 percent in rural areas.

**Region 12 Persons Living with HIV/AIDS, 2010**

	Persons with HIV/AIDS, 2010	Regional Population	Percent of Persons with HIV/AIDS to Regional Population
Rural	144	186,046	0.1%
Urban	353	385,825	0.1%
Total	497	571,871	0.1%

Source: Texas Department of State Health Services, 2010 HIV Surveillance Report.

**VETERANS**

Region 12 veterans make up 2.3 percent of the region's population, compared to statewide veteran population which makes up 2.5 percent the State's total population. Veterans in Region 12 make up 2.1 percent of the statewide total veteran population

**Region 12 Veteran Population, 2005-2009**

	Veteran Population	Population 18 years and older	Percent of Veterans to Population 18 and older	Regional Percent of Statewide Veteran Population
Rural	2,828	127,498	2.2%	0.7%
Urban	6,080	263,185	2.3%	1.4%
Total	8,908	390,683	2.3%	2.1%

Source: American Community Survey 2005-2009.

**VICTIMS OF DOMESTIC VIOLENCE**

Region 12 is tied with Region 1 for the highest percent of incidence of domestic violence compared to regional population (1.1 percent), which is higher than the statewide percentage of incidents of domestic violence compared to population (0.8 percent). Incidents of violence in Region 12 make up 3.2 percent of the statewide total incidents of violence.

**Region 12 Incidences of Violence – 2009**

	Total Incidents	Percent of Incidents to 2010 Regional Population	Regional Percent of Statewide Incidences of Violence
Rural	1,302	0.7%	6.9%
Urban	4,964	1.3%	2.8%
Total	6,266	1.1%	3.2%

Source: Crime in Texas, 2009. FBI Uniform Crime Reports.

**YOUTH AGING OUT OF FOSTER CARE**

In Region 12, 62.1 percent of youth aging out of foster care live in urban areas, while the remaining 37.9 percent live in rural areas. Region 12 has the second lowest number of youth aging out of foster care compared to the other regions.

**Region 12 Youth Aging out of Foster Care – Texas, 2010**

	Youth Aging Out of Foster Care	Regional Percent of Statewide Youth Aging Out of Foster Care
Rural	11	6.1%
Urban	18	2.1%
Total	29	2.8%

Source: Foster Children Who Aged Out of DFPS Conservatorship, FY 2010, Department of Family and Protective Services.



**LOCAL REQUESTS FOR HOUSING ASSISTANCE**

According to the TDHCA Public Request Assistance Inventory for SFY2011, the agency received 202 public assistance requests from Region 12, which accounted for 1.9 percent of total annual requests. Of requests from Region 12, the three most requested categories of assistance were, in order: Emergency Assistance, Utility Assistance and Rental Assistance.

**Region 12 Public Assistance Request Inventory, SFY 2011**

	Emergency Assistance	Utility Assistance	Rental Assistance	Repair & Weatherization	Homebuyer Assistance	Legal Assistance	Foreclosure Prevention	Disaster Assistance	Other Housing Related Assistance	Total
Region 12	71	52	54	11	6	8	-	-	-	202
<b>Total</b>	<b>4,448</b>	<b>2,956</b>	<b>1,987</b>	<b>641</b>	<b>159</b>	<b>235</b>	<b>87</b>	<b>48</b>	<b>30</b>	<b>10,591</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 Census Bureau, 88.3 percent of the housing units in the region are occupied. Of the total housing stock, 73.2 percent are one unit, 1.7 percent are two units, 13.8 percent are three or more units, 11.2 percent are manufactured homes and the rest are boats and RVs.

**Region 12 Housing Supply, 2005-2009**

	Rural	Urban	Total
Total housing units	81,624	148,414	230,038
Housing units, 1 unit	64,439	103,872	168,311
Housing units, 2 units	1,686	2,177	3,863
Housing units, 3 to 4 units	1,544	3,306	4,850
Housing units, 5 to 19 units	1,610	15,898	17,508
Housing units, 20 to 49 units	631	3,028	3,659
Housing units, 50+ units	592	5,200	5,792
Housing units, mobile home	11,065	14,705	25,770
Housing units, other	57	228	285

Source: U.S. Census Bureau, 2005-2009 American Community Survey.

**Housing Occupancy – 2010**

	Total Housing Units	Vacant Housing Units	Percent of Vacant Housing Units
Rural	78,937	15,139	19.2%
Urban	154,805	12,288	7.9%
Total	233,742	27,427	11.7%

Source: U.S. Census Bureau, 2010 Census. Summary File 1, Table H3, H4, H5, and HCT1.

**ASSISTED HOUSING INVENTORY**

Region 12 has the lowest percentage of assisted units compared to the region's population (1.5 percent), which is lower than the statewide average (1.9 percent).

**Region 12 Assisted Multifamily Units**

	Region Total	Percent in Region	Percent of State Total
TDHCA Units	2,894	34.4%	1.4%
HUD Units	1,851	22.0%	3.2%
PHA Units	1,131	13.4%	2.0%
Section 8 Vouchers	2,117	25.2%	1.6%
USDA Units	423	5.0%	3.0%
HFC Units*	26		
<b>Total</b>	<b>8,416</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 August 2011, the median home prices for Odessa and Midland are \$142,500 and \$196,200 respectively.<sup>75</sup> In addition, the fair market rent for a two-bedroom unit in Odessa MSA is \$742, requiring an annual income of approximately \$29,680, and in Midland MSA is \$838, which requires an annual income of approximately \$33,520. In a sample rural county, Pecos, fair market rent on a two-bedroom apartment is \$595, which requires an annual income of approximately \$23,800.<sup>76</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.

<sup>75</sup> Real Estate Center at Texas A&M University, (n.d.) Texas residential multiple listing service (MLS) activity. Retrieved from <http://recenter.tamu.edu/data/hs/trends.asp>

<sup>76</sup> National Low Income Housing Coalition. (2010). Out of reach 2010. Retrieved from <http://www.nlihc.org/oor/oor2010/>

**Region 12 Households with Housing Problems, 2009**

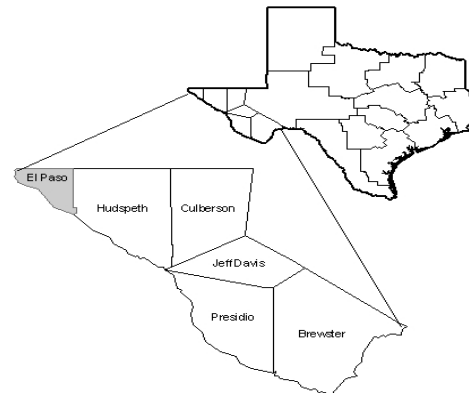
<b>Households</b>	<b>Region Total</b>	<b>Extremely Low Income (0-30%)</b>	<b>Very Low Income (31-50%)</b>	<b>Low Income (51-80%)</b>	<b>Higher Incomes (81% and up)</b>
Extreme Cost Burden	40,053	14,994	11,375	7,894	5,791
Lacking Kitchen and/or Plumbing	2,577	713	547	538	778
Overcrowding	14,556	2,466	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. In the final version of this document, these figures will reflect 2005-2009 CHAS.

### 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. The 2010 Census reports that the total population in Region 13 is 825,913, which grew by 17.3 percent since 2000.

Region 13



Region 13 Population Figures

	2000 Population	% Change	2010 Population
Rural	24,696	2.3%	25,266
Urban	679,622	17.8%	800,647
Region 13 Total	704,318	17.3%	825,913

Source: U.S. Census Bureau, 2000 and 2010 Census.

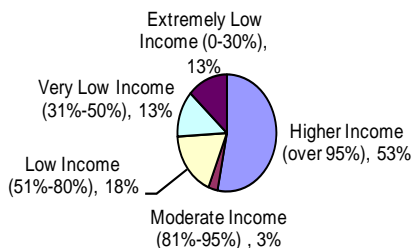
Approximately 96.9 percent of Region 13 residents live in the urban area of El Paso. In the map of Region 13 (right), the shaded counties are MSAs as defined by the U.S. Census. The table below depicts the number of individuals living below the poverty line in Region 13. Of the 196,192 individuals living below poverty, approximately 97.0 percent live in urban areas and the remaining 3.0 percent live in rural areas. Additionally, the percentage of total rural residents that are below poverty is slightly lower than the percentage of total urban residents below poverty. Studies reveal 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. 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>77</sup>

Region 13 Poverty Figures, 2005-2009

	At or above poverty Individuals	At or above poverty Percent	Individuals below poverty Individuals	Individuals below poverty Percent
Rural	18,068	75.2%	5,960	24.8%
Urban	525,426	73.4%	190,232	26.6%
Region 13 Total	543,494	73.5%	196,192	26.5%

Source: U.S. Census Bureau, 2005-2009 American Community Survey.

The pie chart below depicts the income breakdown of Region 13. Approximately 44 percent of households are low income. 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>78</sup>



Region 13 Household Income

Income Group	Percent
0-30%	13%
31-50%	13%
51-80%	18%
81-95%	3%
95% & above	53%

Source: 2000 CHAS. In the final version of this document, these figures will reflect 2005-2009 CHAS.

<sup>77</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>78</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 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 are 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 the state section above so that Regions 9 to 13 can be formatted in a uniform fashion to the other regions for ease of reading.

## ELDERLY PERSONS

Region 13 elderly persons make up 10.5 percent of the region's population, compared to statewide elderly population which makes up 10.3 percent the State's total population. Elderly persons in Region 13 make up 3.3 percent of the statewide total elderly population.

### Region 13 Elderly Persons, 2010

	Elderly Persons	Regional Population	Percent of Elderly Persons to Regional Population	Statewide Elderly Persons	Regional Percent of Statewide Elderly Population
Rural	4,289	25,266	17.0%	485,617	0.9%
Urban	82,223	800,647	10.3%	2,112,592	3.9%
Total	86,512	825,913	10.5%	2,598,209	3.3%

Source: Census 2010.

## HOMELESS PERSONS

Region 13 persons in group quarters make up 0.2 percent of the region's population, compared to statewide persons in group quarters which makes up 0.2 percent the State's total population. Homeless persons in Region 13 make up 2.8 percent of the statewide total homeless persons. This region has the smallest number of persons in other group quarters. For a sample urban county, El Paso, and a sample rural county, Jeff Davis, there is an estimated 1,430 people and 0 people, respectively, in non-institutional group quarters.

### Region 13 Persons in Other Group Quarters, 2010

	Homeless persons	Regional Population	Percent of Homeless to Regional Population	Statewide Homeless Population	Regional Percent of Statewide Homeless Population
Rural	8	25,266	0.0%	5,551	0.1%
Urban	1,430	800,647	0.2%	45,102	3.2%
Total	1,438	825,913	0.2%	50,653	2.8%

Source: U.S. Census Bureau, 2010 Census. Group quarters population by group quarters type, non-institutionalized population, other non-institutional facilities.

## 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.

**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

Source: Migrant and Seasonal Farmworker Enumeration Profiles Study - TX, Larson, Alice, 2000.

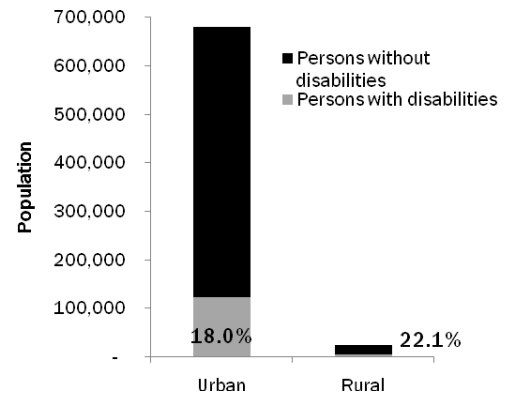
**PERSONS WITH DISABILITIES**

According to the 2000 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 and 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.



**PERSONS WITH HIV/AIDS**

There are 1,617 persons living with HIV/AIDS in Region 13. Region 13 persons with HIV/AIDS make up 0.2 percent of the region's population, compared to statewide persons with HIV/AIDS population which makes up 0.2 percent the State's total population. Approximately 99.5 percent of this population is living in urban areas, with the remaining 0.5 percent in rural areas.

**Region 13 Persons Living with HIV/AIDS, 2010**

	Persons with HIV/AIDS, 2010	Regional Population	Percent of Persons with HIV/AIDS to Regional Population
Rural	8	25,266	0.0%
Urban	1,609	800,647	0.2%
Total	1,617	825,913	0.2%

Source: Texas Department of State Health Services, 2010 HIV Surveillance Report.

**VETERANS**

Region 13 veterans make up 2.1 percent of the region’s population, compared to statewide veteran population which makes up 2.5 percent the State’s total population. Veterans in Region 13 make up 2.5 percent of the statewide total veteran population.

**Region 13 Veteran Population, 2005-2009**

	Veteran Population	Population 18 years and older	Percent of Veterans to Population 18 and older	Regional Percent of Statewide Veteran Population
Rural	305	18,389	1.7%	0.1%
Urban	10,367	499,528	2.1%	2.5%
Total	10,672	517,917	2.1%	2.5%

Source: American Community Survey 2005-2009.

**VICTIMS OF DOMESTIC VIOLENCE**

While incidents of domestic violence do not correlate directly to victims of domestic violence, it is a good indicator of where the victims of domestic violence live. In Region 13, incidences of violence affect 0.7 percent of the region’s population, compared to statewide average of 0.8 percent. Incidents of violence in Region 13 make up 3.1 percent of the statewide total incidents of violence.

**Region 13 Incidences of Violence – 2009**

	Total Incidents	Percent of Incidents to 2010 Regional Population	Regional Percent of Statewide Incidences of Violence
Rural	87	0.3%	0.5%
Urban	5,982	0.7%	3.4%
Total	6,069	0.7%	3.1%

Source: Crime in Texas, 2009. FBI Uniform Crime Reports.

**YOUTH AGING OUT OF FOSTER CARE**

In Region 13, 96.6 percent of youth aging out of foster care live in urban areas, while the remaining 3.4 percent live in rural areas. Region 13 has 2.8 percent of the statewide number of youth aging out of foster care.

**Region 13 Youth Aging out of Foster Care – Texas, 2010**

	Youth Aging Out of Foster Care	Regional Percent of Statewide Youth Aging Out of Foster Care
Rural	1	0.6%
Urban	28	3.3%
Total	29	2.8%

Source: Foster Children Who Aged Out of DFPS Conservatorship, FY 2010, Department of Family and Protective Services.

**LOCAL REQUESTS FOR HOUSING ASSISTANCE**

According to the TDHCA Public Request Assistance Inventory for SFY2011, the agency received 315 public assistance requests from Region 13, which accounted for 3.0 percent of total annual requests. Of requests from Region 13, the three most requested categories of assistance were, in order: Emergency Assistance, Utility Assistance, and Rental Assistance.

**Region 13 Public Assistance Request Inventory, SFY 2011**

	Emergency Assistance	Utility Assistance	Rental Assistance	Repair & Weatherization	Homebuyer Assistance	Legal Assistance	Foreclosure Prevention	Disaster Assistance	Other Housing Related Assistance	Total
Region 13	148	98	47	16	1	3	2	-	-	315
<b>Total</b>	<b>4,448</b>	<b>2,956</b>	<b>1,987</b>	<b>641</b>	<b>159</b>	<b>235</b>	<b>87</b>	<b>48</b>	<b>30</b>	<b>10,591</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 Census Bureau, 94.0 percent of the housing units in the region are occupied, the highest rate in the State. Of the total housing stock, 70.1 percent are one unit, 2.7 percent are two units, 20.3 percent are three or more units, 6.8 percent are manufactured homes and the rest are boats and RVs.

**Region 13 Housing Supply, 2005-2009**

	Rural	Urban	Total
Total housing units	13,241	253,038	266,279
Housing units, 1 unit	9,061	177,714	186,775
Housing units, 2 units	414	6,750	7,164
Housing units, 3 to 4 units	253	9,894	10,147
Housing units, 5 to 19 units	363	20,020	20,383
Housing units, 20 to 49 units	113	5,973	6,086
Housing units, 50+ units	168	17,206	17,374
Housing units, mobile home	2,823	15,356	18,179
Housing units, other	46	125	171

Source: U.S. Census Bureau, 2005-2009 American Community Survey.



**Housing Occupancy – 2010**

	Total Housing Units	Vacant Housing Units	Percent of Vacant Housing Units
Rural	13,485	3,256	24.1%
Urban	270,307	13,750	5.1%
Total	283,792	17,006	6.0%

Source: U.S. Census Bureau, 2010 Census. Summary File 1, Table H3, H4, H5, and HCT1.

**ASSISTED HOUSING INVENTORY**

This region's total number of assisted multifamily units compared to regional population is 2.5 percent, which is higher than the statewide average of 1.9 percent.

**Region 13 Assisted Multifamily Units**

	Region Total	Percent in Region	Percent of State Total
TDHCA Units	6,266	30.4%	3.0%
HUD Units	1,829	8.9%	3.2%
PHA Units	6,041	29.3%	10.6%
Section 8 Vouchers	6,260	30.4%	4.8%
USDA Units	204	1.0%	1.4%
HFC Units*	1,054		
<b>Total</b>	<b>20,600</b>	<b>100.0%</b>	<b>4.4%</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 2011, the median home price for El Paso is \$140,300.<sup>79</sup> In addition, the fair market rent for a two-bedroom unit in El Paso MSA is \$623, requiring an annual income of approximately \$24,920. In a sample rural county, Jeff Davis, fair market rent on a two-bedroom apartment is \$595, which requires an annual income of approximately \$23,800.<sup>80</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.

<sup>79</sup> Real Estate Center at Texas A&M University, (n.d.) Texas residential multiple listing service (MLS) activity. Retrieved from <http://recenter.tamu.edu/data/hs/trends.asp>

<sup>80</sup> National Low Income Housing Coalition. (2010). Out of Reach 2010. Retrieved from <http://www.nlihc.org/oor/oor2010/>

**Region 13 Households with Housing Problems, 2009**

<b>Households</b>	<b>Region Total</b>	<b>Extremely Low Income (0-30%)</b>	<b>Very Low Income (31-50%)</b>	<b>Low Income (51-80%)</b>	<b>Higher Incomes (81% and up)</b>
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. In the final version of this document, these figures will reflect 2005-2009 CHAS.

## **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.

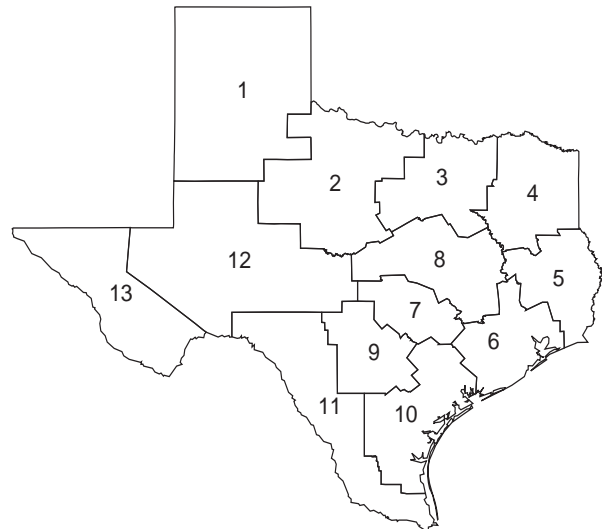


Figure 2.1 State Service Regions

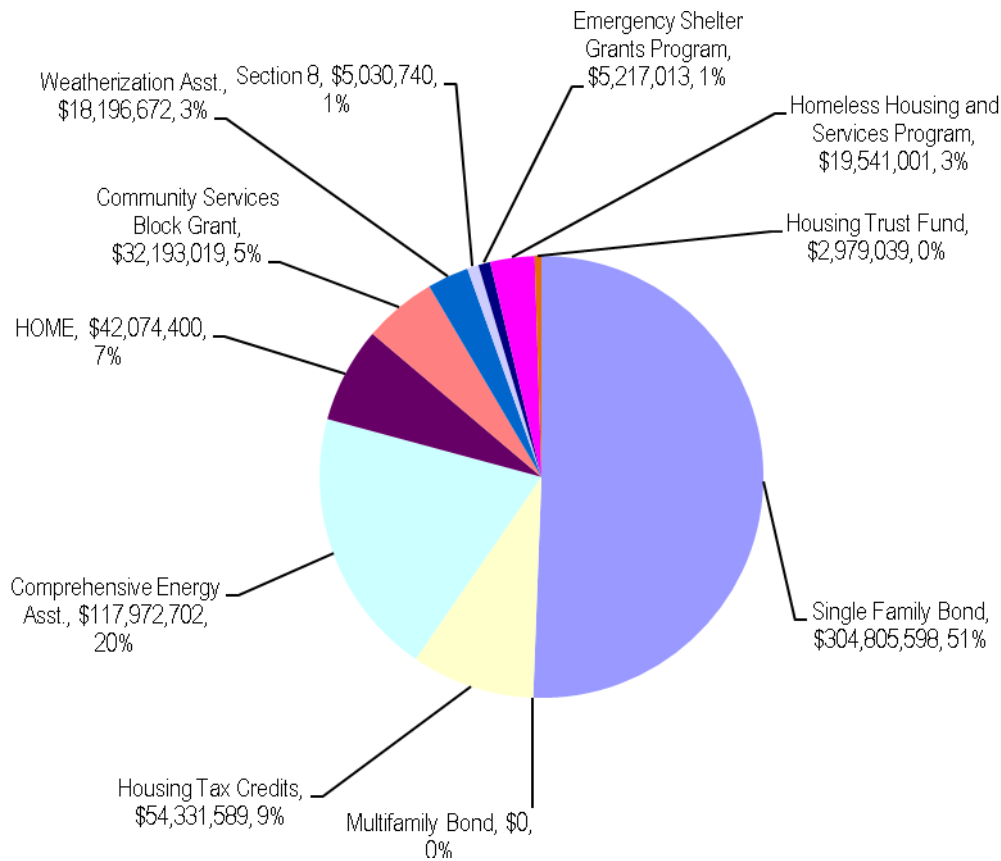
## FUNDING COMMITMENTS AND HOUSEHOLDS SERVED BY ACTIVITY AND PROGRAM

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 activities.
  - 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 2011, TDHCA committed \$602,341,773 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 2011**  
**Total Funds Committed: \$602,341,773**



Activity	Funds	Percent
Single Family Bond	\$304,805,598	50.60%
Multifamily Bond	\$0	0.00%
Housing Tax Credits	\$54,331,589	9.02%
Comprehensive Energy Asst.	\$117,972,702	19.59%
HOME	\$42,074,400	6.99%
Community Services Block Grant	\$32,193,019	5.34%
Weatherization Asst.	\$18,196,672	3.02%
Section 8	\$5,030,740	0.84%
Emergency Shelter Grants Program	\$5,217,013	0.87%
Homeless Housing and Services Program*	\$19,541,001	3.24%
Housing Trust Fund	\$2,979,039	0.49%
<b>Total</b>	<b>\$602,341,773</b>	<b>100%</b>

\*The performance data/beneficiary data for HHSP covers September 2010 through August 2011.

## Funding and Households/Persons Served by Activity, FY 2011, All Activities

Household Type	Activity	Committed Funds	Number of Households/Individuals Served	% of Total Committed Funds	% of Total Households/Individuals Served
Renter	Rental Assistance	\$6,007,116	1,163	1.0%	0.2%
	New Construction	\$50,122,568	3,133	8.3%	0.4%
	Rehab Construction	\$24,531,487	1,974	4.1%	0.3%
Owner	Financing & Down Payment	\$308,788,595	2,591	51.3%	0.3%
	Rehabilitation Assistance	\$19,771,600	222	3.3%	0.0%
	Homeless Services	\$24,758,014	87,158	4.1%	11.7%
	Energy Related	\$136,169,374	218,377	22.6%	29.3%
	Supportive Services	\$32,193,019	430,517	5.3%	57.8%
Total		\$602,341,773	745,135	100.0%	100.0%

## Funding and Households/Persons Served by Housing Program, FY 2011

	SF Bond Funds	SF Bond HH	HOME Funds	HOME HH	HTF Funds	HTF HH	HTC Funds	HTC HH	MF Bond Funds	MF Bond HH	Section 8 Funds	Section 8 HH
Rental Assistance	\$0	-	\$889,603	92	\$86,773	67	\$0	-	\$0	-	\$5,030,740	1,004
Rental New Construction	\$0	-	\$14,443,888	202	\$125,000	80	\$35,553,680	2,851	\$0	-	\$0	-
Rental Rehabilitation	\$0	-	\$5,628,578	122	\$125,000	47	\$18,777,909	1,805	\$0	-	\$0	-
Owner Financing & Down Pmt.	\$304,805,598	2,416	\$1,365,731	82	\$2,617,266	93	\$0	-	\$0	-	\$0	-
Owner Rehab. Asst	\$0	-	\$19,746,600	221	\$25,000	1	\$0	-	\$0	-	\$0	-
Total	\$304,805,598	2,416	\$42,074,400	719	\$2,979,039	288	\$54,331,589	4,656	\$0	-	\$5,030,740	1,004

## Funding and Households/Persons Served by Community Affairs Programs, FY 2011

	<b>ESGP<sup>^</sup></b> Funds	<b>ESGP<sup>^</sup></b> Ind	<b>CSBG<sup>^*</sup></b> Funds	<b>CSBG<sup>^*</sup></b> Ind	<b>CEAP</b> Funds	<b>WAP<sup>*</sup></b> HH	<b>WAP<sup>*</sup></b> Funds	<b>WAP<sup>*</sup></b> HH	<b>HHSP</b> Funds	<b>HHSP</b> HH
Homeless Services	\$5,217,013	64,073	\$0	0	\$0	0	\$0	0	\$19,541,001	23,085
Energy Related	\$0	0	\$0	0	\$117,972,702	209,882	\$18,196,672	8,495	0	0
Supportive Services	\$0	0	\$32,193,019	430,517	\$0	0	\$0	0	0	0
<b>Total</b>	<b>\$5,217,013</b>	<b>64,073</b>	<b>\$32,193,019</b>	<b>430,517</b>	<b>\$117,972,702</b>	<b>209,882</b>	<b>\$18,196,672</b>	<b>8,495</b>	<b>\$19,541,001</b>	<b>23,085</b>

\*For these programs, funds and households served reflect different 12 month periods.

<sup>^</sup>ESGP, CSBG and HHSP programs represent individuals served, not households.

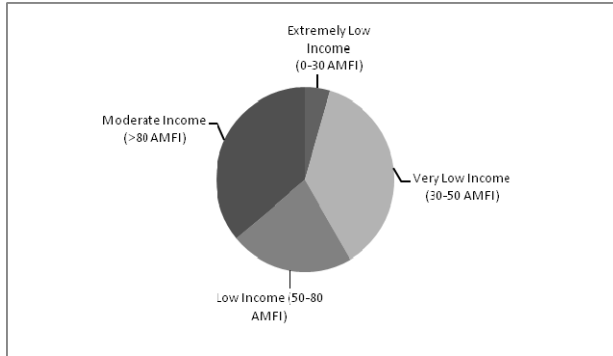
**FUNDING COMMITMENTS AND HOUSEHOLDS SERVED BY INCOME GROUP**

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)

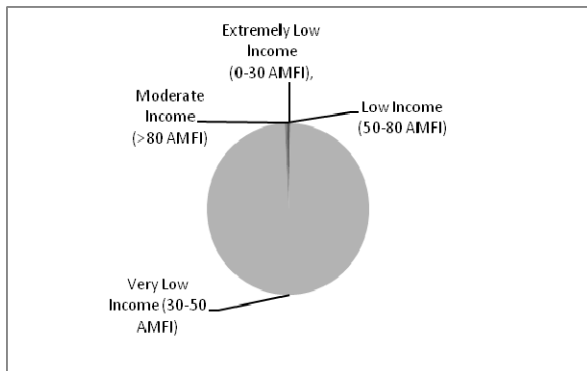
The vast majority of households and individuals served through CEAP, WAP, HHSP and ESGP earn less than 30 percent of the AMFI. However, federal tracking of assistance from these programs is based on poverty guidelines, which do not translate easily to an AMFI equivalent. For conservative reporting purposes, assistance in these programs is reported in the VLI category.

Total Funding by Income Level, FY 2011



Type	Percent
Extremely Low Income (0-30 AMFI)	5%
Very Low Income (30-50 AMFI)	37%
Low Income (50-80 AMFI)	23%
Moderate Income (>80 AMFI)	36%

Total Households and Individuals Served by Income Level, FY 2011



Type	Percent
Extremely Low Income (0-30 AMFI)	0.34%
Very Low Income (30-50 AMFI)	99.04%
Low Income (50-80 AMFI)	0.51%
Moderate Income (>80 AMFI)	0.25%



## Funding and Households/Persons Service by Income Category, FY 2011

**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)	\$26,322,185	2,442	5%	0.34%
Very Low Income (30-50 AMFI)	\$218,368,298	715,140	37%	99.04%
Low Income (50-80 AMFI)	\$131,533,117	3,678	23%	0.51%
Moderate Income (>80 AMFI)	\$211,607,912	1794	36%	0.25%
Total	\$587,831,512	723,054	101%	100.14%

**Housing Activities**

	SF Bond Funds	SF Bond HH	HOME Funds	HOME HH	HTF Funds	HTF HH	HTC Funds	HTC HH	MF Bond Funds	MF Bond HH	Section 8 Funds	Section 8 HH
Extremely Low Income (0-30 AMFI)	\$2,164,613	18	\$9,582,315	197	\$190,881	10	\$5,326,480	462	\$0	-	\$4,027,156	751
Very Low Income (30-50 AMFI)	\$14,530,486	137	\$7,095,894	137	\$1,882,912	67	\$21,134,085	1,792	\$0	-	\$145,515	40
Low Income (50-80 AMFI)	\$77,353,167	679	\$25,396,191	385	\$905,246	211	\$27,871,023	2,402	\$0	-	\$7,489	1
Moderate Income (>80 AMFI)	\$210,757,332	1,582	\$0	-	\$0	-	-	0	\$0	-	\$ 850,580	212
Total	\$304,805,598	2,416	\$42,074,400	719	\$2,979,039	288	\$54,331,589	4,656	\$0	-	\$5,030,740	1,004

**Community Affairs Activities**

	ESGP* Funds	ESGP* Ind	CSBG* Funds	CSBG* Ind	CEAP Funds	CEAP HH	WAP Funds	WAP HH	HHSP*	HHSP*
Extremely Low Income (0-30 AMFI)	\$0	-	\$0	-	\$0	-	\$0	-	19,541,001	23,085
Very Low Income (30- 50 AMFI)	\$5,217,013	64,073	\$32,193,019	430,517	\$117,972,702	209,882	\$18,196,672	8,495		
Low Income (50-80 AMFI)	\$0	-	\$0	-	\$0	-	\$0	-		
Moderate Income (>80 AMFI)	\$0	-	\$0	-	\$0	-	\$0	-		
Total	\$5,217,013	64,073	\$32,193,019	430,517	\$117,972,702	209,882	\$18,196,672	8,495	19,541,001	23,085

\*These programs report by individuals served rather than households served.

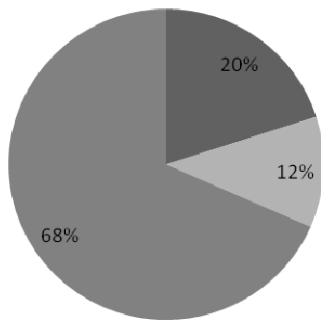
Note: The performance data/beneficiary data for HHSP covers September 2010 through August 2011.

**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 classifications. Households assisted through each 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 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**

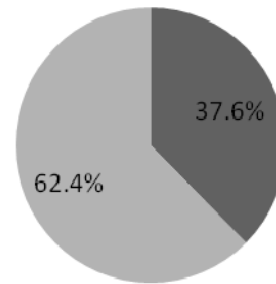
■ Other ■ Black or African American ■ White



Race	Percent
Other	20.0%
Black	11.5%
White	68.4%

**Ethnic Composition of the State of Texas**

■ Hispanic ■ Non-Hispanic



Ethnicity	Percent
Hispanic	37.6%
Non-Hispanic	62.4%

25,145,561 INDIVIDUALS IN TEXAS IN 2010

**HOUSING PROGRAMS**

Racial and ethnic data on housing programs is presented below using two general categories: Renter Programs and Homeowner Programs.

**RENTER PROGRAMS**

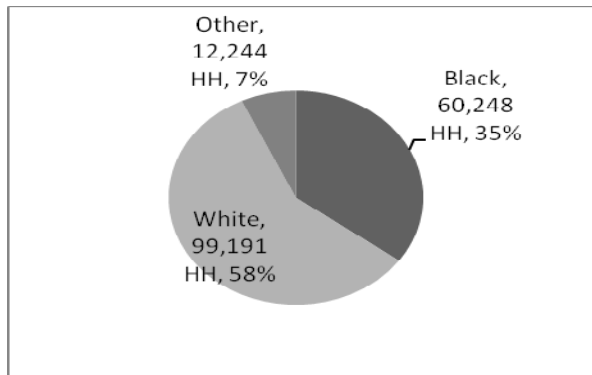
The following charts depict the racial and ethnic composition of households receiving assistance from all TDHCA renter programs. Included in this category are households participating in TDHCA’s Tenant-Based Rental Assistance (TBRA) Program and Section 8 Housing Choice Voucher Program, as well as households residing in TDHCA-funded multifamily properties.

Statement of Activities

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 information about each property, including the racial composition of the tenant population as of December 31 of the given year. Accordingly, the 2011 report is a snapshot of property characteristics on December 31, 2010.

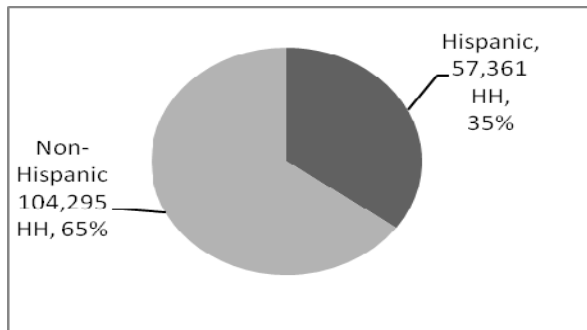
It should be noted that the Housing Sponsor Report does not report on or represent all units financed by TDHCA. Some submitted reports describe properties under construction, which do not yet have occupied units. Some properties did not submit a report and still others did not fill out the report accurately. 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
Black	60,248	35%
White	99,191	58%
Other	12,244	7%

**Assisted Renter Households Ethnic Composition of TDHCA**

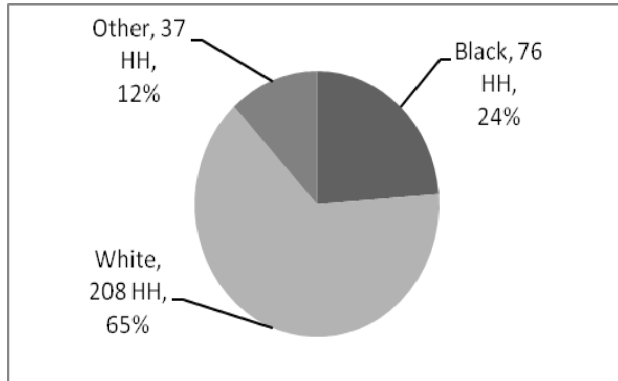


Ethnicity	Households	Percent
Hispanic	57,361	35%
Non-Hispanic	104,295	65%

**HOMEOWNER PROGRAMS**

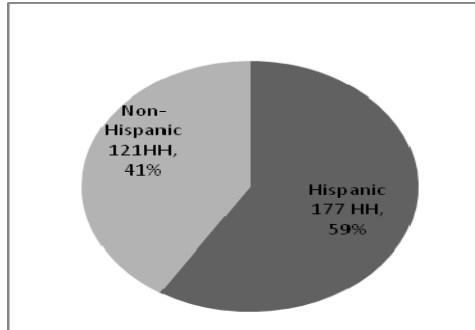
The following charts depict the racial and ethnic composition of households receiving assistance from all TDHCA homeowner programs. TDHCA homeowner assistance comes in the form of three programs: the Single Family Bond Program, HOME Homeowner Rehabilitation Program and HOME Homebuyer Assistance Program. 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**



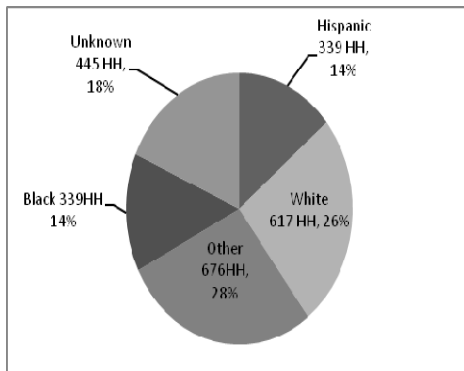
Race	Households	Percent
Black	76	24%
White	208	65%
Other	37	12%

**Ethnic Composition of HOME Program Owner Households**



Ethnicity	Households	Percent
Hispanic	177	59%
Non-Hispanic	121	41%

**Racial & Ethnic Composition of SF Bond Program Owner Households**



Ethnicity	Race	Households	Percent
Hispanic		339	14%
	White	617	26%
	Other	676	28%
	Black	339	14%
	Unknown	445	18%

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 racial composition charts on the State of Texas population report by individuals and TDHCA's programs report by household. For instance, TDHCA programs that serve renters and HOME's homeowner programs serve higher percentages of Black and Hispanic households than the percentage of those populations in the State of Texas.

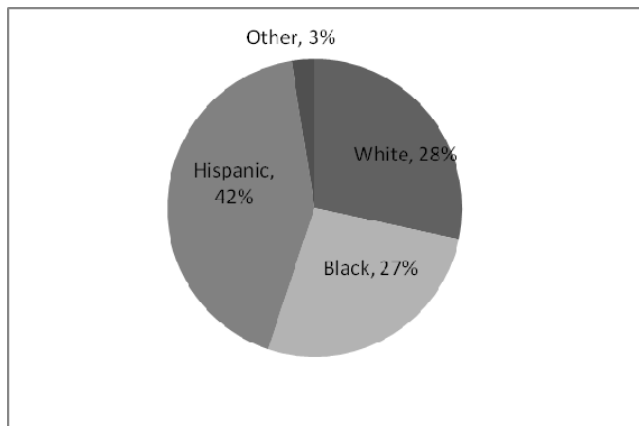
**COMMUNITY AFFAIRS PROGRAMS**

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 Shelter Grant Program (ESGP) reports race and ethnicity as two separate categories.

**WEATHERIZATION ASSISTANCE PROGRAM**

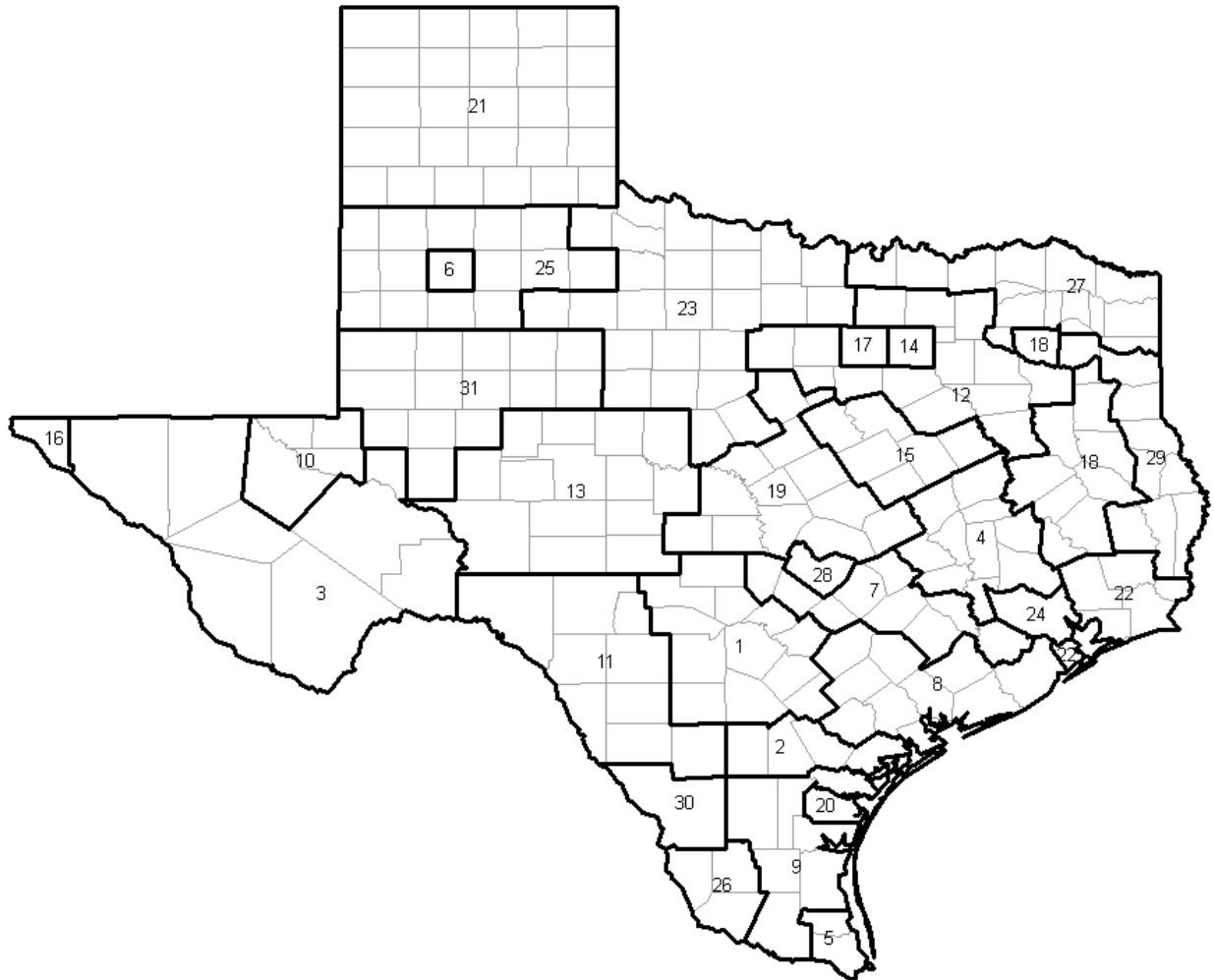
The Weatherization Assistance Program (WAP) funds a network of subrecipient organizations, some of which have a service area that spans across two or more regions. Because of this, WAP racial composition data for FY 2011 is listed according to subcontractor. A map is provided in order to locate subrecipient 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, 2011**



Ethnicity	Race	Percent
Hispanic		42%
	Other	3%
	White	28%
	Black	27%

WAP Subrecipient Service Areas, FY 2011



**Racial and Ethnic Composition of Households Receiving WAP Assistance  
by Subrecipient, Statewide, PY 2010 used in FY 2011**

# 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	\$1,370,044	880	245	101	498	36
2	Bee Community Action Agency	Bee, Live Oak, McMullen, Refugio	\$52,866	21	5	3	13	0
3	Big Bend Community Action Committee, Inc.	Brewster, Crane, Culberson, Hudspeth, Jeff Davis, Pecos, Presidio, Terrell	\$99,169	50	3	0	47	0
4	Brazos Valley Community Action Agency, Inc.	Brazos, Burleson, Grimes, Leon, Madison, Montgomery, Robertson, Walker, Waller, Washington	\$309,017	158	76	58	24	0
5	Cameron And Willacy Counties Community Projects, Inc.	Cameron, Willacy	\$1,038,473	347	11	3	300	33
6	City Of Lubbock	Lubbock	\$329,980	85	9	32	44	0
7	Combined Community Action, Inc.	Austin, Bastrop, Blanco, Caldwell, Colorado, Fayette, Fort Bend, Hays, Lee	\$524,014	259	71	110	72	6
8	Community Action Committee Of Victoria	Aransas, Brazoria, Calhoun, De Witt, Goliad, Gonzales, Jackson, Lavaca, Matagorda, Victoria, Wharton	\$616,535	361	123	80	158	0
9	Community Action Corporation Of South Texas	Brooks, Duval, Hidalgo, Jim Wells, Kenedy, Kleberg, San Patricio	\$1,670,788	917	27	1	888	1
10	Community Council Of Reeves County	Loving, Reeves, Ward, Winkler	\$80,153	20	4	1	15	0
11	Community Services Agency Of South Texas, Inc.	Dimmit, Edwards, Kinney, La Salle, Maverick, Real, Uvalde, Val Verde, Zavala	\$22,652	13	0	0	13	0



Annual Housing Report

Statement of Activities

# on Map	Contractor	WAP Counties Served	PY 2010 Allocations	Households Served	White	Black	Hispanic	Other
12	Community Services, Inc.	Anderson, Collin, Denton, Ellis, Henderson, Hood, Hunt, Johnson, Kaufman, Navarro, Palo Pinto, Parker, Rockwall, Smith, Van Zandt	\$501,358	246	154	61	26	5
13	Concho Valley Community Action Agency	Coke, Coleman, Concho, Crockett, Irion, Kimble, Mcculloch, Menard, Reagan, Runnels, Schleicher, Sterling, Sutton, Tom Green	\$322,815	124	52	7	65	0
14	Dallas County Department Of Health And Human Services	Dallas	\$2,405,438	1040	249	531	231	29
15	Economic Opportunities Advancement Corporation Of Pr Xi	Bosque, Falls, Freestone, Hill, Limestone, McLennan	\$276,975	104	40	56	6	2
16	El Paso Community Action Program, Project Bravo, Inc.	El Paso	\$1,402,879	423	9	3	410	1
17	Fort Worth, City Of, Department Of Housing	Tarrant	\$1,095,621	295	95	129	31	40
18	Greater East Texas Community Action Program (Getcap)	Angelina, Cherokee, Gregg, Houston, Nacogdoches, Polk, Rusk, San Jacinto, Trinity, Wood	\$582,445	401	152	225	24	0
19	Hill Country Community Action Association, Inc.	Bell, Burnet, Coryell, Erath, Hamilton, Lampasas, Llano, Mason, Milam, Mills, San Saba, Somervell, Williamson	\$280,946	304	193	52	56	3
20	Nueces County Community Action Agency	Nueces	\$358,710	68	28	3	36	1
21	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,	\$681,850	240	129	25	82	4

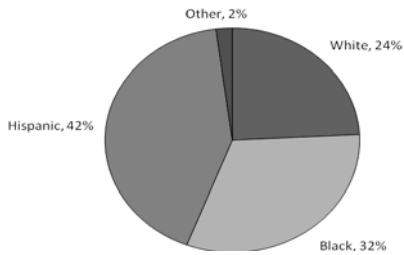
## Statement of Activities

# on Map	Contractor	WAP Counties Served	PY 2010 Allocations	Households Served	White	Black	Hispanic	Other
		Randall, Roberts, Sherman, Swisher, Wheeler						
22	Programs For Human Services, Inc	Chambers, Galveston, Hardin, Jefferson, Liberty, Orange	\$953,879	429	74	295	27	33
23	Rolling Plains Management Corporation	Archer, Baylor, Brown, Callahan, Clay, Comanche, Cottle, Eastland, Foard, Hardeman, Haskell, Jack, Jones, Kent, Knox, Montague, Shackelford, Stephens, Stonewall, Taylor, Throckmorton, Wichita, Wilbarger, Wise, Young	\$393,351	242	152	\$ 44	43	3
24	Sheltering Arms, Inc.	Harris	\$620,405	255	30	\$184	29	12
25	South Plains Community Action Association	Bailey, Cochran, Crosby, Dickens, Floyd, Garza, Hale, Hockley, King, Lamb, Lynn, Motley, Terry, Yoakum	\$161,755	380	105	\$ 43	231	1
26	South Texas Development Council	Jim Hogg, Starr, Zapata	\$176,531	81	0	\$ -	81	-
27	Texoma Council Of Governments	Bowie, Camp, Cass, Cooke, Delta, Fannin, Franklin, Grayson, Hopkins, Lamar, Marion, Morris, Rains, Red River, Titus	\$928,785	461	292	\$153	13	3
28	Travis County	Travis	\$478,565	104	30	\$ 32	41	1
29	Tri-County Community Action, Inc.	Harrison, Jasper, Newton, Panola, Sabine, San Augustine, Shelby, Tyler, Upshur	\$116,190	39	16	\$ 20	3	-
30	Webb County Community Action Agency	Webb	\$-	-	0	\$ -	-	-
31	West Texas Opportunities, Inc.	Andrews, Borden, Dawson, Ector, Fisher, Gaines, Glasscock, Howard, Martin, Midland, Mitchell, Nolan, Scurry, Upton	\$344,484	148	35	\$ 20	93	-
		<b>Total</b>	<b>\$18,196,672</b>	<b>8,495</b>	<b>2,409</b>	<b>2,272</b>	<b>3,600</b>	<b>214</b>

**COMPREHENSIVE ENERGY ASSISTANCE PROGRAM**

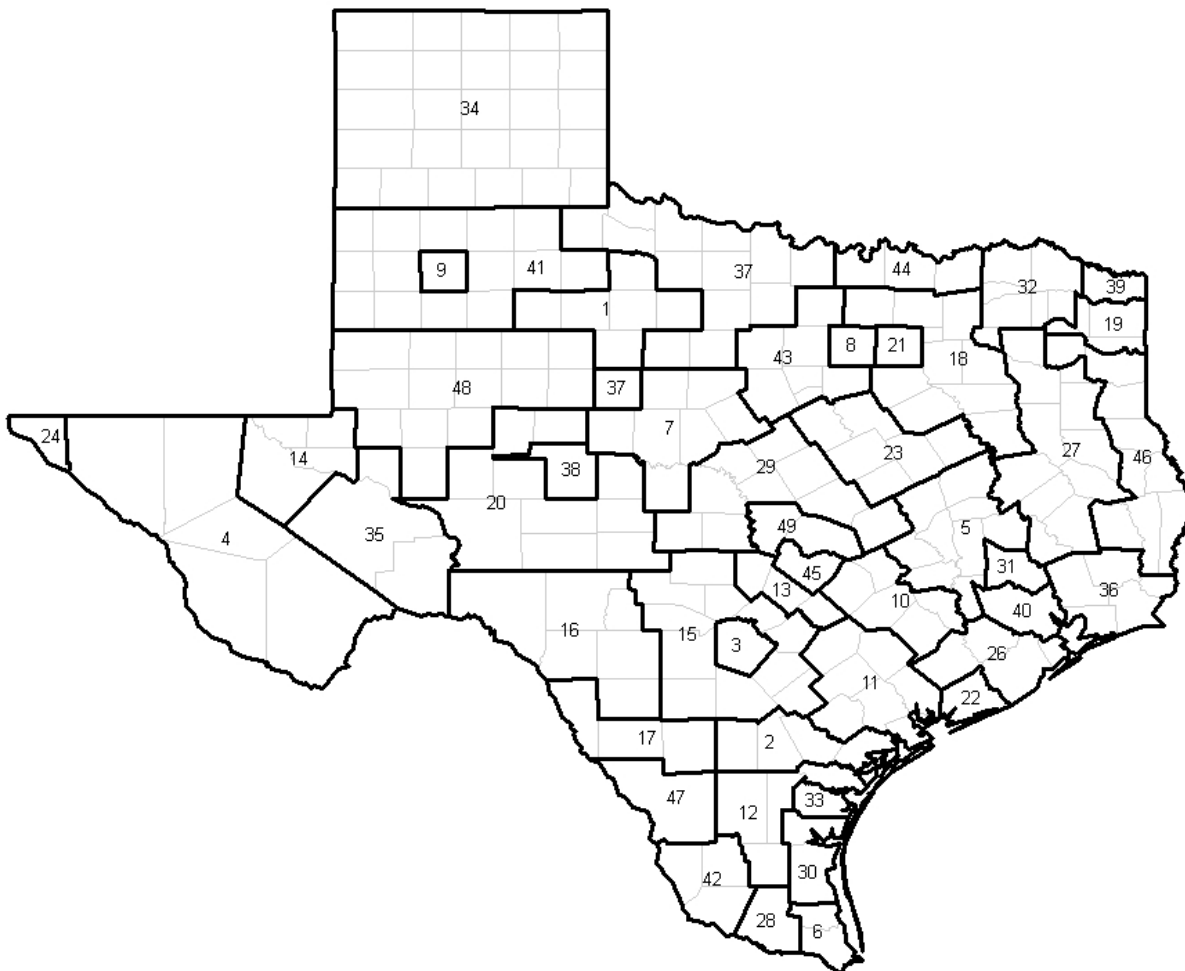
The Comprehensive Energy Assistance Program (CEAP) funds a network of subrecipient organizations, some of which have a service area that spans across two or more regions. Because of this, CEAP racial composition data for FY 2011 is listed according to subcontractor. A map is provided in order to locate 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 2011**



Ethnicity	Race	Percent
Hispanic		42%
	Other	2%
	White	24%
	Black	32%

**CEAP Subrecipient Service Areas, FY 2011**



**Racial and Ethnic Composition of Households Receiving CEAP Assistance  
By Subrecipient, Statewide, FY 2011**

# on Map	Subrecipient	Counties Served	Allocation	Beneficiaries	White	Black	Hispanic	Other
1	Aspermont Small Business Development Center, Inc.	Haskell, Jones, Kent, Knox, Stonewall, Throckmorton	\$183,167	874	430	117	320	7
2	Bee Community Action Agency	Bee, Live Oak, McMullen, Refugio	\$754,766	843	107	48	681	7
3	Bexar County Dept. Of Community Investment	Bexar	\$8,223,786	13,497	1,220	1,695	10,190	392
4	Big Bend Community Action Committee, Inc.	Brewster, Culberson, Hudspeth, Jeff Davis, Presidio	\$1,170,001	1,853	196	7	1,637	13
5	Brazos Valley Community Action Agency, Inc.	Brazos, Burleson, Grimes, Leon, Madison, Robertson, Walker, Waller, Washington	\$2,678,306	5,216	1,545	3,135	398	138
6	Cameron And Willacy Counties Community Projects, Inc.	Cameron, Willacy	\$5,394,305	7,860	126	34	7,700	-
7	Central Texas Opportunities, Inc.	Brown, Callahan, Coleman, Comanche, Eastland, McCulloch, Runnels	\$425,794	1,650	1,231	87	319	13
8	City Of Fort Worth Parks & Community Services Department	Tarrant	\$1,496,178	5,388	1,277	3,178	854	79
9	City Of Lubbock	Lubbock	\$2,008,390	2,021	515	589	902	15
10	Combined Community Action, Inc.	Austin, Bastrop, Colorado, Fayette, Lee	\$1,029,606	1,676	582	843	247	4
11	Community Action Committee Of Victoria	Aransas, Calhoun, De Witt, Goliad, Gonzales, Jackson, Lavaca, Victoria	\$2,049,666	3,612	891	931	1,776	14
12	Community Action Corporation Of South Texas	Brooks, Duval, Jim Wells, San Patricio	\$1,502,848	2,094	132	28	1,893	41
13	Community Action Inc., Of Hays, Caldwell And Blanco Counties	Blanco, Caldwell, Hays	\$840,669	1,331	535	197	579	20

**Annual Housing Report**

**Statement of Activities**

<b># on Map</b>	<b>Subrecipient</b>	<b>Counties Served</b>	<b>Allocation</b>	<b>Beneficiaries</b>	<b>White</b>	<b>Black</b>	<b>Hispanic</b>	<b>Other</b>
14	Community Council Of Reeves County	Loving, Reeves, Ward, Winkler	\$304,608	944	153	78	713	-
15	Community Council Of South Central Texas, Inc.	Atascosa, Bandera, Comal, Frio, Gillespie, Guadalupe, Karnes, Kendall, Kerr, Medina, Wilson	\$3,304,000	6,462	1,934	282	4,185	61
16	Community Council Of Southwest Texas, Inc.	Edwards, Kinney, Real, Uvalde, Val Verde, Zavala	\$1,032,050	3,269	150	18	3,075	26
17	Community Services Agency Of South Texas, Inc.	Dimmit, La Salle, Maverick	\$129,056	537	2	1	531	3
18	Community Services Inc.	Anderson, Collin, Denton, Ellis, Henderson, Hunt, Kaufman, Navarro, Rockwall, Van Zandt	\$4,140,893	6,324	3,273	2,123	724	204
19	Community Services Of Northeast Texas, Inc.	Camp, Cass, Marion, Morris	\$ 914,600	1,401	533	827	34	7
20	Concho Valley Community Action Agency	Coke, Concho, Crockett, Irion, Kimble, Menard, Reagan, Schleicher, Sterling, Sutton, Tom Green	\$ 468,871	1,296	469	63	747	17
21	Dallas County Department Of Health And Human Services	Dallas	\$9,589,126	8,352	869	6,303	1,079	101
22	Economic Action Committee Of The Gulf Coast	Matagorda	\$254,636	591	255	261	70	5
23	Economic Opportunities Advancement Corporation Of Pr Xi	Bosque, Falls, Freestone, Hill, Limestone, McLennan	\$2,876,564	4,381	1,222	2,450	667	42
24	El Paso Community Action Program, Project Bravo, Inc.	El Paso	\$5,381,864	11,810	401	256	11,026	127
25	Fort Worth, City Of, Department Of Housing	Tarrant	\$1,134,129	3,970	960	2,188	762	60

**Annual Housing Report**

**Statement of Activities**

<b># on Map</b>	<b>Subrecipient</b>	<b>Counties Served</b>	<b>Allocation</b>	<b>Beneficiaries</b>	<b>White</b>	<b>Black</b>	<b>Hispanic</b>	<b>Other</b>
26	Galveston County Community Action Council, Inc.	Brazoria, Fort Bend, Galveston, Wharton	\$3,336,114	4,316	752	2,455	1,065	44
27	Greater East Texas Community Action Program (Getcap)	Angelina, Cherokee, Gregg, Houston, Nacogdoches, Polk, Rusk, San Jacinto, Smith, Trinity, Wood	\$3,788,504	9,542	3,447	5,526	535	34
28	Hidalgo County Community Services Agency	Hidalgo	\$1,411,920	8,499	88	20	8,371	20
29	Hill Country Community Action Association, Inc.	Bell, Coryell, Hamilton, Lampasas, Llano, Mason, Milam, Mills, San Saba	\$2,490,607	3,648	2,098	763	724	63
30	Kleberg County Human Services	Kenedy, Kleberg	\$972,306	1,320	60	75	1,178	7
31	Montgomery County Emergency Assistance	Montgomery	\$1,136,140	5,949	3,929	1,463	373	184
32	Northeast Texas Opportunities, Inc	Delta, Franklin, Hopkins, Lamar, Rains, Red River, Titus	\$422,707	1,343	732	531	70	10
33	Nueces County Community Action Agency	Nueces	\$2,994,893	2,273	128	440	1,689	16
34	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	\$1,828,920	12,037	5,048	1,620	5,369	-
35	Pecos County Community Action Agency	Crane, Pecos, Terrell	\$376,556	1,019	91	15	902	11
36	Programs For Human Services, Inc	Chambers, Hardin, Jefferson, Liberty, Orange	\$2,963,144	3,669	1,031	2,414	74	150

Annual Housing Report

Statement of Activities

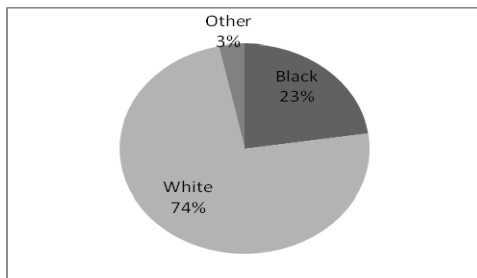
# on Map	Subrecipient	Counties Served	Allocation	Beneficiaries	White	Black	Hispanic	Other
37	Rolling Plains Management Corporation	Archer, Baylor, Clay, Cottle, Foard, Hardeman, Jack, Montague, Shackelford, Stephens, Taylor, Wichita, Wilbarger, Young	\$1,323,354	3,840	2,096	823	792	129
38	San Angelo-Tom Green County Health Department	Tom Green	\$149,863	259	83	25	144	7
39	Senior Citizens Services Of Texarkana, Inc.	Bowie	\$ 274,366	1,012	246	756	7	3
40	Sheltering Arms, Inc.	Harris	\$21,058,401	25,504	2,504	17,495	3,677	1,828
41	South Plains Community Action Association	Bailey, Cochran, Crosby, Dickens, Floyd, Garza, Hale, Hockley, King, Lamb, Lynn, Motley, Terry, Yoakum	\$1,253,088	6,044	1,215	556	4,205	68
42	South Texas Development Council	Jim Hogg, Starr, Zapata	\$1,757,716	1,897	15	9	1,870	3
43	Texas Neighborhood Services	Erath, Hood, Johnson, Palo Pinto, Parker, Somervell, Wise	\$2,084,310	2,641	2,278	97	235	31
44	Texoma Council Of Governments	Cooke, Fannin, Grayson	\$1,588,537	2,003	1,468	419	78	38
45	Travis County	Travis	\$ 3,807,332	5,146	981	2,103	1,904	158
46	Tri-County Community Action, Inc.	Harrison, Jasper, Newton, Panola, Sabine, San Augustine, Shelby, Tyler, Upshur	\$2,251,454	3,184	1,193	1,937	47	7
47	Webb County Community Action Agency	Webb	\$95,549	460	-	-	460	-
48	West Texas Opportunities, Inc.	Andrews, Borden, Dawson, Ector, Fisher, Gaines, Glasscock, Howard, Loving, Martin, Midland, Mitchell, Nolan, Reeves, Scurry, Upton, Ward, Winkler	\$2,710,856	5,696	1,599	842	3,153	102
49	Williamson-Burnet County Opportunities, Inc.	Burnet, Williamson	\$608,185	1,329	687	289	341	12
<b>Total</b>			<b>\$117,972,702</b>	<b>209,882</b>	<b>50,777</b>	<b>66,412</b>	<b>88,372</b>	<b>4,321</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 2011 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.

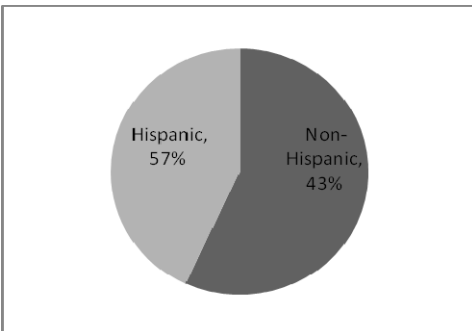
**Racial and Ethnic Composition of Individuals Receiving CSBG Assistance, Statewide, FY 2011**

**Racial Composition**



Race	Percent
Other	3%
White	74%
Black	23%

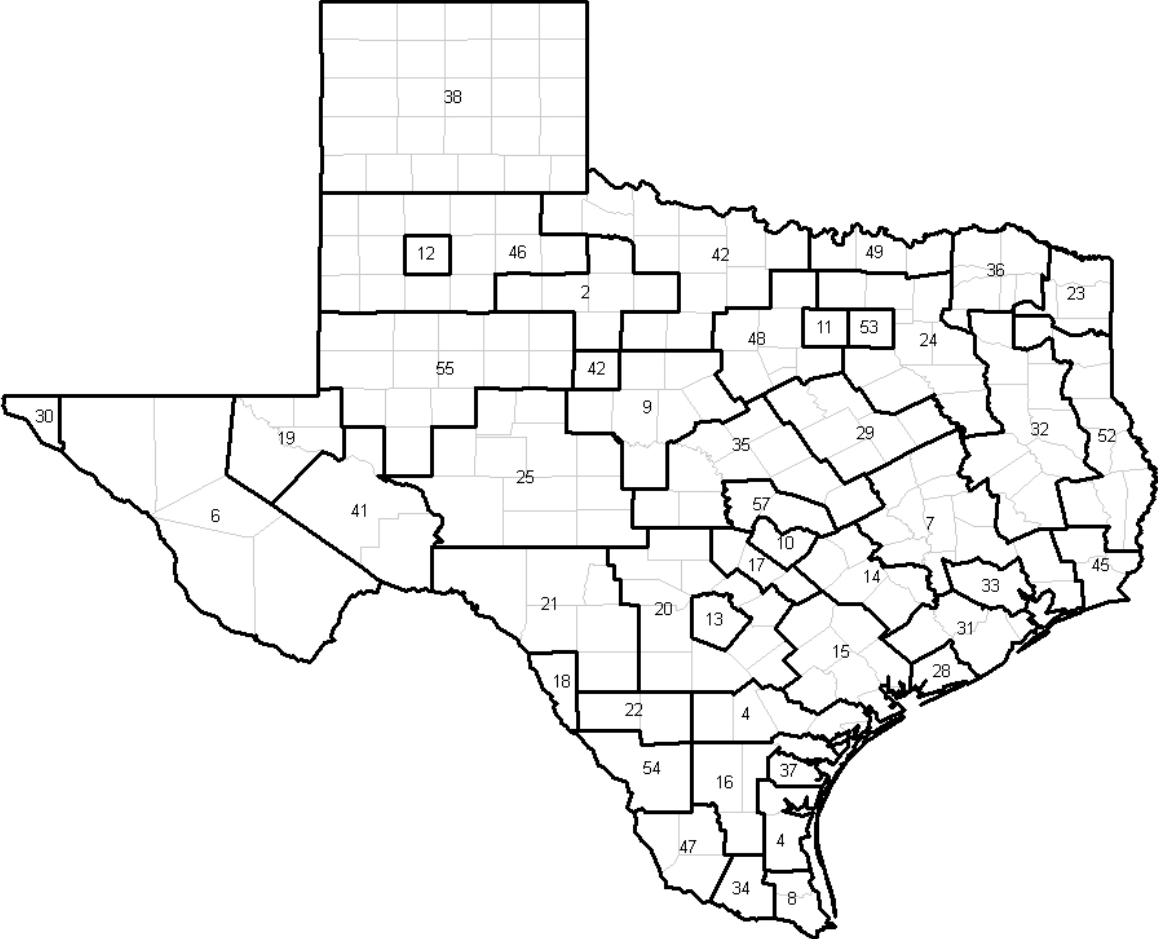
**Ethnic Composition**



Ethnicity	Percent
Hispanic	57%
Non-Hispanic	43%



CSBG Subrecipient Service Areas, FY 2011



**Racial Composition of Individuals Receiving CSBG Assistance by Subcontractor,  
Statewide, FY 2011**

# on Map	Contractor	Counties Served	Allocation	Individuals Served	Black	White	Other	Hispanic	Non-Hispanic
1	^Alabama-Coushatta Tribe of Texas	Polk, Tyler	\$100,000	49	2	1	46	0	49
2	Aspermont Small Business Development Center, Inc.	Haskell, Jones, Kent, Knox, Stonewall, Throckmorton	\$150,000	1,839	198	788	853	887	952
3	^Asociacion Pro Servicios Sociales, Inc	Jim Hogg, Starr, Webb, Zapata	\$125,000	98	0	98	0	98	0
4	*Bee Community Action Agency	Aransas, Bee, Kenedy, Kleberg, Live Oak, McMullen, Refugio	\$338,045	3,776	229	3,502	45	2,878	898
5	^Bexar County	Bexar	\$76,179	0	0	0	0	0	0
6	Big Bend Community Action Committee, Inc.	Brewster, Culberson, Hudspeth, Jeff Davis, Presidio	\$156,344	3,459	20	3,254	185	3,097	362
7	Brazos Valley Community Action Agency, Inc.	Brazos, Burleson, Chambers, Grimes, Leon, Liberty, Madison, Montgomery, Robertson, Walker, Waller, Washington	\$957,988	15,538	8,625	6,277	636	3,680	11,858
8	Cameron and Willacy Counties Community Projects, Inc.	Cameron, Willacy	\$996,300	14,990	20	14,970	0	14,885	105
9	Central Texas Opportunities, Inc.	Brown, Callahan, Coleman, Comanche, Eastland, McCulloch, Runnels	\$222,642	3,527	166	3,249	112	910	2,617
10	City of Austin, Health And Human Services Department	Travis	\$892,679	4,900	1,651	2,671	578	2,733	2,167
11	City of Fort Worth Parks & Community Services Department	Tarrant	\$1,371,360	34,628	12,877	21,051	700	17,086	17,542
12	City of Lubbock	Lubbock	\$401,833	5,786	1,439	3,449	898	2,993	2,793

**Annual Housing Report**

**Statement of Activities**

<b># on Map</b>	<b>Contractor</b>	<b>Counties Served</b>	<b>Allocation</b>	<b>Individuals Served</b>	<b>Black</b>	<b>White</b>	<b>Other</b>	<b>Hispanic</b>	<b>Non-Hispanic</b>
13	City of San Antonio, The Department Of Human Services	Bexar	\$1,926,262	62,071	7,215	53,988	868	50,639	11,432
14	*Combined Community Action, Inc.	Austin, Bastrop, Colorado, Fayette, Lee	\$252,968	3,424	1,585	1,781	58	724	2,700
15	Community Action Committee of Victoria	Calhoun, De Witt, Goliad, Gonzales, Jackson, Lavaca, Victoria	\$297,131	8,326	1,840	6,383	103	4,850	3,476
16	*Community Action Corporation of South Texas	Brooks, Duval, Jim Wells, San Patricio	\$308,319	\$5,349	\$84	\$5,254	\$11	\$4,978	\$371
17	*Community Action Inc., of Hays, Caldwell And Blanco Counties	Blanco, Caldwell, Hays	\$252,903	3,536	438	2,998	100	2,119	1,417
18	*Community Action Social Services & Education, Inc.	Maverick	\$265,388	868	-	868	-	867	1
19	Community Council Of Reeves County	Loving, Reeves, Ward, Winkler	\$215,972	1,088	92	554	442	833	255
20	*Community Council of South Central Texas, Inc.	Atascosa, Bandera, Comal, Frio, Gillespie, Guadalupe, Karnes, Kendall, Kerr, Medina, Wilson	\$648,003	15,381	545	14,712	124	10,482	4,899
21	Community Council of Southwest Texas, Inc.	Edwards, Kinney, Real, Uvalde, Val Verde, Zavala	\$271,754	506	3	495	8	473	33
22	Community Services Agency Of South Texas, Inc.	Dimmit, La Salle	\$150,000	1,226	3	1,217	6	1,217	9
23	Community Services of Northeast Texas, Inc.	Bowie, Camp, Cass, Marion, Morris,	\$279,664	2,701	1,349	1,069	283	204	2,497
24	Community Services, Inc.	Anderson, Collin, Denton, Ellis, Henderson, Hunt, Kaufman, Navarro, Rockwall, Van Zandt	\$1,048,427	17,833	6,060	11,140	633	2,821	15,012

**Annual Housing Report**

**Statement of Activities**

<b># on Map</b>	<b>Contractor</b>	<b>Counties Served</b>	<b>Allocation</b>	<b>Individuals Served</b>	<b>Black</b>	<b>White</b>	<b>Other</b>	<b>Hispanic</b>	<b>Non-Hispanic</b>
25	*Concho Valley Community Action Agency	Coke, Concho, Crockett, Irion, Kimble, Menard, Reagan, Schleicher, Sterling, Sutton, Tom Green	\$303,710	3,051	189	2,815	47	1,870	1,181
26	^Dallas Inter-Tribal Center of Texas	Collin, Dallas, Denton, Ellis, Hood, Johnson, Kaufman, Parker, Rockwall	\$125,000	238	3	8	227	46	192
27	^Depelchin Children's Center	Harris	\$123,409	7	6	1	0	2	5
28	Economic Action Committee of The Gulf Coast	Matagorda	\$150,000	1,379	475	882	22	530	849
29	Economic Opportunities Advancement Corporation of Planning Region XI	Bosque, Falls, Freestone, Hill, Limestone, McLennan	\$509,926	11,523	6,159	5,083	281	2,255	9,268
30	El Paso Community Action Program, Project Bravo, Inc.	El Paso	\$1,417,351	36,122	650	35,165	307	34,296	1,826
31	Galveston County Community Action Council, Inc.	Brazoria, Fort Bend, Galveston, Wharton	\$824,300	9,456	5,136	4,099	221	2,849	6,607
32	Greater East Texas Community Action Program (GETCAP)	Angelina, Cherokee, Gregg, Houston, Nacogdoches, Polk, Rusk, San Jacinto, Smith, Trinity, Wood	\$940,236	23,549	12,373	10,812	364	2,438	21,111
33	Gulf Coast Community Services Association	Harris	\$4,419,357	6,614	3,791	2,688	135	2,361	4,253
34	*Hidalgo County Community Services Agency	Hidalgo	\$1,782,521	23,126	52	22,826	248	22,859	267
35	Hill Country Community Action Association, Inc.	Bell, Coryell, Hamilton, Lampasas, Llano, Mason, Milam, Mills, San Saba	\$472,747	6,207	1,252	4,744	211	1,392	4,815

**Annual Housing Report**

**Statement of Activities**

<b># on Map</b>	<b>Contractor</b>	<b>Counties Served</b>	<b>Allocation</b>	<b>Individuals Served</b>	<b>Black</b>	<b>White</b>	<b>Other</b>	<b>Hispanic</b>	<b>Non-Hispanic</b>
36	Northeast Texas Opportunities, Inc	Delta, Franklin, Hopkins, Lamar, Rains, Red River, Titus	\$260,770	4,238	1,608	2,203	427	321	3,917
37	*Nueces County Community Action Agency	Nueces	\$578,243	4,009	618	3,265	126	3,112	897
38	Panhandle Community Services	Armstrong, Briscoe, Carson, Castro, Childress, Collingsworth, Dallum, Deaf Smith, Donley, Gray, Hall, Hansford, Hartley, Hemphill, Hutchinson, Lipscomb, Moore, Ochiltree, Oldham, Parmer, Potter, Randall, Roberts, Sherman, Swisher, Wheeler	\$612,957	20,408	4,122	15,779	507	10,049	10,359
39	^Project ARRIBA	El Paso	\$125,000	54	0	54	0	54	0
40	^Project Quest, Inc.	Atascosa, Bandera, Bexar, Comal, Frio, Gillespie, Guadalupe, Karnes, Kendall, Kerr, Medina, Wilson	\$125,000	812	177	560	75	586	226
41	Pecos County Community Action Agency	Crane, Pecos, Terrell	\$150,000	1,835	14	1,811	10	1,651	184
42	*Rolling Plains Management Corporation	Archer, Baylor, Clay, Cottle, Foard, Hardeman, Jack, Montague, Shackelford, Stephens, Taylor, Wichita, Wilbarger, Young	\$498,569	7,263	1,386	3,359	2,518	2,239	5,024
43	^Seton Home	Bexar	\$125,000	145	24	59	62	119	26
44	^Sin Fronteras Organizing Project	El Paso	\$125,000	1,634	0	1,634	0	1,633	1
45	*South East Texas Regional Planning Commission	Hardin, Jefferson, Orange	\$590,970	3,013	1,757	1,201	55	161	2,852

**Annual Housing Report**

**Statement of Activities**

<b># on Map</b>	<b>Contractor</b>	<b>Counties Served</b>	<b>Allocation</b>	<b>Individuals Served</b>	<b>Black</b>	<b>White</b>	<b>Other</b>	<b>Hispanic</b>	<b>Non-Hispanic</b>
46	*South Plains Community Action Association	Bailey, Cochran, Crosby, Dickens, Floyd, Garza, Hale, Hockley, King, Lamb, Lynn, Motley, Terry, Yoakum	\$505,446	9,530	684	8,667	179	7,228	2,302
47	South Texas Development Council	Jim Hogg, Starr, Zapata	\$303,716	2,910	9	2,847	54	2,879	31
48	Texas Neighborhood Services	Erath, Hood, Johnson, Palo Pinto, Parker, Somervell, Wise	\$379,259	5,788	294	5,366	128	802	4,986
49	Texoma Council of Governments	Cooke, Fannin, Grayson	\$235,730	2,774	649	2,083	42	124	2,650
50	^Texas Council on Family Violence	Travis, Bexar, El Paso	\$125,000	494	5	470	19	461	33
51	^Travis County Domestic Violence and Sexual Assault DBA Safeplace	Travis	\$50,255	965	164	674	127	519	446
52	Tri-County Community Action, Inc.	Harrison, Jasper, Newton, Panola, Sabine, San Augustine, Shelby, Tyler, Upshur	\$391,974	4,552	2,530	1,965	60	110	4,442
53	*Urban League of Greater Dallas	Dallas	\$2,685,072	8,274	5,875	1,618	781	1,526	6,748
54	Webb County Community Action Agency	Webb	\$550,379	1,158	0	1,158	0	1,158	0
55	*West Texas Opportunities, Inc.	Andrews, Borden, Dawson, Ector, Fisher, Gaines, Glasscock, Howard, Martin, Midland, Mitchell, Nolan, Scurry, Upton	\$709,462	12,695	1,737	10,675	283	7,897	4,798
56	^West Central Texas Council of Governments	Jones, Taylor	\$50,000	1	0	1	0	0	1
57	*Williamson-Burnet County Opportunities, Inc.	Burnet, Williamson	\$241,499	5,794	1,203	4,319	272	1,987	3,807
<b>TOTAL</b>			<b>\$32,193,019</b>	<b>430,517</b>	<b>97,383</b>	<b>318,660</b>	<b>14,477</b>	<b>244,968</b>	<b>185,549</b>

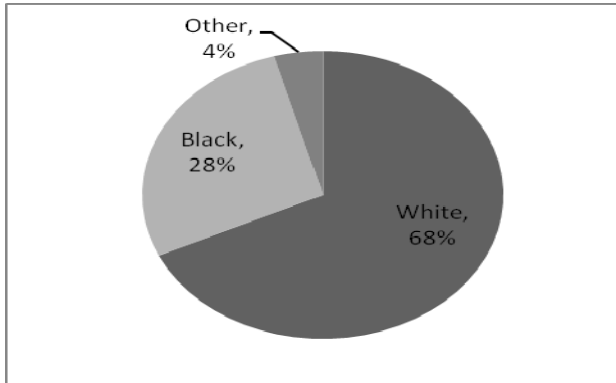
\*These contractors received CSBG annual allocation for their service area and discretionary funds for specialized activities for a few counties that fall outside their service area.

^These contractors only received discretionary funds for specialized activities.

**EMERGENCY SHELTER GRANTS PROGRAM**

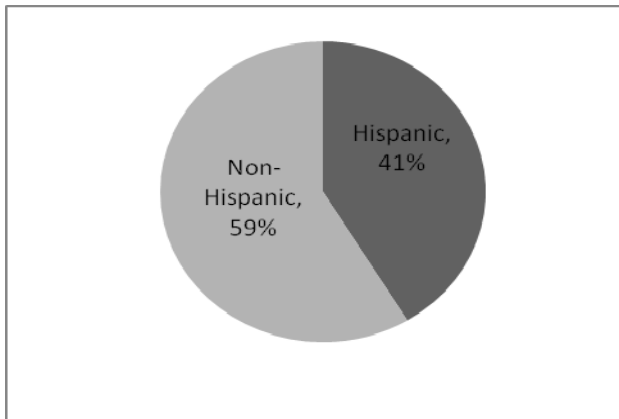
The Emergency Shelter Grants Program (ESGP) funds a network of subrecipient organizations, some of which have a service area that spans across two or more regions or multiple sub-recipients serve the same area. Because of this, ESGP racial composition data for FY 2011 is listed according to subrecipient. Racial composition for the state is available, but unavailable at the regional level.

**Racial Composition of Individuals Receiving ESGP Assistance, Statewide, FY 2011**



Race	Percent
Other	4%
White	68%
Black	28%

**Ethnic Composition of Individuals Receiving ESGP Assistance, Statewide, FY 2011**



Ethnicity	Percent
Hispanic	41%
Non-Hispanic	59%

**Racial and Ethnic Composition of Individuals Receiving ESGP Assistance  
By Subrecipient, Statewide, FY 2011**

<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	\$71,000	23	20	2	1	2	21
ACH Child and Family Services	Tarrant	\$71,000	231	101	124	6	56	175
Advocacy Outreach	Bastrop	\$71,000	612	342	183	87	240	372
Amarillo, City of	Potter	\$117,121	3,792	2,802	782	208	687	3105
Angel Outreach, Inc.	Harris	\$70,334	713	66	644	3	37	676
Bastrop County Women's Shelter	Bastrop, Fayette, Lee	\$56,800	487	302	96	89	137	350
Bay Area Homeless Services, Inc.	Harris, Liberty, Chambers	\$57,710	623	401	204	18	90	533
Bishop Enrique San Pedro Ozanam Center, Inc., The	Cameron	\$212,945	3,974	3,932	27	15	3704	270
Bridge Over Troubled Waters, Inc., The	Harris	\$49,700	298	219	54	25	139	159
Child Crisis Center of El Paso	El Paso	\$52,916	490	426	38	26	401	89
Compassion Ministries of Waco	McLennan	\$21,300	151	102	33	16	54	97
Connections Individual and Family Services, Inc.	Comal, San Patricio, Atascosa, Bastrop, Bee, Caldwell, Frio Goliad, Gonzales, Guadalupe, Karnes, Lee, Live Oak, McMullen, Refugio, Wilson, Zavala	\$71,000	348	314	32	2	217	131
Corpus Christi Hope House, Inc.	Nueces, San Patricio	\$60,424	96	94	2	0	59	37
Corpus Christi Metro Ministries, Inc.	Nueces, San Patricio	\$53,250	72	67	5	0	59	13
El Paso Villa Maria	El Paso	\$25,560	77	69	8	0	56	21



## Statement of Activities

Contractor	County Service Area	Award	Total Individuals	White	Black	Other	Hispanic	Non-Hispanic
Faith Mission and Help Center, Inc.	Washington	\$63,254	414	180	232	2	33	381
Families In Crisis, Inc.	Bell, Coryell and Hamilton	\$61,691	766	367	283	116	137	629
Family Abuse Center, Inc.	McLennan, Falls, Bosque, Freestone, Limestone, Hill, Navarro	\$56,485	483	338	103	42	145	338
Family Crisis Center, Inc.	Cameron and Willacy Counties	\$71,000	1,031	1,013	5	13	977	54
Family Gateway, Inc.	Dallas	\$49,700	388	35	335	18	17	371
Family Place, The	Dallas	\$90,854	652	277	309	66	199	453
Family Violence Prevention Services, Inc.	Bexar	\$71,000	1,639	1,302	215	122	1097	542
Four Rivers Outreach	Grayson	\$71,000	235	171	36	28	23	212
Friendship of Women, Inc.	Cameron	\$142,000	1,094	1,082	1	11	1071	23
Grayson County Juvenile Alternatives, Inc.	Grayson, Fannin, Cooke	\$47,247	25	17	5	3	3	22
Grayson County Shelter	Grayson	\$64,120	226	177	39	10	3	223
Hays County Women's Center	Hays, Caldwell	\$92,569	671	556	78	37	419	252
Hope's Door	Collin	\$21,300	713	435	257	21	214	499
Houston Area Women's Center	Harris	\$63,629	4,571	3,384	1,019	168	2876	1695
Institute of Cognitive Development, Inc.	Tom Green	\$21,300	348	277	30	41	176	172
Interfaith Housing Coalition	Dallas	\$70,805	392	60	332	0	143	249
International AIDS Empowerment	El Paso	\$38,979	88	86	1	1	77	11
Irving, City of	Dallas	\$73,840	39	32	7	0	26	13
Johnson County Family Crisis Center	Johnson	\$71,000	274	193	63	18	45	229
La Posada Home, Inc.	El Paso	\$55,804	282	272	4	6	279	3

## 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>
Loaves & Fishes of the Rio Grande Valley, Inc.	Cameron, Willacy	\$71,000	2,393	2,323	48	22	1929	464
Love I.N.C. of Nacogdoches	Nacogdoches	\$51,585	181	40	133	8	6	175
Matagorda County Women's Crisis Center, Inc.	Matagorda, Wharton	\$59,218	1,214	907	245	62	496	718
Memorial Assistance Ministries	Harris	\$88,289	371	202	169	0	186	185
Midland Fair Havens, Inc.	Midland	\$68,870	1,385	1,040	342	3	665	720
Missions of Yahweh, Inc., The	Harris	\$87,167	140	50	82	8	9	131
Northwest Assistance Ministries	Harris, Montgomery	\$71,000	139	17	113	9	7	132
Opportunity Center for the Homeless	El Paso	\$91,151	2,187	1,909	232	46	1345	842
Panhandle Crisis Center, Inc.	Ochiltree, Hansford, Lipscomb	\$37,080	619	588	2	29	367	252
Port Cities Rescue Mission Ministries	Jefferson, Harding, Orange	\$71,000	435	156	256	23	12	423
Project Vida	El Paso	\$27,421	98	95	3	0	94	4
Promise House, Inc.	Dallas	\$71,000	135	60	73	2	29	106
Providence Ministry Corp. dba La Posada Providencia	Cameron and Willacy	\$46,813	200	166	23	11	148	52
Randy Sam's Outreach Shelter, Inc.	Bowie	\$62,717	706	491	204	11	4	702
Refuge Corporation, The	Coryell	\$62,322	231	70	147	14	32	199
Sabine Valley Regional MHMR Center	Bowie, Cass, Gregg, Harrison, Marion, Panola, Red River, Rusk, Upshur	\$39,969	62	32	30	0	2	60
Safe Haven of Tarrant County	Tarrant	\$71,000	2,341	1,165	933	243	589	1752
Salvation Army Denton Corps	Denton	\$71,000	1,049	819	204	26	72	977

## Statement of Activities

Contractor	County Service Area	Award	Total Individuals	White	Black	Other	Hispanic	Non-Hispanic
Salvation Army of Abilene	Taylor, Callahan, Runnels, Jones	\$56,682	457	385	72	0	70	387
Salvation Army of Corpus Christi	Nueces	\$71,000	1,420	1,190	214	16	531	889
Salvation Army of Galveston	Galveston	\$70,733	720	536	154	30	43	677
Salvation Army of Longview	Gregg	\$43,226	1,051	655	387	9	43	1008
Salvation Army of Lubbock	Lubbock	\$71,000	1,002	656	309	37	256	746
Salvation Army of Odessa	Ector	\$35,329	397	346	51	0	135	262
Salvation Army of Tyler	Smith	\$71,000	1,434	895	519	20	100	1334
Salvation Army of Waco	McLennan	\$78,332	828	437	387	4	115	713
San Antonio Metropolitan Ministry, Inc.	Bexar	\$213,000	2,045	1,539	428	78	780	1265
Santa Maria Hostel, Inc.	Harris	\$71,000	183	78	97	8	13	170
SEARCH	Harris	\$128,754	5,392	1,726	3,418	248	525	4867
Seton Home	Bexar	\$90,353	103	93	10	0	70	33
South Plains Community Action Association	Bailey, Crosby, Cochran, Dickens, Floyd, Garza, Hale, Hockley, King, Lamb, Lynn, Matador, Terry, Yoakum	\$71,000	196	186	1	9	163	33
South Texas Adult Resource and Training Center	Cameron	\$70,996	289	289	0	0	288	1
Star of Hope Mission	Harris	\$71,000	2,007	503	1,494	10	230	1777
Travis County Domestic Violence and Sexual Assault Survival Center dba SafePlace	Travis	\$56,800	2,639	1,748	507	384	1268	1371
Twin City Mission	Brazos, Burleson, Grimes, Leon, Madison, Milam, Robertson	\$34,293	550	325	204	21	82	468
Vogel Alcove	Dallas, Collin	\$32,305	507	154	310	43	69	438

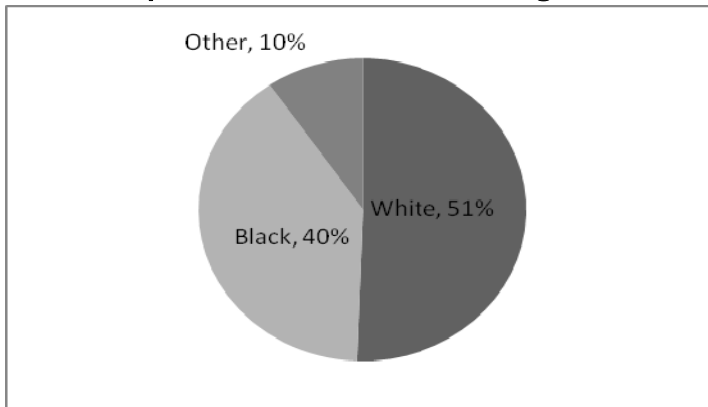
## Statement of Activities

<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>
Westside Homeless Partnership	Harris	\$46,150	680	539	100	41	487	193
Women Together Foundation, Inc.	Hidalgo	\$71,000	596	595	1	0	587	9
Womens Home, The	Harris and surrounding counties	\$80,536	78	62	14	2	6	72
Women's Shelter of East Texas, Inc.	Angelina, Nacogdoches, Polk, Houston, San Augustine, San Jacinto, Shelby, Sabine and Trinity	\$41,524	272	188	68	16	72	200
Womens Shelter of South Texas	Aransas, Bee, Brooks, Duval, Jim Wells, Kenedy, Kleberg, Live Oak, McMullen, Nueces, Refugio, San Patricio	\$70,991	941	799	95	47	627	314
Youth and Family Alliance dba LifeWorks	Travis	\$61,770	82	58	22	2	34	48
<b>Total</b>		<b>\$5,217,013</b>	<b>64,073</b>	<b>43,623</b>	<b>17,689</b>	<b>2,761</b>	<b>26,484</b>	<b>37,589</b>

**HOMELESS HOUSING AND SERVICES PROGRAM**

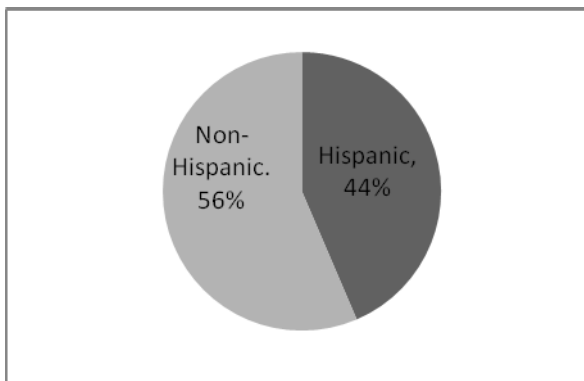
The Homeless Housing and Services Program (HHSP) assists large metropolitan areas to provide services to homeless individuals and families, including services such as case management, housing placement and retention, as well as construction. Beginning in 2010, funding for this program was awarded by 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 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**



Race	Percent
Other	10%
White	51%
Black	40%

**Ethnic Composition of Individuals Receiving HHSP Assistance, Statewide**



Ethnicity	Percent
Hispanic	44%
Non-Hispanic	56%

Note: The performance data/beneficiary data for HHSP covers September 2010 through August 2011.

**Racial and Ethnic Composition of Individuals Receiving HHSP Assistance  
By Subrecipient, Statewide for 2010 to 2011**

<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 Austin, Health and Human Services Dept.	Travis	1,922,498	812	491	263	58	278	534
Haven for Hope of Bexar County	Bexar	3,410,574	1,845	1,024	331	490	628	1,217
City of Arlington	Tarrant	976,295	655	236	335	84	575	80
City of El Paso	El Paso	1,667,459	4,339	3,937	307	95	3,950	389
United Way of Tarrant County	Tarrant	1,667,312	7,060	3,283	2,751	1,026	4,195	2,865
City of Dallas	Dallas	3,361,364	3,186	1,136	1,956	94	266	2,920
Mother Teresa Shelter, Inc.	Nueces	779,446	-	-	-	-	-	-
City of Houston	Harris	5,756,053	5,188	1,571	3,250	367	164	5,024
<b>TOTAL</b>		<b>\$19,541,001</b>	<b>23,085</b>	<b>11,678</b>	<b>9,193</b>	<b>2,214</b>	<b>10,056</b>	<b>13,029</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. Dedicate 5 percent of the HOME project allocation for benefits of persons with disabilities who live in any area of this state.

Progress made towards meeting the goals listed above, the upcoming year's goals, and information on TDHCA's actual performance in satisfying FY 2011 goals and objectives is provided in *Section 4: Action Plan* on page 222.

Beyond these established reporting goals, the Department sets policy initiatives and efforts to address special needs populations, and incorporates recommendations on how to improve the coordination of the Department services, also described in the *Action Plan* on page 232.

## PERFORMANCE IN ADDRESSING HOUSING NEEDS

The true need for safe, affordable housing for low-income Texans can be difficult to succinctly quantify. HUD gives us a snap shot of that need, as shown in the Housing Analysis Section 2. HUD tells us there are approximately 1,213,190 low-income (0-80% AMFI) renter households with housing problems, and 936,835 low-income home owners with housing problems, such as a high cost burden, lack of kitchen or plumbing and overcrowding. This is approximately 26.6 percent of households in Texas.

It should be noted that TDHCA's programs do not always result in a reduction in households with housing needs as defined by HUD. For example, homeowner rehabilitation for barrier removal may

be critical for a person with disabilities to live independently, but is conducted in homes that do not lack kitchens or plumbing. Even though a service was provided, there was no reduction in housing that lacks kitchen or plumbing.

For all TDHCA programs that have to do with housing assistance, TDHCA was able to serve or commit to serve approximately 11.6 percent of persons with a need for safe, affordable housing in Texas the past year, of which 9.8 percent is provided by the CEAP program. This small percentage shows the magnitude of need in Texas.

## STATEMENT OF ACTIVITIES BY UNIFORM STATE SERVICE REGION

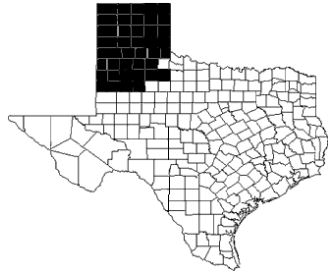
This section describes TDHCA's FY 2011 activities by Uniform State Service region. The regional tables do not include information for WAP, CEAP, ESGP, CSBG and HHSP because figures are not available for these programs at the regional level. Additionally, for purposes of reporting, Office of Colonia Initiatives 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. Because TDHCA does not accept applications directly from individuals for a majority of its programs, it is not possible to report on the racial and ethnic composition of households applying for assistance. The racial and ethnic composition reflects actual households served in FY 2011. 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 2011 to serve households. Racial and ethnic data for the latter programs represent households served in FY 2011 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 137.



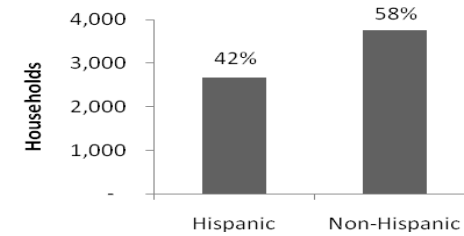
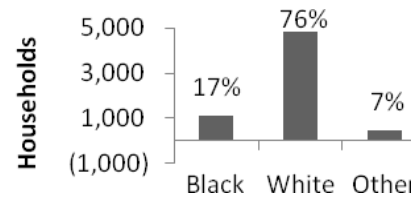
**REGION 1**



These charts represent the racial and ethnic composition of households served in FY 2011.

Note: Because the Department's loan servicer does not record race and ethnicity data separately, data for the Single Family Bond program is presented in one combine chart.

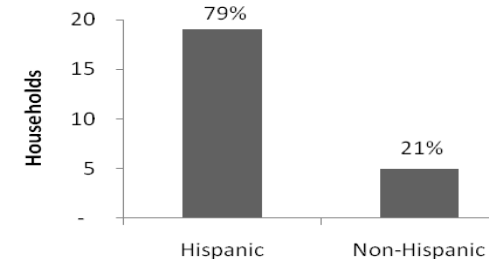
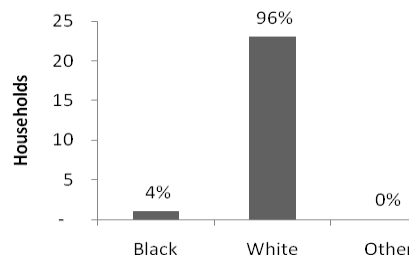
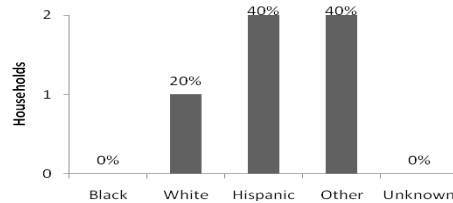
**RENTER PROGRAMS**  
 PERCENT OF COMMITTED FUNDS BY RACE      PERCENT OF COMMITTED FUNDS BY ETHNICITY



Race	Households	Percent
Black	1,102	17%
White	4,842	76%
Other	461	7%

Ethnicity	Households	Percent
Hispanic	2,678	42%
Non-Hispanic	3,751	58%

**SINGLE FAMILY BOND PROGRAM**  
 PERCENT OF COMMITTED FUNDS BY RACE AND ETHNICITY



Race	Households	Percent
White	1	20%
Hispanic	2	40%
Other	2	40%

Race	Households	Percent
Black	1	4%
White	23	96%

Ethnicity	Households	Percent
Hispanic	19	79%
Non-Hispanic	5	21%

FUNDING AND HOUSEHOLDS SERVED/TO BE SERVED, BY ACTIVITY AND HOUSING PROGRAM TYPE, REGION 1

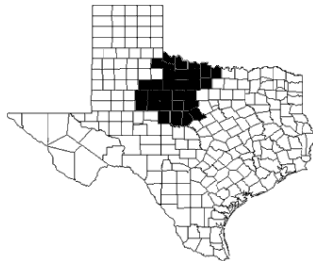
Activity	SF Bond Funds	SF Bond HH	HOME Funds	HOME HH	HTF Funds	HTF HH	HTC Funds	HTC HH	MF Bond Funds	MF Bond HH	Section 8 Funds	Section 8 HH	All Activities Funds	All Activities HH
Homeowner Programs	\$464,535	5	\$4,097,200	46	\$0	0	\$0	0	\$0	0	\$0	0	\$4,561,735	51
Renter Programs	\$0	0	\$900,000	13	\$0	0	\$2,626,775	208	\$0	0	\$0	0	\$3,526,775	221
Total	\$464,535	5	\$4,997,200	59	\$0	0	\$2,626,775	208	\$0	0	\$0	0	\$8,088,510	272

FUNDING AND HOUSEHOLDS SERVED/TO BE SERVED, BY INCOME CATEGORY AND HOUSING PROGRAM, REGION 1

	SF Bond Funds	SF Bond HH	HOME Funds	HOME HH	HTF Funds	HTF HH	HTC Funds	HTC HH	MF Bond Funds	MF Bond HH	Section 8 Funds	Section 8 HH	All Activities Funds	All Activities HH
Extremely Low Income (0-30 AMFI)	\$0	0	\$1,407,754	17	\$0	0	\$277,933	22	\$0	0	\$0	0	\$1,685,687	39
Very Low Income (30-50 AMFI)	\$0	0	\$553,846	8	\$0	0	\$934,627	74	\$0	0	\$0	0	\$1,488,473	82
Low Income (50-80 AMFI)	\$120,367	2	\$3,035,600	34	\$0	0	\$1,414,216	112	\$0	0	\$0	0	\$4,570,183	148
Moderate Income (>80 AMFI)	\$344,168	3	\$0	0	\$0	0	\$0	0	\$0	0	\$0	0	\$344,168	3
Total	\$464,535	5	\$4,997,200	59	\$0	0	\$2,626,775	208	\$0	0	\$0	0	\$8,088,510	272

**TDHCA allocated \$8,088,510 in Region 1 during FY 2011. 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.**

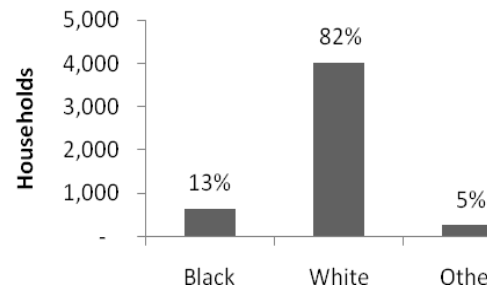
**REGION 2**



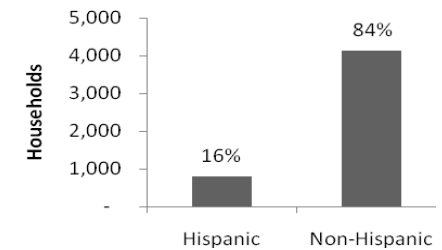
These charts represent the racial and ethnic composition of households served in FY 2011.

Note: Because the Department's loan servicer does 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
Black	640	13%
White	4,025	82%
Other	258	5%



Ethnicity	Households	Percent
Hispanic	794	16%
Non-Hispanic	4,129	84%

**SINGLE FAMILY BOND PROGRAM**  
 PERCENT OF COMMITTED FUNDS BY RACE AND ETHNICITY

**HOME PROGRAM OWNER PROGRAMS**  
 PERCENT OF COMMITTED FUNDS BY RACE                      PERCENT OF COMMITTED FUNDS BY ETHNICITY

These charts represent households served in FY2011, based on previous years' awards. For FY 2011 the Single Family Bond Program did not have any activity in Region 2. However, Region 2 has a very active local housing finance corporation, which does a great deal of homebuyer assistance in the area.

FUNDING AND HOUSEHOLDS SERVED/TO BE SERVED, BY ACTIVITY AND HOUSING PROGRAM TYPE, REGION 2

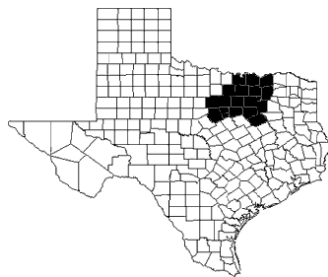
Activity	SF Bond Funds	SF Bond HH	HOME Funds	HOME HH	HTF Funds	HTF HH	HTC Funds	HTC HH	MF Bond Funds	MF Bond HH	Section 8 Funds	Section 8 HH	All Activities Funds	All Activities HH
Homeowner Programs	\$0	0	\$1,443,200	16	\$0	0	\$0	0	\$0	0	\$0	0	\$1,443,200	16
Renter Programs	\$0	0	\$2,000,000	20	\$0	0	\$2,261,555	199	\$0	0	\$72,603	21	\$4,334,158	240
Total	\$0	0	\$3,443,200	36	\$0	0	\$2,261,555	199	\$0	0	\$72,603	21	\$5,777,358	256

FUNDING AND HOUSEHOLDS SERVED/TO BE SERVED, BY INCOME CATEGORY AND HOUSING PROGRAM, REGION 2

	SF Bond Funds	SF Bond HH	HOME Funds	HOME HH	HTF Funds	HTF HH	HTC Funds	HTC HH	MF Bond Funds	MF Bond HH	Section 8 Funds	Section 8 HH	All Activities Funds	All Activities HH
Extremely Low Income (0-30 AMFI)	\$0	0	\$800,000	8	\$0	0	\$227,328	20	\$0	0	\$57,649	16	\$1,084,977	44
Very Low Income (30-50 AMFI)	\$0	0	\$600,000	6	\$0	0	\$795,648	70	\$0	0	\$14,954	5	\$1,410,602	81
Low Income (50-80 AMFI)	\$0	0	\$2,043,200	22	\$0	0	\$1,238,580	109	\$0	0	\$0	0	\$3,281,780	131
Moderate Income (>80 AMFI)	\$0	0	\$0	0	\$0	0	\$0	0	\$0	0	\$0	0	\$0	0
Total	\$0	0	\$3,443,200	36	\$0	0	\$2,261,555	199	\$0	0	\$72,603	21	\$5,777,358	256

TDHCA allocated \$5,777,358 in Region 2 during FY 2011. 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.

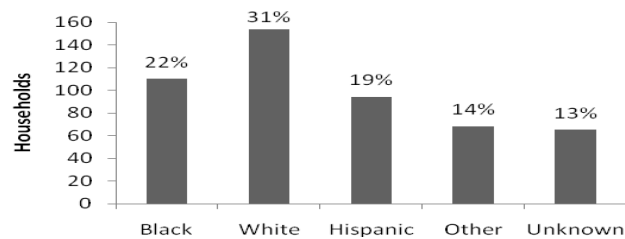
REGION 3



These charts represent the racial and ethnic composition of households served in FY 2011.

Note: Because the Department's loan servicer does not record race and ethnicity data separately, data for the Single Family Bond program is presented in one combine chart.

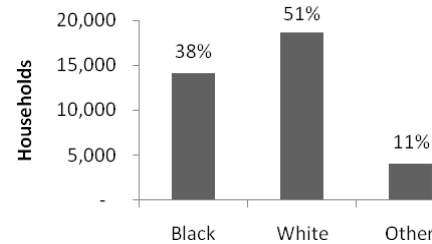
**SINGLE FAMILY BOND PROGRAM**  
PERCENT OF COMMITTED FUNDS BY RACE AND ETHNICITY



Race	Ethnicity	Households	Percent
Black		110	22%
White		154	31%
	Hispanic	94	19%
Other		68	14%
Unknown		65	13%

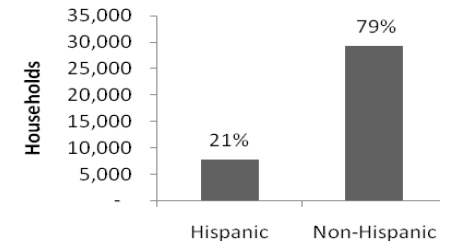
**RENTER PROGRAMS**

PERCENT OF COMMITTED FUNDS BY RACE



Race	Households	Percent
Black	14,117	38%
White	18,706	51%
Other	4,027	11%

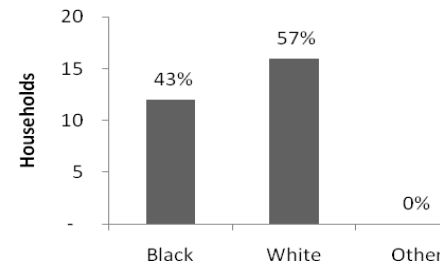
PERCENT OF COMMITTED FUNDS BY ETHNICITY



Ethnicity	Households	Percent
Hispanic	7,674	21%
Non-Hispanic	29,204	79%

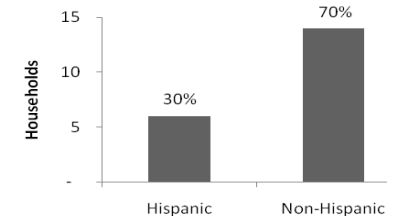
**HOME PROGRAM OWNER PROGRAMS**

PERCENT OF COMMITTED FUNDS BY RACE



Race	Households	Percent
Black	12	43%
White	16	57%
Other	-	0%

PERCENT OF COMMITTED FUNDS BY ETHNICITY



Ethnicity	Households	Percent
Hispanic	6	30%
Non-Hispanic	14	70%

FUNDING AND HOUSEHOLDS SERVED/TO BE SERVED, BY ACTIVITY AND HOUSING PROGRAM TYPE, REGION 3

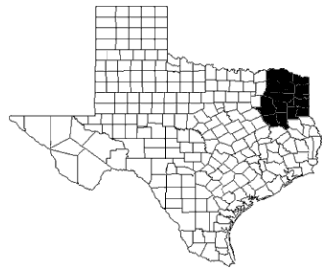
Activity	SF Bond Funds	SF Bond HH	HOME Funds	HOME HH	HTF Funds	HTF HH	HTC Funds	HTC HH	MF Bond Funds	MF Bond HH	Section 8 Funds	Section 8 HH	All Activities Funds	All Activities HH
Homeowner Programs	\$62,444,320	491	\$1,349,200	41	\$495,112	15	\$0	0	\$0	0	\$0	0	\$64,288,632	547
Renter Programs	\$0	0	\$800,000	57	\$75,000	60	\$14,168,014	1,259	\$0	0	\$1,868,933	315	\$16,911,947	1691
Total	\$62,444,320	491	\$2,149,200	98	\$570,112	75	\$14,168,014	1259	\$0	0	\$1,868,933	315	\$81,200,579	2238

FUNDING AND HOUSEHOLDS SERVED/TO BE SERVED, BY INCOME CATEGORY AND HOUSING PROGRAM, REGION 3

	SF Bond Funds	SF Bond HH	HOME Funds	HOME HH	HTF Funds	HTF HH	HTC Funds	HTC HH	MF Bond Funds	MF Bond HH	Section 8 Funds	Section 8 HH	All Activities Funds	All Activities HH
Extremely Low Income (0-30 AMFI)	\$316,298	3	\$475,106	15	\$0	0	\$1,182,976	109	\$0	0	\$1,487,050	231	\$3,461,430	358
Very Low Income (30-50 AMFI)	\$3,267,488	31	\$340,294	22	\$368,750	12	\$5,832,302	509	\$0	0	\$308,918	66	\$10,117,752	640
Low Income (50-80 AMFI)	\$14,062,424	128	\$1,333,800	61	\$201,362	63	\$7,152,735	641	\$0	0	\$65,476	17	\$22,815,798	910
Moderate Income (>80 AMFI)	\$44,798,110	329	\$0	0	\$0	0	\$0	0	\$0	0	\$7,489	1	\$44,805,599	330
Total	\$62,444,320	491	\$2,149,200	98	\$570,112	75	\$14,168,014	1,259	\$0	0	\$1,868,933	315	\$81,200,579	2238

TDHCA allocated \$81,200,579 in Region 3 during FY 2011. 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.

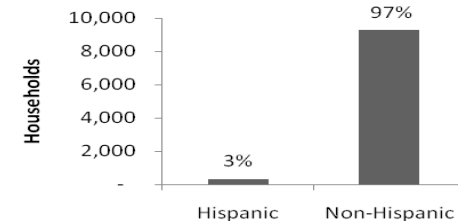
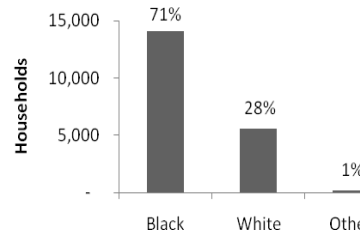
**REGION 4**



These charts represent the racial and ethnic composition of households served in FY 2011.

Note: Because the Department's loan servicer does not record race and ethnicity data separately, data for the Single Family Bond program is presented in one combine chart.

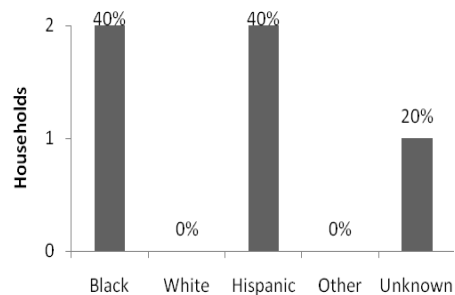
**RENTER PROGRAMS**  
 PERCENT OF COMMITTED FUNDS BY RACE      PERCENT OF COMMITTED FUNDS BY ETHNICITY



Race	Households	Percent
Black	14,117	71%
White	5,610	28%
Other	188	1%

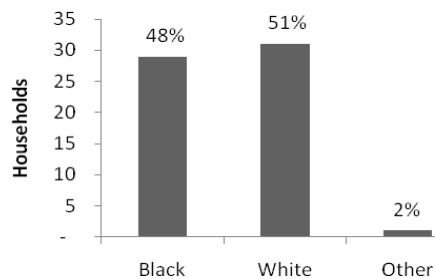
Ethnicity	Households	Percent
Hispanic	318	3%
Non-Hispanic	9,310	97%

**SINGLE FAMILY BOND PROGRAM**  
 PERCENT OF COMMITTED FUNDS BY RACE AND ETHNICITY

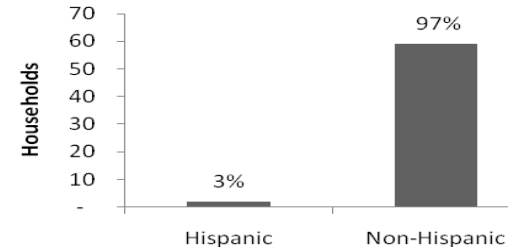


Race	Households	Percent
Black	2	40%
Hispanic	2	40%
Unknown	1	20%

**HOME PROGRAM OWNER PROGRAMS**  
 PERCENT OF COMMITTED FUNDS BY RACE      PERCENT OF COMMITTED FUNDS BY ETHNICITY



Race	Households	Percent
Black	29	48%
White	31	51%
Other	1	2%



Ethnicity	Households	Percent
Hispanic	2	3%
Non-Hispanic	59	97%

FUNDING AND HOUSEHOLDS SERVED/TO BE SERVED, BY ACTIVITY AND HOUSING PROGRAM TYPE, REGION 4

Activity	SF Bond Funds	SF Bond HH	HOME Funds	HOME HH	HTF Funds	HTF HH	HTC Funds	HTC HH	MF Bond Funds	MF Bond HH	Section 8 Funds	Section 8 HH	All Activities Funds	All Activities HH
Homeowner Programs	\$496,763	5	\$2,572,120	29	\$154,481	5	\$0	\$0	\$0	0	\$0	0	\$3,223,364	39
Renter Programs	\$0	0	\$4,510,960	52	\$0	0	\$3,094,450	\$226	\$0	0	\$1,236	3	\$7,606,646	281
Total	\$496,763	5	\$7,083,080	81	\$154,481	5	\$3,094,450	226	\$0	0	\$1,236	3	\$10,830,010	320

FUNDING AND HOUSEHOLDS SERVED/TO BE SERVED, BY INCOME CATEGORY AND HOUSING PROGRAM, REGION 4

	SF Bond Funds	SF Bond HH	HOME Funds	HOME HH	HTF Funds	HTF HH	HTC Funds	HTC HH	MF Bond Funds	MF Bond HH	Section 8 Funds	Section 8 HH	All Activities Funds	All Activities HH
Extremely Low Income (0-30 AMFI)	\$0	-	\$2,115,151	24	\$54,745	2	\$286,649	44	\$0	0	\$1,236	3	\$2,457,781	73
Very Low Income (30-50 AMFI)	\$141,782	2	\$690,703	10	\$99,735	3	\$1,390,604	98	\$0	0	\$0	0	\$2,322,823	113
Low Income (50-80 AMFI)	\$78,553	1	\$4,277,227	46	\$0	0	\$1,417,197	106	\$0	0	\$0	0	\$5,772,977	153
Moderate Income (>80 AMFI)	\$276,428	2	\$0	0	\$0	0	\$0	0	\$0	0	\$0	0	\$276,428	2
Total	\$496,763	5	\$7,083,080	80	\$154,480	5	\$3,094,450	248	\$0	0	\$1,236	3	\$10,830,009	341

TDHCA allocated \$10,830,009 in Region 4 during FY 2011. 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.



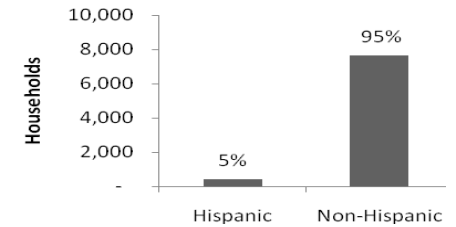
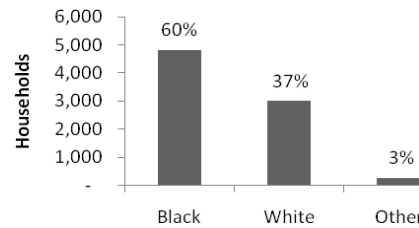
**REGION 5**



These charts represent the racial and ethnic composition of households served in FY 2011.

Note: Because the Department's loan servicer does not record race and ethnicity data separately, data for the Single Family Bond program is presented in one combine chart.

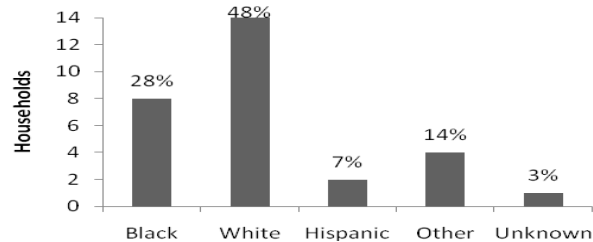
**RENTER PROGRAMS**  
 PERCENT OF COMMITTED FUNDS BY RACE      PERCENT OF COMMITTED FUNDS BY ETHNICITY



Race	Households	Percent
Black	4,822	60%
White	2,995	37%
Other	249	3%

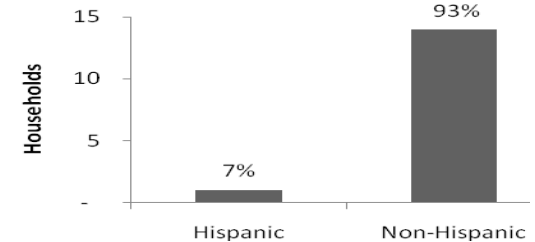
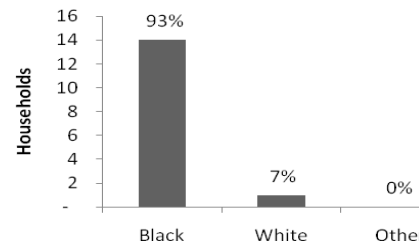
Ethnicity	Households	Percent
Hispanic	431	5%
Non-Hispanic	7,650	95%

**SINGLE FAMILY BOND PROGRAM**  
 PERCENT OF COMMITTED FUNDS BY RACE AND ETHNICITY



Race	Ethnicity	Households	Percent
Black		8	28%
White		14	48%
	Hispanic	2	7%
Other		4	14%
Unknown		1	3%

**HOME PROGRAM OWNER PROGRAMS**  
 PERCENT OF COMMITTED FUNDS BY RACE      PERCENT OF COMMITTED FUNDS BY ETHNICITY



Race	Households	Percent
Black	14	93%
White	1	7%

Ethnicity	Households	Percent
Hispanic	1	7%
Non-Hispanic	14	93%

FUNDING AND HOUSEHOLDS SERVED/TO BE SERVED, BY ACTIVITY AND HOUSING PROGRAM TYPE, REGION 5

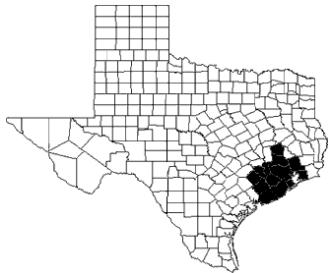
Activity	SF Bond Funds	SF Bond HH	HOME Funds	HOME HH	HTF Funds	HTF HH	HTC Funds	HTC HH	MF Bond Funds	MF Bond HH	Section 8 Funds	Section 8 HH	All Activities Funds	All Activities HH
Homeowner Programs	\$3,008,608	29	\$815,800	16	\$120,000	3	\$0	0	\$0	0	\$0	0	\$3,944,408	48
Renter Programs	\$0	0	\$1,547,555	34	\$0	0	\$3,837,595	338	\$0	0	\$0	0	\$5,385,150	372
Total	\$3,008,608	29	\$2,363,355	50	\$120,000	3	\$3,837,595	338	\$0	0	\$0	0	\$9,329,558	420

FUNDING AND HOUSEHOLDS SERVED/TO BE SERVED, BY INCOME CATEGORY AND HOUSING PROGRAM, REGION 5

	SF Bond Funds	SF Bond HH	HOME Funds	HOME HH	HTF Funds	HTF HH	HTC Funds	HTC HH	MF Bond Funds	MF Bond HH	Section 8 Funds	Section 8 HH	All Activities Funds	All Activities HH
Extremely Low Income (0-30 AMFI)	\$71,154	1	\$623,504	14	\$0	0	\$401,018	36	\$0	0	\$0	0	\$1,095,675	51
Very Low Income (30-50 AMFI)	\$0	0	\$924,051	20	\$30,000	1	\$1,340,320	118	\$0	0	\$0	0	\$2,294,372	139
Low Income (50-80 AMFI)	\$141,512	2	\$815,800	16	\$90,000	2	\$2,096,257	184	\$0	0	\$0	0	\$3,143,569	204
Moderate Income (>80 AMFI)	\$2,795,942	26	\$0	0	\$0	0	\$0	0	\$0	0	\$0	0	\$2,795,942	26
Total	\$3,008,608	29	\$2,363,355	50	\$120,000	3	\$3,837,595	338	\$0	0	\$0	0	\$9,329,558	420

TDHCA allocated \$9,329,558 in Region 5 during FY 2011. 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.

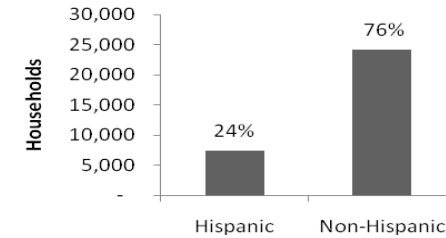
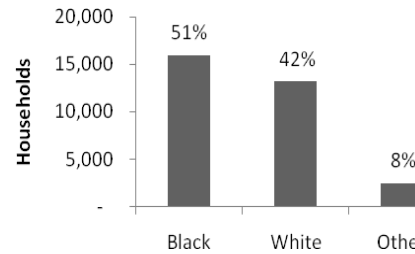
**REGION 6**



These charts represent the racial and ethnic compositions of households served in FY 2011.

Note: Because the Department's loan servicer does not record race and ethnicity data separately, data for the Single Family Bond program is presented in one combine chart.

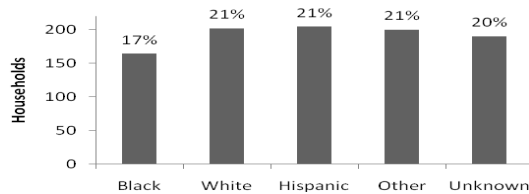
**RENTER PROGRAMS**  
 PERCENT OF COMMITTED FUNDS BY RACE      PERCENT OF COMMITTED FUNDS BY ETHNICITY



Race	Households	Percent
Black	15,986	51%
White	13,165	42%
Other	2,455	8%

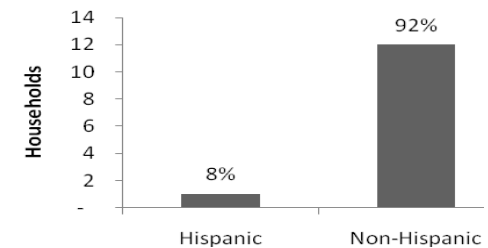
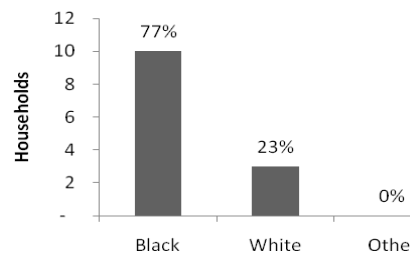
Ethnicity	Households	Percent
Hispanic	7,485	24%
Non-Hispanic	24,134	76%

**SINGLE FAMILY BOND PROGRAM**  
 PERCENT OF COMMITTED FUNDS BY RACE AND ETHNICITY



Race	Ethnicity	Households	Percent
Black		164	17%
White		202	21%
	Hispanic	204	21%
Other		200	21%
Unknown		190	20%

**HOME PROGRAM OWNER PROGRAMS**  
 PERCENT OF COMMITTED FUNDS BY RACE      PERCENT OF COMMITTED FUNDS BY ETHNICITY



Race	Households	Percent
Black	10	77%
White	3	23%

Ethnicity	Households	Percent
Hispanic	1	8%
Non-Hispanic	12	92%

FUNDING AND HOUSEHOLDS SERVED/TO BE SERVED, BY ACTIVITY AND HOUSING PROGRAM TYPE, REGION 6

Activity	SF Bond Funds	SF Bond HH	HOME Funds	HOME HH	HTF Funds	HTF HH	HTC Funds	HTC HH	MF Bond Funds	MF Bond HH	Section 8 Funds	Section 8 HH	All Activities Funds	All Activities HH
Homeowner Programs	\$121,926,323	960	\$2,903,331	39	\$0	0	\$0	\$0	\$0	0	\$0	0	\$124,829,654	999
Renter Programs	\$0	0	\$2,274,000	96	\$125,000	80	\$0	-	\$0	0	\$2,397,366	480	\$4,796,366	656
Total	\$121,926,323	960	\$5,177,331	135	\$125,000	80	\$0	0	\$0	0	\$2,397,366	480	\$129,626,020	1655

FUNDING AND HOUSEHOLDS SERVED/TO BE SERVED, BY INCOME CATEGORY AND HOUSING PROGRAM, REGION 6

	SF Bond Funds	SF Bond HH	HOME Funds	HOME HH	HTF Funds	HTF HH	HTC Funds	HTC HH	MF Bond Funds	MF Bond HH	Section 8 Funds	Section 8 HH	All Activities Funds	All Activities HH
Extremely Low Income (0-30 AMFI)	\$527,333	4	\$1,001,167	68	\$0	0	\$1,287,646	107	\$0	0	\$1,912,350	362	\$4,728,496	541
Very Low Income (30-50 AMFI)	\$4,977,118	45	\$514,500	14	\$0	0	\$3,771,718	318	\$0	0	\$406,934	98	\$9,670,270	475
Low Income (50-80 AMFI)	\$30,847,617	264	\$3,661,664	53	\$125,000	80	\$5,871,027	497	\$0	0	\$78,082	20	\$40,583,391	914
Moderate Income (>80 AMFI)	\$85,574,254	647	\$0	0	\$0	0	\$0	0	\$0	0	\$0	0	\$85,574,254	647
Total	\$121,926,323	960	\$5,177,331	135	\$125,000	80	\$10,930,391	922	\$0	0	\$2,397,366	480	\$140,556,411	2577

TDHCA allocated \$140,556,411 in Region 6 during FY 2011. 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.

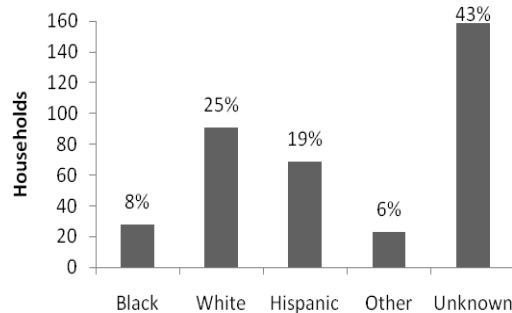
**REGION 7**



These charts represent the racial and ethnic composition of households served in FY 2011.

Note: Because the Department's loan servicer does not record race and ethnicity data separately, data for the Single Family Bond program is presented in one combine chart.

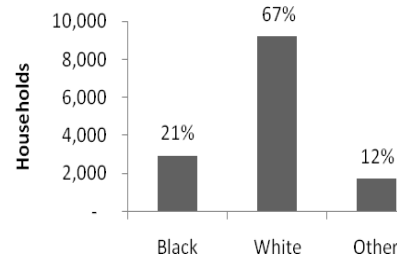
**SINGLE FAMILY BOND PROGRAM**  
PERCENT OF COMMITTED FUNDS BY RACE AND ETHNICITY



Race	Ethnicity	Households	Percent
Black		28	8%
White		91	25%
	Hispanic	69	19%
Other		23	6%
Unknown		159	43%

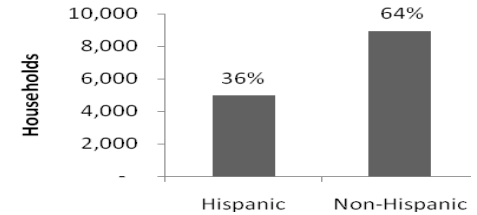
**RENTER PROGRAMS**

PERCENT OF COMMITTED FUNDS BY RACE



Race	Households	Percent
Black	2,932	21%
White	9,239	67%
Other	1,711	12%

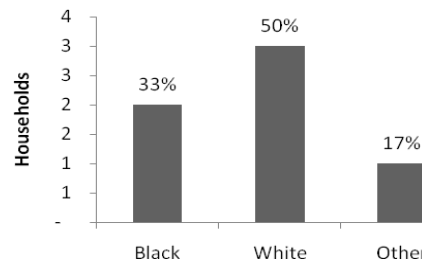
PERCENT OF COMMITTED FUNDS BY ETHNICITY



Ethnicity	Households	Percent
Hispanic	4,963	36%
Non-Hispanic	8,925	64%

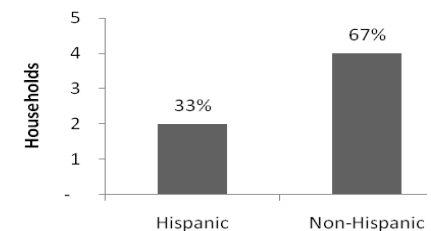
**HOME PROGRAM OWNER PROGRAMS**

PERCENT OF COMMITTED FUNDS BY RACE



Race	Households	Percent
Black	2	33%
White	3	50%
Other	1	17%

PERCENT OF COMMITTED FUNDS BY ETHNICITY



Ethnicity	Households	Percent
Hispanic	2	33%
Non-Hispanic	4	67%

FUNDING AND HOUSEHOLDS SERVED/TO BE SERVED, BY ACTIVITY AND HOUSING PROGRAM TYPE, REGION 7

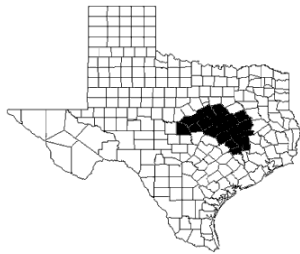
Activity	SF Bond Funds	SF Bond HH	HOME Funds	HOME HH	HTF Funds	HTF HH	HTC Funds	HTC HH	MF Bond Funds	MF Bond HH	Section 8 Funds	Section 8 HH	All Activities Funds	All Activities HH
Homeowner Programs	\$53,434,723	370	\$40,000	2	\$257,000	8	\$0	0	\$0	0	\$0	0	\$53,731,723	380
Renter Programs	\$0	0	\$1,800,000	34	\$125,000	47	\$125,000	80	\$0	0	\$357,060	74	\$2,407,060	235
Total	\$53,434,723	370	\$1,840,000	36	\$382,000	55	\$125,000	80	\$0	0	\$357,060	74	\$56,138,783	615

FUNDING AND HOUSEHOLDS SERVED/TO BE SERVED, BY INCOME CATEGORY AND HOUSING PROGRAM, REGION 7

	SF Bond Funds	SF Bond HH	HOME Funds	HOME HH	HTF Funds	HTF HH	HTC Funds	HTC HH	MF Bond Funds	MF Bond HH	Section 8 Funds	Section 8 HH	All Activities Funds	All Activities HH
Extremely Low Income (0-30 AMFI)	\$504,186	4	\$736,842	14	\$27,000	1	\$209,493	16	\$0	0	\$308,703	57	\$1,786,224	92
Very Low Income (30-50 AMFI)	\$2,911,750	24	\$1,021,053	19	\$145,000	5	\$719,067	55	\$0	0	\$46,617	16	\$4,843,487	119
Low Income (50-80 AMFI)	\$16,413,445	124	\$82,105	3	\$210,000	49	\$1,095,579	84	\$0	0	\$1,740	1	\$17,802,870	261
Moderate Income (>80 AMFI)	\$33,605,342	218	\$0	0	\$0	0	\$0	0	\$0	0	\$0	0	\$33,605,342	218
Total	\$53,434,723	370	\$1,840,000	36	\$382,000	55	\$2,024,139	155	\$0	0	\$357,060	74	\$58,037,922	690

TDHCA allocated \$58,037,922 in Region 7 during FY 2011. 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.

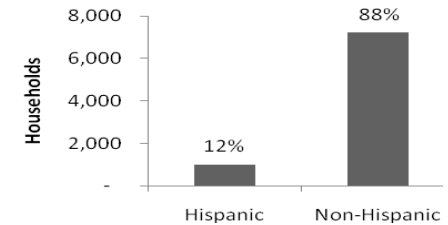
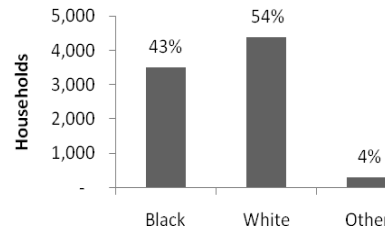
**REGION 8**



These charts represent the racial and ethnic composition of households served in FY 2011.

Note: Because the Department's loan servicer does not record race and ethnicity data separately, data for the Single Family Bond program is presented in one combine chart.

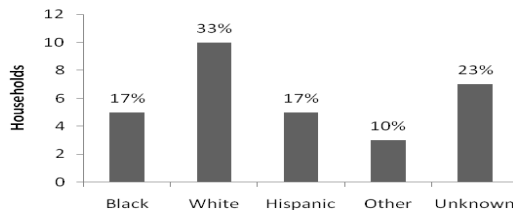
**RENTER PROGRAMS**  
 PERCENT OF COMMITTED FUNDS BY RACE      PERCENT OF COMMITTED FUNDS BY ETHNICITY



Race	Households	Percent
Black	3,494	43%
White	4,377	54%
Other	307	4%

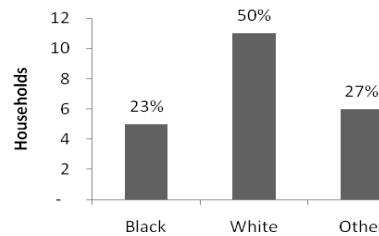
Ethnicity	Households	Percent
Hispanic	989	12%
Non-Hispanic	7,211	88%

**SINGLE FAMILY BOND PROGRAM**  
 PERCENT OF COMMITTED FUNDS BY RACE AND ETHNICITY

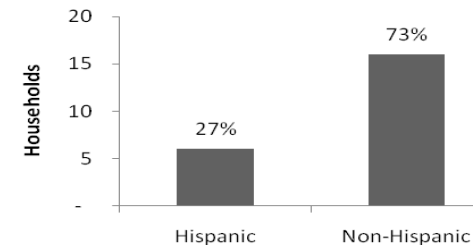


Race	Ethnicity	Households	Percent
Black		5	17%
White		10	33%
	Hispanic	5	17%
Other		3	10%
Unknown		7	23%

**HOME PROGRAM OWNER PROGRAMS**  
 PERCENT OF COMMITTED FUNDS BY RACE      PERCENT OF COMMITTED FUNDS BY ETHNICITY



Race	Households	Percent
Black	6	23%
White	11	50%
Other	6	27%



Ethnicity	Households	Percent
Hispanic	6	27%
Non-Hispanic	16	73%

FUNDING AND HOUSEHOLDS SERVED/TO BE SERVED, BY ACTIVITY AND HOUSING PROGRAM TYPE, REGION 8

Activity	SF Bond Funds	SF Bond HH	HOME Funds	HOME HH	HTF Funds	HTF HH	HTC Funds	HTC HH	MF Bond Funds	MF Bond HH	Section 8 Funds	Section 8 HH	All Activities Funds	All Activities HH
Homeowner Programs	\$3,390,796	30	\$0	0	\$304,250	9	\$0	0	\$0	\$0	\$0	0	\$3,695,046	39
Renter Programs	\$0	0	\$79,367	3	\$11,773	7	\$2,525,797	260	\$0	\$0	\$0	0	\$2,616,937	270
Total	\$3,390,796	30	\$79,367	3	\$316,023	16	\$2,525,797	260	\$0	0	\$0	0	\$6,311,983	309

FUNDING AND HOUSEHOLDS SERVED/TO BE SERVED, BY INCOME CATEGORY AND HOUSING PROGRAM, REGION 8

	SF Bond Funds	SF Bond HH	HOME Funds	HOME HH	HTF Funds	HTF HH	HTC Funds	HTC HH	MF Bond Funds	MF Bond HH	Section 8 Funds	Section 8 HH	All Activities Funds	All Activities HH
Extremely Low Income (0-30 AMFI)	\$0	-	\$23,810	1	\$5,476	3	\$268,377	28	\$0	\$0	\$146,649	46	\$444,312	78
Very Low Income (30-50 AMFI)	\$196,435	2	\$39,684	2	\$243,940	9	\$900,760	93	\$0	\$0	\$51,441	18	\$1,432,260	124
Low Income (50-80 AMFI)	\$556,095	6	\$15,873	1	\$66,608	4	\$1,356,659	139	\$0	\$0	\$217	1	\$1,995,453	151
Moderate Income (>80 AMFI)	\$2,638,266	22	\$0	0	\$0	0	\$0	0	\$0	\$0	\$0	0	\$2,638,266	22
Total	\$3,390,796	30	\$79,367	4	\$316,024	16	\$2,525,797	260	\$0	0	\$198,307	65	\$6,510,291	375

TDHCA allocated \$6,510,291 in Region 8 during FY 2011. 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.



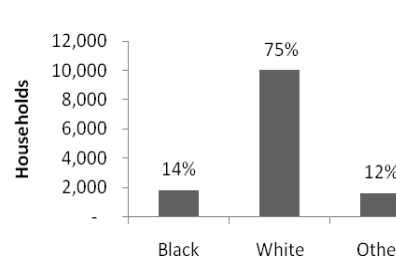
**REGION 9**



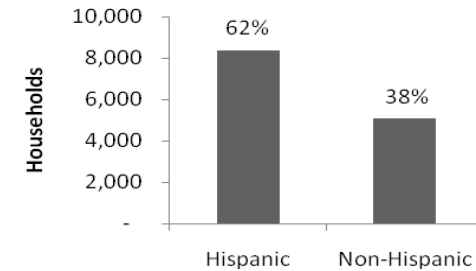
These charts represent the racial and ethnic composition of households served in FY 2011.

Note: Because the Department's loan servicer does 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

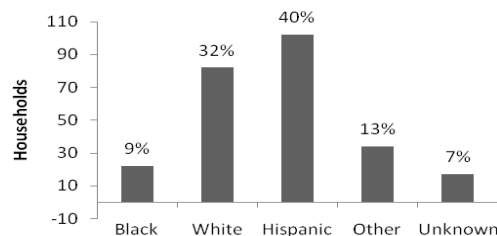


Race	Households	Percent
Black	1,830	14%
White	10,015	75%
Other	1,582	12%



Ethnicity	Households	Percent
Hispanic	8,363	62%
Non-Hispanic	5,064	38%

**SINGLE FAMILY BOND PROGRAM**  
 PERCENT OF COMMITTED FUNDS BY RACE AND ETHNICITY



Race	Ethnicity	Households	Percent
Black		22	9%
White		82	32%
	Hispanic	102	40%
Other		34	13%
Unknown		17	7%

**HOME PROGRAM OWNER PROGRAMS**  
 PERCENT OF COMMITTED FUNDS BY RACE      PERCENT OF COMMITTED FUNDS BY ETHNICITY

These charts represent households served in FY2011, based on previous years' awards. The HOME Program Owner Programs did not have any activities in Region 9 during FY 2011.

FUNDING AND HOUSEHOLDS SERVED/TO BE SERVED, BY ACTIVITY AND HOUSING PROGRAM TYPE, REGION 9

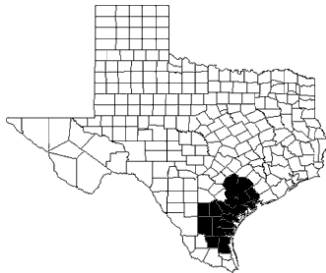
Activity	SF Bond Funds	SF Bond HH	HOME Funds	HOME HH	HTF Funds	HTF HH	HTC Funds	HTC HH	MF Bond Funds	MF Bond HH	Section 8 Funds	Section 8 HH	All Activities Funds	All Activities HH
Homeowner Programs	\$32,175,900	257	\$0	0	\$157,440	6	\$0	0	\$0	0	\$0	0	\$32,333,340	263
Renter Programs	\$0	0	\$4,582,299	61	\$0	0	\$2,711,858	238	\$0	0	\$131,341	41	\$7,425,498	340
Total	\$32,175,900	257	\$4,582,299	61	\$157,440	6	\$2,711,858	238	\$0	0	\$131,341	41	\$39,758,838	603

FUNDING AND HOUSEHOLDS SERVED/TO BE SERVED, BY INCOME CATEGORY AND HOUSING PROGRAM, REGION 9

	SF Bond Funds	SF Bond HH	HOME Funds	HOME HH	HTF Funds	HTF HH	HTC Funds	HTC HH	MF Bond Funds	MF Bond HH	Section 8 Funds	Section 8 HH	All Activities Funds	All Activities HH
Extremely Low Income (0-30 AMFI)	\$330,213	3	\$1,460,041	19	\$26,160	1	\$231,186	20	\$0	0	\$110,312	32	\$2,157,912	75
Very Low Income (30-50 AMFI)	\$1,494,464	14	\$1,698,647	17	\$78,000	3	\$1,095,001	96	\$0	0	\$21,029	8	\$4,387,141	138
Low Income (50-80 AMFI)	\$8,076,007	70	\$1,423,611	25	\$53,280	2	\$1,385,671	122	\$0	0	\$0	1	\$10,938,569	220
Moderate Income (>80 AMFI)	\$22,275,216	170	\$0	0	\$0	0	\$0	0	\$0	0	\$0	0	\$22,275,216	170
Total	\$32,175,900	257	\$4,582,299	61	\$157,440	6	\$2,711,858	238	\$0	0	\$131,341	41	\$39,758,838	603

TDHCA allocated \$39,758,838 in Region 9 during FY 2011. 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.

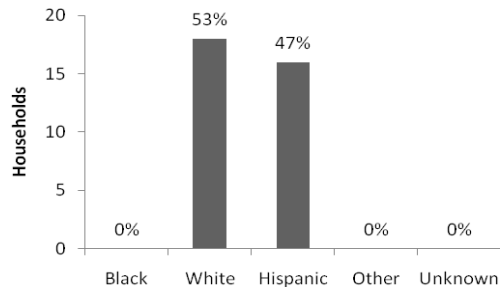
**REGION 10**



These charts represent the racial and ethnic composition of households served in FY 2011.

Note: Because the Department's loan servicer does not record race and ethnicity data separately, data for the Single Family Bond program is presented in one combine chart.

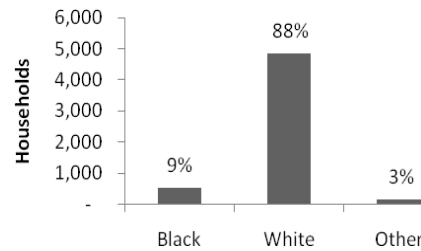
**SINGLE FAMILY BOND PROGRAM**  
PERCENT OF COMMITTED FUNDS BY RACE AND ETHNICITY



Race	Ethnicity	Households	Percent
White		18	53%
	Hispanic	16	47%

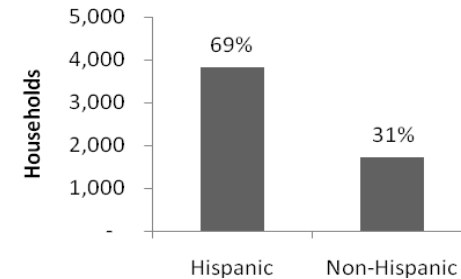
**RENTER PROGRAMS**

PERCENT OF COMMITTED FUNDS BY RACE



Race	Households	Percent
Black	518	9%
White	4,847	88%
Other	151	3%

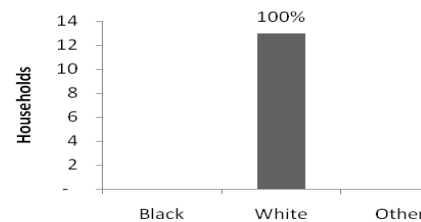
PERCENT OF COMMITTED FUNDS BY ETHNICITY



Ethnicity	Households	Percent
Hispanic	3,814	69%
Non-Hispanic	1,715	31%

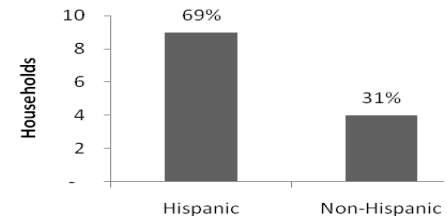
**HOME PROGRAM OWNER PROGRAMS**

PERCENT OF COMMITTED FUNDS BY RACE



Race	Households	Percent
White	13	100%

PERCENT OF COMMITTED FUNDS BY ETHNICITY



Ethnicity	Households	Percent
Hispanic	9	69%
Non-Hispanic	4	31%

FUNDING AND HOUSEHOLDS SERVED/TO BE SERVED, BY ACTIVITY AND HOUSING PROGRAM TYPE, REGION 10

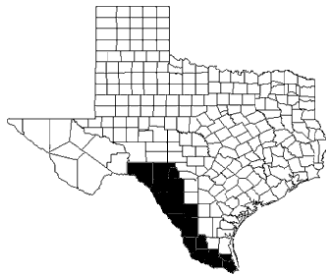
Activity	SF Bond Funds	SF Bond HH	HOME Funds	HOME HH	HTF Funds	HTF HH	HTC Funds	HTC HH	MF Bond Funds	MF Bond HH	Section 8 Funds	Section 8 HH	All Activities Funds	All Activities HH
Homeowner Programs	\$3,553,848	34	\$3,788,400	42	\$54,000	2	\$0	0	\$0	0	\$0	0	\$7,396,248	78
Renter Programs	\$0	0	\$1,076,800	25	\$0	0	\$1,338,201	116	\$0	0	\$0	0	\$2,415,001	141
Total	\$3,553,848	34	\$4,865,200	67	\$54,000	2	\$1,338,201	116	\$0	0	\$0	0	\$9,811,249	219

FUNDING AND HOUSEHOLDS SERVED/TO BE SERVED, BY INCOME CATEGORY AND HOUSING PROGRAM, REGION 10

	SF Bond Funds	SF Bond HH	HOME Funds	HOME HH	HTF Funds	HTF HH	HTC Funds	HTC HH	MF Bond Funds	MF Bond HH	Section 8 Funds	Section 8 HH	All Activities Funds	All Activities HH
Extremely Low Income (0-30 AMFI)	\$0	-	\$465,744	10	\$0	0	\$181,582	16	\$0	0	\$0	0	\$647,326	25.9
Very Low Income (30-50 AMFI)	\$74,003	1	\$543,016	11	\$54,000	2	\$472,806	41	\$0	0	\$0	0	\$1,143,826	55
Low Income (50-80 AMFI)	\$384,661	5	\$3,856,440	46	\$0	0	\$683,812	59	\$0	0	\$0	0	\$4,924,913	110
Moderate Income (>80 AMFI)	\$3,095,184	28	\$0	0	\$0	0	\$0	0	\$0	0	\$0	0	\$3,095,184	28
Total	\$3,553,848	34	\$4,865,200	67	\$54,000	2	\$1,338,201	116	\$0	0	\$0	0	\$9,811,249	218.9

TDHCA allocated \$9,811,249 in Region 10 during FY 2011. 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.

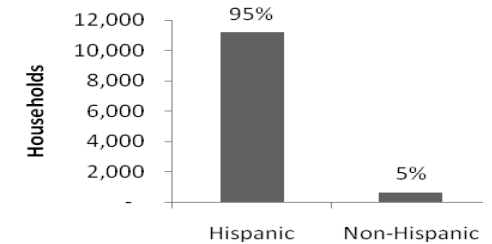
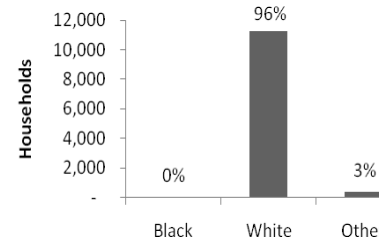
**REGION 11**



These charts represent the racial and ethnic composition of households served in FY 2011.

Note: Because the Department's loan servicer does not record race and ethnicity data separately, data for the Single Family Bond program is presented in one combine chart.

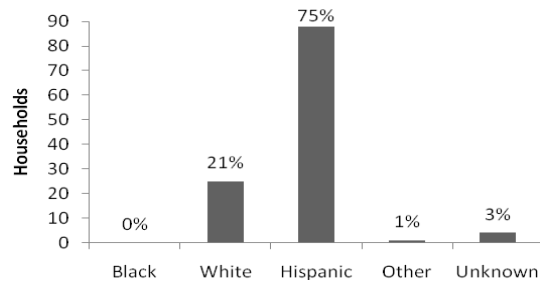
**RENTER PROGRAMS**  
 PERCENT OF COMMITTED FUNDS BY RACE      PERCENT OF COMMITTED FUNDS BY ETHNICITY



Race	Households	Percent
Black	41	0%
White	11,267	96%
Other	395	3%

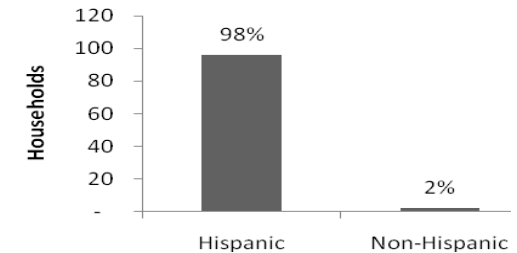
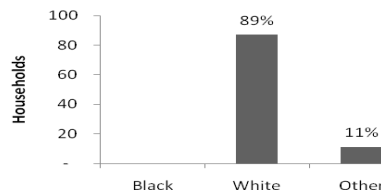
Ethnicity	Households	Percent
Hispanic	11,200	95%
Non-Hispanic	601	5%

**SINGLE FAMILY BOND PROGRAM**  
 PERCENT OF COMMITTED FUNDS BY RACE AND ETHNICITY



Race	Ethnicity	Households	Percent
White		25	21%
	Hispanic	88	75%
Other		1	1%
Unknown		4	3%

**HOME PROGRAM OWNER PROGRAMS**  
 PERCENT OF COMMITTED FUNDS BY RACE      PERCENT OF COMMITTED FUNDS BY ETHNICITY



Race	Households	Percent
White	87	89%
Other	11	11%

Ethnicity	Households	Percent
Hispanic	96	98%
Non-Hispanic	2	2%

FUNDING AND HOUSEHOLDS SERVED/TO BE SERVED, BY ACTIVITY AND HOUSING PROGRAM TYPE, REGION 11

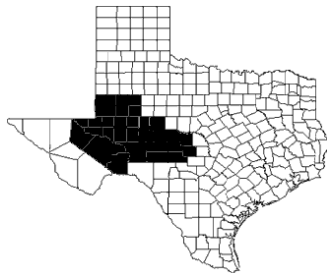
Activity	SF Bond Funds	SF Bond HH	HOME Funds	HOME HH	HTF Funds	HTF HH	HTC Funds	HTC HH	MF Bond Funds	MF Bond HH	Section 8 Funds	Section 8 HH	All Activities Funds	All Activities HH
Homeowner Programs	\$11,685,868	118	\$761,280	21	\$664,998	31	\$0	0	\$0	0	\$0	0	\$13,112,146	170
Renter Programs	\$0	0	\$1,391,088	21	\$0	0	\$2,358,874	177	\$0	0	\$1,290	1	\$3,751,252	199
Total	\$11,685,868	118	\$2,152,368	42	\$664,998	31	\$2,358,874	177	\$0	0	\$1,290	1	\$16,863,398	369

FUNDING AND HOUSEHOLDS SERVED/TO BE SERVED, BY INCOME CATEGORY AND HOUSING PROGRAM, REGION 11

	SF Bond Funds	SF Bond HH	HOME Funds	HOME HH	HTF Funds	HTF HH	HTC Funds	HTC HH	MF Bond Funds	MF Bond HH	Section 8 Funds	Section 8 HH	All Activities Funds	All Activities HH
Extremely Low Income (0-30 AMFI)	\$283,709	2	\$292,798	5	\$77,500	3	\$133,399	10	\$0	0	\$1,290	1	\$788,695	21.1
Very Low Income (30-50 AMFI)	\$743,946	11	\$108,900	3	\$544,498	21	\$1,079,203	81	\$0	0	\$0	0	\$2,476,548	116
Low Income (50-80 AMFI)	\$2,813,538	35	\$1,750,670	34	\$43,000	7	\$1,146,272	86	\$0	0	\$0	0	\$5,753,480	162
Moderate Income (>80 AMFI)	\$7,844,675	70	\$0	0	\$0	0	\$0	0	\$0	0	\$0	0	\$7,844,675	70
Total	\$11,685,868	118	\$2,152,368	42	\$664,998	31	\$2,358,874	177	\$0	0	\$1,290	1	\$16,863,398	369.1

TDHCA allocated \$16,863,398 in Region 11 during FY 2011. 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.

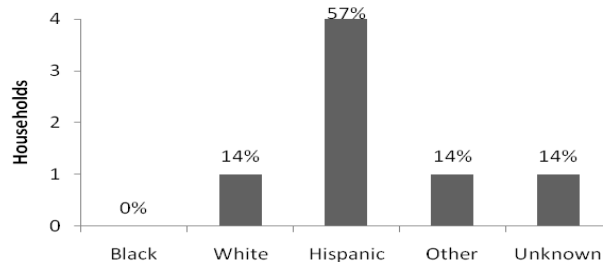
REGION 12



These charts represent the racial and ethnic composition of households served in FY 2011.

Note: Because the Department's loan servicer does not record race and ethnicity data separately, data for the Single Family Bond program is presented in one combine chart.

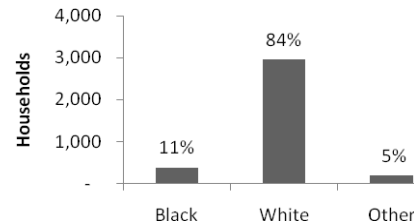
SINGLE FAMILY BOND PROGRAM  
PERCENT OF COMMITTED FUNDS BY RACE AND ETHNICITY



Race	Ethnicity	Households	Percent
White		1	14%
	Hispanic	4	57%
Other		1	14%
Unknown		1	14%

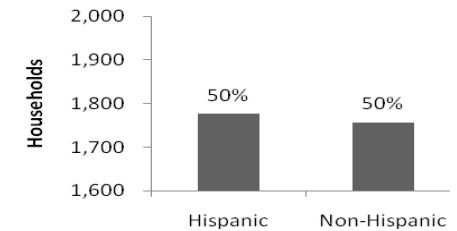
RENTER PROGRAMS

PERCENT OF COMMITTED FUNDS BY RACE



Race	Households	Percent
Black	380	11%
White	2,950	84%
Other	182	5%

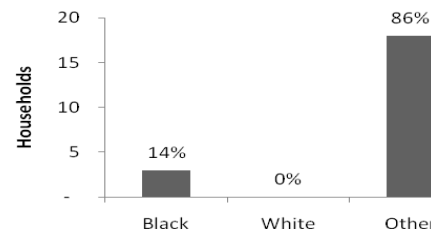
PERCENT OF COMMITTED FUNDS BY ETHNICITY



Ethnicity	Households	Percent
Hispanic	1,776	50%
Non-Hispanic	1,757	50%

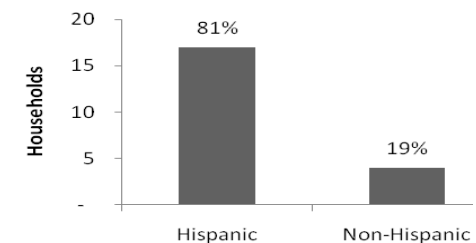
HOME PROGRAM OWNER PROGRAMS

PERCENT OF COMMITTED FUNDS BY RACE



Race	Households	Percent
Black	3	14%
Other	18	86%

PERCENT OF COMMITTED FUNDS BY ETHNICITY



Ethnicity	Households	Percent
Hispanic	17	81%
Non-Hispanic	4	19%

FUNDING AND HOUSEHOLDS SERVED/TO BE SERVED, BY ACTIVITY AND HOUSING PROGRAM TYPE, REGION 12

Activity	SF Bond Funds	SF Bond HH	HOME Funds	HOME HH	HTF Funds	HTF HH	HTC Funds	HTC HH	MF Bond Funds	MF Bond HH	Section 8 Funds	Section 8 HH	All Activities Funds	All Activities HH
Homeowner Programs	\$667,601	7	\$3,281,800	47	\$0	0	\$0	0	\$0	0	\$0	0	\$3,949,401	54
Renter Programs	\$0	0	\$0	0	\$0	0	\$3,397,722	306	\$0	0	\$2,604	1	\$3,400,326	307
Total	\$667,601	7	\$3,281,800	47	\$0	0	\$3,397,722	306	\$0	0	\$2,604	1	\$7,349,727	361

FUNDING AND HOUSEHOLDS SERVED/TO BE SERVED, BY INCOME CATEGORY AND HOUSING PROGRAM, REGION 12

	SF Bond Funds	SF Bond HH	HOME Funds	HOME HH	HTF Funds	HTF HH	HTC Funds	HTC HH	MF Bond Funds	MF Bond HH	Section 8 Funds	Section 8 HH	All Activities Funds	All Activities HH
Extremely Low Income (0-30 AMFI)	\$0	-	\$180,400	2	\$0	0	\$428,620	39	\$0	0	\$1,917	3	\$610,937	44
Very Low Income (30-50 AMFI)	\$0	-	\$31,200	3	\$0	0	\$1,208,510	109	\$0	0	\$687	1	\$1,240,397	113
Low Income (50-80 AMFI)	\$156,816	2	\$3,070,200	42	\$0	0	\$1,760,592	158	\$0	0	\$0	0	\$4,987,608	202
Moderate Income (>80 AMFI)	\$510,785	5	\$0	0	\$0	0	\$0	0	\$0	0	\$0	0	\$510,785	5
Total	\$667,601	7	\$3,281,800	47	\$0	0	\$3,397,722	306	\$0	0	\$2,604	4	\$7,349,727	364

TDHCA allocated \$7,349,727 in Region 12 during FY 2011. 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.



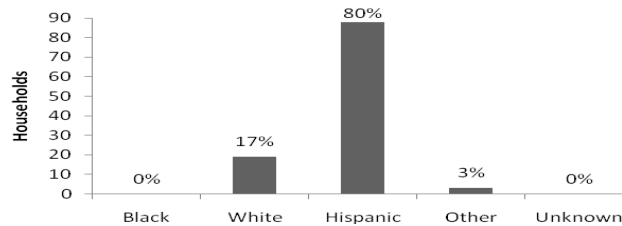
**REGION 13**



These charts represent the racial and ethnic composition of households served in FY 2011.

Note: Because the Department's loan servicer does not record race and ethnicity data separately, data for the Single Family Bond program is presented in one combine chart.

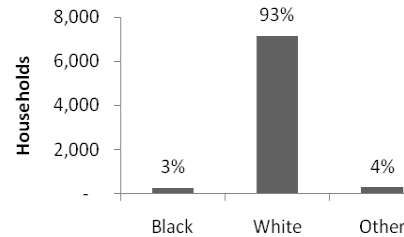
**SINGLE FAMILY BOND PROGRAM**  
PERCENT OF COMMITTED FUNDS BY RACE AND ETHNICITY



Race	Ethnicity	Households	Percent
Black		0	0%
White		19	17%
	Hispanic	88	80%
Other		3	3%

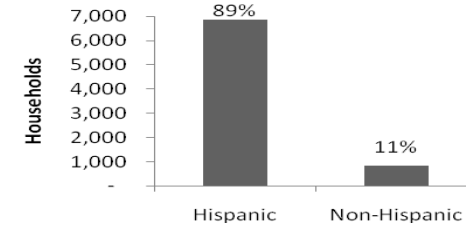
**RENTER PROGRAMS**

PERCENT OF COMMITTED FUNDS BY RACE



Race	Households	Percent
Black	269	3%
White	7,153	93%
Other	278	4%

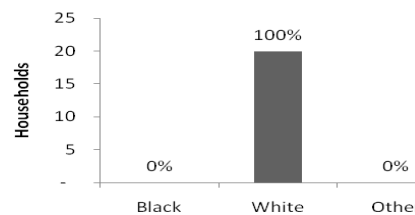
PERCENT OF COMMITTED FUNDS BY ETHNICITY



Ethnicity	Households	Percent
Hispanic	6,876	89%
Non-Hispanic	844	11%

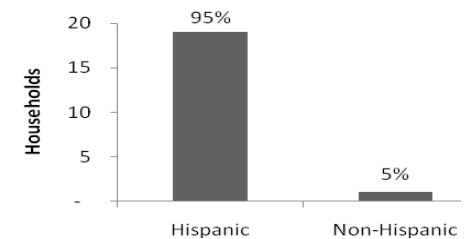
**HOME PROGRAM OWNER PROGRAMS**

PERCENT OF COMMITTED FUNDS BY RACE



Race	Households	Percent
White	20	100%

PERCENT OF COMMITTED FUNDS BY ETHNICITY



Ethnicity	Households	Percent
Hispanic	19	95%
Non-Hispanic	1	5%

FUNDING AND HOUSEHOLDS SERVED/TO BE SERVED, BY ACTIVITY AND HOUSING PROGRAM TYPE, REGION 13

Activity	SF Bond Funds	SF Bond HH	HOME Funds	HOME HH	HTF Funds	HTF HH	HTC Funds	HTC HH	MF Bond Funds	MF Bond HH	Section 8 Funds	Section 8 HH	All Activities Funds	All Activities HH
Homeowner Programs	\$11,556,314	110	\$60,000	4	\$434,985	15	\$0	0	\$0	0	\$0	0	\$12,051,299	129
Renter Programs	\$0	0	\$0	0	\$0	0	\$3,056,218	252	\$0	0	\$0	0	\$3,056,218	252
Total	\$11,556,314	110	\$60,000	4	\$434,985	15	\$3,056,218	252	\$0	0	\$0	0	\$15,107,517	381

FUNDING AND HOUSEHOLDS SERVED/TO BE SERVED, BY INCOME CATEGORY AND HOUSING PROGRAM, REGION 13

	SF Bond Funds	SF Bond HH	HOME Funds	HOME HH	HTF Funds	HTF HH	HTC Funds	HTC HH	MF Bond Funds	MF Bond HH	Section 8 Funds	Section 8 HH	All Activities Funds	All Activities HH
Extremely Low Income (0-30 AMFI)	\$131,720	1	\$0	0	\$0	0	\$210,273	17	\$0	0	\$0	0	\$341,993	18
Very Low Income (30-50 AMFI)	\$723,500	7	\$30,000	2	\$318,989	11	\$1,593,518	130	\$0	0	\$0	0	\$2,666,007	150
Low Income (50-80 AMFI)	\$3,702,131	40	\$30,000	2	\$115,996	4	\$1,252,427	105	\$0	0	\$0	0	\$5,100,554	151
Moderate Income (>80 AMFI)	\$6,998,963	62	\$0	0	\$0	0	\$0	0	\$0	0	\$0	0	\$6,998,963	62
Total	\$11,556,314	110	\$60,000	4	\$434,985	15	\$3,056,218	252	\$0	0	\$0	0	\$15,107,517	381

TDHCA allocated 15,107,517 in Region 13 during FY 2011. 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.

## **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 \$55,160,211 in HTCs through the Competitive Housing Tax Credit application process from the 2011 ceiling credits. Information on these awards, as well as the entire HTC inventory, can be found on the HTC Program's webpage at <http://www.tdhca.state.tx.us/multifamily/htc/>. The map on the following page displays the geographic distribution of the FY 2011 9% and 4% awards.

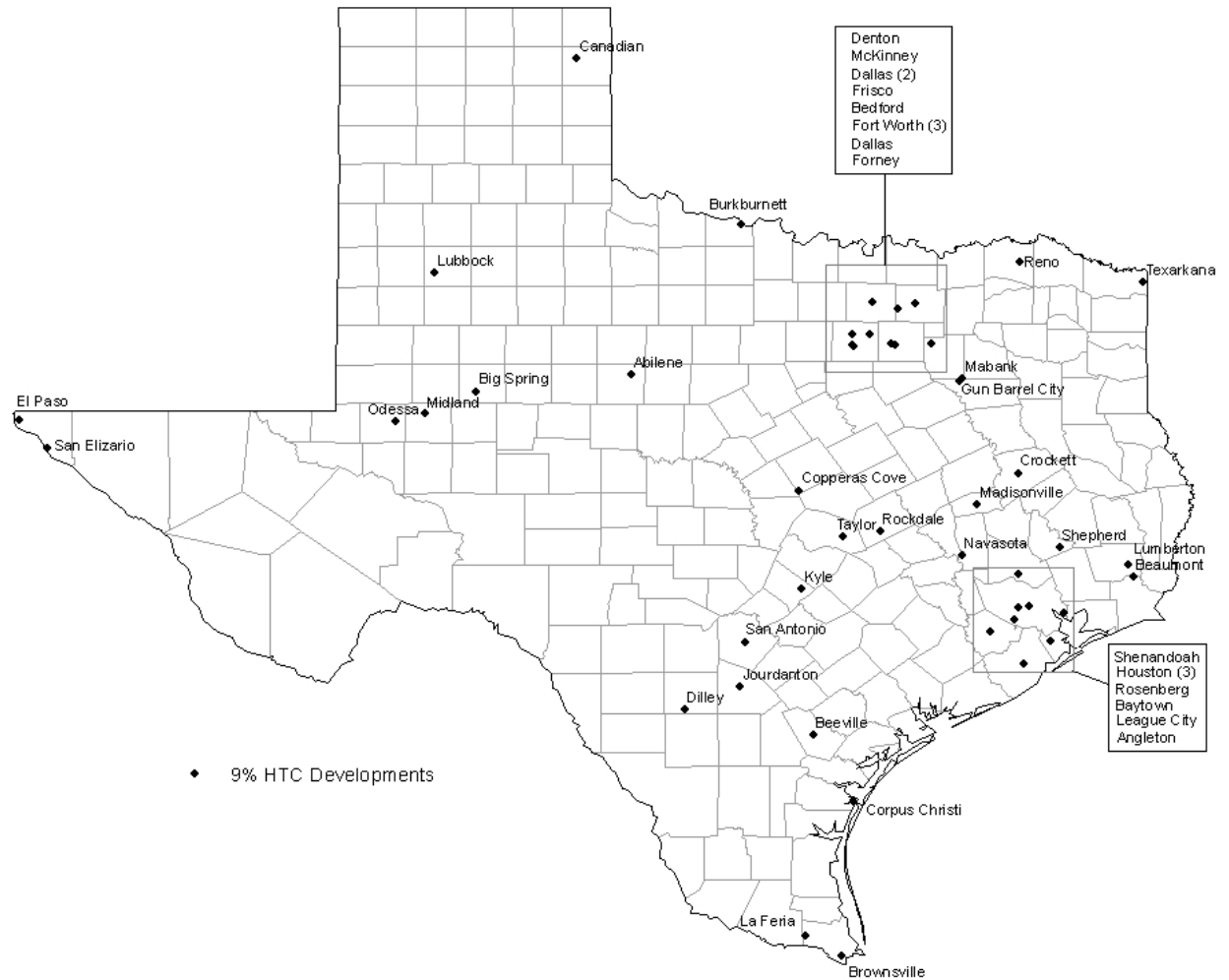
### **REGIONAL ALLOCATION FORMULA**

The table below shows the funding distribution of FY 2011 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.

<b>Region</b>	<b>All HTCs</b>	<b>% of all HTCs</b>	<b>4% HTCs</b>	<b>% of all 4% HTCs</b>	<b>9% HTCs</b>	<b>% of all 9% HTCs</b>	<b>Targeted 9% dist. under RAF</b>	<b>Diff. between actual &amp; targeted</b>
1	\$2,626,775	4.8%	\$-	0.0%	\$2,626,775	4.8%	4.28%	0.5%
2	\$2,261,555	4.1%	\$-	0.0%	\$2,261,555	4.1%	1.64%	2.5%
3	15,185,947	27.5%	\$-	0.0%	\$15,185,947	27.5%	21.10%	6.4%
4	\$2,905,139	5.3%	\$-	0.0%	\$2,905,139	5.3%	4.37%	0.9%
5	\$3,837,595	7.0%	\$-	0.0%	\$3,837,595	7.0%	1.01%	5.9%
6	\$10,930,391	19.8%	\$-	0.0%	\$10,930,391	19.8%	27.43%	-7.6%
7	\$2,024,139	3.7%	\$-	0.0%	\$2,024,139	3.7%	7.77%	-4.1%
8	\$2,525,797	4.6%	\$-	0.0%	\$2,525,797	4.6%	5.89%	-1.3%
9	\$2,711,858	4.9%	\$-	0.0%	\$2,711,858	4.9%	4.07%	0.8%
10	\$1,338,201	2.4%	\$-	0.0%	\$1,338,201	2.4%	4.11%	-1.7%
11	\$2,358,874	4.3%	\$-	0.0%	\$2,358,874	4.3%	13.35%	-9.1%
12	\$3,397,722	6.2%	\$-	0.0%	\$3,397,722	6.2%	1.48%	4.7%
13	\$3,056,218	5.5%	\$-	0.0%	\$3,056,218	5.5%	3.50%	2.0%
<b>Total</b>	<b>\$55,160,211</b>	<b>100.0%</b>	<b>\$-</b>	<b>0.0%</b>	<b>\$55,160,211</b>	<b>100.0%</b>	<b>100.00%</b>	<b>0.0%</b>

**9% and 4% HTC Distribution by Place, Awarded in FY 2011\***

\*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 Housing Analysis, 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 Initiatives**
  - Overarching policies and community involvement
- **Special Needs Populations**
  - Populations that have unique needs related to housing

## **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*.

A list of TDHCA programs, organized by their Division, follows:

### **Community Affairs Division**

- Community Service Block Grant Program
- Comprehensive Energy Assistance Program
- Emergency Shelter/Solutions Grants Program
- Homeless Housing and Services Program
- Section 8 Housing Choice Voucher Program
- Weatherization Assistance Program
- Weatherization Assistance Program ARRA (Stimulus Program)

**HOME Investment Partnership Program Division**

- Contract for Deed Conversion Program
- Multifamily Rental Housing Development
- Single Family Development
- Tenant-Based Rental Assistance
- Homebuyer Assistance Program
- Homeowner Rehabilitation Assistance Program

**Housing Trust Fund Division**

- Affordable Housing Match Program
- Amy Young Barrier Removal and Rehabilitation Program
- Homebuyer Assistance Program

**Manufactured Housing Division****Multifamily Finance Division**

- Housing Tax Credit 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

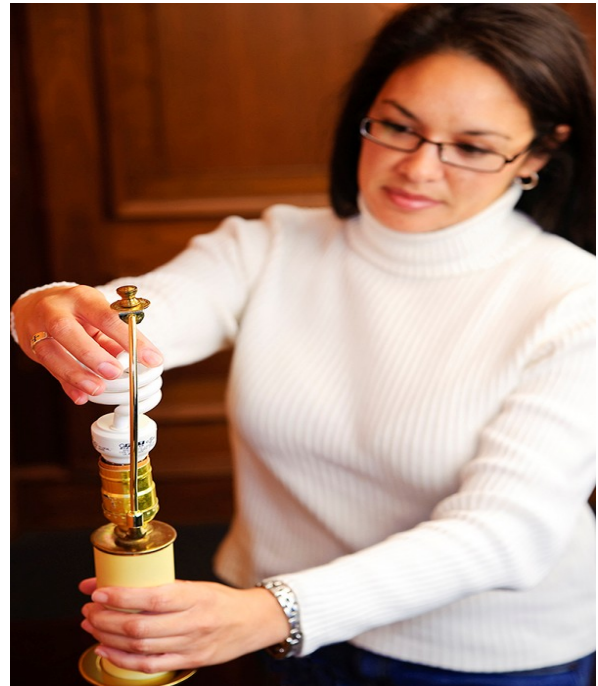
Regarding CDBG Disaster Recovery Programs, effective July 1, 2011, the CDBG Disaster Recovery Programs were transferred to the Texas General Land Office (GLO) from the Department.

## COMMUNITY AFFAIRS DIVISION

The Community Affairs Division offers the Community Services Block Grant Program, Comprehensive Energy Assistance Program, Emergency Shelter/Solutions Grants 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

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.



The Weatherization Program promotes weatherization measures to maximize the potential energy savings of a home.

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 44 CSBG-eligible entities. Five percent of the State's CSBG allocation is used to (1) provide emergency disaster relief assistance to persons impacted by a natural or man-made disaster; (2) support statewide initiative from national organizations that represent CSBG funded entities to coordinate reports and provide training and technical assistance to CSBG-eligible entities, and (3) support a statewide initiative to provide training and technical assistance to organizations providing services to homeless persons and persons at-risk of homelessness. If funds are available, the Department may use CSBG State discretionary funds to support innovative projects that address the causes of poverty, promote client self-sufficiency for projects operated by organizations serving Native Americans, projects that serve migrant or seasonal farm workers and to 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 2012: \$33,551,992.



The 2012 allocation is not known at this time; however, it is anticipated that CSBG funding will be reduced. Additional documentation, including the CSBG State Plan, may be accessed at the TDHCA website at <http://www.tdhca.state.tx.us/community-services/csbg>. 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 44 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 125 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 received to date for FY 2012: \$37,475,742

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 SHELTER/SOLUTIONS GRANTS PROGRAM

The Emergency Shelter/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 and to re-house homeless persons. 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 104 applications and was able to fund only 44 entities.

Emergency Shelter/Solutions Grants Program funding for the State of Texas for FY 2012: \$7,185,228.

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 ESGP. For more information, contact the Community Service Section at (512) 475-3905.

## HOMELESS HOUSING AND SERVICES PROGRAM

During the 82nd Legislative Session, this program was reauthorized, but the Legislature did not appropriate general revenue funds for the Homeless Housing and Services Program (HHSP). HHSP funds are for the purpose of assisting regional urban areas in providing services to homeless individuals and families. The Department has identified general revenue funding sources in the amount of \$5,000,000 for FY 2012.

Homeless Housing and Service Program funding for FY 2012: \$5,000,000.

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 22 counties.

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. Eligible households have a gross income that does not exceed 50 percent of HUD's median income guidelines. HUD requires 75 percent of all new households admitted to the program be at or below 30 percent 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 2012: \$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 26 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 125 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.

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 2012: up to \$4.2 million, depending on federal funding levels.

The Energy Assistance Plans and Rules may be accessed from the TDHCA website at <http://www.tdhca.state.tx.us/ea>. 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.

## 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 purpose 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 made available 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.

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. In energy efficiency efforts, the HOME Program requires applicants for multifamily developments to adhere to the statewide energy code and provide Energy Star Rated appliances.

## CONTRACT FOR DEED CONVERSION PROGRAM

The Contract for Deed Conversion 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.



The Texas HOMEbuyer Assistance Program for Lenders helped Leticia Leal and her family of Del Valle achieve the American Dream of Homeownership.

## **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 percent 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 (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 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.

## **HOMEBUYER ASSISTANCE PROGRAM**

The 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**

The Homeowner Rehabilitation Assistance Program 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.

## **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 accessed 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 stopped receiving applications before 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 2012-2013 biennium, the Housing Trust Fund offers the Affordable Housing Match Program, Amy Young Barrier Removal Program and HTF Homebuyer Assistance Program.

The Housing Trust Fund Program receives general appropriations funding from the State of Texas including the use of loan repayments from previous projects funded with Housing Trust Funds. The Housing Trust Fund is the only State funded 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 the *2012-2013 Housing Trust Fund Biennial Plan* are released on a regional basis according to the Regional Allocation Formula (RAF) in accordance with the Texas Government Code.



Amy Young Barrier Removal Program helps persons with disabilities enjoy their homes even more by making it accessible for them.

### 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 and their household members with disabilities who need assistance to fully access their home.

### HOMEBUYER ASSISTANCE PROGRAM

The Homebuyer Assistance Program provides funding for down payment and closing cost assistance to first-time homebuyers, or Texas veterans. Funds are provided in the form of zero-percent interest, loan and may only serve households at or below 80 percent AMFI.

### SUMMARY OF HOUSING TRUST FUND PROGRAM FUNDING FOR FISCAL YEARS 2010-2011

The Housing Trust Fund program funding of \$9,477,000 for FYs 2012-2013 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 status and lien status (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.

Relying on a team of trained inspectors stationed throughout Texas, the Division inspects manufactured homes for warranty issues, habitability and proper installation statewide. Additionally, the Manufactured Housing Division works collectively with TDHCA by inspecting properties for the Compliance and Asset Oversight Divisions and by inspecting and licensing Migrant Labor Housing. The Manufactured Housing Division also handles over 52,000 incoming calls per year in its call center and investigates approximately 550 consumer complaints a year.

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 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.



The Housing Tax Credit and Tax Credit Assistance Program were used to build the Corban Townhomes in Corpus Christi.

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 any additional funds that may be allocated under Public Law 110-343 for disaster recovery or by Congress. 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 *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, reconstruction or undergo substantial rehabilitation of residential units, which is generally defined as at least \$25,000 per rental unit of direct construction costs, also referred to as building costs in §1.32(e)(4) of the Real Estate Analysis rules and site work. For tax-exempt bond developments less than 25 years old, the minimum is \$15,000 per unit. 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.

In energy efficiency efforts, the Housing Tax Credit Program requires applicants for multifamily developments to adhere to the statewide energy code and provide Energy Star Rated appliances. The Housing Tax Credit Program also allows for additional threshold and/or selection application points for the use of energy-efficient alternative construction materials including R-15 wall and R-30 ceiling insulation, structurally insulated panels, 14 SEER (seasonal energy efficiency ratio) cooling units and numerous green building initiatives.

Projected Housing Tax Credit Program Funding for FY 2012 is \$55,320,234, which represents the estimated HTC ceiling amount.

The *Housing Tax Credit Program QAP* may be accessed from the TDHCA website at <http://www.tdhca.state.tx.us/multifamily/htc>. For more information, contact the Multifamily Finance Division at (512) 475-3340.

## 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 percent of units rent capped at 30 percent of 50 percent AMFI and the remaining 50 percent of units rents capped at 30 percent of 60 percent of AMFI; or
  - (b) Set aside 15 percent of units rent capped at 30 percent of 30 percent of AMFI and the remaining 85 percent of units rent capped at 30 percent of 60 percent of AMFI; or
  - (c) Set aside 100 percent of units rent capped at 30 percent of 60 percent 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 percent of units rent capped at 30 percent of 60 percent of AMFI
  - Up to 20 percent 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. For 2012, approximately \$525 million in issuance authority will be made available to various issuers to finance multifamily developments, of which 20 percent, or approximately \$105 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 \$105 million.

PAB Issuance authority per individual development is allocated and administered by the Texas Bond Review Board (BRB). Applications may be submitted to the BRB utilizing the lottery process or through the waiting list of the issuer. 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 2012 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.

In energy efficiency efforts, the Multifamily Bond Program requires applicants for multifamily developments to adhere to the statewide energy code and provide Energy Star Rated appliances.

The Multifamily Housing Revenue Bond Rules may be accessed from the TDHCA website at <http://www.tdhca.state.tx.us/multifamily/bond>. For more information, contact the Multifamily Finance Production Division at (512) 475-3340.

**NOTE:** The Housing Tax Credit Exchange Program is administered by the HTC Division; this program stopped receiving applications before the publication of this document. Therefore, information about Housing Tax Credit Exchange Program is only included in the *Stimulus Programs* chapter and not in the HTC Division section of the Action Plan.

## NEIGHBORHOOD STABILIZATION PROGRAM DIVISION

The Neighborhood Stabilization Program Division administers the Texas Neighborhood Stabilization Program. TDHCA received NSP 1 and NSP 3 funding.

*Neighborhood Stabilization Program, (NSP 1 and NSP 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 are eligible to apply for these funds. Homes will be sold or rented to eligible low-to-moderate income households.

For more information on NSP 1 and NSP 3, see the *Stimulus Programs* chapter.



Neighborhood Stabilization Program staff join the City of Austin in celebrating the completion of the Frontier at Montana subdivision in Austin.

## 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.



The El Paso Colonia Self-Help Center holds a community meeting with clients to get input about their services and programs.

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: \$1,665,114.

Colonia Self-Help Center Program funding for FY 2012: \$1,600,000. (estimated)

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: \$3,000,000.

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.



In 2011, the Texas Homebuyer Division helped over 2000 families become homeowners.

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 2012: \$300,000,000.

The Texas First Time Homebuyer Program Rules may be accessed from the TDHCA website at <http://www.tdhca.state.tx.us/homeownership>. 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 2012: \$130,000,000.

The Texas First Time Homebuyer Program Rules may be accessed from the TDHCA website at <http://www.tdhca.state.tx.us/homeownership>. 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, Round 4 and Round 5. TDHCA is in the process of administering 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 currently 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 2012: \$50,000.

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).

## ***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 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 three 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 eight 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 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 SHELTER/SOLUTIONS GRANT PROGRAM**

Emergency Shelter/Solutions Grant Program (ESGP) is the primary program used specifically to provide shelter to homeless Texans and to prevent homelessness and re-house homeless persons. 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; assistance to retain housing and to obtain permanent housing; and costs related to maintenance, operation administration, rent, repairs, security, fuel, equipment, insurance, utilities, food and furnishings related to shelter operations and street outreach. The U.S. Department of Housing and Urban Development will release interim regulations for ESGP funds in the fall of 2011. Once those regulations are released, the eligible activities and use of funds may be revised.

### **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 related to housing, homeless prevention, housing retention and rental assistance.

## **(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.

## **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 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 services must be designed to meet the needs of the current tenant profile and be selected from the list of tenant services identified in the Definitions and Amenities for Housing Program Activities rule.

### **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.

## **(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.

### **CONTRACT FOR DEED CONVERSION PROGRAM**

The 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 60 percent AMFI.

### **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 percent 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 percent 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**

The Housing Trust Funds' Homebuyer Assistance Program provides zero percent interest loans for 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 35 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 (STIMULUS PROGRAM)**

Financing mechanisms will allow homebuyers who earn 50 percent or less of AMFI to qualify for 100% financing through the Department at 0 percent interest for 30 years and will also allow homebuyers who earn 120 percent or less of AMFI to qualify for up to \$30,000 in homebuyer assistance in the form of a deferred, forgivable loan.

## **HOME BUYER ASSISTANCE PROGRAM**

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.

## **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.

### **SINGLE FAMILY DEVELOPMENT**

The HOME Programs' Single Family Development provides funding to Community Housing Development Organizations (CHDOs) that can apply for loans to acquire, rehabilitate, or reconstruct single-family housing to households at or below 60 percent AMFI. CHDOs can also apply for homebuyer assistance if their organization is the owner or developer of the single family housing project.

### **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*.

## NEIGHBORHOOD STABILIZATION PROGRAM

Neighborhood Stabilization Program provides funds to nonprofit organizations and local governments for the acquisition and construction or rehabilitation of affordable housing on properties that were previously foreclosed, vacant or abandoned. NSP investments in single family development may remain with the property in the form of homebuyer assistance or permanent financing for eligible households.

### **4) REHABILITATION AND WEATHERIZATION**

In the course of homeownership, there may come a time when substantial rehabilitation or reconstruction needs to take place. Persons with disabilities may also need accessibility modifications in order to be able to stay in their home. 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 and BARRIER REMOVAL**

##### **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 \$20,000 for home modifications necessary for accessibility and the elimination of hazardous conditions. Home modifications may include, but are not limited to 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, they only way to successfully cure a default may be to sell the home.

### **B. POST-FORECLOSURE MITIGATION**

#### **NEIGHBORHOOD STABILIZATION PROGRAM**

The Neighborhood Stabilization Program (NSP1 and NSP3) will provide funds to local units of government and nonprofit entities to provide clearance for blight removal or redevelopment, financing mechanisms for eligible purchasers of foreclosed properties, acquisition of real property for rehabilitation or new construction, and creation of land banks to prevent foreclosed properties from creating downward pressure on local housing markets and allow for future redevelopment of affordable housing.

## **(6) DISASTER RELIEF**

When natural and man-made disasters strike, low-income households are often the most dramatically affected. TDHCA is committed to quickly, efficiently and responsibly locating funds and developing programs and initiatives to assist the affected households and communities.

#### **COMMUNITY SERVICES BLOCK GRANT**

As a first line of action, the Department reserves a portion of the State's CSBG funds to provide emergency disaster relief to assist low-income persons who live in communities impacted by a natural or man-made disaster. The CSBG emergency disaster relief funds are distributed to CSBG-eligible entities and are to be utilized to provide persons with emergency shelter, food, clothing, pharmaceutical supplies, bedding, cleaning supplies, personal hygiene items and replacement of essential appliances including stoves, refrigerators and water heaters.

## **HOME PROGRAM – DISASTER RELIEF**

In accordance with the Texas Administrative Code (TAC), Title 10, part 1 Chapter 1, subchapter A §1.19 and 10 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 of assistance, or as gap financing after any other federal assistance. Assisted homeowners must have an income that is at or below 80 percent AMFI, as defined by HUD.

## 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 2012-2013.

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 82<sup>nd</sup> Texas 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 2011 goal, the 2011 actual performance and the goal for 2012. Targets for 2012 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	2011 Target	2011 Actual	% of Goal	2012 Target
Number of single-family households assisted through the First Time Homebuyer Program	2,000	2,414	120.70%	2,002



Explanation of Variance: Due to fewer entities offering down payment assistance resources, more and more consumers are utilizing the Department's assisted Single Family MRB funds.

### Strategy 1.2

Provide funding through the HOME Program for affordable single family housing

Strategy Measure	2011 Target	2011 Actual	% of Goal	2012 Target
Number of single-family households assisted with HOME Funds	952	582	61.13%	580

Explanation of Variance: Various factors affected performance during the fourth quarter, including but not limited to the following: 1) Lower than expected demand for homebuyer assistance and tenant based rental assistance funds; since both of these activities have low per unit cost, decreased participation greatly impacts performance. The decreased demand for homebuyer assistance is due largely to economic conditions. 2) TDHCA has increased the allowable per unit cost under home rehabilitation, resulting in fewer persons served through funding reserved for this activity. Another important factor is a "lag" in reporting resulting from a new funding mechanism TDHCA has introduced. While the majority of TDHCA HOME funds continue to be made available through awards, a portion of HOME single family funds are now available through a reservation system. Under the award system, households are reported at the time of the award while under the reservation system, households are reported when a specific household is being served. As this is a new process, TDHCA anticipates that the majority of households served through these funds will be reported after SFY 2011.

### Strategy 1.3

Provide funding through the Housing Trust Fund for affordable single family housing

Strategy Measure	2011 Target	2011 Actual	% of Goal	2012 Target
Number of single-family households assisted through the Housing Trust Fund	344	191	55.52%	154

Explanation of Variance: Due to statutory limitations in the Texas Bootstrap Loan Program, all the units were not realized for this fiscal year. TDHCA anticipates that the amendment to statute by Senate Bill 992 will assist in meeting upcoming fiscal targets.

\* - In the 2012-2013 Fiscal Size-Up submitted to the Legislative Budget Board, the Housing Trust Fund revised their 2012-2013 targets from what was originally submitted in the 2012-2013 LAR. These revisions are based upon the following factors: (1) State appropriations decreased from \$10.96 million in SFY2011 to \$5.85 million in SFY2012, and (2) Starting in FY2012, ten percent of HTF funds are now transferred to the Texas Veterans Commission for the Veterans Housing Assistance Program.

### Strategy 1.4

Provide tenant-based rental assistance through Section 8 certificates

Strategy Measure	2011 Target	2011 Actual	% of Goal	2012 Target
Number of households assisted through Statewide Housing Assistance Payments Program	1,100	1,048	95.27%	1,100

Explanation of Variance: None needed.

**Strategy 1.5**

Provide federal tax credits to develop rental housing

Strategy Measure	2011 Target	2011 Actual	% of Goal	2012 Target
Number of multifamily households assisted with Housing Tax Credits	10,874	5,250	48.28%	5,657

Explanation of Variance: The overall economy and financial market has limited private investment in the tax credit industry. While there was a slight increase in equity pricing compared to last year, on the whole equity pricing across the state still increased the amount of credit needed per unit which still resulted in a reduced number of units produced through the tax credit program.

**Strategy 1.6**

Provide funding through the Multifamily Mortgage Revenue Bond Program

Strategy Measure	2011 Target	2011 Actual	% of Goal	2012 Target
Number of households assisted through the Mortgage Revenue Bond Program	1,611	0	0.00%	750

Explanation of Variance: Economic conditions in the equity markets made it difficult for developers to submit a financially feasible application for 4% credits and private activity bonds this quarter. The two applications that were under review in Quarter 3 were both withdrawn.

**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	2011 Target	2011 Actual	% of Goal	2012 Target
Number of information and technical assistance requests completed	5,000	8,405	168.10%	5,000

Explanation of Variance: The number of informational and technical assistance requests handled by the Housing Resource Center (HRC) varies based on economic conditions across the state. Throughout SFY 2011, the HRC has experienced a higher volume of requests than usual due in large part to the continuing economic downturn.

**Strategy 2.2**

To provide technical assistance to colonias through field offices

Strategy Measure	2011 Target	2011 Actual	% of Goal	2012 Target
Number of on-site technical assistance visits conducted annually from the field offices	900	993	110.33%	900

Explanation of Variance: The Office of Colonia Initiatives (OCI) exceeded its projected performance measures for on-site technical assistance visits due to the continued marketing efforts of the Programs offered by the Department to nonprofit organizations and units of local governments. In addition, Border Field Office staff continues to provide technical assistance for the Texas Bootstrap Self-Help Housing Technical Assistance Program and Colonia Self-Help Center Program.

**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 #1	2011 Target	2011 Actual	% of Goal	2012 Target
Number of persons assisted through homeless and poverty related funds	531,498	831,801	156.50%	599,032

Explanation of Variance: Persons assisted through homeless and poverty-related funds is impacted by the number of persons assisted through the Community Services Block Grant (CSBG) and Emergency Shelter Grants Program (ESGP) as well as 10,093 persons served through the Homelessness Prevention and Rapid Re-Housing (HPRP) program, which is funded by the Recovery Act. CSBG funded organizations also received other Recovery Act funding which enabled them to serve many more persons and those numbers are reflected in the number of persons served through CSBG.

Strategy Measure #2	2011 Target	2011 Actual	% of Goal	2012 Target
Number of persons assisted that achieve incomes above poverty level.	2,800	1,145	40.89%	1,200

Explanation of Variance: The Department did not meet its projected target due to the increased difficulty of transitioning persons out of poverty during the economic downturn and period of high unemployment. Additionally, CSBG funded organizations received CSBG ARRA funds and other ARRA funds which enabled them to serve many more persons. The economic downturn impacting Texas has affected the ability to assist persons to achieve incomes above the poverty level.

### 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 #1	2011 Target	2011 Actual	% of Goal	2012 Target
Number of Households Receiving Energy Assistance	48,152	207,913	431.78%	47,653

Explanation of Variance: Federal LIHEAP funding increased, allowing assistance to more households than expected.

Strategy Measure#2	2011 Target	2011 Actual	% of Goal	2012 Target
Number of dwelling units weatherized through Weatherization Assistance Program	2,257	36,656	1,624.10%	2,610

Explanation of Variance: TDHCA received federal stimulus funding, allowing additional households to be served. Households reported include 27,200 served through ARRA DOE WAP funds.

**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	2011 Target	2011 Actual	% of Goal	2012 Target
Total number of onsite reviews conducted.	959	983	102.50%	933

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	2011 Target	2011 Actual	% of Goal	2012 Target
Total number of contract monitoring reviews conducted.	248	249	100.4%	208

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	2011 Target	2011 Actual	% of Goal	2012 Target
Number of manufactured housing statements of ownership and location issued	80,000	60,126	75.15%	70,000

Explanation of Variance: This measure is under the targeted amount due to the high number of applications received incomplete, currently about 39 percent. The Statements of Locations returned to the applicant for additional information will be resubmitted and reviewed for issuance.

**Strategy 5.2**

Conduct inspection of manufactured homes in a timely manner.

Strategy Measure	2011 Target	2011 Actual	% of Goal	2012 Target
Number of installation reports received	13,000	10,739	82.61%	11,000

Explanation of Variance: Performance is under the targeted projection due to receiving fewer installation reports than projected.

**Strategy 5.3**

To process consumer complaints, conduct investigations and take administrative actions to protect the general public and consumers.

Strategy Measure #1	2011 Target	2011 Actual	% of Goal	2012 Target
Number of complaints resolved	850	588	69.18%	600

Explanation of Variance: The Department has received fewer complaints than targeted, resulting in fewer complaints needing resolution.

Strategy Measure #2	2011 Target	2011 Actual	% of Goal	2012 Target
Average time for complaints resolution	180	99.2	55.11%	180

Explanation of Variance: The average time is under the targeted projection, which is desirable.

Strategy Measure #3	2011 Target	2011 Actual	% of Goal	2012 Target
Number of jurisdictional complaints received	750	504	67.20%	550

Explanation of Variance: This measure is under the targeted projection because the Department is receiving fewer complaints than projected.

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)	2011 Target	2011 Actual	% of Goal	2012 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	\$37,914,380	126.4%	\$30,000,000

Explanation of Variance: The performance is higher than expected because the Rider 5 report 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), 82<sup>nd</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 percent of the division's total housing funds toward housing assistance for individuals and families earning between 31 percent and 60 percent AMFI.

Rider 5 (b)	2011 Target	2011 Actual	% of Goal	2012 Target
Percent of housing finance division funds applied towards housing assistance for individuals and families earning between 31 percent and 60 percent of median family income	20%	45.1%	240.5%	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	2011 Target	2011 Actual	% of Goal	2012 Target
Amount of TDHCA funds applied toward contract for deed conversions for colonia families earning less than 60 percent of median family income.	100	18	18.00%	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. For FY 2011 the Department allocated \$796,122.70 towards 18 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), 82<sup>nd</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 5 percent of the HOME project allocation for benefits of persons with disabilities who live in any area of this state.

Strategy Measure	2011 Target	2011 Actual	% of Goal	2012 Target
Amount of HOME project allocation awarded to applicants that target persons with disabilities.	\$2,000,000	\$2,072,087.57	103.6%	\$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.

### **2012 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.

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.

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 data from the Census Bureau and HUD 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 are subject to Texas Government Code §2306.111 and as such will be distributed according to the established Regional Allocation Formula (RAF). The 2012 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 2012 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	\$1,591,524	4.7%	\$1,591,221	100.0%	\$303	0.0%
2	Abilene	\$1,226,328	3.6%	\$1,202,475	98.1%	\$23,852	1.9%
3	Dallas/Fort Worth	\$6,736,372	19.8%	\$2,449,459	36.4%	\$4,286,913	63.6%
4	Tyler	\$3,759,605	11.1%	\$3,329,187	88.6%	\$430,418	11.4%
5	Beaumont	\$2,034,990	6.0%	\$1,693,269	83.2%	\$341,721	16.8%
6	Houston	\$3,330,303	9.8%	\$1,410,440	42.4%	\$1,919,863	57.6%
7	Austin/Round Rock	\$1,646,841	4.8%	\$597,496	36.3%	\$1,049,345	63.7%
8	Waco	\$1,204,710	3.5%	\$752,448	62.5%	\$452,263	37.5%
9	San Antonio	\$1,790,008	5.3%	\$1,317,317	73.6%	\$472,692	26.4%
10	Corpus Christi	\$2,337,080	6.9%	\$1,440,667	61.6%	\$896,413	38.4%
11	Brownsville/Harlingen	\$6,308,579	18.5%	\$2,861,759	45.4%	\$3,446,820	54.6%
12	San Angelo	\$1,545,163	4.5%	\$931,828	60.3%	\$613,335	39.7%
13	El Paso	\$498,312	1.5%	\$357,879	71.8%	\$140,433	28.2%
	Total	\$34,009,814	100.0%	\$19,935,445	58.6%	\$14,074,369	41.4%

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. The 82<sup>nd</sup> Legislative Session returned the Housing Trust Fund to historic funding levels, a decrease from the 81<sup>st</sup> Legislative Session of \$10,963,875 per year to \$5,850,000 per year. In addition, the 82<sup>nd</sup> Legislative Session the 82<sup>nd</sup> Texas Legislature transferred funds from the Housing Trust Fund to the Texas Veteran's Commission. Therefore, no funds will be subject to the 2012 RAF for SFY 2012.

**HOUSING TAX CREDIT REGIONAL ALLOCATION FORMULA**

In accordance with Senate Bill 264, TDHCA allocates Housing Tax Credit (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.

The Housing Tax Credit RAF provides for a minimum of \$500,000 in each rural and urban state service region and ensures that a minimum of 20 percent of the state's tax credit amount is awarded to rural areas. Furthermore, TDHCA and the Office of Rural Affairs established within the Texas Department of Agriculture (TDA), formerly the Texas Department of Rural Affairs, administer the Housing Tax Credit Program's rural regional allocation. TDA assists in developing criteria for rural regional allocation. TDA also participates in the evaluation and site inspection of rural developments proposed under the rural allocation.

**HTC Program 2012 RAF*****Total Funding Amount***

2012 Estimated HTC Ceiling	\$55,320,234
At-Risk Set-Aside	\$8,298,035
<i>Less: At-Risk Forward Commitments</i>	<i>\$(944,918)</i>
Remaining for At-Risk	\$7,353,117
2012 HTC Ceiling After At-Risk	\$47,022,199
<i>Less: Regional Forward Commitments</i>	<i>\$(9,571,260)</i>
Remaining to Regionally Allocate	\$37,450,939

**HTC Regional Funding Amounts**

Region	Place for Geographical Reference	Regional Funding Amount	Regional Funding %	Rural Funding Amount	Rural Funding %	Urban Funding Amount	Urban Funding %
1	Lubbock	\$1,736,795	4.6%	\$703,397	40.5%	\$1,033,399	59.5%
2	Abilene	\$1,000,000	2.7%	\$500,000	50.0%	\$500,000	50.0%
3	Dallas/Fort Worth	\$6,368,694	17.0%	\$766,479	12.0%	\$5,602,215	88.0%
4	Tyler	\$1,773,416	4.7%	\$1,137,439	64.1%	\$635,977	35.9%
5	Beaumont	\$1,000,000	2.7%	\$500,000	50.0%	\$500,000	50.0%
6	Houston	\$10,136,388	27.1%	\$624,072	6.2%	\$9,512,316	93.8%
7	Austin/Round Rock	\$3,584,518	9.6%	\$500,000	13.9%	\$3,084,518	86.1%
8	Waco	\$2,757,781	7.4%	\$500,000	18.1%	\$2,257,781	81.9%
9	San Antonio	\$1,000,000	2.7%	\$500,000	50.0%	\$500,000	50.0%
10	Corpus Christi	\$1,752,078	4.7%	\$500,000	28.5%	\$1,252,078	71.5%
11	Brownsville/Harlingen	\$3,595,225	9.6%	\$621,404	17.3%	\$2,973,821	82.7%
12	San Angelo	\$1,000,000	2.7%	\$500,000	50.0%	\$500,000	50.0%
13	El Paso	\$1,746,046	4.7%	\$500,000	28.6%	\$1,246,046	71.4%
Total		\$37,450,939	100.0%	\$7,852,791	21.0%	\$29,598,148	79.0%

As required by state statute, 15 percent of the 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 INITIATIVES

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 initiatives for TDHCA.

- **Community Involvement**
  - Interagency collaboration and engagement of stakeholders on specific issues
- **Fair Housing**
  - Provide assistance without regard to race, color, religion, sex, disability, familial status or national origin and affirmatively further fair housing

### *Community Involvement*

TDHCA's participation in numerous committees, workgroups and councils allow the Department to stay apprised of other resources for affordable housing. Relationships with other federal and state departments and local governments are vital to ensure that Texas agencies coordinate housing and services to most efficiently and effectively serve Texans. This collaboration results in recommendations on how to improve the coordination of the department services to serve special needs populations. These recommendations are addressed and incorporated as appropriate throughout the year. Furthermore, the recommendations incorporated in TDHCA's programs are consistent with the planning documents, such as the Consolidated Plan, submitted to HUD. In addition to this collaboration, TDHCA's involvement in the community allows the Department to closely monitor and proactively pursue available federal funding opportunities to ensure that Texas can access additional affordable housing funds.

TDHCA has staff committed to several State advisory workgroups and committees. Many of these committees and workgroups include members from the public and private sectors. These groups include, but are not limited to:

<b>Workgroup/Committees</b>	<b>Lead agency</b>
Ageing 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
Colonia Residents Advisory Committee (C-RAC)	TDHCA
Faith and Community Based Initiative	One Star Foundation
Disability Advisory Workgroup	TDHCA
Governor's Commission for Women	Governor's Office
Housing and Health Services Coordination Council	TDHCA
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
Rural Housing Workgroup	TDHCA
Interagency Coordinating Commission for Building Healthy Families (ICC)	Department of Family Protective Services

<b>Workgroup/Committees</b>	<b>Lead agency</b>
Interagency Workgroup on Border Issues	Secretary of State
Texas Interagency Council on the Homeless	TDHCA
Texas Foreclosure Prevention Task Force	Texas State Affordable Housing Corporation
Texas State Independent Living Council (SILC)	Department of Assistive and Rehabilitative Services
Texas Coordinating Council for Veteran Services	Texas Veterans Commission
Weatherization Assistance Program (WAP) Planning Advisory Committee (PAC)	TDHCA

TDHCA is also involved in numerous national organizations that deal with housing or public administration. Some of these organizations include the Council of State Community Development Agencies, National Council of State Housing Agencies, National Center for Housing Management and others. Participation in these national organizations keeps TDHCA abreast of federal regulation updates and allows TDHCA to effectively respond to changes in federal funding and programs.

TDHCA's workgroups and coordination groups for which it is the lead agency are discussed below, listed alphabetically.

#### *Colonia Residents Advisory Committee*

The Colonia Residents Advisory Committee (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 Self Help Centers (SHCs). 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 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. Each county nominates two colonia residents to serve on the committee. The Department's Governing Board appoints 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.

#### *Disability Advisory Workgroup*

The Texas Department of Housing and Community Affairs (TDHCA) believes that consultation with community advocates, funding recipients, and potential applicants for funding is an essential prerequisite to the development of effective policies, programs, and rules. In order to augment TDHCA's formal public comment process, a workgroup is utilized, affording staff the opportunity to interact more informally and in greater detail with various stakeholders and to get feedback on designing more successful programs. Providing services and housing to persons with disabilities presents unique challenges and opportunities. TDHCA maintains the Disability Advisory Workgroup to provide ongoing guidance to the Department on how TDHCA's programs can most effectively serve persons with disabilities. These meetings are open attendance, and advertised through TDHCA website and email lists.

### *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 meets quarterly and TDHCA staff provides clerical and advisory support. On September 1, 2010 the Council submitted the *2010-2011 Biennial Plan* to the Governor and Legislative Budget Board. The *Biennial Plan* provides policy and programmatic recommendations for meeting statutory directives and increasing service-enriched housing. The *Biennial Plan* can be found on the Council's webpage at: <http://www.tdhca.state.tx.us/hhsc>.

During SFY 2011, the Council worked on several outstanding statutory obligations. First, the Council created a State Agency Reference Guide & Training Manual, in order to cross-educate state housing and health services staff and further interagency coordination. The purpose of the Guide is to address the need for standardized educational resource materials, to be shared amongst State housing and health services agencies, and to increase expertise in both housing and health services programs. Secondly, the Council launched a twice monthly email blast to assist local organizations interested in participating in service-enriched housing. This email blast identifies and disseminates information regarding sources of funding from a variety of state and federal government agencies that may be used to provide integrated housing and health services. Third, the Council conducted a Provider Capacity Survey to better understand and measure the local capacity of the State's community-based housing providers, as well as community-based service providers. This survey fulfilled the Council's statutory responsibility to evaluate the capacity of Statewide long-term care providers and the interest of housing developers to invest in service-enriched housing. Finally, the Council conducted a series of interviews with providers of service-enriched housing in order to create a Financial Feasibility Case Studies Report, which offers insight into the essential components of the development financing process and best practices for maintaining financially successful service-enriched housing developments.

### *Promoting Independence Advisory Committee*

TDHCA is actively involved with the Promoting Independence Advisory Committee (PIAC). 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. For 2012, the Project Access program will expand to serve an additional Olmstead population, those exiting state psychiatric hospitals, through a pilot program in partnership with the Department of State Health Services.

### *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, farm worker housing policy advocates, legislative staff and affordable housing membership organizations.

### *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 eleven state agencies that serve persons experiencing or at risk of homelessness. Membership also includes representatives appointed by the office of the governor, the lieutenant governor, and the speaker of the house. 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.

In October 2011, TICH released the *Texas Strategic Plan to Prevent and End Homelessness* for public comment. TICH's plan offers strategies to coordinate federal, state and local organizations to better address the needs of homeless and at-risk persons. TICH's plan for Texas links the state government to the federal initiative that the United States Interagency Council on Homelessness (USICH) established through *Opening Doors: Federal Strategic Plan to Prevent and End Homelessness* in 2010.

TICH's plan proposes policy recommendations, goals, objectives, and strategies that will help state agencies understand and serve those who experience homelessness, including homeless families with children, unaccompanied youth, individuals experiencing chronic homelessness, and homeless veterans. Four priority areas establish the structure for the plan's objectives and strategies: data, research, and analysis; affordable housing and supportive services; homelessness prevention; and

state infrastructure. Over time, continued dialogue among state agencies and local service providers will sharpen the plan's strategies.

Four committees, each dedicated to one of the four priority areas, met frequently throughout 2010 and 2011 to develop sections of the plan. In November 2010, TICH received one full-time staff person through the Volunteers in Service to America (VISTA) program. The VISTA helped TICH function in its full capacity and complete its plan. The creation and implementation of TICH's plan requires an inventory of existing state agency services, comparison of Texas's efforts to the USICH's recommendations to states, and ongoing dialogue with local service providers and homeless coalitions. As a fundamental component in the plan's implementation, TICH has been working in conjunction with TDHCA to facilitate the development of a statewide data warehouse for the Homeless Management Information System (HMIS). The HMIS data warehouse will aggregate data from sixteen separate HMIS systems in the state to provide more sophisticated statewide data in support of planning and research.

#### *Weatherization Assistance Program (WAP) Planning Advisory Committee (PAC)*

The WAP (PAC) is comprised of a broad representative of organizations and agencies and provides balance, background, and sensitivity with respect to solving the problems of low-income persons, including the weatherization and energy conservation problems. At the present time, the PAC consists of six members. Any additions to the Policy Advisory Council will be reviewed by the Department's Governing Board.

Historically, the PAC has met annually after the public hearing for the Department of Energy plan. One member of the PAC is from the Texas Department of Aging and Disability Services that is the state agency charged with providing a comprehensive array of aging and disability services, supports, and opportunities that are easily accessed in local communities. Other representatives include weatherization providers, energy providers and consumer-related groups.

#### **FAIR HOUSING**

Through education, outreach, and 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 referred to the Texas Workforce Commission Civil Human Rights Division, which oversees the Texas Fair Housing Act.

The Texas Fair Housing Act of 1989 enables the State to remedy discriminatory actions 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 disabilities.

*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: referred to as Phase 1 and Phase 2. The Phase 1 AI involved all areas within the geographic area defined as eligible for CDBG disaster recovery assistance relating to Hurricane Ike and Hurricane Dolly. The Phase 2 AI will evaluate all areas of the State to include all 254 counties, but Phase 1 will remain in place. The Phase 1 AI was approved by HUD on May 13, 2011 and the Phase 2 AI is scheduled to begin in early 2012.

State activities and current ongoing objectives relating to fair housing are discussed below:

- State agencies including TDHCA, the General Land Office (GLO), and the Texas Department of Agriculture have begun to implement Action Steps recommended in the Phase 1 AI and are participating in the development of the Phase 2 AI scheduled to start in early 2012.
- TDHCA developed educational materials and a webpage dedicated to fair housing issues and fair housing choice.
- TDHCA and the GLO initiated fair housing training for stakeholders and program administrators.
- The Civil Rights Division of the Texas Workforce Commission and TDHCA are working together on a memorandum of understanding to directly address public grievances related to fair housing.
- TDHCA's compliance division is actively enforcing the Texas Fair Housing Act in TDHCA-administered programs.
- 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 exception 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.



## SPECIAL NEEDS POPULATIONS

In addition to the policy initiatives described above, TDHCA addresses special needs populations in a variety of ways, as described below. The special needs populations discussed below were designated by HUD, designated by TDHCA or included in the SLIHP legislation. Each program addresses special needs populations uniquely. Some programs, such as HOME, establish funding levels for certain special needs populations and other programs, such as the Housing Tax Credit Program, include point incentives in their scoring criteria for serving special needs certain populations. Specifics about the priorities and strategies to provide housing for persons with special needs population in each state service region is below.

Special Needs Populations include:

- Colonia Residents
- Elderly and Frail Elderly Populations
- Homeless Populations
- Migrant Farm Workers
- Persons with Alcohol and Substance Abuse Issues
- Persons with Disabilities (mental, physical, developmental)
- Persons with HIV/AIDS and Their Families
- Public Housing Residents
- Veterans
- Victims of Domestic Violence
- Youth Aging Out of Foster Care

### COLONIA RESIDENTS

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>1</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 percents 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>2</sup>

*Policy-Driven Action:* The Office of Colonia Initiatives (OCI), HOME and Housing Tax Credit programs prioritize 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.

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<sup>1</sup>Federal Reserve Bank of Dallas. (n.d.). Texas colonias. Retrieved from <http://www.dallasfed.org/ca/pubs/colonias.html>

<sup>2</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>.

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 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.

### **ELDERLY AND FRAIL ELDERLY POPULATIONS**

The 2010 Census found that there are 2,598,209 persons aged 65 and older in Texas. 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>3</sup> Older Texans also tend to spend a higher percentage of their income on housing than other age groups: 59.8 percent of renters over age 65 spent more than 30 percent of their income on rent, compared to 44.9 to 46.8 percent of renters aged 18 to 64. Even older Texans who own their home free and clear still had a higher percentage of homeowners (15.4 percent) who paid more than 30 percent of their income on housing compared to the percentage of homeowners aged 18 to 64 (10.9 percent).<sup>4</sup>

*Policy-Driven Action:* The Community Service Block Grant, 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 Policy Initiatives 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 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.

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<sup>3</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>4</sup>American Association of Retired Persons. (2011). *State Housing Profiles: Housing Conditions and Affordability for the Older Population*. Retrieved from [http://assets.aarp.org/rgcenter/ppi/liv-com/AARP\\_Housing2011\\_Full.pdf](http://assets.aarp.org/rgcenter/ppi/liv-com/AARP_Housing2011_Full.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.

### **HOMELESS POPULATION**

The Homeless Emergency Assistance and Rapid Transition to Housing Act (HEARTH Act) of 2009 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.*

On a single night in January 2011, a statewide count found 36,847 persons experiencing homelessness in Texas. However, homeless point-in-time counts only reflect the number of individuals who meet the US Department of Housing and Urban Development's (HUD) definition of literal homelessness. However, 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 a serious illness or the loss of a job.

**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 Shelter/Solutions Grant, 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. Finally, TDHCA provides facilitation and advisory support to the Texas Interagency Council for the Homeless, described under Policy Initiatives above.

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 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 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.

### **MIGRANT FARM WORKERS**

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 seasonal farm workers and families residing in Texas. Of this population, 26 percent reside in Cameron, Hidalgo and Starr Counties.<sup>5</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>6</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 or prioritize the funding for 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

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<sup>5</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>.

<sup>6</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>

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 *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.

### **PERSONS WITH ALCOHOL AND SUBSTANCE ABUSE ISSUES**

The National Surveys on Drug Use and Health found that from 2008 to 2008, approximately 6.5 percent of Texans aged 18 or older had used an illicit drug in the past month. The Texas rate is lower than the national average of 8.21 percent. Also, 2.5 percent of Texans aged 18 or older were dependent on or abused an illicit drug in the past year, compared to 2.6 percent nationwide. Finally, approximately 404,000 persons aged 18 and over need treatment for illicit drug use, but don't receive it. Likewise, 1,215,000 persons aged 18 and over need treatment of alcohol use, but don't receive it.<sup>7</sup>

*Policy-Drive Action:* The Housing Tax Credit program prioritizes providers that provide housing for people with alcohol and substance abuse issues. According to the *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.

### **PERSONS WITH DISABILITIES (Mental, Physical and Developmental)**

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." Households with disabilities are comprised as follows: 86 percent have adults with disabilities, 18 percent have children with disabilities, and 4 percent have both instances. Disabilities are often paired with barriers to maintaining stable housing, as evidenced by the fact that 25 percent of renter household with

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<sup>7</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).

disabilities experienced worst case housing need compared to 19 percent of renter households without disabilities that experienced worst case housing need.<sup>8</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 of the importance that these populations have the ability to live independently and remain in their own homes and communities. Advocates consider access to rehabilitation funds for accessibility modifications of single-family housing a priority. The rehabilitation funds 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 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, and Neighborhood Stabilization 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, Promoting Independence Advisory Committee, and the Disability Advisory Workgroup which all collaborate with groups representing people with disabilities, described under Policy Initiatives above.

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 persons with disabilities living in any part of the state. Furthermore, the HOME Homebuyer Assistance 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

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<sup>8</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*. Retrieved from [http://www.huduser.org/portal/publications/affhsg/wc\\_HsgNeeds07.html](http://www.huduser.org/portal/publications/affhsg/wc_HsgNeeds07.html).

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 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 \$20,000 for home modifications necessary for accessibility and the elimination of hazardous conditions. Home modifications include, but are not limited to 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.

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.

### **Integrated Housing Rule**

Advocates for persons with disabilities engaged with the Department's policies promote that affordable housing for persons with disabilities should be integrated into the community. 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 about 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.

### **PERSONS WITH HIV/AIDS AND THEIR FAMILIES**

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), in 2010 there were 61,318 Texans living with HIV/AIDS.<sup>9</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.

The Texas Department of State Health Services (DSHS) addresses the unmet housing and supportive services needs of persons living with HIV and their families in Texas by providing emergency short-term rent, mortgage, and utility assistance; tenant-based rental assistance; and supportive services to income-eligible individuals. The DSHS Housing Opportunities for Persons with AIDS (HOPWA) formula program, which is a federal program funded by HUD, is integrated with the larger Ryan White Program both in administration and service delivery, which in turn is integrated into the larger, multi-sectoral system for delivering treatment and care to these clients. The goals of the DSHS HOPWA program are to help low-income HIV-positive clients establish or maintain affordable and stable housing, to reduce the risk of homelessness, and to improve access to health care and supportive services.

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 program prioritizes providers that provide housing for people with HIV/AIDS. According to the *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.

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<sup>9</sup>Texas Department of State Health Services, 2010 HIV Surveillance Report.



## **PUBLIC HOUSING RESIDENTS**

According to HUD, there are 57,083 units of public housing and 129,432 Section 8 Housing Choice Vouchers in Texas. 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 works 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.

## **VETERANS**

The 2011 Point-In-Time homeless count found that approximately 13 percent of Texas' homeless population is veterans. Many homeless veterans live with Post Traumatic Stress Disorder and substance abuse disorders.<sup>10</sup> These factors may affect veteran's ability to acquire stable housing.

*Policy-Driven Action:* The Housing Trust Fund's Texas Veterans Rental Assistance Program provided rental and utility subsidies to low-income veterans through the Veterans Rental Assistance (VRA) Program from 2008 to 2011. However, the 82nd Texas Legislature transferred funds for this program to the Texas Veteran's Commission in 2011. The Texas Veterans Commission provides a diverse array of services for veterans in Texas, including the Housing4TexasHeroes Program. This program provides temporary housing to low-income or homeless veterans and permanent housing, such as new home construction or housing modification for veterans requiring such modification due to a physical disability or injury.

## **VICTIMS OF DOMESTIC VIOLENCE**

In 2009, 12,213 adults received shelter as a result of domestic violence in Texas. However, 11.1 percent of adults seeking shelter were denied due to lack of space.<sup>11</sup> Victims of domestic violence may stay in a dangerous home situation because of fear of the abuser, belief that the abuser will take the children involved, self-blame, and limited financial options.<sup>12</sup> Services which may help domestic violence victims move to safety include physical protection services, legal protection of his or herself and any children involved, counseling, and employment assistance.

*Policy-Driven Action:* The Texas Health and Human Services Commission Family Violence Program funds for domestic violence victims that offer various services including temporary emergency shelter, hotline services, information and referral, counseling, assistance in obtaining medical care and employment, and transportation services. Some shelters have transitional living centers, which allow victims to stay for an extended period and offer additional services.

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<sup>10</sup> National Coalition for Homeless Veterans. (nd). Background and statistics. Retrieved from <http://www.nchv.org/background.cfm>

<sup>11</sup> Texas Council on Family Violence. (2009). Family violence in Texas: 2009. Retrieved from [http://www.tcfv.org/wp-content/uploads/2007/10/tcfv\\_stats20091.pdf](http://www.tcfv.org/wp-content/uploads/2007/10/tcfv_stats20091.pdf)

<sup>12</sup> The National Center for Victims of Crime. (2008). Domestic violence. Retrieved from <http://www.ncvc.org/ncvc/main.aspx?dbName=DocumentViewer&DocumentID=32347>

According to the *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.

### **YOUTH AGING OUT OF FOSTER CARE**

In Texas, youth in the foster care system in Texas age out at 18 years old. This vulnerable population often faces a multitude of problems, from low incomes to unstable housing. One study found that after one year of leaving foster care at age 18, 90 percent of those with employment earned less than \$10,000 per year. In addition, only 6 percent of youth who have been in foster care receive a two- or four-year college degree, compared to 29 percent of youth in the general population.<sup>13</sup> Low wages and lack of education can lead to unstable housing situations. It is estimated that 25 percent of foster youth have experienced homelessness at least one night within 2.5 to 4 years after existing foster care.<sup>14</sup>

**Policy-Driven Action:** The Department of Family Protective Services has several programs that help meet the needs of youth aging out of foster care. The Preparation for Adult Living (PAL) Transitional Living Allowance helps youth transition from foster care to adulthood, offers financial training and provides payments for limited services, such as rent or room deposits. The PAL Aftercare Room and Board Program is available for qualified youth up to age 21 to help prevent or alleviate homelessness by providing rent and/or utility deposits, rent and/or utility payments and other essential services. The Extended Foster Care Assistance program allows the youth to stay in foster care up to his/her 21<sup>st</sup> or 22<sup>nd</sup> birthday in order to finish high school, attend college or other education institutions, obtain employment, or use the program if the youth has a qualifying medical condition. The Education and Training Voucher (ETV) Program allows qualifying youth to participate in post-secondary and vocational or technical programs. The ETV Program can be used for residential housing and utilities, room and board, tuition fees and other services related to success in the educational program.

Public Housing Authorities can compete for Family Unification Vouchers by HUD. Family Unification Vouchers can be used for youth at least 18 years old and not more than 21 years old who left foster care at age 16 or older who lack adequate housing. Housing assistance under family unification vouchers is limited to 18 months.

For TDHCA's HTC program, full-time students are eligible to live in a reduced-rent unit if he or she was previously under the care and placement of a foster care agency.

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<sup>13</sup> Smith, W. (2011) Youth leaving foster care. New York, NY: Oxford University Press.

<sup>14</sup> Hearing before the sub-committee on income security and family support of the committee on ways and means, U.S. House of representatives. (2007, July 12). Children who age out of the foster care system. Serial No. 110-53. U.S. Government Printing Office: Washington: 2008.

## **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>15</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 2011. 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>15</sup> The National Bureau of Economic Research. 2010, September 30. The national bureau of economic research. Retrieved from <http://www.nber.org/>.

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

<b>Program</b>	<b>Funding</b>
Homelessness Prevention and Rapid Re-Housing Program	\$41,472,772
<b>Housing Tax Credit Recovery Act Programs:</b> <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
<b>National Foreclosure Mitigation Counseling Program (NFMC):</b> <ul style="list-style-type: none"> <li>• NFMC Round 4</li> <li>• NFMC Round 5</li> </ul>	NFMC Round 4: \$58,293 NFMC Round 5: \$619,696.50
<b>Neighborhood Stabilization Program (NSP):</b> <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

*In addition to the programs listed above, the Community Services Block Grant Program ARRA, the Homebuyer Tax Credit Programs (90-Day Down Payment Assistance Program and Mortgage Advantage Program), and NFMC Round 2 and Round 3 were completed and their final reports are in 2011 State Low Income Housing Plan and Annual Report.*

## ***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 the majority of contracts ended August 31, 2011. The Department has extended approximately one-third of the contracts to end December 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 2011 state fiscal year (September 30, 2011). Expenditures by subrecipients are \$37,921,191. 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.

## Homelessness Prevention and Rapid Re-Housing Expenditures, as of September 30, 2011

#	Contractor	County Service Area	Award	Expenditures as of Sep. 30, 2011	Total Individuals Served as of Sep. 30, 2011	White	Black	Other	Hispanic	Non-Hispanic	Contract Extended as of Sep. 30, 2011?
1	Abilene Regional MHMR Center	Taylor, Jones, Callahan, Shackelford, Stephens	\$84,297.00	\$84,111.33	242	177	58	7	47	195	No
2	Community Storehouse	Denton, Tarrant, Wise	\$999,955.00	\$990,977.85	880	622	202	56	163	717	No
3	SEARCH	Harris	\$776,788.00	\$734,651.54	192	42	150	0	15	177	No
4	Corpus Christi Metro Ministries, Inc.	Nueces	\$751,958.00	\$687,378.56	1,222	1,098	109	15	903	319	Yes
5	Family Violence Prevention Services, Inc.	Bexar	\$212,518.00	\$207,537.77	147	127	12	8	93	54	Yes
6	East Texas Crisis Center, Inc.	Smith, Henderson, Van Zandt, Wood, Rains	\$263,194.00	\$234,805.56	934	703	217	14	172	762	Yes
7	Shelter Agencies for Families for East Texas	Titus, Camp, Morris, Franklin, Hopkins, Lamar, Red River, Delta	\$538,350.00	\$537,734.10	959	534	410	15	96	863	No
8	Salvation Army of Corpus Christi	Nueces	\$447,912.00	\$447,499.04	624	563	58	3	486	138	No
9	Houston Area Women's Center	Harris	\$564,112.00	\$532,988.85	202	88	104	10	71	131	No
10	San Antonio Metropolitan Ministry, Inc.	Bexar	\$1,233,230.00	\$1,107,464.86	2,428	1,742	627	59	1,404	1,024	Yes
11	Crisis Center for the Plains	Bailey, Briscoe, Castro, Crosby, Floyd, Hale, Hall, Lamb, Motley, Parmer, Swisher	\$308,500.00	\$308,305.00	1,599	1,418	174	7	1,131	468	No
12	Salvation Army of McAllen	Hidalgo	\$102,705.40	\$98,386.70	365	365	0	0	74	291	No

Stimulus Programs

#	Contractor	County Service Area	Award	Expenditures as of Sep. 30, 2011	Total Individuals Served as of Sep. 30, 2011	White	Black	Other	Hispanic	Non-Hispanic	Contract Extended as of Sep. 30, 2011?
13	Catholic Charities of Dallas, Inc.	Dallas, Collin, Grayson, Fannin, Rockwall, Hunt, Kaufman, Ellis, Navarro	\$1,131,052.00	\$1,020,303.32	962	415	509	38	162	800	Yes
14	Salvation Army of Galveston	Galveston	\$711,673.00	\$662,038.78	553	305	248	0	126	427	Yes
15	Youth and Family Alliance dba Lifeworks	Travis	\$1,073,850.00	\$1,027,619.12	609	410	182	17	308	301	Yes
16	Denton, City of	Denton	\$826,697.00	\$783,283.00	1,055	768	257	30	215	840	No
17	Dallas, City of	Dallas	\$790,316.00	\$790,316.00	1,183	229	943	11	192	991	No
18	Caritas of Austin - Pilot	Travis	\$600,000.00	\$600,000.00	407	171	216	20	44	363	No
19	Salvation Army of Tyler	Smith	\$1,056,135.00	\$862,918.26	1,592	616	950	26	156	1,436	Yes
20	Salvation Army of Abilene	Taylor, Jones, Callahan, Runnells, Nolan	\$400,000.00	\$387,718.87	415	320	85	10	51	364	No
21	El Paso County	El Paso	\$1,159,351.00	\$970,333.74	743	697	44	2	639	104	Yes
22	Family Place, The	Dallas	\$1,073,465.00	\$1,052,380.49	1,526	514	828	184	409	1,117	Yes
23	New Life Housing Foundation - Erath County	Erath	\$170,511.00	\$170,511.00	211	211	0	0	14	197	No
24	Loaves & Fishes	Cameron, Willacy	\$354,786.00	\$350,477.87	474	472	2	0	430	44	No
25	El Paso Center for Children, Inc.	El Paso	\$438,818.00	\$412,289.10	105	104	1	0	103	2	No
26	San Antonio, City of, Dept of Community Initiatives	Bexar	\$1,000,000.00	\$984,684.12	888	641	131	116	198	690	No



Stimulus Programs

#	Contractor	County Service Area	Award	Expenditures as of Sep. 30, 2011	Total Individuals Served as of Sep. 30, 2011	White	Black	Other	Hispanic	Non-Hispanic	Contract Extended as of Sep. 30, 2011?
27	Montgomery County Women's Center	Montgomery	\$780,796.00	\$775,431.51	715	373	335	7	78	637	No
28	Memorial Assistance Ministries	Harris	\$1,237,337.00	\$1,064,203.34	913	425	469	19	345	568	Yes
29	Mid-Coast Family Services, Inc.	Calhoun, Dewitt, Goliad, Gonzales, Jackson, Lavaca, Victoria	\$595,513.00	\$524,474.19	856	701	150	5	441	415	Yes
30	New Hope Counseling Center, Inc.	Harris, Fort Bend	\$621,497.00	\$542,379.20	649	150	486	13	150	499	Yes
31	Houston Area Urban League, Inc.	Fort Bend, Harris	\$644,727.00	\$644,727.00	417	40	376	1	29	388	No
32	Wesley Community Center, Inc.	Harris	\$995,920.00	\$993,407.54	799	241	515	43	191	608	No
33	Catholic Charities of Central Texas	Bastrop, Blanco, Burnet, Caldwell, Fayette, Hays, Lee, Llano, Travis, Williamson	\$651,717.00	\$651,717.00	841	529	255	57	299	542	No
34	Grayson County Juvenile Alternatives, Inc.	Grayson, Fannin, Cooke	\$669,133.00	\$615,039.08	648	443	183	22	44	604	No
35	Irving, City of	Dallas	\$1,343,367.00	\$1,159,088.64	1,089	563	490	36	294	795	Yes
36	City of Brownsville	Cameron	\$382,200.00	\$318,019.11	412	412	0	0	102	310	No
37	Love I.N.C. of Nacogdoches	Nacogdoches, Angelina, San Augustine, Shelby, Sabine	\$848,401.00	\$848,375.74	1,211	550	653	8	95	1,116	No
38	Salvation Army of Kerrville	Kerr, Bandera, Edwards, Gillespie, Kendall, Kimble, Real	\$1,167,781.00	\$1,059,200.99	1,585	1,439	49	97	451	1,134	Yes

Stimulus Programs

#	Contractor	County Service Area	Award	Expenditures as of Sep. 30, 2011	Total Individuals Served as of Sep. 30, 2011	White	Black	Other	Hispanic	Non-Hispanic	Contract Extended as of Sep. 30, 2011?
39	Families In Crisis, Inc.	Bell, Coryell	\$434,808.00	\$434,457.26	504	240	246	18	65	439	Yes
40	Christian Community Action	Denton	\$1,074,622.00	\$1,003,349.89	747	410	321	16	185	562	Yes
41	Urban League of Greater Dallas	Dallas	\$1,000,000.00	\$1,000,000.00	949	192	757	0	146	803	No
42	Texas Rio Grande Legal Aid, Inc.	El Paso	\$251,023.00	\$246,299.89	1,328	1,184	130	14	545	783	No
43	Catholic Charities, Diocese of Fort Worth, Inc. (Region 2)	Hardeman, Foard, Knox, Wilbarger, Baylor, Throckmorton, Shackelford, Wichita, Archer, Young, Stephens, Eastland, Comanche, Clay, Jack, Montague	\$500,000.00	\$425,674.68	402	316	13	73	72	330	No
44	Catholic Charities, Diocese of Fort Worth, Inc. (Region 3)	Cooke, Wise, Denton, Palo Pinto, Parker, Erath, Hood, Johnson, Somervell	\$1,000,000.00	\$981,834.18	562	464	73	25	17	545	No
45	Caritas of Austin	Travis	\$1,155,000.00	\$1,027,970.35	1,343	968	364	11	492	851	Yes
46	Northwest Assistance Ministries	Harris	\$1,161,722.00	\$1,022,856.75	534	97	434	3	48	486	Yes
47	Randy Sams' Outreach Shelter, Inc.	Bowie	\$351,242.00	\$343,061.86	1,086	321	764	1	23	1,063	No
48	Rockwell Fund, Inc.	Fort Bend, Galveston, Harris, Montgomery	\$1,070,479.58	\$1,031,914.29	1,087	539	525	23	239	848	Yes
49	Any Baby Can - Pilot	Travis	\$267,657.00	\$266,437.52	327	218	88	21	220	107	No
50	Dallas County MHMR Center - Pilot	Dallas	\$320,905.00	\$302,953.76	0	0	0	0	0	0	No

Stimulus Programs

#	Contractor	County Service Area	Award	Expenditures as of Sep. 30, 2011	Total Individuals Served as of Sep. 30, 2011	White	Black	Other	Hispanic	Non-Hispanic	Contract Extended as of Sep. 30, 2011?
51	El Paso Coalition for the Homeless - Pilot	El Paso	\$288,075.00	\$272,290.56	119	109	8	2	96	23	No
52	SEARCH - Pilot	Harris	\$360,940.00	\$352,025.57	88	26	62	0	13	75	No
53	Salvation Army of Waco	McLennan, Falls, Bosque, Hill, Limestone, Freestone	\$999,980.00	\$974,395.97	1,276	594	678	4	244	1,032	No
54	Salvation Army of Midland	Midland	\$402,338.00	\$399,109.10	974	762	212	0	491	483	No
55	New Life Housing Foundation - Medina County	Medina	\$192,843.00	\$192,843.00	255	254	0	1	181	74	No
56	Salvation Army of the DFW Metroplex Command	Dallas, Collin, Denton, Ellis, Tarrant	\$880,103.00	\$880,103.00	436	60	376	0	25	411	No
57	Salvation Army Social Services Dept. Houston	Harris	\$999,118.00	\$999,118.00	816	251	527	38	113	703	No
58	New Life Housing Foundation - Walker County	Walker	\$522,287.00	\$521,717.60	749	114	632	3	17	732	No

**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, or 2009 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, 2009 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, 89 applicants have closed/executed the Exchange Subaward agreements. The 89 developments represent \$594,091,928. As of November 23, 2011, \$582,241,351.40 has been disbursed. Any funds not drawn and distributed by December 31, 2011 will be returned to Treasury on January 1, 2011.

Eligible applicants included HTC applicants that:

- received an allocation of HTC for award years 2007, 2008, or 2009;
- have paid all required tax credit commitment fees; and
- returned 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 23, 2011

FUNDING	Amount	Percent Completed
Exchange funds committed to date (Executed Subawards)	\$594,091,928.00	100%
Exchange funds drawn to date	\$582,241,351.40	98.0%
Total Exchange dollars allocated to TDHCA from the Treasury Department	\$594,091,928.00	

There have been 8,015 units closed to date. The following table shows the awarded amounts from the beginning of HTC EX program as of December 1, 2010. As of November 23, 2011, the awarded amounts have not changed since December 1, 2010.

HTC Exchange Subaward Recipients, as of December 1, 2010\*

		Deal Name	Closing Date	Total 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

**Stimulus Programs**

		Deal Name	Closing Date	Total Units	Low-Income Units	City	Subaward Amount
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 Villages	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

**Stimulus Programs**

		Deal Name	Closing Date	Total Units	Low-Income Units	City	Subaward Amount
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	47	Brownfield, 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



**Stimulus Programs**

		Deal Name	Closing Date	Total Units	Low-Income Units	City	Subaward Amount
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

**Stimulus Programs**

		Deal Name	Closing Date	Total Units	Low-Income Units	City	Subaward Amount
46	09958	Crestmoor Apartments	6.24.10	68	68	Burleson, TX	\$3,041,202.00
47	09948	Park Ridge	6.28.10	64	61	Llano, TX	\$5,645,838.00
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

**Stimulus Programs**

		Deal Name	Closing Date	Total Units	Low-Income Units	City	Subaward Amount
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

**Stimulus Programs**

		Deal Name	Closing Date	Total Units	Low-Income Units	City	Subaward Amount
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	105	Amarillo, TX	\$7,899,892.00
85	09362	Prince Hall Plaza	12.1.10	60	60	Navasota, TX	\$5,291,035.00

**Stimulus Programs**

		Deal Name	Closing Date	Total Units	Low-Income Units	City	Subaward Amount
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
	Total			<b>8,015</b>	<b>7,854</b>		<b>\$594,091,928.00</b>
						REMAINING	<b>\$ 0.00</b>

\*As of November 23, 2011, the awarded amounts have not changed since December 1, 2010.

**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 state of the investor market for Housing Tax Credits (HTCs) from 2007 through 2009. 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 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 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 TCAP 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 Regional Allocation Formula distributing funds to 13 state regions, and within those regions, to urban and rural areas. The 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 fully subscribed. All (100%) of the funds have been conditionally awarded as evidenced by a corresponding, fully-executed TCAP Written Agreement for each development owner (Applicant). All TCAP loans have closed with first payments due in April 2012. The award amount by Applicant is shown in the table below.

Awards for Tax Credit Assistance Program,  
as of September 30, 2011

Applicant Name	Project City	Total TCAP Award*	TCAP Loan Closed	Total Amount Drawn	Low-Income Units	Total Units
Akard Walk Residential, LLC	Dallas	\$4,028,185.00	1/18/2011	\$3,021,138.75	200	200
ARDC San Marcos, Ltd.	San Antonio	\$1,500,000.00	1/12/2011	\$1,500,000.00	252	252
ARDC Sutton, Ltd.	San Antonio	\$750,000.00	1/20/2011	\$750,000.00	186	194
Beaumont Grace Lake Townhomes, L.P.	Beaumont	\$2,200,000.00	9/30/2010	\$1,650,000.00	112	128
Beaumont Leased Housing Associates I, LP	Beaumont	\$4,028,006.00	1/13/2011	\$4,028,006.00	150	150
Beaumont Leased Housing Associates II, LP	Beaumont	\$2,589,941.00	1/13/2011	\$2,589,941.00	90	90
Beechnut Oaks LP	Houston	\$1,684,640.00	7/2/2010	\$1,263,480.00	144	144
BETCO-Bowie Housing, L.P.	Bowie	\$2,000,000.00	12/22/2010	\$2,000,000.00	42	48
Boerne Terraces at Cibolo Apartments, LP	Boerne	\$5,381,504.00	3/4/2010	\$5,381,504.00	150	150
Bowie Garden Apartments, LP	Brownsville	\$2,827,801.00	6/29/2010	\$2,120,850.75	86	86
Brownstone Pearland Senior Village, Ltd.	Pearland	\$1,800,000.00	4/20/2010	\$1,350,000.00	126	126
Buda Huntington Partners, Ltd.	Buda	\$1,593,040.00	2/11/2010	\$1,593,040.00	116	120
Cevallos Lofts, Ltd.	San Antonio	\$7,000,000.00	4/6/2010	\$5,250,000.00	63	252
Chicory Court VI, LP	Brownsville	\$2,950,000.00	11/1/2010	\$2,950,000.00	132	132
Corban Townhomes, L.P.	Corpus Christi	\$1,600,000.00	11/15/2010	\$1,200,000.00	128	128
Costa Esmeralda, Ltd.	Waco	\$5,200,000.00	5/17/2010	\$5,200,000.00	112	112
Costa Ibiza , Ltd.	Houston	\$1,500,000.00	12/28/2010	\$1,500,000.00	216	216
Costa Mariposa, Ltd.	Texas City	\$2,500,000.00	8/9/2010	\$2,500,000.00	252	252

**Stimulus Programs**

Applicant Name	Project City	Total TCAP Award*	TCAP Loan Closed	Total Amount Drawn	Low-Income Units	Total Units
<b>Costa Rialto, Ltd.</b>	Houston	\$1,500,000.00	1/31/2011	\$1,500,000.00	216	216
<b>Costa Vizcaya II, Ltd.</b>	Houston	\$1,025,000.00	10/29/2010	\$768,750.00	116	116
<b>Costa Vizcaya, Ltd.</b>	Houston	\$1,500,000.00	12/30/2010	\$1,500,000.00	252	252
<b>Crestshire Village, Ltd.</b>	Dallas	\$3,350,000.00	8/3/2010	\$2,512,500.00	74	74
<b>DDC Belmont, Ltd.</b>	Leander	\$3,900,000.00	8/17/2010	\$2,925,000.00	168	192
<b>Desert Villas, Ltd.</b>	El Paso	\$3,100,000.00	5/12/2010	\$3,100,000.00	94	94
<b>Encino Pointe, Ltd.</b>	San Marcos	\$2,500,000.00	9/8/2010	\$2,500,000.00	252	252
<b>Fairway Townhomes Housing, L.P.</b>	Dallas	\$1,352,350.00	4/14/2010	\$1,352,350.00	297	302
<b>Four Seasons at Clear Creek, Ltd.</b>	Fort Worth	\$5,365,000.00	7/21/2010	\$4,023,750.00	92	96
<b>Glenwood Trails LP</b>	Deer Park	\$1,200,000.00	12/31/2010	\$1,200,000.00	114	114
<b>HFI Wyndham Park Apartments, L.P.</b>	Baytown	\$1,489,613.00	12/31/2010	\$1,489,613.00	184	184
<b>Horizon Meadows Apartments, Ltd.</b>	La Marque	\$2,490,000.00	5/26/2010	\$2,490,000.00	96	96
<b>Jason Avenue Residential LP</b>	Amarillo	\$2,200,000.00	3/31/2010	\$2,200,000.00	252	252
<b>Kerrville Clearwater Paseo Apartments, LP</b>	Kerrville	\$2,440,146.00	12/31/2009	\$2,440,146.00	73	76
<b>Lexington Court Phase II, LTD</b>	Kilgore	\$1,296,300.00	2/12/2010	\$1,296,300.00	76	76
<b>Mariposa Ella Blvd. LP</b>	Houston	\$3,556,213.00	9/14/2010	\$2,667,159.75	180	180
<b>Mesquite Terrace, Ltd.</b>	Pharr	\$2,736,597.00	9/23/2010	\$2,736,597.00	106	106
<b>Montabella Pointe, Ltd.</b>	San Antonio	\$1,755,000.00	10/20/2010	\$1,316,250.00	144	144
<b>Onion Creek Housing Partners, Ltd.</b>	Austin	\$1,500,000.00	5/5/2010	\$1,500,000.00	224	224
<b>Palmas Apartments, Ltd.</b>	El Paso	\$7,533,861.00	5/4/2010	\$7,533,861.00	172	172
<b>PK Hillwood Apartments, LP</b>	Weimar	\$994,497.00	10/4/2010	\$745,872.75	24	24



**Stimulus Programs**

Applicant Name	Project City	Total TCAP Award*	TCAP Loan Closed	Total Amount Drawn	Low-Income Units	Total Units
Presidio Palms, Ltd.	San Elizario	\$415,000.00	1/14/2011	\$415,000.00	80	80
San Angelo River Place Apartments, LP	Tom Green	\$1,220,345.00	5/12/2010	\$1,220,345.00	120	120
San Elizario Palms, Ltd.	San Elizario	\$680,000.00	1/6/2010	\$680,000.00	80	80
SDC Fiji Senior, LP	Dallas	\$5,550,000.00	5/19/2010	\$5,550,000.00	130	130
Senior Living at Emory, LP	Lubbock	\$2,746,454.00	11/19/2010	\$2,059,840.50	102	102
Silsbee Oakleaf Estates, LP	Silsbee	\$529,396.00	9/20/2010	\$529,396.00	80	80
South Acres Ranch II, Ltd.	Houston	\$690,000.00	7/12/2010	\$517,500.00	48	49
South Acres Ranch, Ltd.	Houston	\$750,000.00	11/23/2011	\$750,000.00	77	80
TF Development, LP	Dallas	\$1,412,476.00	11/9/2010	\$1,059,357.00	144	160
The Colony Senior Community, L.P.	The Colony	\$1,500,000.00	1/14/2011	\$1,500,000.00	145	145
The Gibraltar Senior, Ltd.	Clute	\$478,785.00	5/23/2011	\$478,785.00	48	48
The Grand Reserve-Waxahachie, Ltd.	Waxahachie	\$3,420,000.00	1/13/2010	\$3,420,000.00	80	80
The Mirabella, Ltd.	San Antonio	\$6,175,000.00	4/14/2010	\$4,631,250.00	172	172
Timber Village Apartments II, Ltd.	Marshall	\$1,259,000.00	9/29/2010	\$944,250.00	72	72
Trinity Quality Housing, LP	Fort Worth	\$4,950,523.00	5/14/2010	\$4,950,523.00	168	168
UHF Magnolia Trace LP	Dallas	\$2,488,000.00	10/13/2010	\$1,866,000.00	112	112
UHF Tuscany Villas Housing, LP	Plano	\$1,855,000.00	9/16/2010	\$1,391,250.00	90	90
Vista Ridge Senior Community, L.P.	Lewisville	\$3,408,272.00	2/3/2010	\$3,408,272.00	120	120
Woodmont Apartments, Ltd.	Fort Worth	\$2,500,000.00	8/17/2010	\$2,500,000.00	252	252
WOV Apartments, LP	Houston	\$2,408,824.00	6/25/2010	\$2,408,824.00	232	232

**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 funding allocations through NSP 1 and 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% 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.

In energy efficiency efforts, the Neighborhood Stabilization Program requires applicants for multifamily developments to adhere to the statewide energy code and provide Energy Star Rated appliances.

#### **IMPLEMENTATION AND ALLOCATION**

TDHCA assumed administration of all NSP funds on August 31, 2011, through a Memorandum of Understanding and Assignment of Contracts with the former Texas Department of Rural Affairs, now the Texas Department of Agriculture per Senate Bill 1 of the 82nd Texas Legislative Session. TDHCA continues to work with sub-grantee organizations to complete projects and close on homebuyer re-sales.

#### **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 *2013 State Low Income Housing Plan and Annual Report*. The following tables show the allocated amounts from the beginning of the NSP program to the obligation date of September 30, 2010. NSP 1 successfully obligated its funding by September 30, which was a critical federal benchmark for program administration. The allocations have changed since September 30, 2010, due to voluntary contract terminations by subrecipients. NSP will continue to publish updated obligations through the HUD Quarterly reporting process, as published on its website as funds are re-allocated.

## NSP 1 Obligations, as of September 30, 2010

Subrecipient	Obligation Amount
Abilene Neighborhoods in Progress	\$5,000.00
Affordable Homes South Texas	\$1,572,420.00
Affordable Homes South Texas (Land Bank)	\$2,073,760.00
Austin Habitat	\$1,209,600.00
Brownsville Housing Authority	\$2,934,248.95
Builders of Hope	\$1,113,541.80
CDC Brownsville	\$3,868,571.00
Central Dallas CDC	\$5,400.00
City of Austin	\$678,098.56
City of Beaumont	\$1,121,413.00
City of El Paso	\$181,727.50
City of Galveston	\$1,053,258.90
City of Garland	\$1,505,659.02
City of Harlingen	\$762,816.56
City of Houston	\$1,292.36
City of Irving	\$2,939,862.42
City of Laredo	\$2,127,102.00
City of Lubbock	\$716,874.70
City of Odessa	\$1,493,608.27
City of Port Arthur	\$1,418,352.47
Covenant Community	\$5,796,000.00
Enterprise Community Partners (NCT HFC)	\$164,622.96
FC Austin	\$5,398,192.65
Frazier Revitalization	\$960,787.24
Ft Worth Affordability (Carlyle)	\$4,724,901.00
Ft Worth Affordability (Cobb Park)	\$7,181,538.39
Hidalgo County Housing Authority	\$1,228,634.36
Housing Authority San Benito	\$311,016.52
Inclusive Communities Project (Collin County)	\$335,870.10
Plano Housing Corporation	\$5,068.84
San Antonio Alternative Housing	\$3,307,928.00
Tarrant County Housing Partnerships (Beaty)	\$1,787,058.00
Tarrant County Housing Partnerships (Greystoke)	\$2,193,353.12
Tarrant County Housing Partnerships Single Family	\$1,663,099.78
Texas State Affordable Housing Corp	\$6,068,750.00
Travis County HFC	\$427,479.00
Bryan - College Station HFH	\$94,500.00
City of San Marcos	\$365,701.29
City of Bryan	\$220,731.00
City of Huntsville	\$1,405,452.00
City of San Angelo	\$525,000.00
City of Seguin	\$1,068,561.36
City of Terrell	\$49,554.35
City of Waelder	\$800,886.80

## NSP 1 Activity Funding, as of October 2011

<b>Activities</b>	<b>Total Funds</b>
Homebuyer Financing	<b>\$812,994.00</b>
Homebuyer Financing Setaside (benefits households at 50% AMFI)	<b>\$1,036,382.38</b>
Purchase and Rehabilitation	<b>\$7,432,652.98</b>
Purchase and Rehabilitation Setaside (benefits households at 50% AMFI)	<b>\$37,095,979.04</b>
Land Bank	<b>\$8,389,663.64</b>
Clearance and Demolition	<b>\$2,381,523.31</b>
Redevelopment	<b>\$5,455,872.60</b>
Redevelopment Setaside (benefits households at 50% AMFI)	<b>\$16,741,539.10</b>
Administration	<b>\$10,199,684.00</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>. For more information, contact Marni Holloway, NSP Director, 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**

The NSP3 allocation of funds is provided under the Wall Street Reform and Consumer Protection Act of 2010 (Dodd-Frank Act) through substantial amendment to the *2010 State of Texas Consolidated Plan - One Year Action Plan*. The second NSP3 Substantial Amendment was approved by the TDHCA Governing Board and submitted to HUD on June 30, 2010. Projects included in the Substantial Amendment receive underwriting approval prior to contract. The *NSP3 Action Plan Substantial Amendment* includes an application scoring criteria weighted for rental projects serving households at or below 50% AMFI, as required by statute.

**STATUS OF FUNDS**

The national 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>. For more information, contact Marni Holloway, NSP Director, at (512) 475-3726.

## ***NATIONAL FORECLOSURE MITIGATION COUNSELING PROGRAM (NFMC)***

The Department applied for and received NFMC Round 2, NFMC Round 3, NFMC Round 4 and NFMC Round 5. NFMC Round 2 and NFMC Round 3 were completed and reported on in the 2011 SLIHP. The final draw for these Rounds was received in September 2011, after NeighborWorks America completed the formal review of the program.

### ***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 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>16</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.

Matching funding categories were designed similarly to NFMC funds. Counseling Match reimbursed Sub-grantees for counseling sessions if the Sub-grantee had exceeded Round 4 production goals or if the Sub-grantee had re-counseled 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.

#### **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, divided as follows: \$45,900 for Counseling, \$9,180 for Program-Related Support and \$3,213 for Operational Oversight. Because of

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<sup>16</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>.

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.

TDHCA jointly administered the program with the TSAHC. An additional \$4,486.50 in Program-Related Support was 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 were targeted to low-income or minority homeowners and 15 percent of the funds were targeted to low-income and minority neighborhoods.

Counseling match was awarded up to \$5,829.30 on a first-come, first-served basis. Because half of the 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 reimbursed Sub-grantees for counseling sessions if the Sub-grantee had exceeded Round 4 production goals.

#### STATUS OF FUNDS

Round 4 completed on schedule by December 31, 2010. The performance period for the counseling was between December 1, 2009 and December 31, 2010. Matching funds were available for counseling agencies that performed over and above what was in their contract.

Round 4 NFMC Funding and Match Funding by Organization, Final Amounts

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	\$976.50	97.7%	0	0%
CCCS of South Texas	Brownsville/Harlingen, McAllen/Edinburg/Mission, Corpus Christi, Victoria	\$7,492.50	\$7,323.75	97.7%	0	0%
Credit Coalition	Beaumont/Port Arthur, Houston/Sugar Land/Baytown, Rural	\$4,536.00	\$4,434.75	97.8%	0	0%
El Paso Community Action Agency, Project Bravo	El Paso	\$1,332.00	\$1,302	97.7%	\$5,829.30	50%
Frameworks Community Development Corporation	Austin/Round Rock	\$14,319.00	\$13,996.50	97.7%	\$5,829.31	50%
North Texas Housing Coalition	Dallas/Fort Worth/Arlington	\$18,315.00	\$17,902.50	97.7%	0	0%
Our Casas Residents Council	San Antonio	\$3,600.00	\$3,510	97.5%	0	0%
Texas Department of Housing and Community Affairs	N/A - Grantee	\$2,000.00	\$1,950	97.5%	0	0%
Texas State Affordable Housing Corporation	N/A – Administrator	\$5,699.50**	\$5,669.17	99.5%	0	0%
<b>Total</b>		<b>\$58,293.00</b>	<b>\$57,065.17</b>	<b>97.9%</b>	<b>\$11,658.61</b>	<b>0%</b>

\* Does not include final draw; NeighborWorks America will release final draw after it approve the final review.

\*\*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.

## Round 4 NFMC Households Served

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	No Response	Hispanic
Amarillo	3	1	0	2	0	1	3	0	0	0	0
Austin/Round Rock	91	4	36	32	14	9	77	12	2	0	51
Brownsville/Harlingen	4	0	1	0	0	3	4	0	0	0	3
Corpus Christi	6	1	2	0	1	3	6	0	0	0	2
Dallas/Fort Worth/Arlington	52	0	16	13	18	5	26	21	3	2	14
El Paso	31	0	31	0	0	0	0	0	31	0	30
Houston/Sugar Land/Baytown	13	1	5	6	1	1	8	5	0	0	6
McAllen/Edinburg/Mission	11	1	3	3	1	4	11	0	0	0	11
Rural - Texas	4	1	2	0	1	1	4	0	0	0	0
San Antonio	15	0	5	8	2	0	12	2	1	0	13
Tyler	1	0	1	0	0	0	0	1	1	0	0
Victoria	1	0	1	0	0	0	0	0	1	0	0
<b>Total</b>	<b>232</b>	<b>9</b>	<b>103</b>	<b>64</b>	<b>38</b>	<b>27</b>	<b>151</b>	<b>41</b>	<b>39</b>	<b>2</b>	<b>130</b>

## Round 4 NFMC Counseling Outcomes

Round 4 Counseling Outcomes	HH
Bankruptcy	10
Brought mortgage current (with or without rescue funds)	3
Counseled on debt management or referred to debt management agency	2
Currently in negotiation with servicer; outcome unknown	123
Executed a deed-in-lieu	2
Foreclosure put on hold or in moratorium; final outcome unknown	1
Homeowners sold property (not short sale)	2
Initiated Forbearance Agreement/Repayment Plan	8
Mortgage foreclosed	9
Mortgage modified	25
Mortgage refinanced	3
Obtained partial claim loan from FHA lender	1
Other	10
Received second mortgage	1
Referred homeowner to servicer with Action Plan	28
Withdrew from counseling	4
<b>Total</b>	<b>232</b>

#### **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/nfmc/>.

#### **NFMC ROUND 5**

##### **PROGRAM DESCRIPTION**

The federal FY 2011 budget continued 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 partnered with thirteen HUD-approved foreclosure mitigation counseling organizations to submit an application for NFMC Round 5 to NeighborWorks America. In June 2011, TDHCA was awarded \$619,696.50 for NFMC Round 5, divided as follows: \$487,950 for Counsel Award, \$34,156.50 for Operational Oversight, and \$97,590 as Program-Related Support. As a result of the award, \$111,969.65 was required from the State and Sub-grantees as match. For matching funds, \$50,000 in Counseling Match was made available by combined funds from TDHCA and TSAHC and the remaining match amount was committed by the Sub-grantees.

TDHCA is jointly administering the program with the TSAHC. An additional \$39,036 in Program-Related Support was allocated to TSAHC for data collection and submission of quarterly reports.

In September 2011, TDHCA entered into contracts with twelve HUD-approved foreclosure mitigation counseling agencies as Sub-grantees (one potential Sub-grantee withdrew from the program before a contract was executed). For NFMC Round 5, 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 will be provided up to \$10,000 on a first-come, first-served basis. Because half of the 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-grantees exceed Round 5 production goals.

##### **STATUS OF FUNDS**

NFMC Round 5 is currently at approximately 30 percent completion. Round 5 reimburses for counseling performed between October 1, 2010 and December 31, 2011. However, as a result of Sub-grantee staffing changes which impeded performance, TDHCA requested an extension for the performance period until June 31, 2012. TDHCA anticipates completing NFMC Round 5 successfully within the revised performance period. Matching funds were available for counseling agencies that performed over and above what was in their contract.



## Round 5 NFMC Funding as of November 2011

Counseling Agency	Metropolitan Statistical Areas Served	NFMC Funding Allocated	NFMC Funding Drawn	% NFMC Funding Drawn
Austin Habitat for Humanity	Austin/Round Rock, Rural	\$15,204.53	\$5,918.17	38.9%
Business and Community Lenders of Texas	Austin/Round Rock	\$20,272.46	\$5,940.72	29.3%
Consumer Credit Counseling Service of Greater San Antonio	Austin/Round Rock, San Antonio, Laredo	\$49,836.47	\$13,510.53	27.1%
Credit Coalition	Beaumont/Port Arthur, Houston/Sugar Land/Baytown, Rural	\$22,468.65	\$7,313.07	32.5%
El Paso Community Action Agency, Project Bravo	El Paso	\$19,258.84	\$6,761.18	35.1%
Fifth Ward Community Redevelopment Corporation	Houston/Sugar Land/Baytown	\$19,258.84	\$6,161.18	32%
Frameworks Community Development Corporation	Austin/Round Rock	\$93,929.08	\$21,770.36	23.2%
Garden State Consumer Credit Counseling, Inc.	Dallas/Fort Worth/Arlington	\$36,828.31	\$9,489.81	25.8%
Greenpath, Inc.	Brownsville/Harlingen, McAllen/Edinburg/Mission, Corpus Christi, Victoria, Rural	\$56,931.84	\$20,967.28	36.8%
Gulf Coast Community Services Association	Houston/Sugar Land/Baytown	\$91,057.15	\$22,445.01	24.6%
North Texas Housing Coalition	Dallas/Fort Worth/Arlington	\$97,307.83	\$37,875.49	38.9%
Our Casas Residents Council	San Antonio	\$24,150.00	\$8,452.50	35%
Texas Department of Housing and Community Affairs	N/A - Grantee	\$11,954.78	\$4,184.18	35%
Texas State Affordable Housing Corporation	N/A – Administrator	\$61,237.72	\$35,095.80	57.3%
<b>Total</b>		<b>\$619,696.50</b>	<b>\$205,885.28</b>	<b>33.2%</b>

## Round 5 Match Commitment/Funding by Organization as of November 2011

Counseling Agency	Metropolitan Statistical Areas Served	Matching Funds Committed*	Counseling Match Funds Allocated	% Match Drawn
Austin Habitat for Humanity	Austin/Round Rock, Rural	\$2,045.65	\$0	0%
Business and Community Lenders of Texas	Austin/Round Rock	\$2,727.54	\$0	0%
Consumer Credit Counseling Service of Greater San Antonio	Austin/Round Rock, San Antonio, Laredo	\$6,705.20	\$0	0%
Credit Coalition	Beaumont/Port Arthur, Houston/Sugar	\$3,023.02	\$0	0%

Counseling Agency	Metropolitan Statistical Areas Served	Matching Funds Committed*	Counseling Match Funds Allocated	% Match Drawn
	Land/Baytown, Rural			
El Paso Community Action Agency, Project Bravo	El Paso	\$2,595.26	\$0	0%
Fifth Ward Community Redevelopment Corporation	Houston/Sugar Land/Baytown	\$2,591.16	\$0	0%
Frameworks Community Development Corporation	Austin/Round Rock	\$12,637.59	\$0	0%
Garden State Consumer Credit Counseling, Inc.	Dallas/Fort Worth/Arlington	\$4,955.03	\$0	0%
Greenpath, Inc.	Brownsville/Harlingen, McAllen/Edinburg/Mission, Corpus Christi, Victoria, Rural	\$7,660.08	\$0	0%
Gulf Coast Community Services Association	Houston/Sugar Land/Baytown	\$12,251.19	\$0	0%
North Texas Housing Coalition	Dallas/Fort Worth/Arlington	\$13,087.83	\$0	0%
Our Casas Residents Council	San Antonio	\$3,659.45	\$0	0%
<b>Total</b>		<b>\$73,939.00</b>	<b>\$0</b>	<b>0%</b>

\*Match committed will be verified during the final audit of the agencies.

Households served for NFMC Round 5 will be included in the 2013 SLIHP after the close of the program.

#### 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/nfmc/>.

## ***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, 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 and the remaining half on September 9, 2010.

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 39,239 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, HVAC Weatherization and International Residential Code.

**STATUS OF FUNDS**

The following tables show the allocated amounts per region and the awarded amounts from the beginning of ARRA WAP program to August 31, 2011.

As of October 2011, the WAP Training Academy had provided 215 classes, trained a total of 3,081 students and provided a total of 437 days of technical assistance. The Training Academy timeline is from October 2009 through November 2011

WAP ARRA Funding for Sub-recipients

Funding Category	Amount
Sub-recipients Program	\$305,034,884
Sub-recipients Training and Technical Assistance	\$3,007,952
Subs. Total	\$308,042,837 *

WAP ARRA Funding for TDHCA

Funding Category	Amount
State Administrative funds	\$8,157,200
State Training and Technical Assistance	\$10,775,695 (\$6,123,280 used for training academy)
State Total	\$18,932,895

WAP ARRA Funding, Total

Funding Category	Amount
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.

## WAP ARRA Expenditures, as of August 31, 2011

#	Sub-recipient	Counties Served	Allocation	Expended thru Aug 2011	HH Served	Anglo	Black	Hispanic
1	Alamo Area Council of Governments	Atascosa, Bandera, Bexar, Comal, Frio, Gillespie, Guadalupe, Karnes, Kendall, Kerr, Medina, Wilson	\$13,179,082	\$10,056,021	2118	486	331	1190
2	Alamo Area Council of Governments for Community Council of South Central TX	Atascosa, Bandera, Comal, Frio, Gillespie, Guadalupe, Karnes, Kendall, Kerr, Medina, Wilson	\$281,272	\$117,462	23	8	3	12
3	Bee Community Action Agency	Bee, Live Oak, McMullen, Refugio	\$757,192	\$623,322	84	8	21	55
4	Big Bend Community Action Committee, Inc.	Brewster, Crane, Culberson, Hudspeth, Jeff Davis, Pecos, Presidio, Terrell	\$1,776,922	\$1,578,827	203	15	0	188
5	Brazos Valley Community Action Agency, Inc.	Brazos, Burleson, Grimes, Leon, Madison, Montgomery, Robertson, Walker, Waller, Washington	\$6,762,088	\$5,066,721	628	304	211	96
6	Brazos Valley Community Action Agency, Inc. for City of Huntsville	Walker	\$500,000	\$241,412	28	6	18	3
7	Cameron and Willacy Counties Community Projects, Inc.	Cameron, Willacy	\$5,253,463	\$5,626,609	952	19	2	930
8	Cameron and Willacy Counties Community Projects, Inc. for Community Devl. Corp. of Brownsville	Cameron	\$500,000	\$6,102	0	0	0	0
9	City of Arlington	Tarrant	\$2,293,456	\$1,901,985	556	130	64	61
#	Sub-recipient	Counties Served	Allocation	Expended thru Aug 2011	HH Served	Anglo	Black	Hispanic

10	City of Austin - Austin Energy	Travis	\$8,290,874	\$5,533,602	2010	304	319	313
11	City of Beaumont	Jefferson	\$2,256,338	\$1,507,561	528	26	235	11
12	City of Brownsville	Cameron	\$3,281,585	\$2,193,848	746	3	0	370
13	City of Corpus Christi	Nueces	\$3,163,472	\$2,489,774	1402	101	52	539
14	City of Dallas Department of Housing	Dallas	\$7,306,985	\$7,137,404	2098	68	701	245
15	City of El Paso	El Paso	\$7,170,066	\$5,355,431	1469	83	362	596
16	City of Fort Worth	Tarrant	\$5,271,014	\$5,038,247	1508	164	429	79
17	City of Houston	Harris	\$23,571,279	\$16,669,450	2241	165	1118	674
18	City of Laredo	Webb	\$1,479,701	\$773,003	168	2	0	82
19	City of Lubbock	Lubbock	\$2,029,904	\$1,655,458	332	95	68	116
20	City of Lubbock	Lubbock	\$1,357,850	\$1,671,887	403	88	28	67
21	City of Odessa	Ector	\$1,175,064	\$965,508	170	34	19	85
22	City of San Antonio	Bexar	\$17,332,609	\$12,557,892	4411	375	179	1504
23	Combined Community Action, Inc.	Austin, Bastrop, Blanco, Caldwell, Colorado, Fayette, Fort Bend, Hays, Lee	\$4,761,915	\$3,239,175	427	231	87	104
24	Combined Community Action, Inc. for Fort Bend Community Revitalization Projects	Fort Bend	\$1,000,000	\$983,266	151	11	90	37
25	Community Action Committee of Victoria	Aransas, Brazoria, Calhoun, De Witt, Goliad, Gonzales, Jackson, Lavaca, Matagorda, Victoria, Wharton	\$4,766,792	\$3,635,366	827	304	138	336
#	Sub-recipient	Counties Served	Allocation	Expended thru Aug 2011	HH Served	Anglo	Black	Hispanic

26	Community Action Corp. of South Texas	Brooks, Hidalgo, Jim Wells, Kenedy, Kleberg, San Patricio	\$14,913,796	\$11,375,288	2064	117	11	1897
27	Community Action Corp. of South Texas for the City of McAllen	Hidalgo	\$4,600	\$4,600				
28	Community Action Corp. of South Texas	Brooks, Hidalgo, Jim Wells, Kenedy, Kleberg, San Patricio	\$1,585,466	\$1,578,332	628	10	0	303
29	Community Action Corp. of South Texas	Brooks, Hidalgo, Jim Wells, Kenedy, Kleberg, San Patricio	\$235,920	\$56,128	2	0	0	2
30	Community Action Program, Inc.	Brown, Callahan, Comanche, Eastland, Haskell, Jones, Kent, Knox, Shackelford, Stephens, Stonewall, Taylor, Throckmorton	\$329,423	\$329,423	43	33	4	6
31	Community Action Program, Inc. - For City OF Abilene	Taylor	\$116,053	\$116,052	16	5	2	5
32	Community Action Program, Inc. for Abilene Neighborhoods in Progress	Taylor	\$7,333	\$7,333				
33	Community Council of Reeves County	Loving, Reeves, Ward, Winkler	\$608,886	\$590,503	85	7	6	72
34	Community Services Agency of South Texas, Inc.	Dimmit, Edwards, Kinney, La Salle, Maverick, Real, Uvalde, Val Verde, Zavala	\$1,178,824	\$909,243	200	9	1	176
35	Community Services, Inc.	Anderson, Collin, Denton, Ellis, Henderson, Hood, Hunt, Kaufman, Johnson, Navarro, Palo Pinto, Parker, Rockwall, Smith, Van Zandt	\$7,727,999	\$6,187,368	1063	712	208	96
#	Sub-recipient	Counties Served	Allocation	Expended thru Aug 2011	HH Served	Anglo	Black	Hispanic
36	Community Services, Inc. - For City of Denton	Denton	\$516,586	\$193,081	71	23	9	3

Stimulus Programs

37	Community Services, Inc. - For City of Lewisville	Denton	\$28,096	\$127,079	56	15	4	7
38	Community Services, Inc. - For City of Tyler	Smith	\$401,839	\$216,291	67	5	28	2
39	Community Services, Inc.- For City of Plano	Collin	\$96,869	\$85,350	36	11	6	3
40	Community Services, Inc. for Greenville Electric Utility System	Hunt	\$348,792	\$325,550	109	24	25	4
41	Community Services, Inc. for Life Rebuilders Inc.	Ellis, Kaufman	\$632,160	\$79,259	0	0	0	0
42	Concho Valley CAA - For City of San Angelo	Tom Green	\$700,000	\$681,639	101	28	6	67
43	Concho Valley Community Action Agency	Coke, Coleman, Concho, Crocket, Irion, Kimble, McCulloch, Menard, Reagan, Runnels, Schleicher, Sterling, Sutton, Tom Green	\$2,945,872	\$2,093,560	230	58	18	154
44	Concho Valley Community Action Agency for Rebuilding Together (San Angelo)	Tom Green	\$867,812	\$803,134	108	46	10	50
45	Dallas County - DCHHS - For City of Carrollton	Dallas	\$384,835	\$378,001	83	5	3	45
46	Dallas County- DCHHS - For City of Garland	Dallas	\$1,208,954	\$1,198,701	326	62	42	50
47	Dallas County - DCHHS - For City of Grand Prairie	Dallas	\$890,641	\$883,364	232	20	20	66
48	Dallas County - DCHHS - For City of Irving	Dallas	\$1,285,388	\$1,157,614	288	44	7	115
49	Dallas County- DCHHS - For City of Mesquite	Dallas	\$532,174	\$522,374	151	39	22	21
#	Sub-recipient	Counties Served	Allocation	Expended thru Aug 2011	HH Served	Anglo	Black	Hispanic
50	Dallas County - DCHHS - For City of Richardson	Dallas	\$361,390	\$356,187	132	12	4	66



51	Dallas County Department of Health and Human Services	Dallas	\$16,255,024	\$11,937,125	1685	245	867	530
52	Dallas County Department of Health and Human Services for Rebuilding Together (Greater Dallas)	Dallas	\$1,000,000	\$980,824	305	63	41	59
53	Dallas County Department of Health and Human Services	Dallas	\$6,000,000	\$3,498,254	652	29	285	11
54	Economic Opportunities Advancement Corporation of PR XI	Bosque, Falls, Freestone, Hill, Limestone, McLennan	\$4,900,849	\$3,422,564	457	174	195	31
55	El Paso Community Action Program, Project Bravo, Inc.	El Paso	\$7,272,128	\$6,612,278	1063	15	8	1040
56	El Paso Community Action Program, Project Bravo, Inc. For El Paso Collaborative for Comm/Econ Development	El Paso	\$998,820	\$432,828	71	0	0	71
57	El Paso Community Action Program, Project Bravo, Inc. for City of Socorro	El Paso	\$500,000	\$392,089	66	0	0	66
58	EOAC of Planning Region XI - For City of Waco	McLennan	\$1,777,812	\$1,574,713	534	45	162	27
59	Fort Worth, City of, Department of Housing	Tarrant	\$9,874,994	\$7,352,260	1080	286	309	134
#	Sub-recipient	Counties Served	Allocation	Expended thru Aug 2011	HH Served	Anglo	Black	Hispanic
60	Greater East Texas Community Action Program (GETCAP)	Angelina, Cherokee, Gregg, Houston, Nacogdoches, Polk, Rusk, San Jacinto, Trinity, Wood	\$8,598,602	\$6,368,968	971	438	452	41

61	Hill Country CAA- For City of Killeen	Bell	\$657,722	\$577,306	124	22	25	13
62	Hill Country Community Action Association, Inc.	Bell, Burnet, Coryell, Erath, Hamilton, Lampasas, Llano, Mason, Milam, Mills, San Saba, Somervell, Williamson	\$3,900,539	\$3,213,120	390	277	27	76
63	Hill Country Community Action Association, Inc. for City of Georgetown	Williamson	\$59,149	\$61,892	11	9	0	2
64	Hill Country Community Action Association, Inc. for Williamson Burnet County Opportunities	Burnet, Williamson	\$323,867	\$335,769	46	38	3	5
65	Institute of Rural Development, Inc.	Duval	\$139,452	\$105,050	27	0	0	27
66	Nueces County Community Action Agency	Nueces	\$5,419,161	\$4,150,255	567	66	81	416
67	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	\$3,281,989	\$2,576,103	623	464	28	121
#	Sub-recipient	Counties Served	Allocation	Expended thru Aug 2011	HH Served	Anglo	Black	Hispanic
68	Panhandle Community Services - For City of Amarillo	Randall	\$1,079,470	\$980,543	318	57	49	36
69	Programs for Human Services, Inc.	Chambers, Galveston, Hardin, Jefferson, Liberty, Orange	\$9,897,787	\$6,303,405	1012	301	511	53
70	Rolling Plains - For City of Wichita Falls	Wichita	\$821,832	\$818,913	340	87	61	31

71	Rolling Plains Management Corporation	Archer, Baylor, Cottle, Clay, Foard, Hardeman, Jack, Montague, Wichita, Wilbarger, Wise, Young	\$2,645,852	\$2,162,791	447	322	43	63
72	Rolling Plains Management Corporation	Archer, Baylor, Cottle, Clay, Foard, Hardeman, Jack, Montague, Wichita, Wilbarger, Wise, Young	\$933,762	\$532,276	17	11	1	4
73	Rolling Plains Management Corporation	Archer, Baylor, Cottle, Clay, Foard, Hardeman, Jack, Montague, Wichita, Wilbarger, Wise, Young	\$454,975	\$157,345	28	2	7	5
74	Rolling Plains Management Corporation	Archer, Baylor, Cottle, Clay, Foard, Hardeman, Jack, Montague, Wichita, Wilbarger, Wise, Young	\$237,494	\$38,385	2	1	0	0
75	Sheltering Arms Sr Svcs for City of Pasadena*	Harris	\$1,431,645	\$90,129	21	3	2	10
76	Sheltering Arms, Inc.	Harris	\$26,852,062	\$20,486,901	4070	358	2852	632
77	South Plains Community Action Association	Bailey, Cochran, Crosby, Dickens, Floyd, Garza, Hale, Hockley, King, Lamb, Lynn, Motley, Terry, Yoakum	\$3,235,044	\$1,874,962	264	59	36	165
78	South Plains Community Action Association	Jim Hogg, Starr, Zapata	\$1,795,845	\$1,603,054	245	85	13	144
79	South Texas Development Council		\$1,327,920	\$1,194,307	177	1	0	176
#	Sub-recipient	Counties Served	Allocation	Expended thru Aug 2011	HH Served	Anglo	Black	Hispanic
80	Texoma Council of Governments	Bowie, Camp, Cass, Cooke, Delta, Fannin, Franklin, Grayson, Hopkins, Lamar, Marion, Morris, Rains, Red River, Titus	\$7,063,409	\$5,811,057	1040	692	310	24
81	Travis County	Travis	\$8,922,699	\$4,430,750	851	50	283	428

82	Tri-County Community Action, Inc.	Harrison, Jasper, Newton, Panola, Sabine, San Augustine, Shelby, Tyler, Upshur	\$589,424	\$374,429	30	12	18	0
83	Webb County Community Action Agency	Webb	\$599,130	\$599,128	91	0	0	91
84	West Texas Opp. - For City of Midland	Midland	\$766,683	\$411,399	70	8	18	31
85	West Texas Opportunities, Inc.	Andrews, Borden, Dawson, Ector, Fisher, Gaines, Glasscock, Howard, Martin, Midland, Mitchell, Nolan, Scurry, Upton	\$4,999,065	\$4,133,302	920	300	102	390
	<b>Total</b>		\$308,042,837	\$232,475,261	48,189	8,835	11,700	15,856

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: 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 relations, including press releases, interviews, and mention tracking; conference exhibit presence and information sharing; program marketing; and speaking engagement coordination. In the fall of 2011, the Division of Public Affairs set up TDHCA Twitter and Facebook pages through which those interested in affordable housing and community services in Texas can keep up to date with the Department.
- 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 voluntary membership email list, 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. A list of these groups can be found in the *Policy Initiatives* section of the Action Plan.

## ***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 four hearings for program area Rules. In addition to these annual public hearings, individual program sections hold various hearings and program workshops throughout the year. Furthermore, the TDHCA Board accepts 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 email 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*, on TDHCA's website and on TDHCA's Twitter feed. The Department ensures the involvement of individuals of low incomes in the allocation of funds and in the planning process by regular meetings that include community-based institutions and consumers, workgroups, and councils listed in the Action Plan. 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 Meetings.

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 hearings in order to receive input that impacted policy and shaped the direction of TDHCA programs.

## ***PUBLIC COMMENT PERIOD AND PUBLIC HEARING***

The draft version of the *2012 State of Texas Low Income Housing Plan and Annual Report* will be submitted to the TDHCA Board of Directors for approval at the December 15, 2011 Board meeting and will be released for public comment in accordance with §2306.0732 and §2306.0661. In addition, a proposed amendment to 10 TAC 1.23 *State of Texas Low Income Housing Plan and Annual Report (SLIHP)* adoption by reference will be released for public comment along with the document.

During the comment period from January 9 to February 7, 2012, the public will be encouraged to submit input for the Plan in writing via mail, fax, or email. A public hearing will be on Tuesday, January 10, 2011 in the Stephen F. Austin Building (1700 N. Congress, Austin, TX) in room 172 at

11:00am. Notice of the public comment period and public hearing will be published in the *Texas Register* and will be sent via a membership email announcement.

***PUBLIC COMMENT***

To be updated in the final version of this document.

## **SECTION 7: 2012-2013 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.
- 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.

### **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 40 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 938. 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>17</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>18</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.

<sup>17</sup> U.S. Census Bureau: State and County Quickfacts. <http://quickfacts.census.gov/qfd/states/48000.html> (Viewed July 27, 2006).

<sup>18</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.

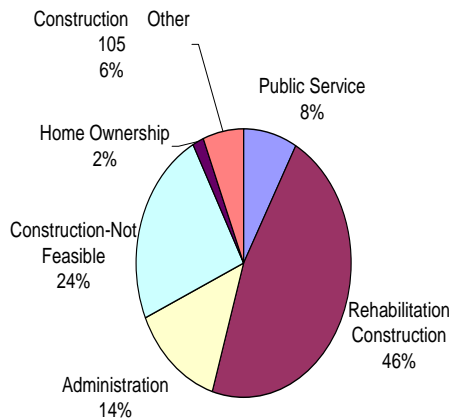
### COLONIA Beneficiaries

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 90% beneficiaries are of low to moderate income.

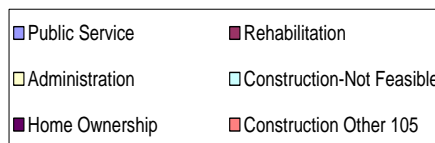
County	Total Population Beneficiaries	Total Low to Moderate Beneficiaries
Cameron/Willacy	8,458	6,988
El Paso	8,982	8,533
Hidalgo	3,573	3,215
Maverick	5,476	4,381
Starr	3,075	3,075
Val Verde	5,923	5,923
Webb	1,212	1,151
<b>Total</b>	<b>36,699</b>	<b>33,266</b>

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, utility connections, rehabilitation, self-help small repair, reconstruction, new construction and down payment assistance.

### COLONIA SELF-HELP CENTERS



Activity	Percentage
Public Service	8%
Rehabilitation	46%
Administration	14%
Reconstruction	24%
Home Ownership	2%
New Construction	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 2012 and 2013.

FY 2012 and 2013 Office of Colonia Initiatives Funding

<b>Programs</b>	<b>Available Funding for FY 2012</b>	<b>Estimated Available Funding for FY 2013</b>
Texas Bootstrap Loan Program	\$5,245,858	\$5,245,858
Colonia Self-Help Centers	\$1,600,000	\$1,600,000
<b>TOTAL</b>	<b>\$6,845,858</b>	<b>\$6,845,858</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 colonia SHCs through the three border field offices.

The colonia SHC program serves 35 colonias. The total number of beneficiaries for all SHCs is approximately 37,000 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 Governing Board appoints 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 \$1.6 million per year. The CDBG funds are transferred to the Department through a memorandum of understanding with the Texas Department of Agriculture. 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 anticipate approximately 900 technical assistance outreach efforts to nonprofit organizations and units of local government in 2012 and 2013 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, technical assistance 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 Colonia Self Help Center programs will provide 12,000 targeted technical assistance to individual colonia residents through the Colonia Self Help Centers.

## **TEXAS BOOTSTRAP LOAN PROGRAM**

The Texas Bootstrap Loan Program is a statewide program that provides funds to certified nonprofit organizations and enables owner-builders to purchase real estate and construct or renovate a home. In 2011 the 82<sup>nd</sup> Legislature amended this program under Senate Bill 992 with a legislative directive requiring TDHCA 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 in a census tract that has a median household income that is not greater than 75% of the median state household income for the most recent year for which statistics are available.

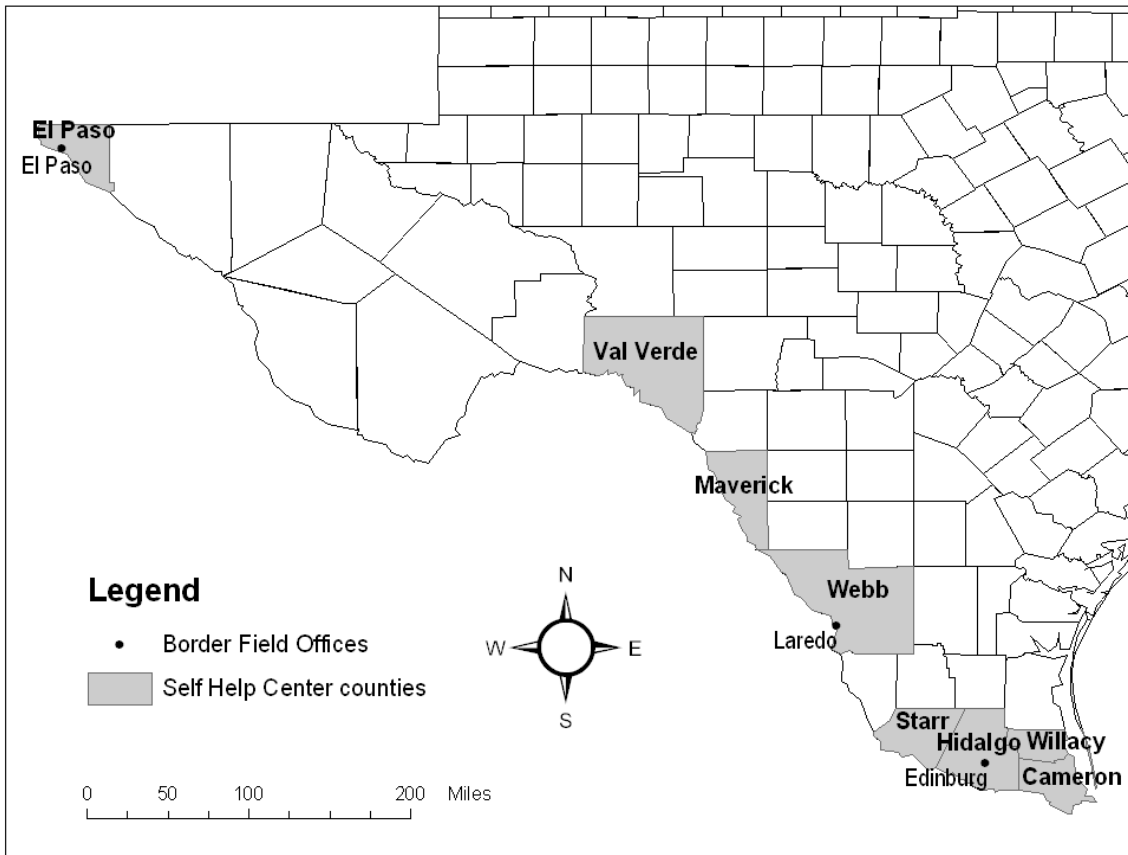
The Texas Bootstrap program promotes and enhances homeownership for very low-income Texans by providing funds to purchase or refinance real property on which to build new residential housing, construct new residential housing or improve existing residential housing throughout Texas. Participating owner-builders 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 through 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 2012 and 2013 Fiscal Year allocation of \$3,000,000 per year, the remaining balance of \$4,491,715.72 from the previous funding cycles of Fiscal Years 2010 and 2011 will be made available and reallocated in Fiscal Years 2012 and 2013. A total of \$10,491,715.72 will be made available under the 2012 and 2013 Notice of Funding Availability (NOFA).

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 8: TEXAS STATE AFFORDABLE HOUSING CORPORATION ANNUAL ACTION PLAN**

### **INTRODUCTION**

This Plan is prepared in accordance with Texas Government Code, Section 2306.566, which requires the Texas State Affordable Housing Corporation (Corporation) to develop a plan to address the State's housing needs. According to Section 2306.0721(g), the *Corporation's Annual Action Plan* must be included in the 2012 State Low Income Housing Plan (SLIHP) prepared by the Texas Department of Housing and Community Affairs (TDHCA).

In accordance with Section 2306.0722(b), TDHCA will provide the needs assessment information compiled for the SLIHP report to the Corporation. In addition to addressing the needs in general, the Corporation's plan must include specific proposals to help serve rural and other underserved areas of the state.

TSAHC's plan will be updated in the final version of this document.

**APPENDIX****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;
    - (C) the department's progress in meeting the goals established in the previous housing plan, including efforts to address the populations described in Section 2306.0721(c)(1);
    - (D) recommendations on how to improve the coordination of department services to the populations described by Section 7306.0721 (c)(1)
  - (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 size and the different 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;
    - (C) homeless individuals;
    - (D) veterans; and
    - (E) youth aging out of foster care;
  - (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 border 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, assessed in the manner provided for an administrative penalty under Section 2306.6023.

## Attachment C

### *Preamble and proposed amendment to 10 TAC §1.23*

The Texas Department of Housing and Community Affairs (the “Department”) proposes amendments to §1.23, concerning the State of Texas Low Income Housing Plan and Annual Report (“SLIHP”). The section adopts by reference the 2012 SLIHP. The purpose of the SLIHP is to serve as a comprehensive reference on statewide housing needs, housing resources, and strategies for funding allocations. The document reviews the Department’s programs, current and future policies, resource allocation plan to meet state housing needs, and reports on State Fiscal Year 2011 performance. The Department is required to submit the SLIHP annually to its Board of Directors in accordance with §2306.072 of the Texas Government Code.

Mr. Timothy Irvine, Executive Director, has determined that for the first five-year period the amended section is in effect, there will be no fiscal implications for state or local governments as a result of enforcing or administering the new sections as proposed.

Mr. Irvine has also determined that for each year of the first five years the SLIHP is in effect, the public benefit anticipated will be improved communication with the public regarding the Department’s programs and activities. There will be no effect on small businesses or persons. There is no anticipated economic cost to persons who are required to comply with the amended section as proposed. The amended section will not impact local employment.

The full text of the both the draft and final 2012 SLIHP may be viewed at the Department’s website: [www.tdhca.state.tx.us](http://www.tdhca.state.tx.us). The public may also receive a copy of the 2012 SLIHP by contacting the Department’s Housing Resource Center at (512) 475-3976.

The public comment period will be between January 9 and February 7, 2012. A public hearing will be held at 11:00 a.m. Tuesday, January 10, 2012 at Stephen F. Austin State Office Building, room #172, 1700 N. Congress, Austin, Texas. Written comments may be submitted to Texas Department of Housing and Community Affairs, Elizabeth Yevich, P.O. Box 13941, Austin, Texas 78711-3941, by e-mail to the following address: [elizabeth.yevich@tdhca.state.tx.us](mailto:elizabeth.yevich@tdhca.state.tx.us), or by fax to (512) 475-1672.

The TDHCA Board of Directors will consider the final 2012 SLIHP at the March 2012 Board meeting. The 2012 SLIHP will become effective 20 days after being filed with the Office of the Secretary of State.

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

No other statutes, articles, or codes are affected by the proposed amendment.

§1.23. State of Texas Low Income Housing Plan and Annual Report (“SLIHP”).

10a

**MULTIFAMILY FINANCE DIVISION  
BOARD ACTION REQUEST  
December 15, 2011**

Presentation, Discussion, and Possible Action on Housing Tax Credit Program Extensions

**RECOMMENDED ACTION**

Approve the requests for an extension related to 2010 Housing Tax Credit Program allocations.

**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**, three applicants who have requested additional extensions in excess of 6 months, but provided good cause for granting the extension and paid the required \$2,500 extension request fee as applicable; therefore,

It is hereby:

**RESOLVED**, that the extensions presented in this meeting relating to Applications No. 10096 Orchard at Westchase, 10220 Casa Ricardo, and 10266 Travis Street Plaza Apartments are hereby approved as presented to this meeting.

**BACKGROUND**

Pertinent facts about the request for extension are as follows:

**HTC No. 10096 The Orchard at Westchase**  
**Commencement of Substantial Construction Extension**

Pursuant to §50.14(b)(4) of the 2010 Qualified Allocation Plan, the Development Owner must submit evidence of having commenced and continued substantial construction activities. The evidence to support the satisfaction of this requirement must be submitted to the Department no later than July 1 of the year following the execution of the Carryover Allocation Document in a format prescribed by the Department.

Summary of Request: The original commencement of substantial construction (COC) deadline was July 1, 2011. The Owner requested to extend the deadline to November 1, 2011, which was approved by the Department on June 16, 2011. The Owner is now requesting an additional extension to February 15, 2012, which effectively takes their total request over six (6) months; therefore, Board approval is required.

The reason given for the additional extension is that the ownership did not receive their tax credit commitment until December 21, 2010 and did not close on the development financing until September 28, 2011; therefore, additional time is needed to complete all of the COC requirements.

The Owner has indicated that they have completed environmental remediation and are currently completing construction of the foundation pads. Additionally, they have indicated that the entrance road has been cut, storm lines and manholes are completed, and water and sanitary lines installation has commenced. Furthermore, the Owner has indicated that the Development is still on target to meet its placed in service requirement.

Owner:	Orchard Westchase, LP
General Partner:	Orchard Westchase GP, LLC
Developer:	Orchard Westchase Development, LLC
Principals/Interested Parties:	Orchard Communities, Inc, Joseph Pipa, Leon Spivey, and Stephan Fairfield
City/County:	Houston/Harris
Set-Aside:	N/A
Type of Area:	Urban
Type of Development:	New Construction
Population Served:	Elderly
Units:	153 HTC units
2010 Allocation:	\$1,917,087
Allocation per HTC Unit:	\$12,530
Extension Request Fee Paid:	\$2,500
Original Deadline:	July 1, 2011
New Deadline Requested:	February 15, 2012
<b>New Deadline Recommended:</b>	<b>February 15, 2012</b>
Previous Extensions:	(1) November 1, 2011



**HTC No. 10220 Casa Ricardo**  
**Commencement of Substantial Construction Extension**

Pursuant to §50.14(b)(4) of the 2010 Qualified Allocation Plan, the Development Owner must submit evidence of having commenced and continued substantial construction activities. The evidence to support the satisfaction of this requirement must be submitted to the Department no later than July 1 of the year following the execution of the Carryover Allocation Document in a format prescribed by the Department.

Summary of Request: The original commencement of substantial construction (COC) deadline was July 1, 2011. The Owner requested to extend the deadline to November 1, 2011, which was approved by the Department on June 16, 2011. The Owner is now requesting an additional extension to February 15, 2012, which effectively takes their total request over six (6) months; therefore, Board approval is required.

The reason given for the additional extension is that the ownership was unable to close on the development's HOME loan until September 9, 2011, which delayed their ability to commence construction until September 13, 2011; therefore, additional time is needed to complete all of the COC requirements.

The Owner has indicated that all COC minimum requirements have been fulfilled with the exception of the completion of the abatement/demolition and the underground utilities which are anticipated to be completed by November 30, 2011 and January 21, 2012 respectively. They have also confirmed that the Development is still on target to meet its placed in service requirement.

Owner:	Casa Ricardo, Ltd
General Partner:	Casa Ricardo GP, LLC
Developer:	Leslie Holleman & Associates, Inc.
Principals/Interested Parties:	The Housing Authority of the City of Kingsville, Socorro Hinojosa, and Leslie Holleman
City/County:	Kingsville/Kleberg
Set-Aside:	N/A
Type of Area:	Rural
Type of Development:	Reconstruction
Population Served:	Elderly
Units:	60 HTC units
2010 Allocation:	\$650,580
Allocation per HTC Unit:	\$10,843
Extension Request Fee Paid:	\$2,500
Original Deadline:	July 1, 2011
New Deadline Requested:	February 15, 2012
<b>New Deadline Recommended:</b>	<b>February 15, 2012</b>
Previous Extensions:	(1) November 1, 2011

**HTC No. 10266 Travis Street Plaza**  
**Commencement of Substantial Construction Extension**

Pursuant to §50.14(b)(4) of the 2010 Qualified Allocation Plan, the Development Owner must submit evidence of having commenced and continued substantial construction activities. The evidence to support the satisfaction of this requirement must be submitted to the Department no later than July 1 of the year following the execution of the Carryover Allocation Document in a format prescribed by the Department.

Summary of Request: The original commencement of substantial construction (COC) deadline was July 1, 2011. The Owner requested to extend the deadline to December 1, 2011, which was approved by the Department on July 8, 2011. The Owner is now requesting an additional extension to March 1, 2012, which effectively takes their total request over six (6) months; therefore, Board approval is required.

The reason given for the additional request is that the ownership was unable to close on the construction loan until November 10, 2011 due to drawn-out negotiations with the City of Houston regarding parking spaces and AT&T regarding a cell phone tower located on the development site; therefore, additional time is needed to complete all of the COC requirements.

The Owner has indicated that construction has commenced, all permits have been issued, utilities are available at the site, and all Right of Way access is secure. However, due to the nature of the development, which includes podium style buildings with parking beneath the residential units, additional time is needed to complete the foundations of the residential units and clubhouse. They have also confirmed that the development is still on target to meet its placed in service requirement.

Owner:	Travis Street Plaza, LP
General Partner:	4500 Travis, LLC
Developer:	Cloudbreak Houston, LLC
Principals/Interested Parties:	Cantwell-Anderson, Inc., Thomas R. Cantwell Jr., and Greg Anderson
City/County:	Houston/Harris
Set-Aside:	N/A
Type of Area:	Urban
Type of Development:	New Construction/SRO
Population Served:	General/Supportive Housing
Units:	192 HTC units
2010 Allocation:	\$1,325,820
Allocation per HTC Unit:	\$6,905
Extension Request Fee Paid:	\$2,500
Original Deadline:	July 1, 2011
New Deadline Requested:	March 1, 2012
<b>New Deadline Recommended:</b>	<b>February 15, 2012</b>
Previous Extensions:	(1) December 1, 2011

10b

**Housing Tax Credit Program  
Board Action Request  
December 15, 2011**

**Action Item**

Request, review, and board determination of four (4) four percent (4%) tax credit applications with other issuers for tax exempt bond transactions.

**Recommendation**

Staff is recommending that the board review and approve the issuance of four (4) four percent (4%) Tax Credit Determination Notices with **other issuers** for the tax exempt bond transactions known as:

DEVELOPMENT NO.	NAME	LOCATION	ISSUER	TOTAL UNITS	LI UNITS	TOTAL DEVELOPMENT	APPLICANT PROPOSED TAX EXEMPT BOND AMOUNT	REQUESTED CREDIT ALLOCATION	RECOMMENDED CREDIT ALLOCATION
11402	Fox Run	Orange	Sabine-Neches HFC	172	172	\$8,556,714	\$1,348,000	\$277,486	\$275,474
11403	Village of Kaufman	Kaufman	North Central Texas HFC	68	68	\$6,609,811	\$2,800,000	\$182,429	\$181,088
11404	Buckeye Trail Commons	Dallas	Housing Options, Inc.	207	206	\$28,115,151	\$13,750,000	\$1,087,609	\$1,084,186
11405	Buckeye Trail Commons II	Dallas	Housing Options, Inc.	116	106	\$17,090,146	\$8,500,000	\$576,007	\$576,007

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**MULTIFAMILY FINANCE DIVISION  
BOARD ACTION REQUEST  
December 15, 2011**

Presentation, Discussion, and Possible Action on a Determination Notice for Housing Tax Credits with another Issuer.

**RECOMMENDED ACTION**

Approve the Issuance of a Determination Notice associated with Mortgage Revenue Bond Transactions with Other Issuers for Fox Run, #11402.

**WHEREAS**, a Housing Tax Credit application for Fox Run was submitted to the Department on September 9, 2011; and

**WHEREAS**, the proposed issuer of the bonds for Fox Run is the Sabine-Neches Housing Finance Corporation; and

**WHEREAS**, the reservation of allocation expires on February 24, 2012; and

**WHEREAS**, the Executive Award and Review Advisory Committee recommends the issuance of the Determination Notice; therefore,

It is hereby,

**RESOLVED**, that the issuance of a Determination Notice of \$275,474 in Housing Tax Credits for Fox Run is hereby approved in the form presented to this meeting.

**BACKGROUND**

*Background and General Information:* The application was received on September 9, 2011. The Issuer for this transaction is the Sabine-Neches Housing Finance Corporation with a reservation that expires on February 24, 2012. The general population development is rehabilitation and will consist of 70 total units. This transaction is a Priority 1C and all of the units are proposed to be restricted at 60% Area Median Family Income (AMFI). The development is located in Orange, Orange County and the site is currently zoned for this type of development.

*Organizational structure and Compliance:* The Borrower is Orange Leased Housing Associates I, Limited Partnership and the General Partner is Orange Leased Housing Associates GP I, LLC. The Compliance Status Summary completed on October 17, 2011 reveals that the principals of the general partner have received 14 multifamily awards that have been monitored with no material noncompliance.

*Census Demographics:* The development is located at 2600 Allie Payne Road in Orange. Demographics for the census tract (0213.00) include AMFI of \$78,036; the total population is 5,604; the percent of population that is minority is 15.47%; the percent of population that is below the poverty line is 8.36%; the number of owner occupied units is 1,514; the number of renter units is 673 and the number of vacant units is 146. (Census information from FFIEC Geocoding for 2011).

*Public Comment:* The Department has not received any letters of support or opposition for this Development.



**MULTIFAMILY FINANCE PRODUCTION DIVISION**  
**December 15, 2011**  
**Development Information, Public Input and Board Summary**  
**Fox Run, TDHCA Number 11402**

**BASIC DEVELOPMENT INFORMATION**

Site Address: 2600 Allie Payne Road Development #: 11402  
 City: Orange Region: 5 Population Served: General  
 County: Orange Zip Code: 77632 Allocation: Rural  
 HOME Set Asides:  CHDO  Preservation  General Purpose/Activity: ACQ/R  
 Bond Issuer: Sabine-Neches HFC  
 HTF

HTC Purpose/Activity: NC=New Construction, ACQ=Acquisition, R=Rehabilitation, NC/ACQ=New Construction and Acquisition, NC/R=New Construction and Rehabilitation, ACQ/R=Acquisition and Rehabilitation

**OWNER AND DEVELOPMENT TEAM**

Owner: Orange Leased Housing Associates I, Limited Partnership  
 Owner Contact and Phone: Ron Mehl, 7633545656  
 Developer: Orange Leased Housing Development I, LLC  
 Housing General Contractor: Orange Leased Housing Development I, LLC  
 Architect: Blumentals Architecture, Inc  
 Market Analyst: Integra Realty Resources  
 Syndicator: Alliant Capital, Ltd.  
 Supportive Services: N/A  
 Consultant: N/A

**UNIT/BUILDING INFORMATION**

<u>30%</u>	<u>40%</u>	<u>50%</u>	<u>60%</u>	<u>80%</u>	<u>Eff</u>	<u>1 BR</u>	<u>2 BR</u>	<u>3 BR</u>	<u>4 BR</u>	<u>5 BR</u>	Total Restricted Units:	70
0	0	0	70	0	0	22	28	16	4	0	Market Rate Units:	0
Type of Building: <input checked="" type="checkbox"/> 4 units or more per building											Owner/Employee Units:	0
<input checked="" type="checkbox"/> Duplex	<input type="checkbox"/> Detached Residence										Total Development Units:	70
<input type="checkbox"/> Triplex	<input type="checkbox"/> Single Room Occupancy										Total Development Cost:	\$8,556,714
<input checked="" type="checkbox"/> Fourplex	<input type="checkbox"/> Transitional										Number of Residential Buildings:	6
<input type="checkbox"/> Townhome											HOME High Total Units:	0
											HOME Low Total Units:	0

Note: If Development Cost = \$0, an Underwriting Report has not been completed.

**FUNDING INFORMATION**

	<u>Applicant Request</u>	<u>Department Analysis</u>	<u>Amort</u>	<u>Term</u>	<u>Rate</u>
4% Housing Tax Credits with Bonds:	\$277,486	\$275,474	0	0	0%
TDHCA Bond Allocation Amount:	\$0	\$0	0	0	0%
HOME Activity Fund Amount:	\$0	\$0	0	0	0%
HOME CHDO Operating Grant Amount:	\$0	\$0			
HTF Rental Production Funds:	\$0	\$0			





**MULTIFAMILY FINANCE PRODUCTION DIVISION**  
December 15, 2011  
Development Information, Public Input and Board Summary  
**Fox Run, TDHCA Number 11402**

**PUBLIC COMMENT SUMMARY**

Guide: "O" = Oppose, "S" = Support, "N" = Neutral, "NC" or Blank = No comment

**State/Federal Officials with Jurisdiction:**

TX Senator: Williams, District 4

US Representative: Brady, District 8,

TX Representative: Hamilton, District 19

US Senator: NC

**Local Officials and Other Public Officials:**

Mayor/Judge: William Brown Claybar, Mayor, City of  
Orange - NC

Resolution of Support from Local Government

**Individuals/Businesses:** In Support: 0 In Opposition: 0

**Neighborhood Input:**

**General Summary of Comment:**

**CONDITIONS OF COMMITMENT**

1. Receipt and acceptance by Cost Certification:

a. HUD approval of at least a 4% increase from the current Section 8 contract rents; otherwise, the operating pro forma must be re-evaluated.

b. Documentation from the taxing authority of qualification for a 50% property tax exemption.

c. Documentation clearing environmental issues contained in the ESA report, specifically:

Completion of a comprehensive survey to identify the presence of asbestos-containing-materials, and documentation that all ESA recommendations regarding asbestos-containing-materials were followed for the demolition and removal, or maintenance, of any such materials.

2. Should any terms of the proposed capital structure change, the analysis must be re-evaluated and adjustment to the credit allocation and/or terms of other TDHCA funds, if any, may be warranted.



**MULTIFAMILY FINANCE PRODUCTION DIVISION**  
December 15, 2011  
Development Information, Public Input and Board Summary  
**Fox Run, TDHCA Number 11402**

**RECOMMENDATION BY THE EXECUTIVE AWARD AND REVIEW ADVISORY COMMITTEE IS BASED ON:**

4% Housing Tax Credits:	Credit Amount:	\$275,474
Recommendation:	Recommend approval of a Housing Tax Credit Allocation not to exceed \$275,474 annually for ten years, subject to conditions.	
TDHCA Bond Issuance:	Bond Amount:	\$0
Recommendation:		
HOME Activity Funds:	Loan Amount:	\$0
HOME CHDO Operating Expense Grant:	Grant Amount:	\$0
Recommendation:		
HTF Rental Production Funds:	Loan Amount:	\$0
Recommendation:		



**DEVELOPMENT IDENTIFICATION**

TDHCA Application #: 11402 Program(s): 4% HTC

**Fox Run Apartments**

Address/Location: 2600 Allie Payne Road

City: Orange County: Orange Zip: 77632

Population: Family Program Set-Aside: Rural Area: Rural

Activity: Acq/Rehab Building Type: Garden (Up to 3 story) Region: 5

Analysis Purpose: New Application - Initial Underwriting

**ALLOCATION**

TDHCA Program	REQUEST				RECOMMENDATION				
	Amount	Interest Rate	Amort	Term	Amount	Interest Rate	Amort	Term	Lien
LIHTC (Annual)	\$277,486				\$275,474				

**CONDITIONS**

- 1 Receipt and acceptance by Cost Certification:
  - a: HUD approval of at least a 4% increase from the current Section 8 contract rents; otherwise, the operating pro forma must be re-evaluated.
  - b: documentation from the taxing authority of qualification for a 50% property tax exemption.
  - c: Documentation clearing environmental issues contained in the ESA report, specifically:
    - Completion of a comprehensive survey to identify the presence of asbestos-containing-materials, and documentation that all ESA recommendations regarding asbestos-containing-materials were followed for the demolition and removal, or maintenance, of any such materials.
- 2 Should any terms of the proposed capital structure change, the analysis must be re-evaluated and adjustment to the credit allocation and/or terms of other TDHCA funds, if any, may be warranted.

**SET-ASIDES**

TDHCA SET-ASIDES for HTC LURA		
Income Limit	Rent Limit	Number of Units
60% of AMI	60% of AMI	70

**DEAL SUMMARY**

The subject is an existing HUD Section 8 property that underwent Mark-to-Market restructuring in 2008, resulting in a primary mortgage for \$956,700 to Wells Fargo, and a secondary Mark-to-Market Mortgage Restructuring Note for \$1,661,638 to HUD payable from surplus cash flow. As a condition for approval of the proposed acquisition/rehabilitation, HUD will require a cash paydown on the balance of the Restructuring Note. The Applicant has estimated the paydown amount at \$246,000. The actual amount will be determined by HUD based on the proposed gain to the Seller on the sale of the property, the proposed gain to the Developer on the rehabilitation, and the impact of the recapitalization on the net present value of the Restructuring Note.

## RISK PROFILE

STRENGTHS/MITIGATING FACTORS	
▫	100% Section 8 HAP Contract

WEAKNESSES/RISKS	
▫	insufficient cash flow to repay M2M Note by maturity
▫	dependent on 50% tax exemption
▫	HUD paydown could increase due to increased debt
▫	Closing of the acquisition is contingent on the simultaneous closing of two other properties.

## DEVELOPMENT TEAM

### PRIMARY CONTACTS

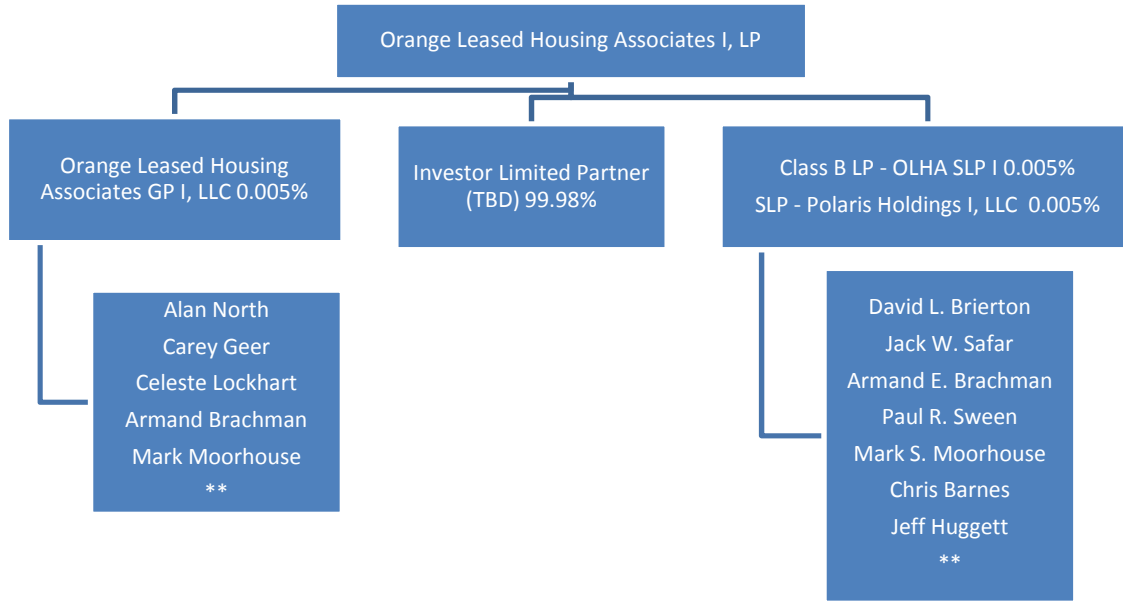
Name:                                 Ron Mehl                                 Relationship: Applicant  
 Email:                                 rmehl@dominiuminc.com                                 Phone: (763) 354-5656 Fax: (763) 249-8694

Name:                                 Scott Newcomer                                 Relationship: Applicant  
 Email:                                 snewcomer@dominiuminc.com                                 Phone: (763) 354-5584 Fax: (763) 249-8694

Related-Party Seller/Identity of Interest:                                 No                                

- The Applicant, Developer, General Contractor, and property manager are related entities.

## OWNERSHIP STRUCTURE

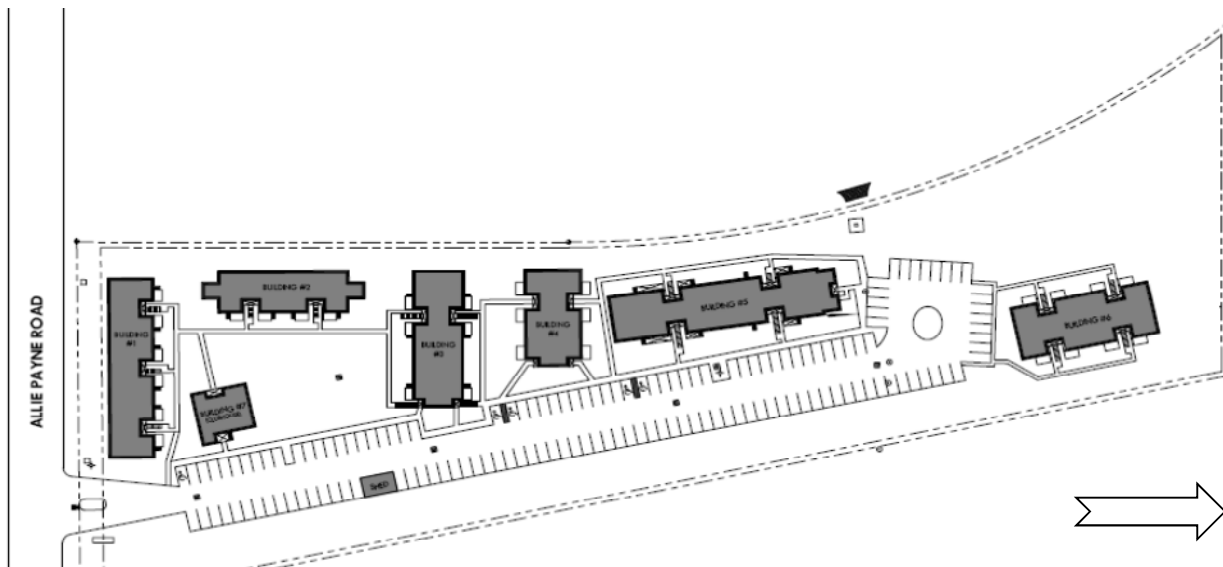


\*\* Individuals listed serve multiple roles

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## DEVELOPMENT SUMMARY

### SITE PLAN



### BUILDING CONFIGURATION

Building Type	A	B	C	D	E	F							Total Buildings
Floors/Stories	2	2	2	1	2	2							6
Number of Bldgs	1	1	1	1	1	1							6
Units per Bldg	12	8	12	6	16	16							
<b>Total Units</b>	<b>12</b>	<b>8</b>	<b>12</b>	<b>6</b>	<b>16</b>	<b>16</b>							<b>70</b>

### GENERAL INFORMATION

Total Size:	<u>5.89</u> acres	Scattered Site?	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No	
Flood Zone:	<u>X</u>	Within 100-yr floodplain?	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No	
Zoning:	<u>R-3 High Density Residential</u>	Re-Zoning Required?	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No	<input type="checkbox"/> N/A
Density:	<u>11.8846</u> units/acre	Utilities at Site?	<input checked="" type="checkbox"/> Yes	<input type="checkbox"/> No	
		Title Issues?	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No	

**Surrounding Uses:**

Undeveloped land to the north and south, multifamily residential to the east, a drainage pond to the west.

**Other Observations:**

The Site Inspector reported that "while on site at the rear of the property could smell a heavy sewage smell. Did find a man hole cover near by it may be that the site sewage drainage needs to be addressed." This is included in the scope of work itemized in the Property Condition Assessment.

### HIGHLIGHTS of ENVIRONMENTAL REPORTS

Provider: Peer Engineering Date: 7/22/2011

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

- "Limited asbestos sampling/testing conducted as part of the 2009 Phase I ESA identified the black mastic associated with the flooring materials at the subject property to be asbestos-containing." (p 12)

## MARKET ANALYSIS

Provider: Integra Realty Resources DFW Date: 6/30/2011  
 Contact: Amy White Phone: 972-960-1222  
 Number of Revisions: none Date of Last Applicant Revision: N / A

Primary Market Area (PMA): 380 sq. miles 11 mile equivalent radius  
 The Primary Market Area (PMA) is defined by 20 census tracts that covers all of Orange County.

ELIGIBLE HOUSEHOLDS BY INCOME								
Orange 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	---	---	---	---	---	---	\$0	\$23,340
2	---	---	---	---	---	---	\$0	\$26,640
3	---	---	---	---	---	---	\$0	\$30,000
4	---	---	---	---	---	---	\$0	\$33,300
5	---	---	---	---	---	---	\$0	\$36,000
6	---	---	---	---	---	---	\$0	\$38,640

AFFORDABLE HOUSING INVENTORY in PRIMARY MARKET AREA					
File #	Development	Type	Target Population	Comp Units	Total Units
Proposed, Under Construction, and Unstabilized Comparable Developments					
10126	Auburn Square	New	Family	80	80
Other Affordable Developments in PMA since 2007					
09162	Arbor Pines Apt Homes	New	Senior	n/a	76
09800	Arthur Robinson Homes	CDBG	Family	n/a	112
09805	Orange Navy II	CDBG	Family	n/a	36
07093	Cypresswood Crossing	New	Family	n/a	76
07905	Orange Navy Homes	CDBG	Family	n/a	115
07257	Gulf Timbers Apt Homes	New	Senior	n/a	76
Stabilized Affordable Developments in PMA ( pre-2007 )					
Total Properties ( pre-2007 )		4	Total Units		354

Proposed, Under Construction, and Unstabilized Comparable Supply:

10126 Auburn Square is a Family development currently under construction located 15 miles to the West of the subject property.

OVERALL DEMAND ANALYSIS				
	Market Analyst		Underwriter	
Total Households in the Primary Market Area	31,607		32,205	
Potential Demand from the Primary Market Area	2,823		4,467	
Potential Demand from Other Sources	0		0	
<b>GROSS DEMAND</b>	2,823		4,467	
Subject Affordable Units	70		70	
Unstabilized Comparable Units	80		80	
<b>RELEVANT SUPPLY</b>	150		150	
<b>Relevant Supply ÷ Gross Demand = GROSS CAPTURE RATE</b>	5.3%		3.4%	

**Demand Analysis:**

Since this development has a Section 8 Rental Assistance contract, all households below the maximum income level are eligible renters. The Market Analyst incorrectly calculates Gross Demand based on 50% maximum rents instead of 60%, resulting in Gross Demand for 2,823 units and a Gross Capture Rate of 5.3% for the Total Relevant Supply of 150 units.

The Underwriter considers all households with incomes below the maximum \$38,640. This indicates Gross Demand for 4,467 units and a Gross Capture Rate of 3.4% for the total Relevant Supply of 150 units.

The maximum Gross Capture Rate for rural developments targeting family households is 30%; 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/50%	833	22	12	4%				
1 BR/60%					1,542	22	6	2%
2 BR/50%	650	28	44	11%				
2 BR/60%					1,066	28	22	5%
3 BR/50%	521	16	24	8%				
3 BR/60%					707	16	12	4%
4 BR/50%	184	4	0	2%				
4 BR/60%					264	4	0	2%

**Primary Market Occupancy Rates:**

The average occupancy rate of 8 existing LIHTC properties in the PMA is 90%. (p 73)

**Absorption Projections:**

"The occupancy of the subject was 94%, which is considered stabilized occupancy...the developer plans to extensively renovate the property. Rather than empty the complex, this will be achieved on a building-to-building basis. Therefore, an absorption forecast for the subject is not warranted." (p 78)

**Market Impact:**

"The indicated Gross Capture Rate of 5.3% is below the maximum permitted concentration capture rate for rural projects, which is 30%. Thus, we conclude there to be sufficient unmet demand to support the development of the subject." (p 79)

**Comments:**

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

Capture rate limits do not apply to existing Affordable Housing that is at least 50% occupied and that provides a leasing preference to existing tenants. The market study shows that the development is currently 94% occupied. Given the current occupancy and the fact that the rehabilitation will not require extended displacement of tenants, market absorption is not a concern.

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## OPERATING PROFORMA

### SUMMARY - AS UNDERWRITTEN

NOI:	\$294,886	Avg. Rent:	\$736	Expense Ratio:	50.3%
Debt Service:	\$248,006	B/E Rent:	\$694	Controllable Expenses:	\$2,879
Net Cash Flow:	\$46,879	Occupancy:	95.00%	Property Taxes/Unit:	\$194
Aggregate DCR:	1.19:1	B/E Occupancy:	87.50%	Program Rent Year:	2011

Income:      Number of Revisions:                none                Date of Last Applicant Revision:                N / A          

All units are covered by a Section 8 contract. The Applicant has assumed a 4% increase over the current contract rents. The underwriting analysis reflects this assumed increase, with the condition that HUD approval must be provided by cost certification. Projections for secondary income and losses to vacancy and collection are consistent with underwriting guidelines.

The Applicant's effective gross income is equivalent to the underwriting estimate.

Expense:      Number of Revisions:                1                Date of Last Applicant Revision:                10/4/2011          

The underwriting estimate for total annual operating expenses (\$4,431 per unit) is based on the actual expenses at the subject property and average expenses at other properties managed by the Applicant. The Applicant's projected expenses (\$4,268 per unit) are 4% lower.

Housing Services Incorporated (HSI) is the 100% member of the GP. The Applicant provided an attorney's opinion to support a projected 50% property tax exemption based on HSI's status as a Texas non-profit corporation.

#### Conclusion:

The Applicant's income, expenses, and net operating income are each within 5% of the underwriting estimates, so the Applicant's projections are used to determine debt capacity and long-term feasibility. The Applicant's first-year pro forma and financing structure provide a debt coverage ratio of 1.19, within the guidelines of 1.15 to 1.35. (This assumes no debt coverage requirement for the HUD Mark-to-Market Mortgage Restructuring Note. This is discussed further under "Underwritten Capitalization".)

#### Feasibility:

The long-term operating proforma, based on income and expenses increasing at 2% and 3%, respectively, indicates continued positive cash flow and a debt coverage ratio that remains above 1.15. The project is therefore characterized as financially feasible.

If the Applicant fails to qualify for the proposed property tax exemption, the higher tax expense would result in a debt coverage ratio of 1.09, below the 1.15 minimum. The funding recommendation is contingent on documentation, by cost certification, that the property actually qualifies for the tax exemption. Otherwise, the operating feasibility must be re-evaluated.

## ACQUISITION INFORMATION

### APPRAISED VALUE

Appraiser:	<u>Integra Realty Resources DFW</u>	Date:	<u>6/23/2011</u>
Land Only:	5.89 acres	\$54,000	Per Unit: <u>771</u>
Existing Buildings: (as-is)		<u>\$4,086,000</u>	
Total Development: (as-is)		<u>\$4,140,000</u>	Per Unit: <u>59,143</u>

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**SITE CONTROL**

Type: Purchase and Sale Contract Acreage: 5.89  
 Acquisition Cost: 2,750,371 Contract Expiration: 12/22/2011  
 Cost Per Unit: \$39,291  
 Seller: Fox Run Apartments, Ltd. Related to Development Team?  Yes  No

Comments:

The contract defines the purchase price as the sum of \$200,000 cash, plus the balance of the existing first mortgage to Wells Fargo, plus the balance of the HUD Mark-to-Market Restructuring Note. The Applicant's estimated total acquisition cost is \$2,760,749. The Underwriter's total is \$2,750,371, based on estimated Dec 2012 balances of the Wells Fargo mortgage and the Mark-to-Market Note.

The Applicant will acquire an existing replacement reserve account as part of the transaction. The balance of the reserve account is deducted from the total price to determine the value of the land and buildings. The Applicant deducted \$421,537 as the reserve balance. The underwriting analysis deducts \$426,432, the reported reserve balance as of 11/17/11.

The Applicant allocates \$70,000 of the purchase price to the land. The Applicant's estimated total price, less the reserve balance, and less the allocated land value, results in an proposed building value of \$2,269,212.

The appraisal indicates a land value of \$54,000. Based on the REA Rules, the minimum building value is the \$2,269,212 proposed by the Applicant. This amount is included in the basis for acquisition credits.

The closing of the contract is conditioned on the simultaneous closing of two related contracts for the "Village of Kaufman Property" (which is the subject of a current Tax Credit application with the Department) and the "Patman Switch Property" (a simple acquisition funded by assumed debt). If the closing of any related contract is delayed, the closing of all related contracts are automatically postponed to achieve simultaneous closings.

**DEVELOPMENT COST EVALUATION**

*COST SCHEDULE* Number of Revisions: 7 Date of Last Applicant Revision: 12/5/2011

Scope of Work:

The Property Condition Assessment states that the Developer provided a "proposed renovation to bring the property, building, and units ... and all finishes, systems, and components to new condition. It should be understood that there was a recent renovation in 2008 which included hardi-plank siding, painting, roofs, and HVAC equipment".

The itemized scope of major renovations to be completed includes repairs and upgrades to the site work and landscaping; renovations to brick exteriors, stairs, windows, and renovations to community buildings; and renovations and upgrades to all unit interiors.

Off-Site Cost:

Off-Sites  Yes  No Engineer/Architect Cert.  Yes  No  N/A

Sitework Cost:

Site Work >\$9K/unit  Yes  No Engineer & CPA Cert.  Yes  No  N/A

Direct Construction Cost:

The Applicant's original cost schedule, and the original Property Condition Assessment (PCA), reflected total sitework and direct building costs of \$2,000,000. In a later response with revised information, the Applicant indicated that the subject property is located in a Difficult to Develop Area (DDA), and should therefore be eligible for a 30% boost to eligible basis, thereby increasing the potential tax credit allocation. The current QAP does not provide for a basis boost based on location in a DDA; however, the site is also in a Qualified Census Tract (QCT), which does qualify for the increased basis.

Given the originally proposed total development cost and other identified financing sources, the additional equity from the increase in basis would have caused the deal to be oversourced; the Applicant would not receive the full benefit of the basis boost because the tax credit allocation would be limited by the gap method.

At the time of requesting the 30% boost to eligible basis, the Applicant also submitted a revised cost schedule with total sitework and direct building costs increased by \$267K. The Applicant later submitted a supplement to the PCA from the original provider supporting the increased cost. The underwriting analysis is based on the information supported by the revised third party PCA.

**Indirect Construction Costs:**

The Applicant included \$282K in capitalized expenses, consisting of \$239K interim interest on the bonds, \$17K imputed interest on equity contributions during construction, and \$26K in real estate taxes.

**Interim Interest Expense:**

The Applicant included \$49K interim interest on the \$900K bridge loan. The Applicant also included the \$246K estimate for the HUD-required paydown on the balance of the Mark-to-Market Restructuring Note. This is an eligible cost since it is a requirement for the acquisition, but the underwriting analysis only includes in basis the portion pro-rated to the eligible building value. The portion attributable to the land value is included as ineligible cost.

**Reserves:**

The Applicant will acquire an existing replacement reserve with an estimated current balance of \$426K. The Applicant's cost schedule includes a slightly different estimate (\$422K) as a funded replacement reserve, in addition to \$10K for rent-up reserves, \$272K operating reserves, and \$26K in escrows, for a total of \$729K.

Underwriting guidelines generally allow for a maximum reserve equal to six months operating expenses and debt service. The Underwriter has included the standard six month operating reserve in addition to the acquired replacement reserve, for a total of \$673K.

**Conclusion:**

The Applicant's proposed total development cost is \$8,669,062. The underwriting estimate is \$8,556,714. For rehabilitation projects the underwriting estimate, based on the third party PCA, is used to determine eligible basis and the need for permanent financing. The eligible basis of \$6,882,791 (\$4.0M for the rehabilitation and \$2.9M for the acquisition) supports a tax credit allocation of \$275,474.

**UNDERWRITTEN CAPITALIZATION**

# Applicant Revisions: 7 Last Update: 12/5/2011

Interim Sources	Amount	Rate	Term	LTC
Dougherty & Company, LLC.	\$3,480,000	6.35%	18 Months	41%
Dougherty & Company - Bridge Loan	\$900,000	6.50%	18 Months	11%
HUD M2M Mortgage Restructuring Note	1,652,519	1.00%	cashflow	20%
Alliant Capital	\$1,540,100	tax credit equity		18%
Deferred Developer Fee	\$390,057	N/A		5%
Replacement Reserve Account	\$426,432	N/A		5%
<b>Total</b>	<b>\$8,389,108</b>			

**Comments:**

Hardin Orange Housing Finance Corp. will issue \$3.48 Million in Multifamily Housing Revenue Bonds. The bonds average coupon is subject to market conditions at the time of sale, estimated to be 6.35%. The bonds will be underwritten by Dougherty & Company, structured with a 35-year level amortization and subject to mandatory tender on January 1, 2029.

Dougherty will also provide a \$900K bridge loan at 6.50%.

The Applicant will assume the existing Mark-to-Market Mortgage Restructuring Note. This note accrues interest at 1.00%, is payable to HUD from surplus cash flow, and matures in 2037.

The application indicates \$1.5M in tax credit equity funded during construction. But the letter from Alliant Capital indicates only \$244K funded during construction (10% of the total anticipated capital contribution). It appears the Applicant will need to arrange additional bridge funding to finance the construction phase.

Permanent Sources	Amount	Rate	Amort	Term	LTC
Dougherty & Co.	\$3,480,000	6.35%	35	17	41%
HUD M2M Restructuring Note	\$1,652,519	1.00%	cash flow		19%
<b>Total</b>	<b>\$5,132,519</b>				

Equity & Deferred Fees	Amount	Rate	% TC	% Def
Alliant Capital	\$2,424,088	\$0.88	28%	
Deferred Developer Fee	\$573,675		7%	67%
Replacement Reserve Account	\$426,432		5%	
<b>Total</b>	<b>\$3,424,195</b>			
<b>Total Sources</b>	<b>\$8,556,714</b>			

Comments:

The Applicant included \$282K in Capitalized Expenses in the development cost schedule, and also included this item as a source of funds. The largest component of this item is \$239K of interim interest on the bond debt. Interim interest is an eligible cost, but it must be paid for with a separate source of funds. The Capitalized Expenses item is not included in the Underwritten Capital Structure.

## CONCLUSIONS

Recommended Financing Structure:

The Underwriter's total development cost estimate less the permanent loan of \$3,480,000, the assumed Mark-to-Market Restructuring Note of \$1,652,519, and the acquired reserves of \$426,432, indicates the need for \$3,424,195 in gap funds. Based on the submitted syndication terms, a tax credit allocation of \$389,127 annually would be required to fill this gap in financing. The three possible tax credit allocations are:

Allocation determined by eligible basis:	\$275,474
Allocation determined by gap in financing:	\$389,127
Allocation requested by the Applicant:	\$277,486

The allocation amount determined by the eligible basis is recommended. A tax credit allocation of \$275,474 per year for 10 years results in total equity proceeds of \$2,424,088 at a syndication rate of \$0.88 per tax credit dollar.

The Underwriter's recommended financing structure indicates the need for \$573,675 in additional permanent funds. Deferred developer fees in this amount appear to be repayable from development cashflow within 10 years of stabilized operation.

The Applicant has estimated the HUD-required paydown of the Mark-to-Market Mortgage Restructuring Note (M2M Note) as \$246,000. The exact paydown amount will not be known until closing. The Applicant's counsel indicated in conversation that the final amount could increase significantly based on HUD's analysis of the effect of the proposed recapitalization on the net present value of the M2M Note. If the required paydown amount increases to more than \$720,000, the required deferred developer fee would exceed the available 15-year cash flow, and the financing structure would need to be re-evaluated.

The M2M Note is payable to HUD from surplus cash flow, and matures in 2037. The long-term pro forma indicates that if all cash flow is dedicated first to the deferred developer fee, and then to the M2M Note, the M2M Note will have an outstanding balance of \$477,392 at maturity. The projected balance on the senior debt, if amortized through 2037, is \$1,832,422. Total projected debt would therefore be \$2,309,814.

The long-term pro forma indicates a net operating income of \$362,651 in 2037. To refinance the total projected debt would represent a 64% loan-to-value ratio assuming a 10% capitalization rate.

The HUD Mark-to-Market program has only been in place for eleven years, so no M2M Restructuring Notes have reached maturity. It is unclear what HUD policy will be, but it seems unlikely that HUD would foreclose based on an outstanding M2M balance. The subject pro forma suggests that it is reasonable to assume the property can be recapitalized at that time.

Underwriter: Thomas Cavanagh

Director of Real Estate Analysis: Brent Stewart

**UNIT MIX/RENT SCHEDULE**  
**Fox Run Apartments, Orange, 4% HTC #11402**

LOCATION DATA	
CITY:	Orange
COUNTY:	Orange
PROGRAM REGION:	5
RURAL RENT USED:	No
IREM REGION:	

UNIT DISTRIBUTION		
# Beds	# Units	% Total
Eff		
1	22	31.4%
2	28	40.0%
3	16	22.9%
4	4	5.7%
<b>TOTAL</b>	<b>70</b>	<b>100.0%</b>

Applicable Programs
LIHTC

PROFORMA ASSUMPTIONS	
REVENUE GROWTH:	2.00%
EXPENSE GROWTH:	3.00%
HIGH COST ADJUSTMENT:	130%
APPLICABLE FRACTION:	100.00%
APP % - ACQUISITION:	3.41%
APP % - CONSTRUCTION:	3.41%
AVERAGE SF	782.6285714

UNIT MIX / MONTHLY RENT SCHEDULE																					
UNIT DESCRIPTION								PROGRAM RENT LIMITS			APPLICANT'S PROFORMA RENTS				TDHCA PROFORMA RENTS				MARKET RENTS		
Type	Gross Rent	Other Designation/Subsidy	Gross Rent	# Units	# Beds	# Baths	NRA	Gross Rent	Tenant Pd UA's (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	Market Rent	Rent per NRA	TDHCA Savings to Market
TC60%	\$624	Section 8	\$632	22	1	1	616	\$632	\$50	\$582	\$24	\$0.98	\$606	\$13,321	\$13,321	\$606	\$0.98	\$24	\$550	0.89	(\$56)
TC60%	\$750	Section 8	\$778	28	2	1	789	\$778	\$59	\$719	\$29	\$0.95	\$748	\$20,945	\$20,945	\$748	\$0.95	\$29	\$650	0.82	(\$98)
TC60%	\$866	Section 8	\$892	16	3	1	917	\$892	\$79	\$813	\$33	\$0.92	\$846	\$13,534	\$13,534	\$846	\$0.92	\$33	\$750	0.82	(\$96)
TC60%	\$966	Section 8	\$1,001	4	4	2	1,117	\$1,001	\$109	\$892	\$36	\$0.83	\$928	\$3,712	\$3,712	\$928	\$0.83	\$36	\$850	0.76	(\$78)
<b>TOTALS/AVERAGES:</b>				<b>70</b>			<b>54,784</b>				<b>\$29</b>	<b>\$0.94</b>	<b>\$736</b>	<b>\$51,512</b>	<b>\$51,512</b>	<b>\$736</b>	<b>\$0.94</b>	<b>\$29</b>	<b>\$653</b>	<b>\$0.83</b>	<b>(\$83)</b>
<b>ANNUAL POTENTIAL GROSS RENT:</b>														<b>\$618,147</b>	<b>\$618,147</b>						

**STABILIZED PROFORMA**

**Fox Run Apartments, Orange, 4% HTC #11402**

**STABILIZED FIRST YEAR PROFORMA**

	COMPARABLES		APPLICANT				TDHCA				VARIANCE	
	Database	2010 Actual	% EGI	Per SF	Per Unit	Amount	Amount	Per Unit	Per SF	% EGI	%	\$
	<b>POTENTIAL GROSS RENT</b>		\$0		\$0.94	\$736	\$618,147	\$618,147	\$736	\$0.94		0.0%
Laundry		\$0			\$1.67	\$1,400					0.0%	(1,400)
Late Fees, NSF Charges, Pet Fees, Application Fee		\$0			\$6.33	\$5,320					0.0%	(5,320)
		\$0			\$0.00	\$0					0.0%	-
Underwriter's Total Secondary Income		\$0					\$6,720	\$8.00			100.0%	6,720
<b>POTENTIAL GROSS INCOME</b>		\$0				\$624,867	\$624,867				0.0%	\$0
Vacancy & Collection Loss		\$0			5.0% PGI	(31,243)	(31,243)	5.0% PGI			0.0%	-
Non-Rental Units/Concessions		\$0				-	-				0.0%	-
<b>EFFECTIVE GROSS INCOME</b>		\$0				\$593,624	\$593,624				0.0%	\$0

General & Administrative	\$24,181	\$345/Unit	23,308	2.95%	\$0.32	\$250	\$17,500	23,308	\$333	\$0.43	3.93%	-24.9%	(5,808)
Management	\$24,561	6.4% EGI	32,868	6.00%	\$0.65	\$509	\$35,625	\$35,617	\$509	\$0.65	6.00%	0.0%	8
Payroll & Payroll Tax	\$52,437	\$749/Unit	84,864	13.56%	\$1.47	\$1,150	\$80,500	84,864	\$1,212	\$1.55	14.30%	-5.1%	(4,364)
Repairs & Maintenance	\$46,397	\$663/Unit	22,509	4.76%	\$0.52	\$404	\$28,263	22,509	\$322	\$0.41	3.79%	25.6%	5,754
Utilities	\$15,355	\$219/Unit	24,005	3.48%	\$0.38	\$295	\$20,649	\$24,005	\$343	\$0.44	4.04%	-14.0%	(3,356)
Water, Sewer, & Trash	\$24,840	\$355/Unit	66,026	9.20%	\$1.00	\$780	\$54,609	\$59,423	\$849	\$1.08	10.01%	-8.1%	(4,814)
Property Insurance	\$22,234	\$0.41/sf	24,586	3.24%	\$0.35	\$275	\$19,250	\$18,766	\$268	\$0.34	3.16%	2.6%	484
Property Tax 2.5448	\$25,500	\$364/Unit	28,781	2.28%	\$0.25	\$194	\$13,556	\$12,910	\$184	\$0.24	2.17%	5.0%	646
Reserve for Replacements	\$24,883	\$355/Unit	-	3.54%	\$0.38	\$300	\$21,000	\$21,000	\$300	\$0.38	3.54%	0.0%	-
TDHCA Compliance Fees			\$2,800	0.47%	\$0.05	\$40	\$2,800	\$2,800	\$40	\$0.05	0.47%	0.0%	-
Cable TV			-	0.00%	\$0.00	\$0	\$0	\$0	\$0	\$0.00	0.00%	0.0%	-
Supportive service contract fees			-	0.00%	\$0.00	\$0	\$0	\$0	\$0	\$0.00	0.00%	0.0%	-
Security			\$4,988	0.84%	\$0.09	\$71	\$4,988	\$4,988	\$71	\$0.09	0.84%	0.0%	-
<b>TOTAL EXPENSES</b>			<b>\$ 314,735</b>	<b>50.32%</b>	<b>\$5.45</b>	<b>\$4,268</b>	<b>\$ 298,738</b>	<b>\$ 310,190</b>	<b>\$4,431</b>	<b>\$5.66</b>	<b>52.25%</b>	<b>-3.7%</b>	<b>\$ (11,452)</b>
<b>NET OPERATING INCOME ("NOI")</b>				<b>49.68%</b>	<b>\$5.38</b>	<b>\$4,213</b>	<b>\$294,886</b>	<b>\$283,434</b>	<b>\$4,049</b>	<b>\$5.17</b>	<b>47.75%</b>	<b>4.0%</b>	<b>\$11,452</b>

<b>CONTROLLABLE EXPENSES</b>	\$2,332/Unit	\$3,153/Unit			\$2,879/Unit				\$3,059/Unit				
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**LONG TERM OPERATING PROFORMA**

	YEAR 1	YEAR 2	YEAR 3	YEAR 4	YEAR 5	YEAR 10	YEAR 15	YEAR 20	YEAR 25	YEAR 30	YEAR 35	YEAR 40
<b>EFFECTIVE GROSS INCOME</b>	\$593,624	\$605,497	\$617,606	\$629,959	\$642,558	\$709,436	\$783,274	\$864,798	\$954,807	\$1,054,184	\$1,163,904	\$1,285,045
LESS: TOTAL EXPENSES	298,738	307,344	316,201	325,317	334,698	385,879	444,989	513,270	592,156	683,308	788,650	910,406
<b>NET OPERATING INCOME</b>	<b>\$294,886</b>	<b>\$298,152</b>	<b>\$301,405</b>	<b>\$304,642</b>	<b>\$307,860</b>	<b>\$323,557</b>	<b>\$338,285</b>	<b>\$351,528</b>	<b>\$362,651</b>	<b>\$370,876</b>	<b>\$375,255</b>	<b>\$374,638</b>
LESS: DEBT SERVICE	248,006	248,006	248,006	248,006	248,006	248,006	248,006	248,006	248,006	248,006	248,006	248,006
<b>NET CASH FLOW</b>	<b>\$46,879</b>	<b>\$50,146</b>	<b>\$53,399</b>	<b>\$56,635</b>	<b>\$59,853</b>	<b>\$75,551</b>	<b>\$90,279</b>	<b>\$103,522</b>	<b>\$114,645</b>	<b>\$122,869</b>	<b>\$127,248</b>	<b>\$126,632</b>
<b>CUMULATIVE NET CASH FLOW</b>	\$46,879	\$97,025	\$150,424	\$207,059	\$266,912	\$613,569	\$1,035,989	\$1,527,824	\$2,079,794	\$2,679,027	\$3,308,262	\$3,944,911
<b>DEFERRED DEVELOPER FEE BALANCE</b>	\$573,675	\$523,529	\$470,130	\$413,495	\$353,642	\$6,985	\$0	\$0	\$0	\$0	\$0	\$0
<b>DCR ON UNDERWRITTEN DEBT (Must-Pay)</b>	1.19	1.20	1.22	1.23	1.24	1.30	1.36	1.42	1.46	1.50	1.51	1.51
<b>EXPENSE/EGI RATIO</b>	50.32%	50.76%	51.20%	51.64%	52.09%	54.39%	56.81%	59.35%	62.02%	64.82%	67.76%	70.85%

**CAPITALIZATION / TOTAL DEVELOPMENT BUDGET / ITEMIZED BASIS**

*Fox Run Apartments, Orange, 4% HTC #11402*

DEBT / GRANT SOURCES														
APPLICANT'S PROPOSED DEBT/GRANT STRUCTURE								AS UNDERWRITTEN DEBT/GRANT STRUCTURE						
DEBT (Must Pay)	Cumulative DCR		Pmt	Rate	Amort	Term	Principal	Principal	Term	Amort	Rate	Pmt	Cumulative	
	As UW	App											DCR	LTC
Dougherty & Co.	1.14	1.19	\$248,006	6.35%	35	0	\$3,480,000	\$3,480,000	17	35	6.35%	\$248,006	1.19	40.7%
<b>CASH FLOW DEBT / GRANTS</b>														
HUD M2M Restructuring Note	1.14	1.19		1.00%	0	0	\$1,654,572	1,652,519	0	0	1.00%		1.19	19.3%
<b>TOTAL DEBT / GRANT SOURCES</b>			\$248,006				\$5,134,572	\$5,132,519				\$248,006		60.0%
<b>NET CASH FLOW</b>			\$46,879									\$35,427		

EQUITY SOURCES														
APPLICANT'S PROPOSED EQUITY STRUCTURE								AS UNDERWRITTEN EQUITY STRUCTURE						
EQUITY / DEFERRED FEES	DESCRIPTION		% Cost	Annual Credit	Credit Rate	Amount	Amount	Credit Rate	Annual Credit	% Cost	Per Unit Credit Developer Fee Summary			
Alliant Capital	LIHTC Equity		28.5%	\$277,486	0.88	\$2,440,100	\$2,424,088	\$0.8800	\$275,474	28.3%	Annual Credit per Unit:	\$34,630		
Deferred Developer Fee	Deferred Developer Fees		4.6%	(43% Deferred)		\$390,057	\$573,675	(64% Deferred)		6.7%	Total Developer Fee:	\$860,224		
Capitalized Expenses			3.3%			\$282,013				0.0%				
Replacement Reserve Account			5.0%			\$426,432	\$426,432			5.0%				
Additional (Excess) Funds Red's			0.0%			(\$4,112)	\$0			0.0%	15-Year Cash Flow:	\$1,035,989		
<b>TOTAL EQUITY SOURCES</b>			41.3%			\$3,534,490	\$3,424,195			40.0%	15-Yr Cash Flow after Fee:	\$462,315		
<b>TOTAL CAPITALIZATION</b>						\$8,669,062	\$8,556,714							

DEVELOPMENT COST / ITEMIZED BASIS														
APPLICANT COST / BASIS ITEMS						TDHCA COST / BASIS ITEMS						COST VARIANCE		
	Eligible Basis		Total Costs			Total Costs			Eligible Basis		%	\$		
	Acquisition	New Const. Rehab							New Const. Rehab	Acquisition				
Land Acquisition			\$1,000 / Unit	\$70,000	\$54,727	\$782 / Unit					-27.9%	(\$15,273)		
Building Acquisition	\$2,269,212		\$38,439 / Unit	\$2,690,749	\$2,690,749	\$38,439 / Unit			\$2,269,212		0.0%	\$0		
Off-Sites			\$ / Unit	\$0	\$0	\$ / Unit					0.0%	\$0		
Sitework		\$280,000	\$4,000 / Unit	\$280,000	\$280,000	\$4,000 / Unit	\$280,000	\$280,000			0.0%	\$0		
Direct Construction		\$1,986,667	\$36.26 /sf	\$1,986,667	\$1,986,667	\$28,381/Unit	\$36.26 /sf	\$1,986,667			0.0%	\$0		
Contingency		\$261,667	11.54%	\$261,667	\$226,667	10.00%		\$226,667			-15.4%	(\$35,000)		
Contractor's Fees		\$317,333	12.55%	\$317,333	\$317,333	12.73%		\$317,333			0.0%	\$0		
Indirect Construction	\$10,000	\$573,013	\$8,329 / Unit	\$583,013	\$583,013	\$8,329 / Unit		\$573,013	\$10,000		0.0%	\$0		
Ineligible Costs			\$7,408 / Unit	\$518,538	\$524,331	\$7,490 / Unit					1.1%	\$5,793		
Developer's Fees	\$378,781	\$525,093	15.00%	\$903,874	\$897,755	15.00%		\$519,843	\$377,913		-0.7%	(\$6,119)		
Interim Financing	\$246,000	\$81,937	\$4,685 / Unit	\$327,937	\$322,144	\$4,602 / Unit		\$81,937	\$240,207		-1.8%	(\$5,793)		
Reserves			\$10,418 / Unit	\$729,284	\$673,328	\$9,619 / Unit					-8.3%	(\$55,956)		
<b>UNADJUSTED BASIS / COST</b>	<b>\$2,903,993</b>	<b>\$4,025,710</b>	\$123,844 / Unit	<b>\$8,669,062</b>	<b>\$8,556,714</b>	\$122,239 / Unit		<b>\$3,985,459</b>	<b>\$2,897,332</b>		<b>-1.3%</b>	<b>(\$112,348)</b>		
Acquisition Cost for Identity of Interest Seller				\$0										
Developer's Fee	\$1	(\$5,250)												
Contractor's Fee		\$0												
Contingency		(\$35,000)												
<b>ADJUSTED BASIS / COST</b>	<b>\$2,903,994</b>	<b>\$3,985,459</b>	\$123,844 / Unit	<b>\$8,669,062</b>	<b>\$8,556,714</b>			<b>\$3,985,459</b>	<b>\$2,897,332</b>					
<b>TOTAL UNDERWRITTEN USES OF FUNDS BASED ON 3RD PARTY PCA/CNA</b>					<b>\$8,556,714</b>									

**CAPITALIZATION / DEVELOPMENT COST BUDGET / ITEMIZED BASIS ITEMS**

*Fox Run Apartments, Orange, 4% HTC #11402*

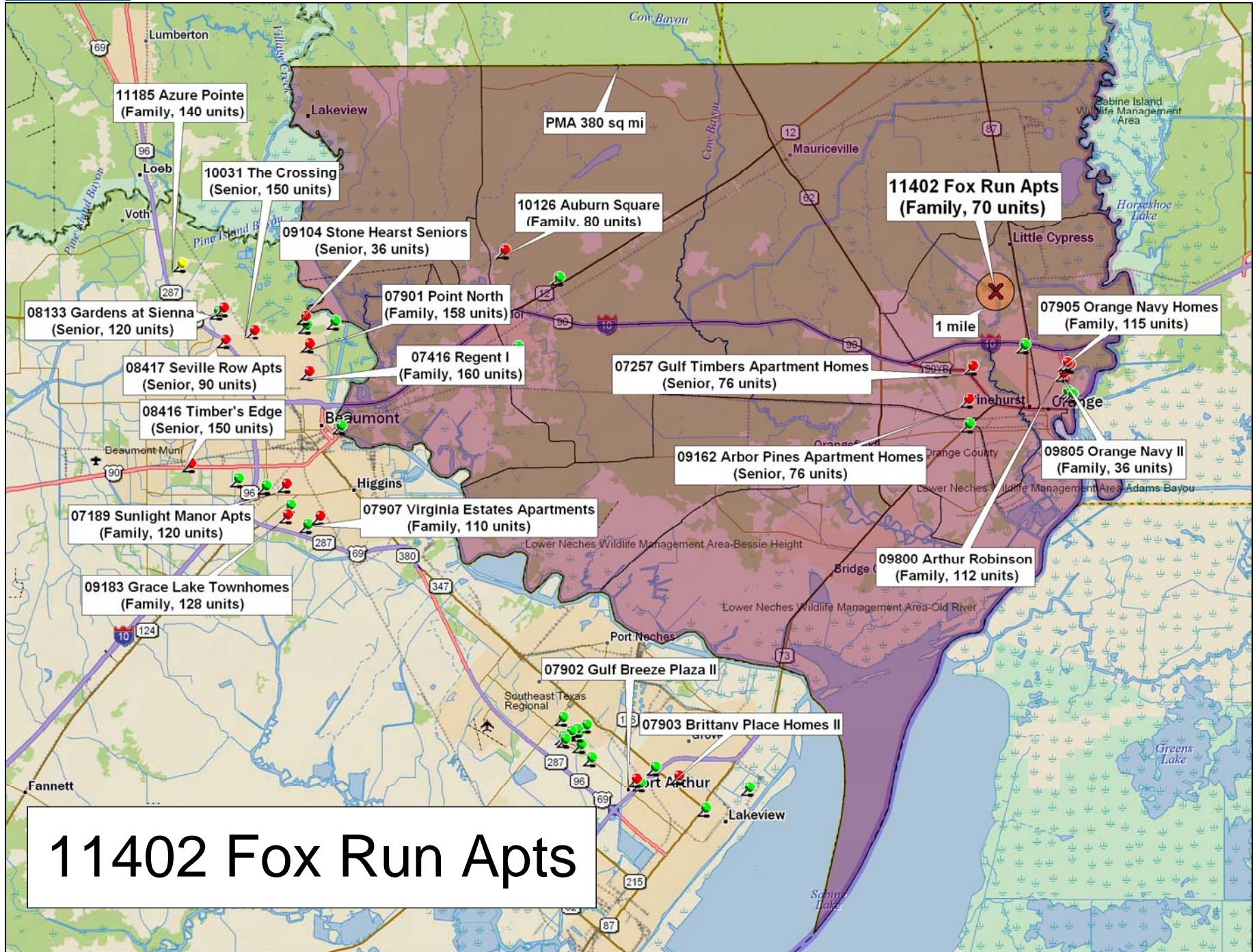
CREDIT CALCULATION ON QUALIFIED BASIS				
	Applicant		TDHCA	
	Acquisition	Construction Rehabilitation	Acquisition	Construction Rehabilitation
<b>ADJUSTED BASIS</b>	\$2,903,994	\$3,985,459	\$2,897,332	\$3,985,459
Deduction for Other Federal Funds	\$0	\$0	\$0	\$0
<b>TOTAL ELIGIBLE BASIS</b>	\$2,903,994	\$3,985,459	\$2,897,332	\$3,985,459
High Cost Area Adjustment		130%		130%
<b>TOTAL ADJUSTED BASIS</b>	\$2,903,994	\$5,181,097	\$2,897,332	\$5,181,097
Applicable Fraction	100.00%	100.00%	100.00%	100.00%
<b>TOTAL QUALIFIED BASIS</b>	\$2,903,994	\$5,181,097	\$2,897,332	\$5,181,097
Applicable Percentage	3.41%	3.41%	3.41%	3.41%
<b>ANNUAL CREDIT ON BASIS</b>	\$99,026	\$176,675	\$98,799	\$176,675
<b>CREDITS ON QUALIFIED BASIS</b>	\$275,702		\$275,474	

DIRECT CONSTRUCTION COST ESTIMATE				
CATEGORY	FACTOR	UNITS/SF	PER SF	AMOUNT
Base Cost:	Multiple Residence Basis		#DIV/0!	#DIV/0!
Adjustments				
Exterior Wall Finish	0.00%		#DIV/0!	#DIV/0!
	0.00%		#DIV/0!	#DIV/0!
	0.00%		#DIV/0!	#DIV/0!
Roofing			0.00	0
Subfloor			(0.86)	(47,214)
Floor Cover			2.41	132,029
Breezeways	\$0.00	0	0.00	0
Balconies	\$0.00	0	0.00	0
Plumbing Fixtures	\$845	0	0.00	0
Rough-ins	\$420	0	0.00	0
Built-In Appliances	\$1,850	70	2.36	129,500
Exterior Stairs	\$1,900	0	0.00	0
Heating/Cooling			1.83	100,255
Enclosed Corridors	#DIV/0!		#DIV/0!	#DIV/0!
Carports	\$9.70	0	0.00	0
Garages	\$30.00	0	0.00	0
Comm &/or Aux Bldgs	\$0.00	0	0.00	0
<b>Other:</b>			0.00	0
<b>Other:</b>			0.00	0
Other: fire sprinkler	\$2.25	54,784	2.25	123,264
<b>SUBTOTAL</b>			#DIV/0!	#DIV/0!
Current Cost Multiplier	1.03		#DIV/0!	#DIV/0!
Local Multiplier			#DIV/0!	#DIV/0!
<b>TOTAL DIRECT CONSTRUCTION COSTS</b>			#DIV/0!	#DIV/0!
Plans, specs, survey, bldg permits	3.90%		#DIV/0!	#DIV/0!
Interim Construction Interest	3.38%		#DIV/0!	#DIV/0!
Contractor's OH & Profit	11.50%		#DIV/0!	#DIV/0!
<b>NET DIRECT CONSTRUCTION COSTS</b>			#DIV/0!	#DIV/0!

FALSE		
Method	Annual Credits	Proceeds
Eligible Basis	\$275,474	\$2,424,088
Gap	\$389,127	\$3,424,195
Request	\$277,486	\$2,441,789

FINAL ANNUAL LIHTC ALLOCATION	
Method	Eligible Basis
Credits	\$275,474
Underwritten Proceeds	\$2,424,088

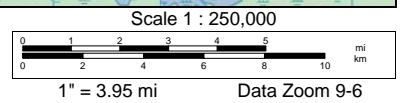
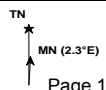
TOTAL HARD COST COMPARISON						
	APPLICANT			TDHCA		
	Per SF	Per Unit	Total	Total	Per Unit	Per SF
Hard Costs (Direct, Site-work, Off-Sites & Contingency)	\$46.15	\$36,119	\$2,528,334	\$2,493,334	\$35,619	\$45.51
Applicant's Cost/SF Point Election						
Hard Costs plus Contractor Fees	\$51.94	\$40,652	\$2,845,667	\$2,810,667	\$40,152	\$51.30



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# Applicant Evaluation

Project ID **11402**

Name **Fox Run**

City: **Orange**

HTC 9%     HTC 4%     HOME     BOND     HTF     NSP     ESGP     Other

No Previous Participation in Texas       Members of the development team have been disbarred by HUD

### Compliance and Asset Oversight

Total # of MF awards monitored:	14	<b>Projects in Material Noncompliance</b>		Projects 0-9:	10
Total # of MF awards not yet monitored or pending review:	0	<b>Yes</b> <input type="checkbox"/> <b>No</b> <input checked="" type="checkbox"/>		Projects grouped by score	
SF Contract Experience <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No		Unresolved Audit Findings Identified w/ Contract(s) <input type="checkbox"/>		10-19:	4
Total # of SF Contracts:	0	Total # of MF Projects in Material Noncompliance: <u>0</u>		20-29:	0
				Total monitored with a score 0-29:	14

Completed by: J. Taylor      Reviewer: Patricia Murphy  
 Date: 10/12/2011      Date: 10/17/2011

### Single Audit

Single audit review not applicable       Late single audit certification form (see comments)  
 Single audit requirements current       Past due single audit or unresolved single audit issue (see comments)

Reviewer: Betty Gallegos      Date: 10/14/2011

Comments (if applicable):

### Financial Administration Loan Servicing

No delinquencies found       Delinquencies found (see comments)

Reviewer: Candace Christiansen      Date: 10/14/2011

Comments (if applicable):

### Financial Administration Financial Services

No delinquencies found       Delinquencies found (See Comments)

Reviewer: Monica Guerra      Date: 12/6/2011

Comments (if applicable):

10 b ii.

**MULTIFAMILY FINANCE DIVISION  
BOARD ACTION REQUEST  
December 15, 2011**

Presentation, Discussion, and Possible Action on a Determination Notice for Housing Tax Credits with another Issuer.

**RECOMMENDED ACTION**

Approve the Issuance of a Determination Notice associated with Mortgage Revenue Bond Transactions with Other Issuers for Village of Kaufman, #11403.

**WHEREAS**, a Housing Tax Credit application for Village of Kaufman was submitted to the Department on September 9, 2011; and

**WHEREAS**, the proposed issuer of the bonds for Village of Kaufman is the North Central Texas Housing Finance Corporation; and

**WHEREAS**, the reservation of allocation expires on February 24, 2012; and

**WHEREAS**, the Executive Award and Review Advisory Committee recommends the issuance of the Determination Notice conditioned upon either the Development receiving HUD approval to remove any age preferences from the leasing requirements or submission of a determination from the Secretary of HUD in accordance with the Fair Housing Act by cost certification; therefore,

It is hereby,

**RESOLVED**, that the issuance of a Determination Notice of \$181,088 in Housing Tax Credits for the Village of Kaufman is hereby approved in the form presented to this meeting.

**BACKGROUND**

*Background and General Information:* The application was received on September 9, 2011. The Issuer for this transaction is the North Central Texas Housing Finance Corporation with a reservation that expires on February 24, 2012. The development is rehabilitation and will consist of 68 total units on two separate sites. This transaction is a Priority 2 and all of the units are proposed to be restricted at 60% Area Median Family Income (AMFI). The development is located in Kaufman, Kaufman County and both sites are currently zoned for this type of development.

The Applicant has indicated that the Section 8 HAP contract for the property requires a portion of the units be leased to Elderly households. However, the property includes only

one community building from which the general population units and units for Elderly households only will be leased. Staff is concerned that operating the transaction with some buildings restricted only to elderly households presents a potential violation of the Fair Housing Act, which includes only very limited exceptions for operating a Qualified Elderly Development. Therefore, the Executive Award and Review Advisory Committee recommends the issuance of the Determination Notice conditioned upon the Development receiving HUD approval to remove any age preferences from the leasing requirements or submission of a determination from the Secretary of HUD in accordance with the Fair Housing Act by cost certification

*Organizational structure and Compliance:* The Borrower is Kaufman Leased Housing Associates I, Limited Partnership and the General Partner is Kaufman Leased Housing Associates GP I, LLC. The Compliance Status Summary completed on October 17, 2011 reveals that the principals of the general partner have received 14 multifamily awards that have been monitored with no material noncompliance.

*Census Demographics:* The development serving the elderly population is located at 421 East 7<sup>th</sup> Street in Kaufman. Demographics for the census tract (0511.00) include AMFI of \$49,604; the total population is 4,528; the percent of population that is minority is 37.26%; the percent of population that is below the poverty line is 14.25%; the number of owner occupied units is 1,035; the number of renter units is 544 and the number of vacant units is 85. (Census information from FFIEC Geocoding for 2011).

*Census Demographics:* The development serving the general population is located at 100 Village Drive in Kaufman. Demographics for the census tract (0512.00) include AMFI of \$62,445; the total population is 7,331; the percent of population that is minority is 11.49%; the percent of population that is below the poverty line is 9.76%; the number of owner occupied units is 2,141; the number of renter units is 353 and the number of vacant units is 202. (Census information from FFIEC Geocoding for 2011).

*Public Comment:* The Department has not received any letters of support or opposition for this Development.



**MULTIFAMILY FINANCE PRODUCTION DIVISION**  
**December 15, 2011**  
**Development Information, Public Input and Board Summary**  
**Village of Kaufman, TDHCA Number 11403**

**BASIC DEVELOPMENT INFORMATION**

Site Address: 421 East 7th Street and 100 Village Drive (2 sites)      Development #: 11403  
 City: Kaufman      Region: 3      Population Served: General/Elderly  
 County: Kaufman      Zip Code: 75142      Allocation: Rural  
 HOME Set Asides:     CHDO     Preservation     General      Purpose/Activity: ACQ/R  
 Bond Issuer: North Central Texas HFC  
 HTF

HTC Purpose/Activity: NC=New Construction, ACQ=Acquisition, R=Rehabilitation, NC/ACQ=New Construction and Acquisition, NC/R=New Construction and Rehabilitation, ACQ/R=Acquisition and Rehabilitation

**OWNER AND DEVELOPMENT TEAM**

Owner: Kaufman Leased Housing Associates I, LP  
 Owner Contact and Phone: Ron Mehl, 7633545656  
 Developer: Kaufman Leased Housing Development I, LLC  
 Housing General Contractor: Kaufman Leased Housing Development I, LLC  
 Architect: Blumentals Architecture, Inc  
 Market Analyst: Integra Realty Resources  
 Syndicator: Alliant Capital, Ltd.  
 Supportive Services: N/A  
 Consultant: N/A

**UNIT/BUILDING INFORMATION**

<u>30%</u>	<u>40%</u>	<u>50%</u>	<u>60%</u>	<u>80%</u>	<u>Eff</u>	<u>1 BR</u>	<u>2 BR</u>	<u>3 BR</u>	<u>4 BR</u>	<u>5 BR</u>	Total Restricted Units:	68
0	0	0	68	0	0	32	26	10	0	0	Market Rate Units:	0
Type of Building: <input type="checkbox"/> 4 units or more per building											Owner/Employee Units:	0
<input checked="" type="checkbox"/> Duplex											Total Development Units:	68
<input type="checkbox"/> Triplex											Total Development Cost:	\$6,609,811
<input type="checkbox"/> Fourplex											Number of Residential Buildings:	26
<input type="checkbox"/> Detached Residence											HOME High Total Units:	0
<input type="checkbox"/> Single Room Occupancy											HOME Low Total Units:	0
<input type="checkbox"/> Transitional												
<input type="checkbox"/> Townhome												

Note: If Development Cost = \$0, an Underwriting Report has not been completed.

**FUNDING INFORMATION**

	Applicant Request	Department Analysis	Amort	Term	Rate
4% Housing Tax Credits with Bonds:	\$182,429	\$181,088	0	0	0%
TDHCA Bond Allocation Amount:	\$0	\$0	0	0	0%
HOME Activity Fund Amount:	\$0	\$0	0	0	0%
HOME CHDO Operating Grant Amount:	\$0	\$0			
HTF Rental Production Funds:	\$0	\$0			



MULTIFAMILY FINANCE PRODUCTION DIVISION  
December 15, 2011  
Development Information, Public Input and Board Summary  
**Village of Kaufman, TDHCA Number 11403**

**PUBLIC COMMENT SUMMARY**

Guide: "O" = Oppose, "S" = Support, "N" = Neutral, "NC" or Blank = No comment

**State/Federal Officials with Jurisdiction:**

TX Senator: Deuell, District 2

US Representative: Hensarling, District 5,

TX Representative: Gooden, District 4

US Senator: NC

**Local Officials and Other Public Officials:**

Mayor/Judge: William Forther, Mayor, City of Kaufman - Resolution of Support from Local Government   
NC

**Individuals/Businesses:** In Support: 0 In Opposition: 0

**Neighborhood Input:**

**General Summary of Comment:**

**CONDITIONS OF COMMITMENT**

1. Receipt and acceptance by Cost Certification of:
  - a. The Development either receiving HUD approval to remove any age preferences from the leasing requirements or submission of a determination from the Secretary of HUD in accordance with the Fair Housing Act.
  - b. HUD approval of at least a 3% increase from the current Section 8 contract rents; otherwise, the operating pro forma must be re-evaluated.
  - c. Documentation from the taxing authority of qualification for a 50% property tax exemption.
  - d. Documentation clearing environmental issues contained in the ESA report, specifically:
    - i. Completion of a comprehensive survey to identify the presence of asbestos-containing-materials; documentation that an appropriate Operations and Maintenance Program has been implemented to manage any existing asbestos-containing materials; and that appropriate abatement procedures, consistent with all relevant regulations, were followed for the demolition and removal of any such materials.
    - ii. Evidence that the recommendations of the ESA provider with regard to radon gas have been implemented, and verification that radon levels within the finished development are acceptable.
2. Should any terms of the proposed capital structure change, the analysis must be re-evaluated and adjustment to the credit allocation and/or terms of other TDHCA funds, if any, may be warranted.



**MULTIFAMILY FINANCE PRODUCTION DIVISION**  
December 15, 2011  
Development Information, Public Input and Board Summary  
**Village of Kaufman, TDHCA Number 11403**

**RECOMMENDATION BY THE EXECUTIVE AWARD AND REVIEW ADVISORY COMMITTEE IS BASED ON:**

4% Housing Tax Credits:	Credit Amount:	\$181,088
Recommendation:	Recommend approval of a Housing Tax Credit Allocation not to exceed \$181,088 annually for ten years, subject to conditions.	
TDHCA Bond Issuance:	Bond Amount:	\$0
Recommendation:		
HOME Activity Funds:	Loan Amount:	\$0
HOME CHDO Operating Expense Grant:	Grant Amount:	\$0
Recommendation:		
HTF Rental Production Funds:	Loan Amount:	\$0
Recommendation:		



**DEVELOPMENT IDENTIFICATION**

TDHCA Application #: 11403 Program(s): 4% HTC

Village of Kaufman

Address/Location: 421 East 7th Street & 100 Village Drive

City: Kaufman County: Kaufman Zip: 75142

Population: Inter-Generational Program Set-Aside: General Area: rural

Activity: Acq/Rehab Building Type: Garden (Up to 3 story) Region: 3

Analysis Purpose: New Application - Initial Underwriting

**ALLOCATION**

TDHCA Program	REQUEST				RECOMMENDATION				
	Amount	Interest Rate	Amort	Term	Amount	Interest Rate	Amort	Term	Lien
LIHTC (Annual)	\$182,429				\$181,088				

**CONDITIONS**

- 1 Receipt and acceptance by Cost Certification of:
  - a: either the Development receiving HUD approval to remove any age preferences from the leasing requirements or submission of a determination from the Secretary of HUD in accordance with the Fair Housing Act.
  - b: HUD approval of at least a 3% increase from the current Section 8 contract rents; otherwise, the operating pro forma must be re-evaluated.
  - c: Documentation from the taxing authority of qualification for a 50% property tax exemption.
  - d: Documentation clearing environmental issues contained in the ESA report, specifically:
    - i: Completion of a comprehensive survey to identify the presence of asbestos-containing-materials; documentation that an appropriate Operations and Maintenance Program has been implemented to manage any existing asbestos-containing materials; and that appropriate abatement procedures, consistent with all relevant regulations, were followed for the demolition and removal of any such materials.
    - ii: Evidence that the recommendations of the ESA provider with regard to radon gas have been implemented, and verification that radon levels within the finished development are acceptable.
- 2 Should any terms of the proposed capital structure change, the analysis must be re-evaluated and adjustment to the credit allocation and/or terms of other TDHCA funds, if any, may be warranted.

**SET-ASIDES**

TDHCA SET-ASIDES for HTC LURA		
Income Limit	Rent Limit	Number of Units
60% of AMI	60% of AMI	68



## DEAL SUMMARY

The subject is an existing HUD Section 8 property that underwent Mark-to-Market restructuring in 2008, resulting in a primary mortgage for \$631,800 to Wells Fargo, and a secondary Mark-to-Market Mortgage Restructuring Note for \$1,264,708 to HUD payable from surplus cash flow. As a condition for approval of the proposed acquisition/rehabilitation, HUD will require a cash paydown on the balance of the Restructuring Note. The Applicant has estimated the paydown amount at \$186,000. The actual amount will be determined by HUD based on the proposed gain to the Seller on the sale of the property, the proposed gain to the Developer on the rehabilitation, and the impact of the recapitalization on the net present value of the Restructuring Note.

## RISK PROFILE

STRENGTHS/MITIGATING FACTORS	WEAKNESSES/RISKS
<ul style="list-style-type: none"> <li>▫ 100% Section 8 HAP Contract</li> </ul>	<ul style="list-style-type: none"> <li>▫ insufficient cash flow to repay M2M Note by maturity</li> <li>▫ dependent on 50% tax exemption</li> <li>▫ HUD paydown could increase due to increased debt</li> <li>▫ Closing of the acquisition is contingent on the simultaneous closing of two other properties.</li> </ul>

## DEVELOPMENT TEAM

### PRIMARY CONTACTS

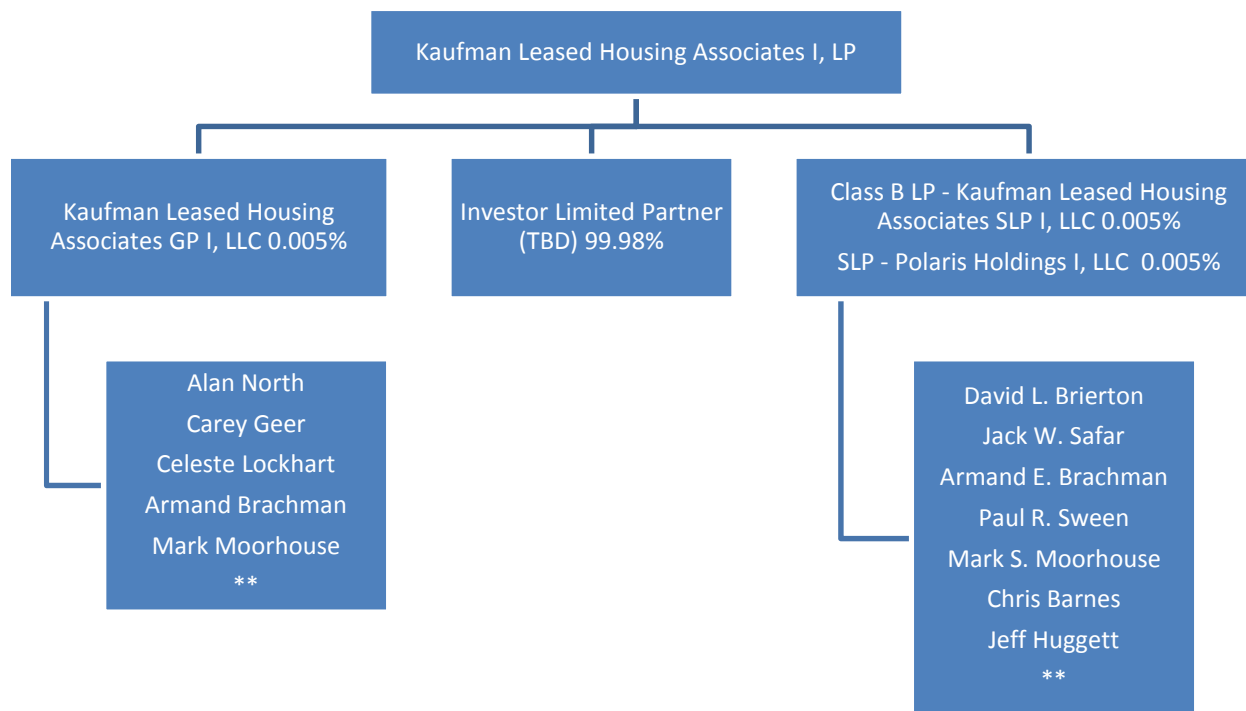
Name: Scott Newcomer Relationship: Applicant  
 Email: snewcomer@dominiuminc.com Phone: 763-354-5584 Fax: (763) 249-8694

Name: Ron Mehl Relationship: Applicant  
 Email: rmehl@dominiuminc.com Phone: (763) 354-5656 Fax: (763) 249-8694

Related-Party Seller/Identity of Interest: No

- The Applicant, Developer, General Contractor, and property manager are related entities. These are common relationships for HTC-funded developments.

## OWNERSHIP STRUCTURE



\*\* Individuals listed serve multiple roles



**GENERAL INFORMATION**

Tract I Size: <u>4.011 acres</u>	Scattered Site? <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
Flood Zone: <u>C</u>	Within 100-yr floodplain? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
Zoning: <u>SFA - Single Family Attached</u>	Re-Zoning Required? <input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> N/A
Density: <u>8.476689 units/acre</u>	Utilities at Site? <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
	Title Issues? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
Tract II Size: <u>4.486 acres</u>	
Flood Zone: <u>X</u>	
Zoning: <u>TH - Single Family Attached</u>	
Density: <u>7.579135 units/acre</u>	

The Site Inspection reports:

The Elderly site on 7th Street is located at the end of a street in a cul-de-sac. Neighborhood is comprised of moderate income homes which are well maintained. A major street is within walking distance of complex and along this street are numerous amenities.

The family site on Village Drive is located off a busy Farm to Market road. Along the farm to market road are numerous amenities for tenants. Several are within a short walk (fast-food, grocery store, convenience store) and all are within a short drive. The area is not heavily populated and buildings etc. around complex are in good repair.

Other Observations:

There is only one leasing office, located at the elderly site. The lack of designated leasing facilities for the family site raises the potential of fair housing violations. Any funding award will be subject to receipt and approval of either HUD approval to remove age restrictions, or determination by HUD that the property is in compliance with fair housing laws.

**HIGHLIGHTS of ENVIRONMENTAL REPORTS**

Provider: PEER Environmental Date: 7/22/2011

Recognized Environmental Conditions (RECs) and Other Concerns:

- A 2009 Phase I ESA identified "the black sink undercoating and 12"x12" tan floor tile and associated black mastic in Parcel 1 structures to be asbestos-containing. In addition, the black sink undercoating and 12"x12" beige floor tile and associated black mastic in Parcel 2 structures were identified as being asbestos-containing."
- An elevated radon concentration (i.e. 9.9 pCi/l) was detected in a structure located on Parcel 1 (Unit #405). Peer recommended that additional short-term radon testing be conducted in each unit of this building on Parcel 1.

Comments:

Additional targeted sampling and testing is recommended prior to the start of rehab to identify any additional ACM that may be disturbed by rehab activities and that may require abatement.

**MARKET ANALYSIS**

Provider: Integra Realty Resources Date: 6/30/2011  
 Contact: Mark Lamb Phone: 972-960-1222  
 Number of Revisions: none Date of Last Applicant Revision: N / A

Primary Market Area (PMA): 787 sq. miles 16 mile equivalent radius

The Primary Market Area is identified by 12 census tracts that covers most of Kaufman County except for one tract in the northwest corner.

ELIGIBLE HOUSEHOLDS BY INCOME								
Kaufman 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	---	---	---	---	---	---	\$0	\$28,740
2	---	---	---	---	---	---	\$0	\$32,820
3	---	---	---	---	---	---	\$0	\$36,900
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					
11005	Silver Spring at Forney	New	Senior	80	80
11179	Meadowlake Village	New	Family	40	40
Other Affordable Developments in PMA since 2007					
None					
Stabilized Affordable Developments in PMA ( pre-2007 )					
Total Properties ( pre-2007 )		10	Total Units		862

Proposed, Under Construction, and Unstabilized Comparable Supply:

11179 Meadowlake Village Apts is a proposed family rehabilitation development located 20 miles to the southeast of the subject. 11005 Silver Spring at Forney is a proposed senior development located 14 miles to the northwest of the subject.

OVERALL DEMAND ANALYSIS				
	Market Analyst		Underwriter	
	Senior	Family	Senior	Family
Total Households in the Primary Market Area	34,217	34,217	33,297	33,297
Senior Households in the Primary Market Area	12,236		11,310	
Potential Demand from the Primary Market Area	6,376	3,473	5,869	2,768
Potential Demand from Other Sources	0	0	0	0
<b>GROSS DEMAND</b>	<b>6,376</b>	<b>3,473</b>	<b>5,869</b>	<b>2,768</b>
Subject Affordable Units	32	36	34	34
Unstabilized Comparable Units	80	0	80	40
<b>RELEVANT SUPPLY</b>	<b>112</b>	<b>36</b>	<b>114</b>	<b>74</b>
<b>Relevant Supply ÷ Gross Demand = GROSS CAPTURE RATE</b>	<b>1.8%</b>	<b>1.0%</b>	<b>1.9%</b>	<b>2.7%</b>

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**Demand Analysis:**

The Applicant updated their unit mix schedule to 50% senior units and therefore there is a difference in the unit mix between the Market Analyst and the Underwriter. The Market Analyst completed a Gross Capture Rate analysis for both seniors and families since this development includes both demographics. The Market Analyst's calculations are based on demographic data from Claritas. The underwriting analysis is based on Ribbon Demographics HISTA data. While this is also sourced from Claritas, the HISTA data provides a more detailed breakdown of households based on income, size, tenure, and age. The Market Analyst also used a base line projection starting from 2011 and assumes a 2 year placed in service date of 2013. The Underwriter calculates based on a base year of 2010 and projects a 3 year placed in service date of 2013.

For 32 senior units, the Market Analyst identifies Gross Demand for 6,376 units and a Gross Capture rate of 1.8%. The Underwriter calculates Gross Demand for 5,869 units and a Gross Capture Rate of 1.9% for 34 senior units. For the 36 family units, the Market Analyst identifies Gross Demand for 3,473 units and a Gross Capture rate of 1.0%. The Underwriter calculates Gross Demand for 2,768 units and a Gross Capture Rate of 2.7%.

The maximum Gross Capture Rate for rural developments targeting family and senior households is 10% and 30% respectively; 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
1 BR/60%	3972	32	80	3%	2,827	32	22	2%
2 BR/60%	1031	26	0	3%	1,915	26	18	2%
3 BR/60%	988	10	0	1%	160	10	0	6%

**Primary Market Occupancy Rates:**

"There are nine existing LIHTC complexes within the PMA at this time. The existing LIHTC properties within the PMA are reporting an average occupancy of 98%." (p 44)

**Absorption Projections:**

"As of the effective date of the report, the occupancy of the subject was 97%, which is considered stabilized occupancy. As discussed, the developer plans to extensively renovate the property. Rather than empty the complex, this will be achieved on a building-to-building basis. Therefore, an absorption forecast for the subject is not warranted." (p 44)

**Market Impact:**

"The indicated Gross Capture Rates of 1.8% for the Seniors units and 1.0% for the General units are below the maximum permitted concentration capture rate for rural projects, which is 30%. Thus, we conclude there to be sufficient unmet demand to support the development of the subject." (p 55)

**Comments:**

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

**OPERATING PROFORMA**

SUMMARY - AS UNDERWRITTEN					
NOI:	\$229,921	Avg. Rent:	\$642	Expense Ratio:	54.2%
Debt Service:	\$199,545	B/E Rent:	\$604	Controllable Expenses:	\$2,564
Net Cash Flow:	\$30,375	Occupancy:	95.00%	Property Taxes/Unit:	\$243
Aggregate DCR:	1.15:1	B/E Occupancy:	89.25%	Program Rent Year:	2011

Income:      Number of Revisions:                1                Date of Last Applicant Revision:                9/21/2011          

All units are covered by a Section 8 contract. The Applicant has assumed a 3% increase over the current contract rents. The underwriting analysis reflects this assumed increase, with the condition that HUD approval must be provided by cost certification. Projections for secondary income and losses to vacancy and collection are consistent with underwriting guidelines.

The Applicant's effective gross income is equivalent to the underwriting estimate.

Expense: Number of Revisions: none Date of Last Applicant Revision: N / A

The underwriting estimate for total annual operating expenses (\$3,996 per unit) is based on the actual expenses at the subject property and average expenses at other properties managed by the Applicant. The Applicant's projected expenses (\$3,995 per unit) are equivalent.

Housing Services Incorporated (HSI) is the 100% member of the GP. The Applicant provided an attorney's opinion to support a projected 50% property tax exemption based on HSI's status as a Texas non-profit corporation.

**Conclusion:**

The Applicant's income, expenses, and net operating income are each within 5% of the underwriting estimates, so the Applicant's projections are used to determine debt capacity and long-term feasibility. The Applicant's first-year pro forma and financing structure provide the minimum debt coverage ratio of 1.15. (This assumes no debt coverage requirement for the HUD Mark-to-Market Mortgage Restructuring Note.)

**Feasibility:**

The long-term operating proforma, based on income and expenses increasing at 2% and 3%, respectively, indicates continued positive cash flow and a debt coverage ratio that remains above 1.15. The project is therefore characterized as financially feasible.

If the Applicant fails to qualify for the proposed property tax exemption, the higher tax expense would result in a debt coverage ratio of 1.07, below the 1.15 minimum. The funding recommendation is contingent on documentation from the taxing authority, by cost certification, that the property actually qualifies for the tax exemption. Otherwise, the operating feasibility must be re-evaluated.

**ACQUISITION INFORMATION**

**APPRAISED VALUE**

Appraiser: <u>Integra Realty Resources DFW</u>	Date: <u>6/30/2011</u>
Land Only: 8.496 acres <u>\$222,000</u>	Per Unit: <u>3,265</u>
Existing Buildings: (as-is) <u>\$2,528,000</u>	
Total Development: (as-is) <u>\$2,750,000</u>	Per Unit: <u>40,441</u>

**SITE CONTROL**

Type: <u>Purchase and Sale Contract</u>	Acreage: Tract 1: <u>4.011</u>
Acquisition Cost: <u>2,174,793</u>	Tract 2: <u>4.486</u>
Cost Per Unit: <u>\$31,982</u>	Contract Expiration: <u>12/22/2011</u>
Seller: <u>The Village of Kaufman, Ltd.</u>	Related to Development Team? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No

**Comments:**

The contract defines the purchase price as the sum of \$200,000 cash, plus the balance of the existing first mortgage to Wells Fargo, plus the balance of the HUD Mark-to-Market Restructuring Note. The Applicant's estimated total acquisition cost is \$2,167,140. The Underwriter's estimate is \$2,174,793, based on estimated Dec 2012 balances of the Wells Fargo mortgage and the Mark-to-Market Note.

The Applicant will acquire an existing replacement reserve account as part of the transaction. The balance of the reserve account is deducted from the total price to determine the value of the land and buildings. The estimated reserve balance is \$319,136 (as of 11/17/11).

The Applicant allocates \$170,000 of the purchase price to the land. The Applicant's estimated total price, less the reserve balance, and less the allocated land value, results in an estimated building value of \$1,678,003.

The appraisal indicates a land value of \$222,000. Based on the REA Rules, the Underwriter's estimate of the purchase price for the land and buildings, less the appraised value of the land, results in an eligible building value of \$1,633,657. This amount is included in the basis for acquisition credits.

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The closing of the contract is conditioned on the simultaneous closing of two related contracts for the "Fox Run Property" (which is the subject of a current Tax Credit application with the Department) and the "Patman Switch Property", a simple acquisition funded by assumed debt. If the closing of any related contract is delayed, the closing of all related contracts are automatically postponed to achieve simultaneous closings.

### DEVELOPMENT COST EVALUATION

*COST SCHEDULE*    Number of Revisions: 4                      Date of Last Applicant Revision: 12/2/2011

**Scope of Work:**

The Property Condition Assessment states that the Developer provided a proposed "Scope of Rehabilitation" to bring the property, buildings, and units to "like-new" condition to provide housing for another 30 plus years. Major proposed scope items include landscaping improvements, site work and paving improvements, speed bumps, addition of full perimeter fence with camera monitoring system, repairs to parking lots and drives, new barbecue area and playground, carpentry work, additional insulation, 30-year architectural shingles, electrical upgrades, appliance upgrades, new sinks, upgrading of lavatory and faucets, cabinet upgrade, equipment upgrade as needed, replace all windows, painting, new cabinets, and other items.

**Off-Site Cost:**

Off-Sites             Yes     No                      Engineer/Architect Cert.             Yes             No     N/A

**Sitework Cost:**

Site Work >\$9K/unit             Yes     No                      Engineer & CPA Cert.             Yes             No     N/A

**Direct Construction Cost:**

The Applicant's development cost schedule indicates \$1,813,333 in total site work and direct building cost. The Property Condition Assessment indicates \$1,845,714. The underwriting analysis is based on the information supported by the third party PCA.

**Indirect Construction Costs:**

The Applicant included \$197K in capitalized expenses, consisting of \$168K in interim interest on the bonds, \$12K imputed interest on equity contributions during construction, and \$17K in real estate taxes.

**Interim Finance Expense:**

The Applicant included \$51K interim interest on the \$950K bridge loan. The Applicant also included the \$186K estimate for the HUD-required paydown on the balance of the Mark-to-Market Restructuring Note. This is an eligible cost since it is a requirement for the acquisition, but the underwriting analysis only includes in basis the portion pro-rated to the eligible building value. The portion attributable to the land value is included as ineligible cost.

**Conclusion:**

The Applicant's proposed total development cost is \$6,573,994. The underwriting estimate is \$6,609,811. For rehabilitation projects the underwriting estimate, based on the third party PCA, is used to determine eligible basis and the need for permanent financing. The eligible basis of \$5,310,489 (\$3.2M for the rehabilitation and \$2.1M for the acquisition) supports a tax credit allocation of \$181,088.

### UNDERWRITTEN CAPITALIZATION

# Applicant Revisions: 5                      Last Update: 12/2/2011

Interim Sources	Amount	Rate	Term	LTC
Dougherty & Company, LLC.	\$2,800,000	6.35%	18 Months	44%
Dougherty & Company - Bridge Loan	\$950,000	6.50%	18 Months	15%
HUD M2M Restructuring Note	1,376,473	2.50%	cash flow	22%
Alliant Capital	\$746,500	tax credit equity		12%
Deferred Developer Fee	\$188,868	N/A		3%
Replacement Reserve	\$319,136	N/A		5%
<b>Total</b>	<b>\$6,380,977</b>			

Comments:

North Central Texas Housing Finance Corp. will issue \$2.8 Million in Multifamily Housing Revenue Bonds. The bonds average coupon is subject to market conditions at the time of sale, estimated to be 6.35%. The bonds will be underwritten by Dougherty & Company, structured with a 35-year level amortization and subject to mandatory tender on January 1, 2029.

Dougherty will also provide a \$950K bridge loan at 6.50%.

The Applicant will assume the existing Mark-to-Market Mortgage Restructuring Note. This note accrues interest at 2.50%, is payable to HUD from surplus cash flow, and matures in 2037.

The application indicates \$746K in tax credit equity funded during construction. But the letter from Alliant Capital indicates only \$169K funded during construction (10% of the total anticipated capital contribution). It appears the Applicant will need to arrange additional bridge funding to finance the construction phase.

The Applicant will acquire an existing replacement reserve with an estimated current balance of \$319K. The Applicant's cost schedule includes \$68K as funded replacement reserves going forward, assuming a \$1,000 per unit minimum HUD requirement. The remaining funds are intended to be used for the rehabilitation.

Permanent Sources	Amount	Rate	Amort	Term	LTC
Dougherty & Company, LLC.	\$2,800,000	6.35%	35	18	42%
HUD M2M Restructuring Note	\$1,376,473	2.50%	N/A	25	21%
<b>Total</b>	<b>\$4,176,473</b>				

Equity & Deferred Fees	Amount	Rate	% TC	% Def
Alliant Capital	\$1,684,122	\$0.93	25%	
Deferred Developer Fee	\$430,081		7%	65%
Replacement Reserve	\$319,136			
<b>Total</b>	<b>\$2,433,338</b>			
<b>Total Sources</b>	<b>\$6,609,811</b>			

Comments:

The Applicant included \$196K in Capitalized Expenses in the development cost schedule, and also included this item as a source of funds. The largest component of this item is \$168K of interim interest on the bond debt. Interim interest is an eligible cost, but it must be paid for with a separate source of funds. The Capitalized Expenses item is not included in the Underwritten Capital Structure.

**CONCLUSIONS**

Recommended Financing Structure:

The Underwriter's total development cost estimate less the permanent loan of \$2,800,000, the assumed Mark-to-Market Restructuring Note of \$1,376,473, and the acquired reserves of \$319,136, indicates the need for \$2,433,338 in gap funds. Based on the submitted syndication terms, a tax credit allocation of \$261,648 annually would be required to fill this gap in financing. The three possible tax credit allocations are:

Allocation determined by eligible basis:	\$181,088
Allocation determined by gap in financing:	\$261,648
Allocation requested by the Applicant:	\$182,429

The allocation amount determined by eligible basis is recommended. A tax credit allocation of \$181,088 per year for 10 years results in total equity proceeds of \$1,684,122 at a syndication rate of \$0.93 per tax credit dollar.

The Underwriter's recommended financing structure indicates the need for \$430,081 in additional permanent funds. Deferred developer fees in this amount appear to be repayable from development cashflow within 11 years of stabilized operation.



The Applicant has estimated the HUD-required paydown of the Mark-to-Market Mortgage Restructuring Note (M2M Note) as \$186,000. The exact paydown amount will not be known until closing. The Applicant's counsel indicated in conversation that the final amount could increase significantly based on HUD's analysis of the effect of the proposed recapitalization on the net present value of the M2M Note. If the required paydown amount increases to more than \$436,000, the required deferred developer fee would exceed the available 15-year cash flow, and the financing structure would need to be re-evaluated.

The M2M Note is payable to HUD from surplus cash flow, and matures in 2037. The long-term pro forma indicates that if all cash flow is dedicated first to the deferred developer fee, and then to the M2M Note, the M2M Note will have an outstanding balance of \$1,002,774 at maturity. The projected balance on the senior debt, if amortized through 2037, is \$1,474,362. Total projected debt would therefore be \$2,477,136.

The long-term pro forma indicates a net operating income of \$296,006 in 2037. To refinance the total projected debt would represent a 92% loan-to-value ratio assuming a 10% capitalization rate; or, alternatively, a 74% LTV at an 8% cap rate.

The HUD Mark-to-Market program has only been in place for eleven years, so no M2M Restructuring Notes have reached maturity. It is unclear what HUD policy will be, but it seems unlikely that HUD would foreclose based on an outstanding M2M balance. The subject pro forma suggests that it is reasonable to assume the property can be recapitalized at that time.

Underwriter:	<u>Thomas Cavanagh</u>
Director of Real Estate Analysis:	<u>Brent Stewart</u>

**UNIT MIX/RENT SCHEDULE**

*Village of Kaufman, Kaufman, 4% HTC #11403*

LOCATION DATA	
CITY:	Kaufman
COUNTY:	Kaufman
PROGRAM REGION:	3
RURAL RENT USED:	No
IREM REGION:	

UNIT DISTRIBUTION		
# Beds	# Units	% Total
Eff		
1	32	47.1%
2	26	38.2%
3	10	14.7%
4		
<b>TOTAL</b>	<b>68</b>	<b>100.0%</b>

Applicable Programs
LIHTC

PROFORMA ASSUMPTIONS	
REVENUE GROWTH:	2.00%
EXPENSE GROWTH:	3.00%
HIGH COST ADJUSTMENT:	100%
APPLICABLE FRACTION:	100.00%
APP % - ACQUISITION:	3.41%
APP % - CONSTRUCTION:	3.41%
AVERAGE SF	804

**UNIT MIX / MONTHLY RENT SCHEDULE**

UNIT DESCRIPTION									PROGRAM RENT LIMITS			APPLICANT'S PROFORMA RENTS				TDHCA PROFORMA RENTS				MARKET RENTS		
Type	Gross Rent	Gross Rent	Other Designation/Subsidy	Gross Rent	# Units	# Beds	# Baths	NRA	Gross Rent	Tenant Pd UA's (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	Market Rent	Rent per NRA	TDHCA Savings to Market
TC60%	\$769	\$769	Section 8	\$610	32	1	1	658	\$610	\$75	\$535	\$16	\$0.84	\$551	\$17,634	\$17,634	\$551	\$0.84	\$16	\$550	0.84	(\$1)
TC60%	\$922	\$922	Section 8	\$769	26	2	1	879	\$769	\$114	\$655	\$20	\$0.77	\$675	\$17,541	\$17,541	\$675	\$0.77	\$20	\$675	0.77	\$0
TC60%	\$1,065	\$1,065	Section 8	\$1,012	10	3	2	1,079	\$1,012	\$191	\$821	\$25	\$0.78	\$846	\$8,456	\$8,456	\$846	\$0.78	\$25	\$825	0.76	(\$21)
<b>TOTALS/AVERAGES:</b>					<b>68</b>			<b>54,700</b>				<b>\$19</b>	<b>\$0.80</b>	<b>\$642</b>	<b>\$43,631</b>	<b>\$43,631</b>	<b>\$642</b>	<b>\$0.80</b>	<b>\$19</b>	<b>\$638</b>	<b>\$0.79</b>	<b>(\$3)</b>
<b>ANNUAL POTENTIAL GROSS RENT:</b>															<b>\$523,570</b>	<b>\$523,570</b>						

**STABILIZED PROFORMA**

*Village of Kaufman, Kaufman, 4% HTC #11403*

STABILIZED FIRST YEAR PROFORMA													
	COMPARABLES		APPLICANT				TDHCA				VARIANCE		
	Database	actual	% EGI	Per SF	Per Unit	Amount	Amount	Per Unit	Per SF	% EGI	%	\$	
<b>POTENTIAL GROSS RENT</b>				\$0.80	\$642	\$523,570	\$523,570	\$642	\$0.80		0.0%	\$0	
Late Fees, NSF Charges, Pet Fees, Application Fee					\$1.67	\$1,360					0.0%	(1,360)	
Interest on Security Deposits and Damage Fees					\$3.75	\$3,060					0.0%	(3,060)	
					\$0.00	\$0					0.0%	-	
Underwriter's Total Secondary Income							\$4,420	\$5.42			100.0%	4,420	
<b>POTENTIAL GROSS INCOME</b>						\$527,990	\$527,990				0.0%	\$0	
Vacancy & Collection Loss					5.0% PGI	(26,399)	(26,399)	5.0% PGI			0.0%	-	
Non-Rental Units/Concessions						-					0.0%	-	
<b>EFFECTIVE GROSS INCOME</b>						\$501,590	\$501,590				0.0%	\$0	
General & Administrative	\$22,385	\$329/Unit	12,564	2.85%	\$0.26	\$210	\$14,280	12,564	\$185	\$0.23	2.50%	13.7%	1,716
Management	\$28,059	6.7% EGI	33,873	6.80%	\$0.62	\$502	\$34,117	\$34,108	\$502	\$0.62	6.80%	0.0%	9
Payroll & Payroll Tax	\$53,760	\$791/Unit	102,519	16.27%	\$1.49	\$1,200	\$81,600	79,457	\$1,168	\$1.45	15.84%	2.7%	2,143
Repairs & Maintenance	\$45,383	\$667/Unit	28,366	5.47%	\$0.50	\$404	\$27,455	28,366	\$417	\$0.52	5.66%	-3.2%	(911)
Utilities	\$27,619	\$406/Unit	11,488	2.24%	\$0.21	\$165	\$11,224	\$11,488	\$169	\$0.21	2.29%	-2.3%	(264)
Water, Sewer, & Trash	\$34,657	\$510/Unit	48,760	7.93%	\$0.73	\$585	\$39,793	\$43,884	\$645	\$0.80	8.75%	-9.3%	(4,091)
Property Insurance	\$18,464	\$0.34/sf	25,461	3.73%	\$0.34	\$275	\$18,700	\$18,230	\$268	\$0.33	3.63%	2.6%	470
Property Tax 2.5834	\$31,456	\$463/Unit	31,273	3.30%	\$0.30	\$243	\$16,536	\$15,637	\$230	\$0.29	3.12%	5.8%	900
Reserve for Replacements	\$27,398	\$403/Unit	-	4.07%	\$0.37	\$300	\$20,400	\$20,400	\$300	\$0.37	4.07%	0.0%	-
TDHCA Compliance Fees			-	0.54%	\$0.05	\$40	\$2,720	\$2,720	\$40	\$0.05	0.54%	0.0%	-
Cable TV			1,127	0.00%	\$0.00	\$0	\$0	\$0	\$0	\$0.00	0.00%	0.0%	-
Supportive service contract fees			-	0.00%	\$0.00	\$0	\$0	\$0	\$0	\$0.00	0.00%	0.0%	-
Security			-	0.97%	\$0.09	\$71	\$4,845	\$4,845	\$71	\$0.09	0.97%	0.0%	-
Describe				0.00%	\$0.00	\$0	\$0	\$0	\$0	\$0.00	0.00%	0.0%	-
Describe				0.00%	\$0.00	\$0	\$0	\$0	\$0	\$0.00	0.00%	0.0%	-
<b>TOTAL EXPENSES</b>			\$ 295,431	54.16%	\$4.97	\$3,995	\$ 271,669	\$ 271,698	\$3,996	\$4.97	54.17%	0.0%	\$ (29)
<b>NET OPERATING INCOME ("NOI")</b>				45.84%	\$4.20	\$3,381	\$229,921	\$229,892	\$3,381	\$4.20	45.83%	0.0%	\$29

<b>CONTROLLABLE EXPENSES</b>	\$2,703/Unit	\$2,996/Unit		\$2,564/Unit		\$2,585/Unit
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LONG TERM OPERATING PROFORMA												
	YEAR 1	YEAR 2	YEAR 3	YEAR 4	YEAR 5	YEAR 10	YEAR 15	YEAR 20	YEAR 25	YEAR 30	YEAR 35	YEAR 40
<b>EFFECTIVE GROSS INCOME</b>	\$501,590	\$511,622	\$521,854	\$532,291	\$542,937	\$599,447	\$661,838	\$730,722	\$806,776	\$890,746	\$983,456	\$1,085,815
LESS: TOTAL EXPENSES	271,669	279,478	287,515	295,785	304,297	350,725	404,336	466,252	537,770	620,394	715,863	826,190
<b>NET OPERATING INCOME</b>	<b>\$229,921</b>	<b>\$232,144</b>	<b>\$234,340</b>	<b>\$236,506</b>	<b>\$238,641</b>	<b>\$248,722</b>	<b>\$257,501</b>	<b>\$264,470</b>	<b>\$269,006</b>	<b>\$270,352</b>	<b>\$267,592</b>	<b>\$259,625</b>
LESS: DEBT SERVICE	199,545	199,545	199,545	199,545	199,545	199,545	199,545	199,545	199,545	199,545	199,545	199,545
<b>NET CASH FLOW</b>	<b>\$30,375</b>	<b>\$32,598</b>	<b>\$34,794</b>	<b>\$36,961</b>	<b>\$39,095</b>	<b>\$49,176</b>	<b>\$57,956</b>	<b>\$64,925</b>	<b>\$69,461</b>	<b>\$70,806</b>	<b>\$68,047</b>	<b>\$60,079</b>
<b>CUMULATIVE NET CASH FLOW</b>	\$30,375	\$62,974	\$97,768	\$134,729	\$173,824	\$399,974	\$672,809	\$984,336	\$1,323,682	\$1,676,468	\$2,024,070	\$2,342,733
<b>DEFERRED DEVELOPER FEE BALANCE</b>	\$430,081	\$397,483	\$362,688	\$325,727	\$286,632	\$60,482	\$0	\$0	\$0	\$0	\$0	\$0
<b>DCR ON UNDERWRITTEN DEBT (Must-Pay)</b>	1.15	1.16	1.17	1.19	1.20	1.25	1.29	1.33	1.35	1.35	1.34	1.30
<b>EXPENSE/EGI RATIO</b>	54.16%	54.63%	55.09%	55.57%	56.05%	58.51%	61.09%	63.81%	66.66%	69.65%	72.79%	76.09%

**CAPITALIZATION / TOTAL DEVELOPMENT BUDGET / ITEMIZED BASIS**

*Village of Kaufman, Kaufman, 4% HTC #11403*

DEBT / GRANT SOURCES														
APPLICANT'S PROPOSED DEBT/GRANT STRUCTURE								AS UNDERWRITTEN DEBT/GRANT STRUCTURE						
DEBT (Must Pay)	Cumulative DCR		Pmt	Rate	Amort	Term	Principal	Principal	Term	Amort	Rate	Pmt	Cumulative	
	As UW	App											DCR	LTC
Dougherty & Co.	1.15	1.15	\$199,545	6.35%	35	0	\$2,800,000	\$2,800,000	18	35	6.35%	\$199,545	1.15	42.4%
<b>CASH FLOW DEBT / GRANTS</b>														
HUD M2M Restructuring Note	1.15	1.15		2.50%	0	0	\$1,363,807	1,376,473	0	0	2.50%		1.15	20.8%
<b>TOTAL DEBT / GRANT SOURCES</b>			\$199,545				\$4,163,807	\$4,176,473				\$199,545		63.2%
<b>NET CASH FLOW</b>			\$30,375									\$30,346		

EQUITY SOURCES												
APPLICANT'S PROPOSED EQUITY STRUCTURE						AS UNDERWRITTEN EQUITY STRUCTURE						
EQUITY / DEFERRED FEES	DESCRIPTION	% Cost	Annual Credit	Credit Rate	Amount	Amount	Credit Rate	Annual Credit	% Cost	Per Unit Credit Developer Fee Summary		
										Annual Credit per Unit	Total Developer Fee	
Alliant Capital	LIHTC Equity	25.7%	\$182,429	0.93	\$1,696,500	\$1,684,122	\$0.9300	\$181,088	25.5%	Annual Credit per Unit:	\$24,766	
Kaufman Leased Housing Development I, LLC	Deferred Developer Fees	2.9%	(27% Deferred)		\$188,868	\$430,081		(62% Deferred)	6.5%	Total Developer Fee:	\$666,610	
Capitalized Expenses		3.0%			\$196,344				0.0%			
Replacement Reserve		4.8%			\$319,136	\$319,136			4.8%			
Additional (Excess) Funds Req'd		0.0%			(\$0)	\$0			0.0%	15-Year Cash Flow:	\$672,809	
<b>TOTAL EQUITY SOURCES</b>		36.3%			\$2,400,848	\$2,433,338			36.8%	15-Yr Cash Flow after Fee:	\$242,729	
<b>TOTAL CAPITALIZATION</b>					\$6,564,655	\$6,609,811						

DEVELOPMENT COST / ITEMIZED BASIS													
APPLICANT COST / BASIS ITEMS						TDHCA COST / BASIS ITEMS						COST VARIANCE	
	Eligible Basis		Total Costs			Total Costs			Eligible Basis		%	\$	
	Acquisition	New Const. Rehab							New Const. Rehab	Acquisition			
Land Acquisition			\$2,500 / Unit	\$170,000	\$222,000	\$3,265 / Unit					23.4%	\$52,000	
Building Acquisition	\$1,678,003		\$29,370 / Unit	\$1,997,139	\$1,952,793	\$28,718 / Unit			\$1,633,657		-2.3%	(\$44,346)	
Off-Sites			\$ / Unit	\$0	\$0	\$ / Unit					0.0%	\$0	
Sitework		\$246,300	\$3,622 / Unit	\$246,300	\$241,300	\$3,549 / Unit	\$241,300				-2.1%	(\$5,000)	
Direct Construction		\$1,567,033	\$28.65 /sf	\$23,045/Unit	\$1,567,033	\$1,604,414	\$23,594/Unit	\$29.33 /sf	\$1,604,414		2.3%	\$37,381	
Contingency		\$171,000	9.43%	\$171,000	\$171,000	9.26%	\$171,000				0.0%	\$0	
Contractor's Fees		\$253,867	12.79%	\$253,867	\$253,867	12.59%	\$253,867				0.0%	\$0	
Indirect Construction	\$10,000	\$455,847	\$6,851 / Unit	\$465,847	\$465,847	\$6,851 / Unit	\$455,847	\$10,000			0.0%	\$0	
Ineligible Costs			\$6,814 / Unit	\$463,349	\$485,601	\$7,141 / Unit					4.6%	\$22,252	
Developer's Fees	\$281,101	\$416,704	15.00%	\$697,805	\$692,672	15.00%	\$421,562	\$271,111			-0.7%	(\$5,133)	
Interim Financing	\$186,000	\$83,983	\$3,970 / Unit	\$269,983	\$247,731	\$3,643 / Unit	\$83,983	\$163,748			-9.0%	(\$22,252)	
Reserves			\$3,858 / Unit	\$262,332	\$272,585	\$4,009 / Unit					3.8%	\$10,254	
<b>UNADJUSTED BASIS / COST</b>	<b>\$2,155,104</b>	<b>\$3,194,734</b>	\$96,539 / Unit	<b>\$6,564,655</b>	<b>\$6,609,811</b>	\$97,203 / Unit	<b>\$3,231,973</b>	<b>\$2,078,516</b>			<b>0.7%</b>	<b>\$45,156</b>	
Acquisition Cost for Identity of Interest Seller					\$0								
Developer's Fee		(\$1)	\$1										
Contractor's Fee			\$0										
Contingency			\$0										
<b>ADJUSTED BASIS / COST</b>	<b>\$2,155,103</b>	<b>\$3,194,734</b>	\$96,539 / Unit	<b>\$6,564,655</b>	<b>\$6,609,811</b>		<b>\$3,231,973</b>	<b>\$2,078,516</b>					
<b>TOTAL UNDERWRITTEN USES OF FUNDS BASED ON 3RD PARTY PCA/CNA</b>					<b>\$6,609,811</b>								

**CAPITALIZATION / DEVELOPMENT COST BUDGET / ITEMIZED BASIS ITEMS**

*Village of Kaufman, Kaufman, 4% HTC #11403*

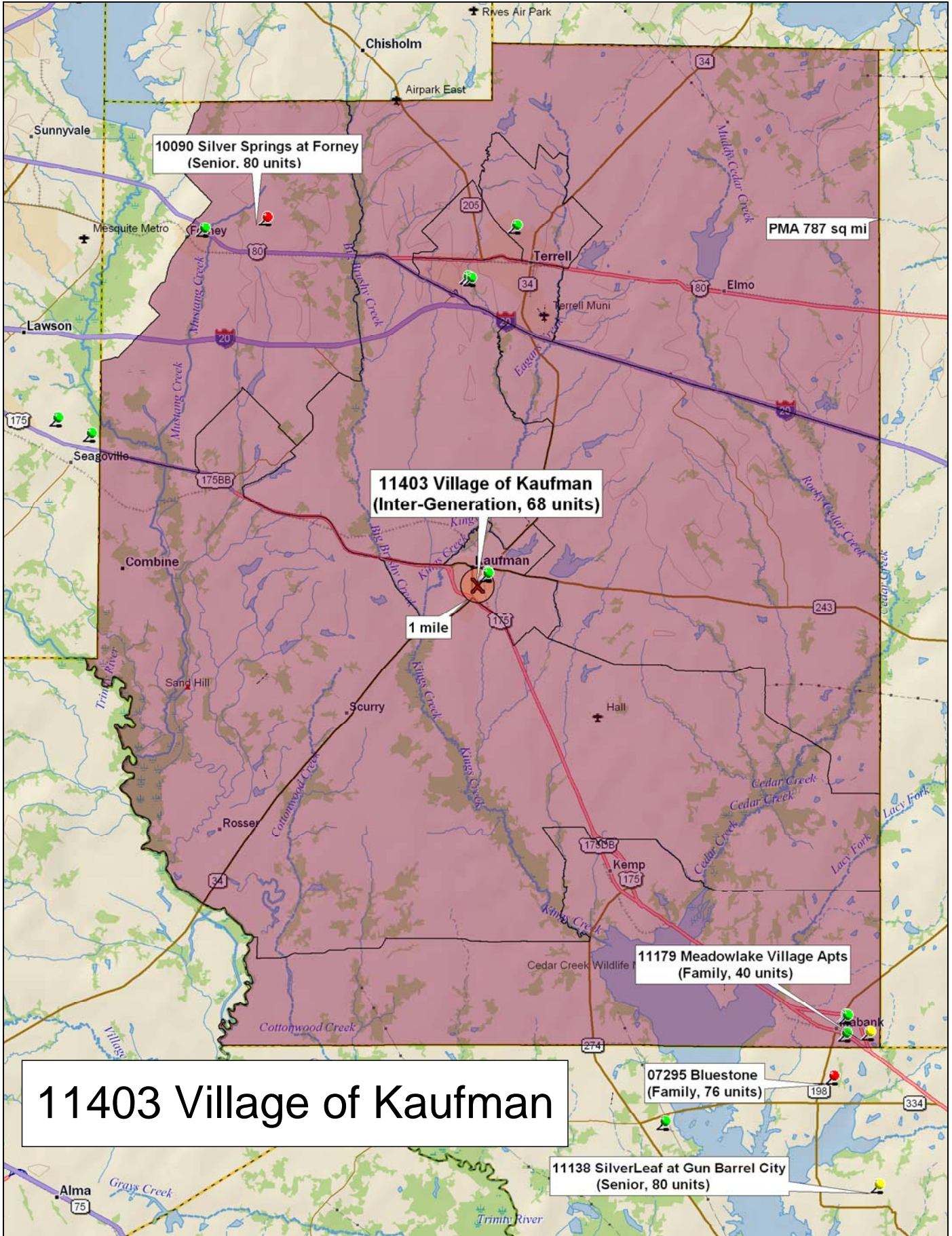
CREDIT CALCULATION ON QUALIFIED BASIS				
	Applicant		TDHCA	
	Acquisition	Construction Rehabilitation	Acquisition	Construction Rehabilitation
<b>ADJUSTED BASIS</b>	\$2,155,103	\$3,194,734	\$2,078,516	\$3,231,973
Deduction for Other Federal Funds	\$0	\$0	\$0	\$0
<b>TOTAL ELIGIBLE BASIS</b>	\$2,155,103	\$3,194,734	\$2,078,516	\$3,231,973
High Cost Area Adjustment		100%		100%
<b>TOTAL ADJUSTED BASIS</b>	\$2,155,103	\$3,194,734	\$2,078,516	\$3,231,973
Applicable Fraction	100.00%	100.00%	100.00%	100.00%
<b>TOTAL QUALIFIED BASIS</b>	\$2,155,103	\$3,194,734	\$2,078,516	\$3,231,973
Applicable Percentage	3.41%	3.41%	3.41%	3.41%
<b>ANNUAL CREDIT ON BASIS</b>	\$73,489	\$108,940	\$70,877	\$110,210
<b>CREDITS ON QUALIFIED BASIS</b>	\$182,429		\$181,088	

DIRECT CONSTRUCTION COST ESTIMATE				
CATEGORY	FACTOR	UNITS/SF	PER SF	AMOUNT
Base Cost:	Multiple Residence Basis		#DIV/0!	#DIV/0!
Adjustments				
Exterior Wall Finish	0.00%		#DIV/0!	#DIV/0!
	0.00%		#DIV/0!	#DIV/0!
	0.00%		#DIV/0!	#DIV/0!
Roofing			0.00	0
Subfloor			#DIV/0!	#DIV/0!
Floor Cover			2.41	131,827
Breezeways	\$0.00	0	0.00	0
Balconies	\$0.00	0	0.00	0
Plumbing Fixtures	\$845	0	0.00	0
Rough-ins	\$420	0	0.00	0
Built-In Appliances	\$1,850	68	2.30	125,800
Exterior Stairs	\$1,900	0	0.00	0
Heating/Cooling			1.83	100,101
Enclosed Corridors	#DIV/0!		#DIV/0!	#DIV/0!
Carports	\$9.70	0	0.00	0
Garages	\$30.00	0	0.00	0
Comm &/or Aux Bldgs	\$0.00	0	0.00	0
<b>Other:</b>			0.00	0
<b>Other:</b>			0.00	0
Other: fire sprinkler	\$2.25	54,700	2.25	123,075
<b>SUBTOTAL</b>			<b>#DIV/0!</b>	<b>#DIV/0!</b>
Current Cost Multiplier	1.03		#DIV/0!	#DIV/0!
Local Multiplier			#DIV/0!	#DIV/0!
<b>TOTAL DIRECT CONSTRUCTION COSTS</b>			<b>#DIV/0!</b>	<b>#DIV/0!</b>
Plans, specs, survey, bldg permits	3.90%		#DIV/0!	#DIV/0!
Interim Construction Interest	3.38%		#DIV/0!	#DIV/0!
Contractor's OH & Profit	11.50%		#DIV/0!	#DIV/0!
<b>NET DIRECT CONSTRUCTION COSTS</b>			<b>#DIV/0!</b>	<b>#DIV/0!</b>

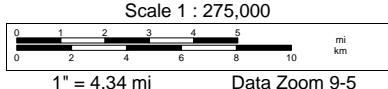
Method	FALSE	
	Annual Credits	Proceeds
Eligible Basis	\$181,088	\$1,684,122
Gap	\$261,648	\$2,433,338
Request	\$182,429	\$1,696,601

FINAL ANNUAL LIHTC ALLOCATION	
Method	Eligible Basis
Credits	\$181,088
Underwritten Proceeds	\$1,684,122

	TOTAL HARD COST COMPARISON					
	APPLICANT			TDHCA		
	Per SF	Per Unit	Total	Total	Per Unit	Per SF
Hard Costs (Direct, Site-work, Off-Sites & Contingency)	\$36.28	\$29,181	\$1,984,333	\$2,016,714	\$29,658	\$36.87
Applicant's Cost/SF Point Election						
Hard Costs plus Contractor Fees	\$40.92	\$32,915	\$2,238,200	\$2,270,581	\$33,391	\$41.51



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**MULTIFAMILY FINANCE DIVISION  
BOARD ACTION REQUEST  
December 15, 2011**

Presentation, Discussion, and Possible Action on a Determination Notice for Housing Tax Credits with another Issuer.

**RECOMMENDED ACTION**

Approve the Issuance of a Determination Notice associated with Mortgage Revenue Bond Transactions with Other Issuers for Buckeye Trail Commons, #11404.

**WHEREAS**, a Housing Tax Credit application for Buckeye Trail Commons was submitted to the Department on September 9, 2011; and

**WHEREAS**, the proposed issuer of the bonds for Buckeye Trail Commons is Housing Options, Inc.; and

**WHEREAS**, the reservation of allocation expires on February 9, 2012; and

**WHEREAS**, the application was submitted previously in 2009 and subsequently awarded an allocation of 4% Housing Tax Credits in July of 2010; however, the Applicant was unable to close on the bond portion of the transaction due to a lengthy approval process with the City of Dallas regarding a Planned Development District designation, which would allow for increased development flexibility without the need for zoning waivers; and

**WHEREAS**, pursuant to §49.4(c)(11)(B) of the 2011 QAP the development is considered ineligible due to the proximity to an active railroad; which was not applicable at the time of the original submission in 2009 since these were considered negative site features and not ineligibility criteria; and

**WHEREAS**, the application violates the maximum number of one bedroom units allowed by §49.4(c)(8)(A) by having 51% one bedroom units which is 21% over the threshold allowed; and

**WHEREAS**, the Applicant is requesting a waiver of both ineligibility items stated above and further described herein; and

**WHEREAS**, the Development is designed to restrict some buildings for occupancy by Elderly households and HUD is expected to address any potential issues with the Fair Housing Act through their development plan approval; and

**WHEREAS**, the previous participation review revealed the Dallas Housing Authority has long-standing issues of noncompliance for failure to provide social services on associated properties that has not been corrected but these items may be addressed by amendments on the Consent Agenda; and

**WHEREAS**, the Executive Award and Review Advisory Committee recommends the issuance of the Determination Notice conditioned upon the approval of the said requested waivers; and

**WHEREAS**, the resolution of all outstanding noncompliance on existing Dallas Housing Authority developments prior to the bond closing or the award and any Determination Notice will be invalid; therefore,

It is hereby,

**RESOLVED**, that the issuance of a Determination Notice of \$1,084,186 in Housing Tax Credits for Buckeye Trial Commons is hereby approved in the form presented to this meeting.

### **BACKGROUND**

*Background and General Information:* The application was received on September 9, 2011. The Issuer for this transaction is Housing Options, Inc. with a reservation of allocation that expires on February 9, 2012. The development is New Construction and will consist of 207 total units serving both the elderly and general population. This transaction is a Priority 1B and fifteen percent (15%) of the units are proposed to be restricted at 30% Area Median Family Income (AMFI) and eighty-five (85%) of the units are proposed to be restricted at 60% AMFI. The proposed development will be located in Dallas, Dallas County and the site is currently zoned for this type of development.

It should be noted that the application was originally submitted in 2009 and was awarded an allocation of 4% Housing Tax Credits in July of 2010; however they were unable to close on the bond portion of the transaction due to a lengthy approval process with the City of Dallas regarding a Planned Development District designation, which would allow for increased development flexibility without the need for zoning waivers. The City of Dallas has since approved such designation allowing for the Applicant to move forward and seek a new allocation of housing tax credits. However, §49.4(c)(11)(B) of the 2011 QAP renders the development ineligible due to its proximity to an active railroad. The application was awarded HOPE VI funds in 2009 based upon the rules in effect at that time which allowed for developments to be located adjacent or within 300 feet of a railroad track; these were not considered ineligible items but rather negative site features whereby points were deducted which primarily affected the Competitive HTC applications. The buildings in this phase are proposed to be located within 320 feet to 150 feet from said railroad. A noise study was completed and the recommendations of such

study will be followed to mitigate any noise from the railroad. Based on this the Applicant is requesting the above referenced QAP requirement be waived.

Additionally, per section§49.4(c)(8)(A) of the 2011 QAP the application exceeds 30% which is the maximum number of one bedroom units allowed. The bedroom distribution for the intergenerational development, which will serve both the elderly and the general population, was based on the tenant mix of the previous development, which was demolished in 2009 as part of the redevelopment of several public housing sites owned by the Dallas Housing Authority in an effort to modernize and provide affordable, safe and decent housing for current and future residents. Although, as proposed 51% of the units will only have one bedroom, it should be noted that the majority of those are elderly units located within a four-story building designated solely for elderly; which as a standalone development would be exempt from said unit maximum percentage requirement. Furthermore, the above referenced senior building will have its own leasing office and community room.

*Organizational structure and Compliance:* The Borrower is Bexar Parc, L. P. and the General Partner is Buckeye Trail Commons, Inc. The Compliance Status Summary completed on October 17, 2011 reveals that the principals of the general partner have received 14 multifamily awards that have been monitored with no material noncompliance. However, staff notes the proposed supportive services provider and property management, the Dallas Housing Authority, has long-standing issues of noncompliance on associated properties that have not been corrected. Several of the affiliated properties are in noncompliance for failure to provide social services. The Dallas Housing Authority has requested a Material Amendment to the Land Use Restriction Agreements to be considered on December 15, 2011. If approved, the Housing Authority has represented and ability to correct the existing noncompliance

*Census Demographics:* The development is to be located at 6717 Buckeye Commons Way in Dallas. Demographics for the census tract (0115.00) include AMFI of \$13,760; the total population is 4,956; the percent of population that is minority is 99.19%; the percent of population that is below the poverty line is 62.19%; the number of owner occupied units is 204; the number of renter units is 1,267 and the number of vacant units is 124. (Census information from FFIEC Geocoding for 2011).

*Public Comment:* The Department has not received any letters of support or opposition for this Development.

**Request for Waiver of §49.4(c)(8)(A) Regarding  
Percentage of One-Bedroom Units  
and  
§49.4(c)(11)(B) Regarding  
Proximity to Active Railroad Tracks**

Bexar Parc, LP, the owner of Buckeye Trail Commons, requests a waiver of 49.4(c)(8)(A) which limits the number of one-bedroom units in a New Construction Development to no more than 30 percent (with some specific exclusions) and §49.4(c)(11)(B) which provides that sites for Housing Tax Credit developments located within 300 feet of an active railroad track are considered ineligible unless the city has adopted a Railroad Quiet Zone or the railroad in question is commuter or light rail. Buckeye Trail Commons will be constructed on a portion of the former Turner Courts public housing development. The site is located within 300 feet of an active railroad track.

Turner Courts was constructed in 1952 to provide affordable housing for low-income families. In 2009, after receiving approval of the U. S. Department of Housing and Urban Development (HUD), the Dallas Housing Authority (DHA) relocated the then current families from Turner Courts, and demolished all 294 public housing units on the site in anticipation of redevelopment. DHA also demolished 394 public housing units at Rhoads Terrace, located approximately a quarter mile from the Turner (Buckeye Trail) site. Many of the former residents of Turner Courts and Rhoads Terrace have expressed a desire to return to their South Dallas neighborhood upon completion of construction. As DHA anticipates redeveloping the Rhoads Terrace site as affordable and market rate homeownership, most of these residents will be returning to the Turner (Buckeye Trail) site.

**Request for Waiver of §49.4(c)(8)(A) Regarding Percentage of One-Bedroom Units**

Buckeye Trail Commons is an Intergenerational New Construction Development consisting of 85 units for seniors in a four-story mid-rise structure and 122 family units in townhome and row-dwelling structures. The bedroom distribution for the Development was determined based upon the former residents of Turner Courts and Rhoads Terrace who have expressed a desire to return and the DHA's public housing and Section 8 waiting lists. DHA, like many housing providers, is seeing a need for more housing for the elderly and for smaller families.

The Senior building at Buckeye Trail Commons includes 69 one-bedroom and 16 two-bedroom units. With only 19 percent of the Senior units as two-bedroom, it would be eligible as a stand-alone Qualified Elderly Development. The Senior building will have its own leasing office, community room, and other amenities.

The 122 family units at the Development include 36 one-bedroom, 67 two-bedroom, 13 three-bedroom, and 6 four-bedroom units (30%, 55%, 11%, and 5% of the family units, respectively). The family units would meet the QAP requirements regarding the percentage of bedroom sizes. The family units will have a separate leasing office. The community amenities such as the Teen Center and Neighborhood Network Center will be available to both the family and senior residents.

As a whole, Buckeye Trail Commons will have 51% one-bedroom units, 40% two-bedroom units, 6% three-bedroom units, and 3% four-bedroom units, meeting the requirements in each bedroom size other than the one-bedroom.

#### **Request for Waiver of §49.4(c)(11)(B) Regarding Proximity to Active Railroad Tracks**

To redevelop the Turner (Buckeye Trail) site, in 2009 DHA submitted a request to HUD for \$22,000,000 in HOPE VI funding. This application, which was subsequently funded in full, was based upon the existing Qualified Allocation Plan (QAP) which permitted housing sites within 300 feet of a railroad track. Receipt of Housing Tax Credits was anticipated in this application to complete the \$68 million redevelopment project.

As the redevelopment of a public housing site, Buckeye Trail Commons meets HUD's site and neighborhood standards for the development of public housing. Additionally, a recent market study found that the location of the railroad tracks near the site did not have a detrimental influence on the site.

A fence will be constructed between the housing development and the railroad tracks. Additionally, DHA commissioned a noise study and per the recommendations of the study has included measures to mitigate the noise from the railroad. These measures include the installation of 5/8" to 15/16" glass in windows facing the tracks and 7/8" glass in the patio doors.

Additional insulation will include R38 blown-in insulation in the attics, 5/8' sheetrock on the ceiling and double sheetrock on the walls per the recommendations of the study. To further mitigate the noise, the roofs will be composition shingles on 1/2" plywood.

These measures will be taken to continue to provide affordable, safe, and decent housing on a site that provided affordable housing for 60 years. The new housing will enable the families who formerly called this South Dallas neighborhood "home" to return and provide housing of choice for other families who need affordable housing.





MULTIFAMILY FINANCE PRODUCTION DIVISION  
December 15, 2011  
Development Information, Public Input and Board Summary  
**Buckeye Trail Commons, TDHCA Number 11404**

**PUBLIC COMMENT SUMMARY**

Guide: "O" = Oppose, "S" = Support, "N" = Neutral, "NC" or Blank = No comment

**State/Federal Officials with Jurisdiction:**

TX Senator: West, District 23

US Representative: Johnson, District 30,

TX Representative: Mallory Caraway, District 11

US Senator: NC

**Local Officials and Other Public Officials:**

Mayor/Judge: Mike Rawlings, Mayor, City of Dallas - NC Resolution of Support from Local Government

**Individuals/Businesses:** In Support: 0 In Opposition: 0

**Neighborhood Input:**

**General Summary of Comment:**

**CONDITIONS OF COMMITMENT**

1. Receipt and acceptance prior to Issuance of Determination Notice:
  - a. Of a third party detailed cost estimate certified by an architect or engineer familiar with the sitework costs of the proposed development is required, to be accompanied by a letter from a certified public accountant stating which costs are includable in eligible basis.
  - b. Of a firm commitment from HOI or alternate source for the \$2.5M construction loan with terms and rates clearly defined.
2. Receipt and acceptance by Cost Certification:
  - a. Documentation clearing environmental and issues contained in the ESA report, specifically:
    - i. All recommendations by the ESA provider with regards to noise abatement and noise barriers were implemented.
    - ii. Receipt, review, and acceptance, by Cost Certification, of an attorney or CPA opinion stating that the HOPE VI loan is valid debt with a reasonable expectation that it will be repaid. Additionally, the opinion must state that the forgiveness provision, if exercised, does not affect basis.
3. Should any terms of the proposed capital structure change, the analysis must be re-evaluated and adjustment to the credit allocation and/or terms of other TDHCA funds, if any, may be warranted.





**MULTIFAMILY FINANCE PRODUCTION DIVISION**  
December 15, 2011  
Development Information, Public Input and Board Summary  
**Buckeye Trail Commons, TDHCA Number 11404**

**RECOMMENDATION BY THE EXECUTIVE AWARD AND REVIEW ADVISORY COMMITTEE IS BASED ON:**

4% Housing Tax Credits:	Credit Amount:	\$1,084,186
Recommendation:	Recommend approval of a Housing Tax Credit Allocation not to exceed \$1,084,186 annually for ten years, subject to conditions.	
TDHCA Bond Issuance:	Bond Amount:	\$0
Recommendation:		
HOME Activity Funds:	Loan Amount:	\$0
HOME CHDO Operating Expense Grant:	Grant Amount:	\$0
Recommendation:		
HTF Rental Production Funds:	Loan Amount:	\$0
Recommendation:		



**DEVELOPMENT IDENTIFICATION**

TDHCA Application #: 11404 Program(s): 4% HTC/MRB

Buckeye Trail Commons

Address/Location: 6717 Buckeye Commons

City: Dallas County: Dallas Zip: 75215

Population: Family Program Set-Aside: General Area: Urban

Activity: New Construction Building Type: TH, Garden, Wrap Region: 3

Analysis Purpose: New Application - Initial Underwriting

PRIOR REPORT(S)	PROGRAM	FILE #	PURPOSE
Yes	4% HTC/MRB	10402_09409	New Application - Initial Underwriting

**ALLOCATION**

TDHCA Program	REQUEST				RECOMMENDATION				
	Amount	Interest Rate	Amort	Term	Amount	Interest Rate	Amort	Term	Lien
LIHTC (Annual)	\$1,087,609				\$1,084,186				

**CONDITIONS**

- 1 Receipt and acceptance prior to Issuance of Determination Notice :
  - a: Of a third party detailed cost estimate certified by an architect or engineer familiar with the sitework costs of the proposed development is required, to be accompanied by a letter from a certified public accountant stating which costs are includable in eligible basis.
  - b: Of a firm commitment from Housing Options Inc., or alternate source, for the \$2.5M construction loan with terms and rates clearly defined.
- 2 Receipt and acceptance by Cost Certification:
  - a: Documentation clearing environmental issues contained in the ESA report, specifically:
    - i: All recommendations by the ESA provider with regards to noise abatement and noise barriers were implemented.
    - ii: Receipt, review, and acceptance, by Cost Certification, of an attorney or CPA opinion stating that the HOPE VI loan is valid debt with a reasonable expectation that it will be repaid. Additionally, the opinion must state that the forgiveness provision, if exercised, does not affect basis.
- 3 Should any terms of the proposed capital structure change, the analysis must be re-evaluated and adjustment to the credit allocation and/or terms of other TDHCA funds, if any, may be warranted.

**SET-ASIDES**

TDHCA SET-ASIDES for HTC LURA		
Income Limit	Rent Limit	Number of Units
30% of AMI	30% of AMI	31
60% of AMI	60% of AMI	175

### DEAL SUMMARY

The Subject was previously submitted and underwritten in July of 2010. The application was recommended for tax credits, and an award was approved by the Board; however, the Determination Notice was never issued.

### DEVELOPMENT TEAM

#### PRIMARY CONTACTS

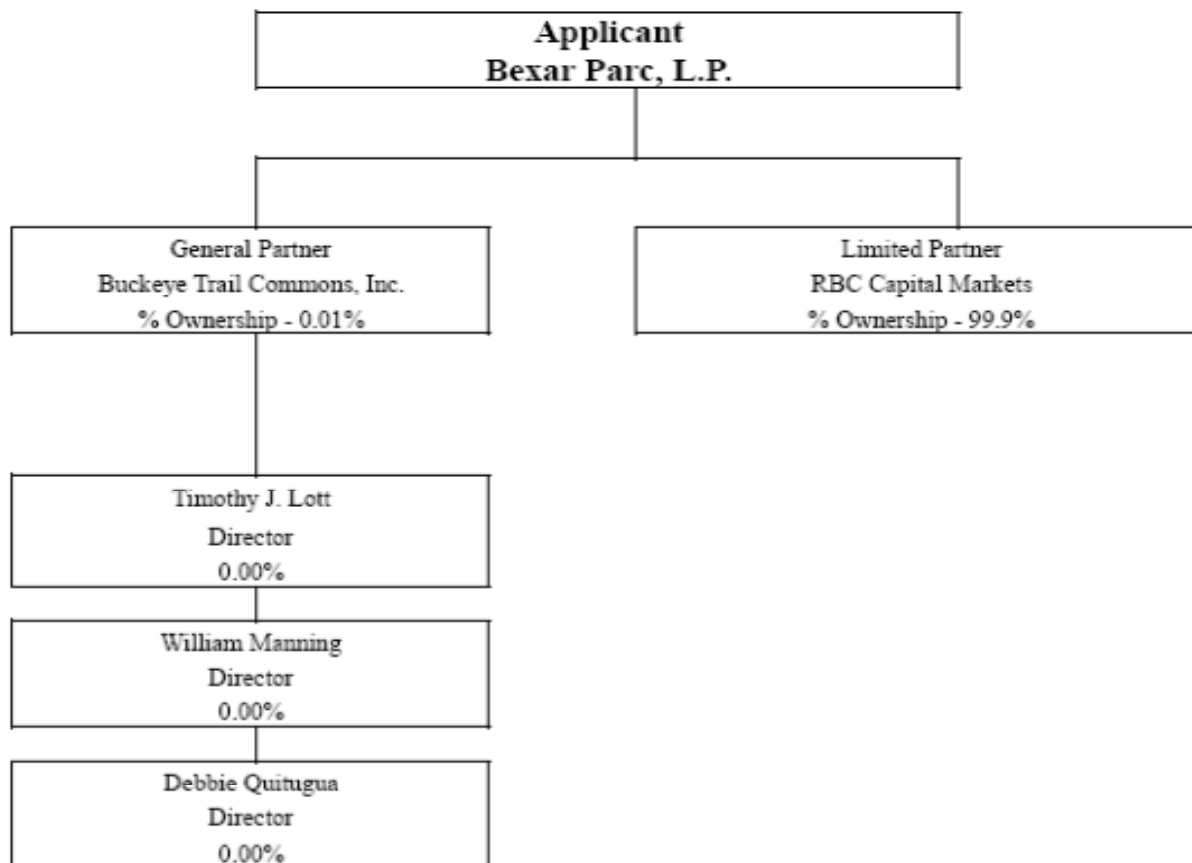
Name: Tim Lott Relationship: GP  
Email: [tlott@dhadal.com](mailto:tlott@dhadal.com) Phone: (214) 951-8308 Fax: \_\_\_\_\_

Name: State Street Housing Consultant: Jeffrey Spicer  
Email: [treethousing.com](http://treethousing.com) Phone: (214) 346-0707 Fax: \_\_\_\_\_

Related-Party Seller/Identity of Interest: N/A

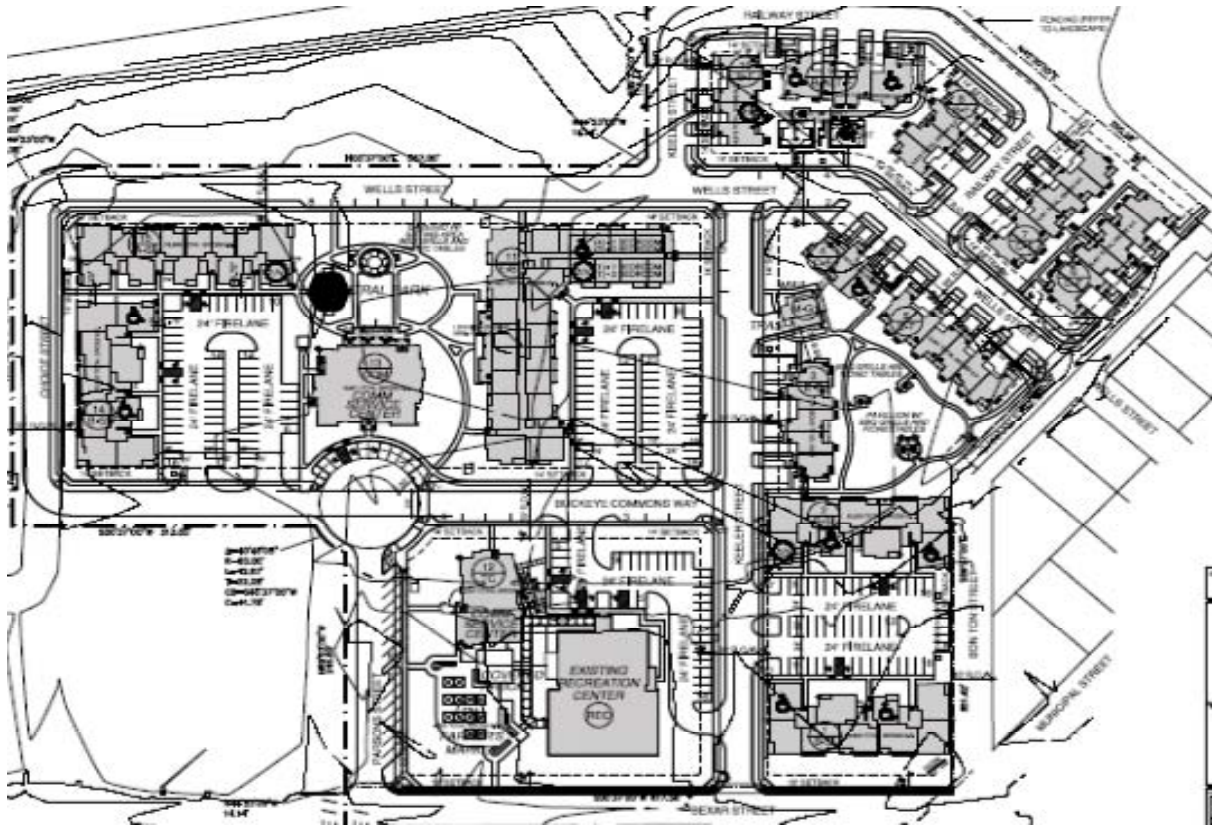
- The Applicant, Developer, General Contractor, property manager, and supportive services provider are related entities.

### OWNERSHIP STRUCTURE



### DEVELOPMENT SUMMARY

#### SITE PLAN



BUILDING CONFIGURATION

Building Type	A-SI	B-F	-ALT-F	B-SI	C-F	D-F	E-F	E-SE				Total Buildings
Floors/Stories	2	2	2	2	2	2	2	4				13
Number of Bldgs	1	2	1	3	1	3	1	1				13
Units per Bldg	26	4	4	18	5	6	7	85				
<b>Total Units</b>	<b>26</b>	<b>8</b>	<b>4</b>	<b>54</b>	<b>5</b>	<b>18</b>	<b>7</b>	<b>85</b>				<b>207</b>

GENERAL INFORMATION

Total Size: 15.35 acres  
 Flood Zone: Zone X  
 Zoning: Planned Devlp  
 Density: 13.4853 units/acre

Scattered Site?  Yes  No  
 Within 100-yr floodplain?  Yes  No  
 Re-Zoning Required?  Yes  No  N/A  
 Utilities at Site?  Yes  No  
 Title Issues?  Yes  No

Surrounding Uses:

**North:** The Site is bordered to the north by a storm-water retention area, Canaan Street, vacant land and several vacant single-family residences. A playground is situated in the northeastern section of the Site, along Municipal Street, followed by a JBC Market. To the northwest is a vacant commercial structure formerly occupied by Bubba’s Drive-In.

**South:** The Site is bordered to the south by a levee and a drainage channel to the Trinity River, and by Vesper Street. Across Vesper Street is a single-family residence.

**East:** The Site is bordered to the east by Bexar Street. Beyond Bexar Street are single-family residences, several small churches, and the Southeast Dallas Service Center.

**West:** The Site is bordered to the west by a railroad track easement. Farther west are several warehouse structures. Farther southwest is a truck parts business on South Lamar.

**Other Observations:**

The proposed development is part of a large redevelopment effort by the City of Dallas and the Dallas Housing Authority. Many of the conditions exist due to the "vacant and dilapidated buildings and homes in and around the site." The prior public housing has been demolished and the new development and associated amenities will serve as a catalyst for other redevelopment in the area.

**HIGHLIGHTS of ENVIRONMENTAL REPORTS**

Provider: Dougherty Sprague Environmental Date: 9/23/2011

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

- "The results of the noise analysis concluded that the study area regularly experiences an overall DNL of 71. A DNL above 65 dB but not exceeding 75 dB falls in the normally unacceptable range. Noise barriers may be necessary between the study area and the railroad and roadway to make the outdoor environment acceptable." (p 3)

**MARKET ANALYSIS**

Provider: Novogradac & Company, LLP Date: 9/7/2011  
 Contact: Amanda Peterson & Matt Hummel Phone: 913-262-3500  
 Number of Revisions: None Date of Last Applicant Revision: N/A

Primary Market Area (PMA): 37 sq. miles 3 mile equivalent radius

The Primary Market Area is defined by 24 census tracts in Dallas County and encompasses the lower southeast portion of the City of Dallas.

ELIGIBLE HOUSEHOLDS BY INCOME								
Dallas 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	\$6,514	\$14,370	---	---	---	---	\$26,640	\$28,740
2	\$6,514	\$16,410	---	---	---	---	\$26,640	\$32,820
3	\$7,543	\$18,450	---	---	---	---	\$31,989	\$36,900
4	\$8,503	\$20,490	---	---	---	---	\$36,960	\$40,980
5	\$8,503	\$22,140	---	---	---	---	\$36,960	\$44,280
6	\$10,526	\$23,790	---	---	---	---	\$41,246	\$47,580

AFFORDABLE HOUSING INVENTORY in PRIMARY MARKET AREA					
File #	Development	Type	Target Population	Comp Units	Total Units
Proposed, Under Construction, and Unstabilized Comparable Developments					
11405	Buckeye Trail Commons II	New	Family	106	116
10284	Atmos Lofts	New	Family	77	107
08193	Sphinx at Fiji Senior	New	Seniors	130	130

10045	Wynnewood Seniors	New	Seniors	140	140
09115	Magnolia Trace	New	Seniors	112	112
08207	Carpenter's Point	New	Seniors	150	150
Other Affordable Developments in PMA since 2007					
10232	Evergreen Residences Willow	New	SRO	n/a	100
Stabilized Affordable Developments in PMA ( pre-2007 )					
Total Properties ( pre-2007 )		12	Total Units	2307	

Proposed, Under Construction, and Unstabilized Comparable Supply:

11405 Buckeye Trail Commons II is a proposed family development that will be the second phase of this development. 10284 Atmos Lofts is an unstabilized family development located just outside the PMA but is 4 miles to the northwest of the subject site.

08193 Sphinx at Fiji Senior is an unstabilized senior development in the PMA. 10045 Wynnewood Seniors, 09115 Magnolia Trace, and 08207 Carpenter's Point are all located outside the PMA but their respective PMA's overlap that of the subject site.

OVERALL DEMAND ANALYSIS				
	Market Analyst		Underwriter	
	Family	Seniors	Family	Seniors
Total Households in the Primary Market Area	30,705	30,705	27,974	27,974
Senior Households in the Primary Market Area	7,829	7,829	12,997	12,997
Potential Demand from the Primary Market Area	8,427	642	10,102	8,852
Potential Demand from Other Sources	0	0	0	0
<b>GROSS DEMAND</b>	<b>8,427</b>	<b>642</b>	<b>10,102</b>	<b>8,852</b>
Subject Affordable Units	121	85	121	85
Unstabilized Comparable Units	132	0	183	532
<b>RELEVANT SUPPLY</b>	<b>253</b>	<b>85</b>	<b>304</b>	<b>617</b>
<b>Relevant Supply ÷ Gross Demand = GROSS CAPTURE RATE</b>	<b>3.0%</b>	<b>13.2%</b>	<b>3.0%</b>	<b>7.0%</b>

Demand Analysis:

The Market Analyst's data is based on HISTA data like the Underwriter's data but is supplemented by ESRI data, thus there is a slight difference in the total households in the primary market area. Due to the Section 8 Project based rental assistance on this development, both the Market Analyst and the Underwriter consider all households below the maximum income to be eligible. ESRI also identifies only 55% of Renter Households are income qualified for the family units where HISTA identifies 85% as income qualified. The Market Analyst incorrectly identifies 132 units as comparable from Buckeye Trail Commons II as only 106 units are LIHTC units and 10 market rate units. The Market Analyst calculates a Gross Capture Rate of 3.0% for the total Relevant Supply of 253 units.

The Market Analyst did not identify any comparable units in the PMA even though there are 3 unstabilized senior developments within 6 miles of the subject site. The Market Analyst's calculations only included Senior Renter Households and identifies a Gross Demand of 642 units. The Market Analyst calculates a Gross Capture Rate of 13.3% for the subject 85 units.

The Underwriter identifies Gross Demand for 10,102 units, and a Gross Capture Rate of 3.0% for a total Relevant Supply of 304 units (including Atmos Lofts).

HISTA identifies 12,997 senior households in the PMA. The Underwriter includes all senior households in his calculations and identifies a Gross demand of 8,852 units. The Underwriter includes four senior developments whose PMA overlaps the subject PMA. The Underwriter calculates a Gross Capture Rate of 7.0% for a total Relevant Supply of 617 units.

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

UNDERWRITING ANALYSIS of PMA DEMAND by UNIT TYPE : FAMILY								
Unit Type	Market Analyst				Underwriter			
	Demand	Subject Units	Comp Units	Unit Capture Rate	Demand	Subject Units	Comp Units	Unit Capture Rate
1 BR/30%	1301	5	0	0%	1,103	5	6	1%
1 BR/60%	2300	31	32	3%	200	31	65	48%
2 BR/30%	1304	10	0	1%	898	10	0	1%
2 BR/60%	2106	57	42	5%	297	57	52	37%
3 BR/30%	1080	2	0	0%	568	2	0	0%
3 BR/60%	1716	11	32	3%	178	11	32	24%
4 BR/30%	1128	1	0	0%	242	1	0	0%
4 BR/60%	2132	4	0	0%	140	4	0	3%

UNDERWRITING ANALYSIS of PMA DEMAND by UNIT TYPE : SENIORS								
Unit Type	Market Analyst				Underwriter			
	Demand	Subject	Comp	Unit	Demand	Subject	Comp	Unit
1 BR/30%	279	11	0	4%	2,489	11	26	1%
1 BR/60%	120	58	0	48%	933	58	165	24%
2 BR/30%	451	2	0	0%	1,296	2	16	1%
2 BR/60%	176	14	0	8%	1,022	14	128	14%

**Primary Market Occupancy Rates:**

A survey of 9 developments in the Primary Market Area shows an overall vacancy rate of 90%. (p 110)

**Absorption Projections:**

The Market Analyst "conservatively estimate(s) the family portion of the Subject will reach stabilized 95.0 percent occupancy within seven to eight months, or an absorption rate of approximately 15 to 17 units per month. The senior portion of the Subject will reach stabilized 95.0 percent occupancy within eight to nine months, or an absorption rate of approximately nine to ten units per month." (p 73)

**Market Impact:**

"The average vacancy rate among the all of the LIHTC comparables is 9.2 percent and the average vacancy rate among the market rate comparables is 10.6 percent... we do not believe the construction of the Subject will adversely impact the LIHTC comparables." (p 81)

**Comments:**

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

## OPERATING PROFORMA

SUMMARY- AS UNDERWRITTEN (TDHCA's Profoma)					
NOI:	\$609,010	Avg. Rent:	\$524	Expense Ratio:	58.9%
Debt Service:	\$451,750	B/E Rent:	\$563	Controllable Expenses:	\$2,821
Net Cash Flow:	\$157,260	Occupancy:	95.51%	Property Taxes/Unit:	\$0
Aggregate DCR:	1.35:1	B/E Occupancy:	85.38%	Program Rent Year:	2011

Income:      Number of Revisions:                1                Date of Last Applicant Revision:                11/28/2011          

The Applicant indicates that 60% of the units will be covered by a Section 8 HAP contract. The development will have Project Based Section 8. The Applicant's current rent schedule reflects these units with projected rents collected per unit calculated by subtracting tenant-paid utilities (as maintained by the DHA) from the 2011 housing tax credit program rent limits. Family tenants will pay electric utility costs only and the elderly units will be all-bills-paid.

The Applicant indicates, "The Project Based Section 8 subsidy is the difference between the estimated tenant share of rent and the [2011] HUD fair market rent less utility allowance. In the case of the senior building, there are no tenant-paid utilities, and so no utility allowance..."

The Underwriter utilized the lesser of the Market Analyst's market rent conclusion or the rents calculated by subtracting tenant-paid utility allowances from the 2011 program gross rent limits.

Also of note, the Underwriter determined the Project Based Section 8 subsidy based on, the difference between the lesser of the Market Analyst's market rent conclusion or the 2011 gross program 60% rents and the 2011 HUD fair market rent (FMR) less utility allowance. Since The Housing Authority can provide subsidy up to 110% of FMR, there is the ability to absorb any downward adjustments to FMR, mitigating any concerns for this issue.

The remaining 82 units (inclusive of all units affordable at 30% of AMI) will be considered public housing units (PHUs). In order to more accurately estimate income, the Underwriter has set the development's public housing unit rents, based on the average income for public housing tenants, lower than the maximum rents allowed under HTC guidelines. Based on past experience with public housing units (PHUs), the Underwriter has assumed the subsidy will be equal to the PHUs prorated share of expenses less the tenant contribution and that no debt can be serviced by the public housing units. The Underwriter's PHU rents are equal to those estimated by the Applicant and the Underwriter has included additional subsidy in the other income line item to cover the difference between the rents reflected and the operating expense attributed to each public housing unit.

The Applicant's secondary income and vacancy and collection loss assumption of 5% appears to be consistent with current standard TDHCA underwriting guidelines for PHU developments. The Underwriter anticipates that the PHUs will operate at an occupancy level of 100%. Therefore, the Underwriter's estimate of vacancy and collection loss has been changed to reflect a standard rate of 7.5% of potential gross income only for the units that will not operate as Public Housing Units. This change results in a total vacancy and collection loss rate of 4.49% of the development's potential gross income. Despite these differences, the Applicant's estimate of effective gross income is within 5% of the Underwriter's estimate.

Expense:      Number of Revisions:                1                Date of Last Applicant Revision:                11/28/2011



The Applicant's total annual operating expense projection at \$4,208 per unit is within 5% of the Underwriter's estimate of \$4,218, derived from the TDHCA database, and third-party data sources. Of note, repairs & maintenance is 20% lower than the Underwriter's current estimate; however, since this is a new construction development, it is reasonable to assume that the need for extensive repairs and maintenance following construction would be limited. Moreover, the Applicant's estimate is in-line with the TDHCA database, & is therefore considered reasonable.

Also of note, the Underwriter's utility estimate makes adjustments for an all-bills-paid structure for the senior units only. The Underwriter also accounts for additional utility expenses produced by the teen & recreational centers. The Applicant provided actual utility expenses for three of their other similar developments which appear to support the higher utility estimates claimed for the Subject. The Underwriter's adjusted utility estimate is still 36% lower than the Applicant's estimate; however, since the actual operating history appears to be consistent with the higher amount, the Applicant's estimate is assumed to be reasonable.

The Underwriter is assuming the 100% property tax exemption as proposed by the Applicant. This will be achieved through a long-term lease of the property for 75 years by the Applicant from the Dallas Housing Authority.

### ACQUISITION INFORMATION

#### SITE CONTROL

Type: Contract for Lease Acreage: 15.35  
 Contract Expiration: 6/1/2014 Valid Through Board Date?  Yes  No  
 Acquisition Cost: \$100 per year (75 years) Other: This will be a long-term lease  
 Seller: Dallas Housing Authority Related to Development Team?  Yes  No

Comments:

The Applicant will lease the subject property from the Housing Authority of the City of Dallas under a fifty (75) year ground lease at the rate of \$100 per year. The Dallas Housing Authority is an affiliate of the general partner. This lease will allow the Applicant to derive the benefits of a 100% property tax exemption for the operation of this affordable housing development. Neither the Applicant nor the Underwriter has included any acquisition cost in the total development cost .

### DEVELOPMENT COST EVALUATION

*COST SCHEDULE* Number of Revisions: None Date of Last Applicant Revision: N/A  
 Off-Site Cost:  
 Off-Sites  Yes  No Engineer/Architect Cert.  Yes  No  N/A  
 Sitework Cost:  
 Site Work >\$9K/unit  Yes  No Engineer & CPA Cert.  Yes  No  N/A

Comments:

The Applicant claimed sitework costs exceed the Departments maximum guideline of \$9,000 per unit. However, these costs are based on a fixed price contract (described in more detail below). While site work costs of \$17,391 per unit is reasonable given the extensive paving and interior roadway work, the Applicant has not provided the required third party certification of these costs. Receipt, review and acceptance prior to Issuance of Determination Notice of a third party detailed cost estimate certified by an architect or engineer familiar with the sitework costs of the proposed development is required, to be accompanied by a letter 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 cost are based on a fixed price construction contract from Siltek Group, Inc. executed September, 22, 2011. The Subject was previously underwritten in 2010 and the Underwriter utilized Marshall & Swift to estimate the development costs based on a preliminary set of plans and specs. However, as the Applicant's current costs are more fully vetted and based on a contract that has been approved and executed, these costs will be the true actual costs expended by the project and eligible for tax credits. Therefore, the Underwriter has also utilized the construction costs included in the submitted construction contract.

**Contingency & Fees:**

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

**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 \$25,663,270 supports annual tax credits of \$1,1167,679. 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.

**UNDERWRITTEN CAPITALIZATION**

# Applicant Revisions: 1 Last Update: 9/23/2011

Interim Sources	Amount	Rate	Term	LTC
Capital One, N.A.	\$13,750,000	5.12%	24 Months	49%
RBC Capital Markets	\$1,914,000	HTC Equity		7%
DHA - HOPE VI	\$7,346,656	0.05%	N/A	26%
City of Dallas - Section 108	\$2,500,000	4.00%	24 Months	9%
DHA - Capital Fund	\$1,407,358	0.05%	N/A	5%
Supreme Development Corporation	\$1,197,137	Deferred Fee		4%
<b>Total</b>	<b>\$28,115,151</b>			

**Comments:**

Capital One will provide a \$13.75M interim loan fixed at 5.12% interest rate.  
 The Applicant indicates, the \$2.5M City of Dallas funds are "bond proceeds..that will be loaned to DHA and sub-granted to Housing Options, Inc [the bond issuer], which will then loan the funds to the partnership. The funds may be repaid through HOPE VI or equity." Receipt, review & acceptance by issuance of the determination notice of a firm commitment from HOI with terms and rates clearly defined.

Permanent Sources	Amount	Rate	Amort	Term	LTC
Capital One, N.A.	\$6,917,911	5.12%	30	15	25%

DHA - HOPE VI	\$9,250,000	0.05%	0	0	33%
DHA - Capital Fund	\$1,407,358	0.05%	0	0	5%
DHA (Frazier Courts Proceeds)	\$1,000,000	0.05%	0	50	4%
<b>Total</b>	<b>\$18,575,269</b>				

Comments:

Capital One will provide \$6,090,470 in permanent funds with an indicative bank lending rate as of September 16, 2011 fixed at 5.12%. The permanent loan will be amortized over 30 years with a 15-year term.

In early June of 2010, DHA received a commitment of \$22M in HOPE VI funds. \$9,250,000 of that will be loaned to the Subject at an .05% interest rate, payable from available cashflow. The Applicant indicates that the Housing Authority will loan the funds over 50 years at 0.5%, with a single balloon payment at maturity, with the option to forgive.

In order to ensure that the funds are not considered below-market federal funds which would cause a reduction to eligible basis, receipt, review, and acceptance, by Cost Certification, of an attorney or CPA opinion stating that the HOPE VI loan is valid debt with a reasonable expectation that it will be repaid is a condition of this report. Additionally, the opinion must state that the forgiveness provision, if exercised, does not affect basis.

The Dallas Housing Authority plans to loan \$1M from the Frazier Court proceeds and \$1,407,358 from the DHA Capital Fund at the same rate and terms as the HOPE VI funds.

Equity & Deferred Fees	Amount	Rate	% TC	% Def
RBC Capital Markets	\$9,539,882	\$0.88	34%	
<b>Total</b>	<b>\$9,539,882</b>			
<b>Total Sources</b>	<b>\$28,115,151</b>			

Comments:

Any increase in the syndication price (above \$.88) will result in further reduction of the credit recommendation.

## CONCLUSIONS

Recommended Financing Structure:

The Applicant's total development cost estimate less the adjusted permanent loan of \$6917,911, \$9,250,000 in HOPE VI funds, \$1M and \$1.4M DHA loans, indicates the need for \$9,539,882 in gap funds. Based on the submitted syndication terms, a tax credit allocation of \$1,084,186 annually would be required to fill this gap in financing. The three possible tax credit allocations are:

Allocation determined by eligible basis:	\$1,167,679
<b>Allocation determined by gap in financing:</b>	<b>\$1,084,186</b>
Allocation requested by the Applicant:	\$1,087,609

The allocation amount determined by the gap in financing is recommended. A tax credit allocation of \$1,084,186 per year for 10 years results in total equity proceeds of \$9,539,882 at a syndication rate of \$0.88 per tax credit dollar.

The Underwriter's recommended financing structure indicates the no need for additional permanent funds.

Underwriter:	<u>Diamond Unique Thompson</u>
Director of Real Estate Analysis:	<u>Brent Stewart</u>

**UNIT MIX/RENT SCHEDULE**  
*Buckeye Trail Commons, Dallas, 4% HTC/MRB #11404*

LOCATION DATA	
CITY:	Dallas
COUNTY:	Dallas
PROGRAM REGION:	3
RURAL RENT USED:	No
IREM REGION:	Dallas

UNIT DISTRIBUTION		
# Beds	# Units	% Total
Eff		
1	105	50.7%
2	83	40.1%
3	13	6.3%
4	6	2.9%
<b>TOTAL</b>	<b>207</b>	<b>100.0%</b>

Applicable Programs
LIHTC
MRB
Sec 8
PHU

PROFORMA ASSUMPTIONS	
REVENUE GROWTH:	2.00%
EXPENSE GROWTH:	3.00%
HIGH COST ADJUSTMENT:	130%
APPLICABLE FRACTION:	100.00%
APP % - ACQUISITION:	3.50%
APP % - CONSTRUCTION:	3.50%
AVERAGE SF	931

UNIT MIX / MONTHLY RENT SCHEDULE																							
UNIT DESCRIPTION										PROGRAM RENT LIMITS			APPLICANT'S PROFORMA RENTS				TDHCA PROFORMA RENTS				MARKET RENTS		
Type	Gross Rent	MRB Unit Designation	Gross Rent	Other Designation/Subsidy	Gross Rent	# Units	# Beds	# Baths	NRA	Gross Rent	Tenant Pd UA's (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	Market Rent	Rent per NRA	TDHCA Savings to Market
TC 30%	\$388	MRB30%	\$388	PHA ACC	\$190	4	1	1	670	\$190	\$98	\$92	\$0	\$0.14	\$92	\$368	\$368	\$92	\$0.14	\$0	\$640	0.96	\$548
TC 60%	\$777	MRB60%	\$777	PHA ACC	\$190	7	1	1	670	\$190	\$98	\$92	\$0	\$0.14	\$92	\$644	\$644	\$92	\$0.14	\$0	\$640	0.96	\$548
TC 60%	\$777	MRB60%	\$777	PHA Sec 8		10	1	1	670	\$777	\$66	\$711	(\$48)	\$0.99	\$663	\$6,630	\$6,400	\$640	\$0.96	(\$71)	\$640	0.96	\$0
TC 60%	\$777	MRB60%	\$777	PHA Sec 8		4	1	1	676	\$777	\$66	\$711	(\$48)	\$0.98	\$663	\$2,652	\$2,560	\$640	\$0.95	(\$71)	\$640	0.95	\$0
TC 60%	\$777	MRB60%	\$777	PHA Sec 8		3	1	1	677	\$777	\$66	\$711	(\$48)	\$0.98	\$663	\$1,989	\$1,920	\$640	\$0.95	(\$71)	\$640	0.95	\$0
TC 30%	\$388	MRB30%	\$388	PHA ACC	\$190	1	1	1	706	\$190	\$98	\$92	\$0	\$0.13	\$92	\$92	\$92	\$92	\$0.13	\$0	\$640	0.91	\$548
TC 60%	\$777	MRB60%	\$777	PHA ACC	\$190	2	1	1	706	\$190	\$98	\$92	\$0	\$0.13	\$92	\$184	\$184	\$92	\$0.13	\$0	\$640	0.91	\$548
TC 60%	\$777	MRB60%	\$777	PHA Sec 8		1	1	1	706	\$777	\$66	\$711	(\$48)	\$0.94	\$663	\$663	\$640	\$640	\$0.91	(\$71)	\$640	0.91	\$0
TC 60%	\$777	MRB60%	\$777	PHA Sec 8		4	1	1	832	\$777	\$66	\$711	(\$48)	\$0.80	\$663	\$2,652	\$2,680	\$670	\$0.81	(\$41)	\$670	0.81	\$0
TC 30%	\$466	MRB30%	\$466	PHA ACC	\$220	8	2	2	1,100	\$220	\$115	\$105	\$0	\$0.10	\$105	\$840	\$840	\$105	\$0.10	\$0	\$850	0.77	\$745
TC 60%	\$933	MRB60%	\$933	PHA ACC	\$220	13	2	2	1,100	\$220	\$115	\$105	\$0	\$0.10	\$105	\$1,365	\$1,365	\$105	\$0.10	\$0	\$850	0.77	\$745
TC 60%	\$933	MRB60%	\$933	PHA Sec 8		6	2	2	1,100	\$933	\$85	\$848	(\$65)	\$0.71	\$783	\$4,698	\$5,088	\$848	\$0.77	\$0	\$850	0.77	\$2
TC 60%	\$933	MRB60%	\$933	PHA Sec 8		25	2	2	1,107	\$933	\$85	\$848	(\$65)	\$0.71	\$783	\$19,575	\$21,200	\$848	\$0.77	\$0	\$850	0.77	\$2
TC 30%	\$466	MRB30%	\$466	PHA ACC	\$220	2	2	2	1,230	\$220	\$115	\$105	\$0	\$0.09	\$105	\$210	\$210	\$105	\$0.09	\$0	\$875	0.71	\$770
TC 60%	\$933	MRB60%	\$933	PHA ACC	\$220	4	2	2	1,230	\$220	\$115	\$105	\$0	\$0.09	\$105	\$420	\$420	\$105	\$0.09	\$0	\$875	0.71	\$770
TC 60%	\$933	MRB60%	\$933	PHA Sec 8		1	2	2	1,230	\$933	\$85	\$848	(\$65)	\$0.64	\$783	\$783	\$848	\$848	\$0.69	\$0	\$875	0.71	\$27
TC 60%	\$933	MRB60%	\$933	PHA Sec 8		8	2	2	1,240	\$933	\$85	\$848	(\$65)	\$0.63	\$783	\$6,264	\$6,784	\$848	\$0.68	\$0	\$875	0.71	\$27
TC 30%	\$539	MRB30%	\$539	PHA ACC	\$248	1	3	2	1,436	\$248	\$132	\$116	\$0	\$0.08	\$116	\$116	\$116	\$116	\$0.08	\$0	\$1,065	0.74	\$949
TC 30%	\$539	MRB30%	\$539	PHA ACC	\$248	1	3	2	1,447	\$248	\$132	\$116	\$0	\$0.08	\$116	\$116	\$116	\$116	\$0.08	\$0	\$1,065	0.74	\$949
TC 60%	\$1,078	MRB60%	\$1,078	PHA ACC	\$248	3	3	2	1,447	\$248	\$132	\$116	\$0	\$0.08	\$116	\$348	\$348	\$116	\$0.08	\$0	\$1,065	0.74	\$949
TC 60%	\$1,078	MRB60%	\$1,078	PHA Sec 8		8	3	2	1,447	\$1,078	\$100	\$978	\$0	\$0.68	\$978	\$7,824	\$7,824	\$978	\$0.68	\$0	\$1,065	0.74	\$87
TC 30%	\$601	MRB30%	\$601	PHA ACC	\$307	1	4	2	1,615	\$307	\$180	\$127	\$0	\$0.08	\$127	\$127	\$127	\$127	\$0.08	\$0	\$1,150	0.71	\$1,023
TC 60%	\$1,203	MRB60%	\$1,203	PHA ACC	\$307	1	4	2	1,615	\$307	\$180	\$127	\$0	\$0.08	\$127	\$127	\$127	\$127	\$0.08	\$0	\$1,150	0.71	\$1,023
TC 60%	\$1,203	MRB60%	\$1,203	PHA Sec 8		3	4	2	1,615	\$1,203	\$121	\$1,082	\$0	\$0.67	\$1,082	\$3,246	\$3,246	\$1,082	\$0.67	\$0	\$1,150	0.71	\$68
TC 30%	\$388	MRB30%	\$388	PHA ACC	\$92	11	1	1	655	\$92	\$0	\$92	\$98	\$0.29	\$190	\$2,090	\$1,012	\$92	\$0.14	\$0	\$780	1.19	\$688
TC 60%	\$777	MRB60%	\$777	PHA ACC	\$92	7	1	1	655	\$92	\$0	\$92	\$98	\$0.29	\$190	\$1,330	\$644	\$92	\$0.14	\$0	\$780	1.19	\$688
TC 60%	\$777	MRB60%	\$777	PHA Sec 8		41	1	1	655	\$777	\$0	\$777	(\$58)	\$1.10	\$719	\$29,479	\$31,857	\$777	\$1.19	\$0	\$780	1.19	\$3
TC 60%	\$777	MRB60%	\$777	PHA ACC	\$92	8	1	1	668	\$92	\$0	\$92	\$98	\$0.28	\$190	\$1,520	\$736	\$92	\$0.14	\$0	\$780	1.17	\$688
TC 60%	\$777	MRB60%	\$777	PHA ACC	\$92	2	1	1	811	\$92	\$0	\$92	\$98	\$0.23	\$190	\$380	\$184	\$92	\$0.11	\$0	\$810	1.00	\$718
TC 30%	\$466	MRB30%	\$466	PHA ACC	\$105	2	2	2	1,100	\$105	\$0	\$105	\$123	\$0.21	\$228	\$456	\$210	\$105	\$0.10	\$0	\$965	0.88	\$860
TC 60%	\$933	MRB60%	\$933	PHA ACC	\$105	4	2	2	1,100	\$105	\$0	\$105	\$123	\$0.21	\$228	\$912	\$420	\$105	\$0.10	\$0	\$965	0.88	\$860
TC 60%	\$933	MRB60%	\$933	PHA Sec 8		2	2	2	1,100	\$933	\$0	\$933	(\$65)	\$0.79	\$868	\$1,736	\$1,866	\$933	\$0.85	\$0	\$965	0.88	\$32
TC 60%	\$933	MRB60%	\$933	PHA Sec 8		8	2	2	1,115	\$933	\$0	\$933	(\$65)	\$0.78	\$868	\$6,944	\$7,464	\$933	\$0.84	\$0	\$965	0.87	\$32
<b>TOTALS/AVERAGES:</b>						207			192,725				(\$15)	\$0.55	\$516	\$106,780	\$108,540	\$524	\$0.57	(\$7)	\$823	\$0.88	\$298
<b>ANNUAL POTENTIAL GROSS RENT:</b>																\$1,281,360	\$1,302,480						

**STABILIZED PROFORMA**

*Buckeye Trail Commons, Dallas, 4% HTC/MRB #11404*

STABILIZED FIRST YEAR PROFORMA													
	COMPARABLES		APPLICANT				TDHCA			VARIANCE			
	Database	Other	% EGI	Per SF	Per Unit	Amount	Amount	Per Unit	Per SF	% EGI	%	\$	
<b>POTENTIAL GROSS RENT</b>		\$0		\$0.55	\$516	\$1,281,360	\$1,302,480	\$524	\$0.56		1.6%	\$21,120	
PHA ACC Operating Subsidy (82 units)		\$0			\$83.18	\$206,628	\$204,623	\$82.38			-1.0%	(2,005)	
Project Based Section 8 (124 units)		\$0			\$3.95	\$9,816	\$22,404	\$9.02			56.2%	12,588	
late fees and repair charges		\$0			\$9.22	\$22,896	\$22,896	\$9.22			0.0%	-	
<b>POTENTIAL GROSS INCOME</b>		\$0				\$1,520,700	\$1,552,403				2.0%	\$31,703	
Vacancy & Collection Loss		\$0			5.0% PGI	(76,035)	(69,746)	4.5% PGI			-9.0%	6,289	
Non-Rental Units/Concessions		\$0				-	-				0.0%	-	
<b>EFFECTIVE GROSS INCOME</b>		\$0				\$1,444,665	\$1,482,657				2.6%	\$37,992	
General & Administrative	\$74,719	\$361/Unit	-	3.14%	\$0.24	\$219	\$45,320	\$74,719	\$361	\$0.39	5.04%	-39.3%	(29,399)
Management	\$69,539	4.7% EGI	-	4.92%	\$0.37	\$343	\$71,027	\$74,133	\$358	\$0.38	5.00%	-4.2%	(3,106)
Payroll & Payroll Tax	\$215,722	\$1,042/Unit	-	15.09%	\$1.13	\$1,053	\$217,948	\$215,722	\$1,042	\$1.12	14.55%	1.0%	2,226
Repairs & Maintenance	\$121,495	\$587/Unit	-	6.76%	\$0.51	\$472	\$97,644	\$121,495	\$587	\$0.63	8.19%	-19.6%	(23,851)
Utilities	\$75,489	\$365/Unit	-	16.17%	\$1.21	\$1,128	\$233,590	\$171,948	\$831	\$0.89	11.60%	35.8%	61,642
Water, Sewer, & Trash	\$112,753	\$545/Unit	-	5.47%	\$0.41	\$382	\$79,000	\$95,752	\$0.50		6.46%	-17.5%	(16,752)
Property Insurance	\$44,429	\$0.23 /sf	-	3.56%	\$0.27	\$249	\$51,500	\$44,429	\$215	\$0.23	3.00%	15.9%	7,071
Property Tax 2.6581	\$145,657	\$704/Unit	-	0.00%	\$0.00	\$0	\$0	\$0	\$0.00		0.00%	0.0%	-
Reserve for Replacements	\$58,066	\$281/Unit	-	3.55%	\$0.27	\$248	\$51,336	\$51,750	\$250	\$0.27	3.49%	-0.8%	(414)
TDHCA Compliance Fees			-	0.57%	\$0.04	\$40	\$8,240	\$8,240	\$40	\$0.04	0.56%	0.0%	-
Leasing expens; 3rd party compliance review			-	1.07%	\$0.08	\$75	\$15,460	\$15,460	\$75	\$0.08	1.04%	0.0%	-
<b>TOTAL EXPENSES</b>		\$-		60.30%	\$4.52	\$4,208	\$ 871,065	\$ 873,647	\$4,221	\$4.53	58.92%	-0.3%	\$ (2,582)
<b>NET OPERATING INCOME ("NOI")</b>		\$-		39.70%	\$2.98	\$2,771	\$573,600	\$609,010	\$2,942	\$3.16	41.08%	-5.8%	(\$35,410)
<b>CONTROLLABLE EXPENSES</b>		\$2,899/Unit	\$/Unit			\$3,254/Unit			\$2,821/Unit				

LONG TERM OPERATING PROFORMA												
	YEAR 1	YEAR 2	YEAR 3	YEAR 4	YEAR 5	YEAR 10	YEAR 15	YEAR 20	YEAR 25	YEAR 30	YEAR 35	YEAR 40
POTENTIAL GROSS RENT	\$1,302,480	\$1,328,530	\$1,355,100	\$1,382,202	\$1,409,846	\$1,556,584	\$1,718,595	\$1,752,967	\$1,788,026	\$1,823,786	\$1,860,262	\$1,897,467
PHA ACC Operating Subsidy (82 units)	\$204,623	\$211,524	\$218,648	\$226,001	\$233,590	\$275,351	\$317,527	\$323,878	\$330,355	\$336,962	\$343,701	\$381,435
Project Based Section 8 (124 units)	22,404	22,852	23,309	23,775	24,251	\$26,775	\$29,562	30,153	30,756	31,371	31,998	32,638
late fees and repair charges	22,896	23,354	23,821	24,297	24,783	\$27,363	\$30,211	30,815	31,431	32,060	32,701	33,355
Underwriter's Total Secondary Income	0	0	0	0	0	\$0	\$0	0	0	0	0	0
<b>POTENTIAL GROSS INCOME</b>	<b>1,552,403</b>	<b>1,586,260</b>	<b>1,620,878</b>	<b>1,656,276</b>	<b>1,692,470</b>	<b>1,886,073</b>	<b>2,095,894</b>	<b>2,137,812</b>	<b>2,180,568</b>	<b>2,224,180</b>	<b>2,268,663</b>	<b>2,344,896</b>
Vacancy & Collection Loss	(69,746)	(71,267)	(72,822)	(74,412)	(76,039)	(84,737)	(94,163)	(96,047)	(97,968)	(99,927)	(101,925)	(105,350)
Non-Rental Units/Concessions	0	0	0	0	0	\$0	\$0	0	0	0	0	0
<b>EFFECTIVE GROSS INCOME</b>	<b>\$1,482,657</b>	<b>\$1,514,993</b>	<b>\$1,548,056</b>	<b>\$1,581,864</b>	<b>\$1,616,432</b>	<b>\$1,801,336</b>	<b>\$2,001,731</b>	<b>\$2,239,546</b>	<b>\$2,498,603</b>	<b>\$2,788,758</b>	<b>\$3,113,908</b>	<b>\$3,478,456</b>
LESS: TOTAL EXPENSES	873,647	899,249	925,607	952,744	980,682	1,133,251	1,309,423	1,513,930	1,750,178	2,023,545	2,339,892	2,706,006
<b>NET OPERATING INCOME</b>	<b>\$609,010</b>	<b>\$615,744</b>	<b>\$622,449</b>	<b>\$629,120</b>	<b>\$635,750</b>	<b>\$668,085</b>	<b>\$692,307</b>	<b>\$725,615</b>	<b>\$748,425</b>	<b>\$765,213</b>	<b>\$774,015</b>	<b>\$772,450</b>
LESS: DEBT SERVICE	451,750	451,750	451,750	451,750	451,750	451,750	451,750	451,750	451,750	451,750	451,750	451,750
<b>NET CASH FLOW</b>	<b>\$157,260</b>	<b>\$163,993</b>	<b>\$170,699</b>	<b>\$177,369</b>	<b>\$184,000</b>	<b>\$216,335</b>	<b>\$240,557</b>	<b>\$273,865</b>	<b>\$296,675</b>	<b>\$313,463</b>	<b>\$322,265</b>	<b>\$320,700</b>
<b>CUMULATIVE NET CASH FLOW</b>	<b>\$157,260</b>	<b>\$321,254</b>	<b>\$491,952</b>	<b>\$669,322</b>	<b>\$853,322</b>	<b>\$1,840,803</b>	<b>\$2,973,381</b>	<b>\$4,223,637</b>	<b>\$5,616,488</b>	<b>\$7,098,553</b>	<b>\$8,632,790</b>	<b>\$10,170,932</b>
<b>DEFERRED DEVELOPER FEE BALANCE</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>
<b>DCR ON UNDERWRITTEN DEBT (Must-Pay)</b>	<b>1.35</b>	<b>1.36</b>	<b>1.38</b>	<b>1.39</b>	<b>1.41</b>	<b>1.48</b>	<b>1.53</b>	<b>1.61</b>	<b>1.66</b>	<b>1.69</b>	<b>1.71</b>	<b>1.71</b>
<b>EXPENSE/EGI RATIO</b>	<b>58.92%</b>	<b>59.36%</b>	<b>59.79%</b>	<b>60.23%</b>	<b>60.67%</b>	<b>62.91%</b>	<b>65.41%</b>	<b>67.60%</b>	<b>70.05%</b>	<b>72.56%</b>	<b>75.14%</b>	<b>77.79%</b>

**CAPITALIZATION / TOTAL DEVELOPMENT BUDGET / ITEMIZED BASIS**

*Buckeye Trail Commons, Dallas, 4% HTC/MRB #11404*

**DEBT / GRANT SOURCES**

	APPLICANT'S PROPOSED DEBT/GRANT STRUCTURE																AS UNDERWRITTEN DEBT/GRANT STRUCTURE					
	Cumulative DCR		Pmt	Rate	Amort	Term	Principal	Prior Underwriting		Principal	Term	Amort	Rate	Pmt	Cumulative							
	As UW	App						Applicant	TDHCA						DCR	LTC						
<b>DEBT (Must Pay)</b>																						
Capital One, N.A.	1.36	1.28	\$447,483	5.12%	30	15	\$6,776,000	\$6,090,470	\$6,090,470	\$6,917,911	15	30	5.12%	\$451,750	1.35	24.6%						
<b>CASH FLOW DEBT / GRANTS</b>																						
DHA - HOPE VI	1.36	1.28		0.05%	0	50	\$9,250,000	\$11,133,326	\$11,133,326	\$9,250,000	50	0	0.05%		1.35	32.9%						
DHA - Capital Fund	1.36	1.28		0.05%	0	50	\$1,407,358	\$2,500,000	\$2,500,000	\$1,407,358	50	0	0.05%		1.35	5.0%						
DHA (Frazier Courts Proceeds)	1.36	1.28		0.05%	0	50	\$1,000,000	\$1,000,000	\$1,000,000	\$1,000,000	50	0	0.05%		1.35	3.6%						
<b>TOTAL DEBT / GRANT SOURCES</b>			\$447,483				\$18,433,358			\$18,575,269				\$451,750		66.1%						
<b>NET CASH FLOW</b>			\$126,117											\$157,260								

**EQUITY SOURCES**

	APPLICANT'S PROPOSED EQUITY STRUCTURE						AS UNDERWRITTEN EQUITY STRUCTURE							
	DESCRIPTION	% Cost	Annual Credit	Credit Rate	Amount	Prior Underwriting		Amount	Credit Rate	Annual Credit	% Cost	Per Unit Credit Developer Fee Summary		
						Applicant	TDHCA					Total Developer Fee	15-Year Cash Flow	
<b>EQUITY / DEFERRED FEES</b>														
RBC Capital Markets	LIHTC Equity	34.0%	\$1,087,609	0.88	\$9,570,000	\$8,311,702	\$8,311,702	\$9,539,882	0.88	\$1,084,186	33.9%	Annual Credit per Unit:	\$46,086	
Supreme Development Corporation	Deferred Developer Fees	0.4%	(4% Deferred)		\$111,793	\$581,868	\$581,868		(0% Deferred)		0.0%	Total Developer Fee:	\$2,700,846	
Additional (Excess) Funds Req'd		0.0%			\$0		(\$1,108,577)	\$0			0.0%	15-Year Cash Flow:	\$2,973,381	
<b>TOTAL EQUITY SOURCES</b>		34.4%			\$9,681,793			\$9,539,882			33.9%	15-Yr Cash Flow after Fee:	\$2,973,381	
<b>TOTAL CAPITALIZATION</b>						\$28,115,151		\$28,115,151						

**DEVELOPMENT COST / ITEMIZED BASIS**

	APPLICANT COST / BASIS ITEMS												TDHCA COST / BASIS ITEMS						COST VARIANCE	
	Eligible Basis		Total Costs	Prior Underwriting		Total Costs	Eligible Basis		%	\$										
	Acquisition	New Const. Rehab		Applicant	TDHCA		New Const. Rehab	Acquisition												
Land Acquisition			\$ / Unit	\$0	\$0	\$0	\$ / Unit		0.0%	\$0										
Building Acquisition	\$0		\$ / Unit	\$0	\$0	\$0	\$ / Unit	\$0	0.0%	\$0										
Off-Sites			\$ / Unit	\$0		\$0	\$ / Unit		0.0%	\$0										
Sitework	\$3,600,000		\$17,391 / Unit	\$3,600,000	\$2,802,500	\$2,802,500	\$3,600,000	\$17,391 / Unit	\$3,600,000	0.0%	\$0									
Direct Construction	\$14,246,512		\$73.92 /sf	\$68,824/Unit	\$14,246,512	\$16,433,696	\$15,531,618	\$14,246,512	\$68,824/Unit	\$73.92 /sf	\$14,246,512	0.0%	\$0							
Contingency	\$892,326		5.00%	\$892,326	\$0	\$0	\$892,326	5.00%	\$892,326	0.0%	\$0									
Contractor's Fees	\$2,011,416		10.73%	\$2,011,416	\$2,665,068	\$2,566,777	\$2,011,416	10.73%	\$2,011,416	0.0%	\$0									
Indirect Construction	\$1,468,420		\$7,094 / Unit	\$1,468,420	\$1,468,420	\$1,468,420	\$1,468,420	\$7,094 / Unit	\$1,468,420	0.0%	\$0									
Ineligible Costs			\$8,566 / Unit	\$1,773,119	\$1,293,852	\$1,293,852	\$1,773,119	\$8,566 / Unit		0.0%	\$0									
Developer's Fees	\$0	\$2,700,846	11.76%	\$2,700,846	\$3,100,565	\$3,100,565	\$2,700,846	11.76%	\$2,700,846	\$0	0.0%	\$0								
Interim Financing		\$743,750	\$3,593 / Unit	\$743,750	\$1,174,503	\$1,174,503	\$743,750	\$3,593 / Unit	\$743,750	0.0%	\$0									
Reserves			\$3,279 / Unit	\$678,762	\$678,762	\$570,554	\$587,907	\$2,840 / Unit		-15.5%	(\$90,855)									
<b>UNADJUSTED BASIS / COST</b>	<b>\$0</b>	<b>\$25,663,270</b>		<b>\$135,822 / Unit</b>	<b>\$28,115,151</b>	<b>\$29,617,366</b>	<b>\$28,508,789</b>	<b>\$28,024,296</b>	<b>\$135,383 / Unit</b>	<b>\$25,663,270</b>	<b>\$0</b>	<b>-0.3%</b>	<b>(\$90,855)</b>							
<b>Acquisition Cost for Identity of Interest Seller</b>					\$0															
Developer's Fee	\$0	\$0																		
Contractor's Fee		\$0																		
Contingency		\$0																		
<b>ADJUSTED BASIS / COST</b>	<b>\$0</b>	<b>\$25,663,270</b>		<b>\$135,822 / Unit</b>	<b>\$28,115,151</b>			<b>\$28,024,296</b>		<b>\$25,663,270</b>	<b>\$0</b>									
<b>TOTAL UNDERWRITTEN COSTS (Applicant's Uses are within 5% of TDHCA Estimate):</b>													<b>\$28,115,151</b>							

**Buckeye Trail Commons, Dallas, 4% HTC/MRB #11404**

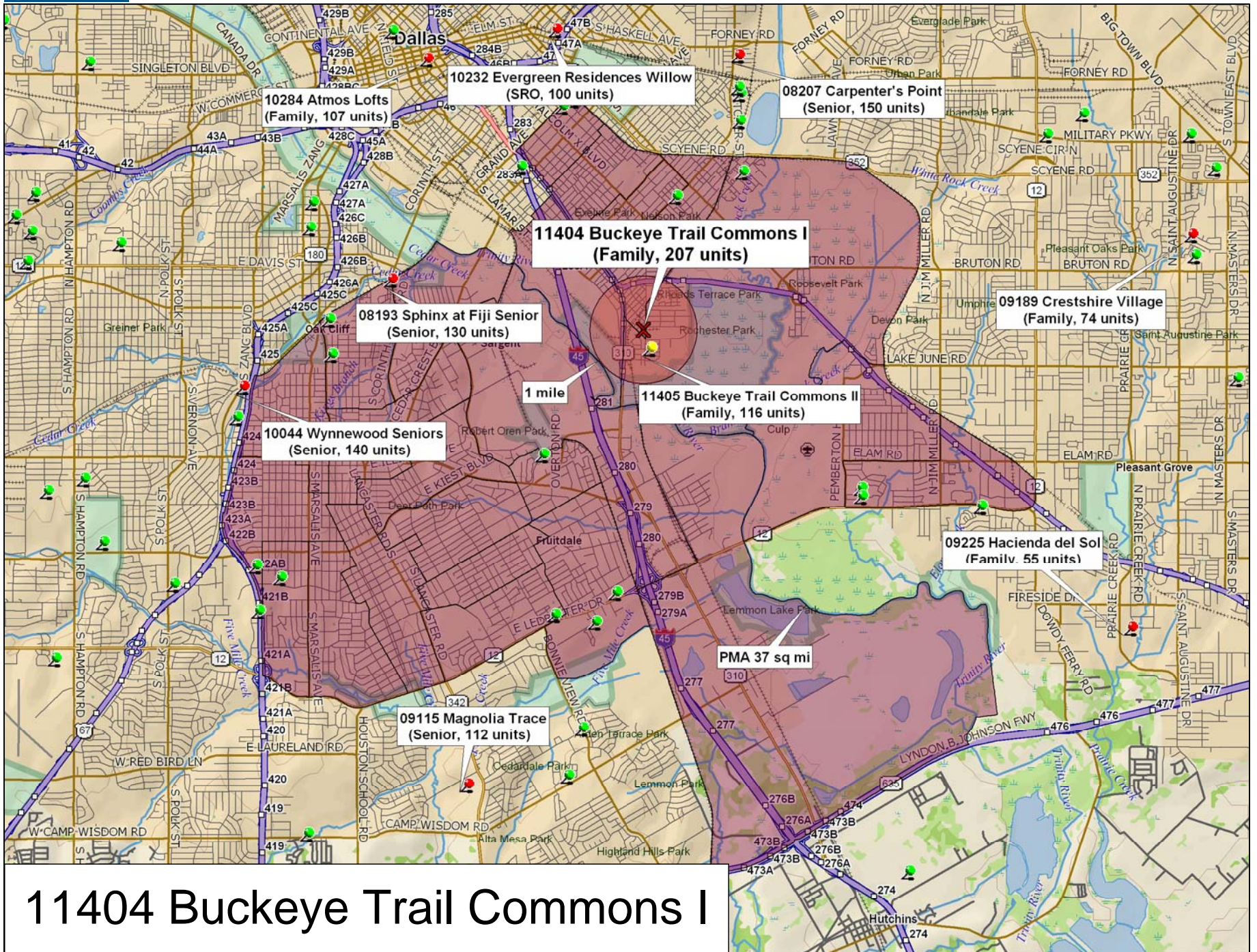
Eligible Basis Gap	CREDIT CALCULATION ON QUALIFIED BASIS			
<b>ADJUSTED BASIS</b>	\$0	\$25,663,270	\$0	\$25,663,270
Deduction for Other Federal Funds	\$0	\$0	\$0	\$0
<b>TOTAL ELIGIBLE BASIS</b>	\$0	\$25,663,270	\$0	\$25,663,270
		130%		130%
<b>TOTAL ADJUSTED BASIS</b>	\$0	\$33,362,250	\$0	\$33,362,250
	100.00%	100.00%	100.00%	100.00%
<b>TOTAL QUALIFIED BASIS</b>	\$0	\$33,362,250	\$0	\$33,362,250
	3.50%	3.50%	3.50%	3.50%
	\$0	\$1,167,679	\$0	\$1,167,679
	\$1,167,679		\$1,167,679	

Method	Annual Credits	Proceeds
	\$1,167,679	\$10,274,543
	\$1,084,186	\$9,539,882
Request	\$1,087,609	\$9,570,003

Method	Gap
Credits	\$1,084,186
Underwritten Proceeds	\$9,539,882

	TOTAL HARD COST COMPARISON					
	APPLICANT			TDHCA		
	Per SF	Per Unit	Total	Total	Per Unit	Per SF
Hard Costs (Direct, Site-work, Off-Sites & Contingency)	\$97.23	\$90,526	\$18,738,838	\$18,738,838	\$90,526	\$97.23
Applicant's Cost/SF Point Election						
Hard Costs plus Contractor Fees	\$107.67	\$100,243	\$20,750,254	\$20,750,254	\$100,243	\$107.67

DIRECT CONSTRUCTION COST ESTIMATE				
CATEGORY	FACTOR	UNITS/SF	PER SF	AMOUNT
Base Cost:	Multiple Residence Basis		\$80.92	15,594,620
Adjustments				
Exterior Wall Finish	4.00%		3.24	\$623,785
Elderly	0.99%		0.80	153,736
9-Ft. Ceilings	3.50%		2.83	545,812
Roofing			0.00	0
Subfloor			(0.60)	(115,841)
Floor Cover			5.12	985,981
Breezeways	\$0.00	0	0.00	0
Balconies	\$0.00	0	0.00	0
Plumbing Fixtures	\$890	204	0.94	181,560
Rough-ins	\$440	207	0.47	91,080
Built-In Appliances	\$1,625	207	1.75	336,375
Exterior Stairs	\$2,025	0	0.00	0
Heating/Cooling			1.95	375,814
Enclosed Corridors	\$68.05	16810	5.94	1,143,861
Carports	\$9.70	0	0.00	0
Garages	\$30.00	0	0.00	0
Teen Center	\$70.13	5,000	1.82	350,625
Comm &/or Aux Bldgs	\$66.00	8,000	2.74	528,000
Other: Elevators	\$91,600	3	1.43	274,800
Other: fire sprinkler	\$2.20	192,725	2.20	423,995
<b>SUBTOTAL</b>			<b>111.53</b>	<b>21,494,202</b>
Current Cost Multiplier	0.98		-2.23	(429,884)
Local Multiplier	0.89		-12.27	(2,364,362)
<b>TOTAL DIRECT CONSTRUCTION COSTS</b>			<b>97.03</b>	<b>\$18,699,955</b>
Plans, specs, survey, bldg permits	3.90%		-3.78	(\$729,298)
Interim Construction Interest			0.00	0
Contractor's OH & Profit	11.50%		-11.16	(2,150,495)
<b>NET DIRECT CONSTRUCTION COSTS</b>			<b>82.09</b>	<b>\$15,820,162</b>



# 11404 Buckeye Trail Commons I

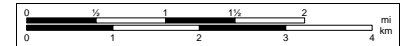
Data use subject to license.

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Scale 1 : 87,500



1" = 1.38 mi

Data Zoom 11-2



# Applicant Evaluation

Project ID **11404**

Name **Buckeye Trail Commons**

City: **Dallas**

HTC 9%    
 HTC 4%    
 HOME    
 BOND    
 HTF    
 NSP    
 ESGP    
 Other   
 No Previous Participation in Texas     
  Members of the development team have been disbarred by HUD

Compliance and Asset Oversight			
Total # of MF awards monitored:	14	<b>Projects in Material Noncompliance</b>	
Total # of MF awards not yet monitored or pending review:	0	Yes <input type="checkbox"/> No <input checked="" type="checkbox"/>	Projects grouped by score 0-9: <u>9</u> 10-19: <u>4</u> 20-29: <u>1</u>
SF Contract Experience <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No		Unresolved Audit Findings Identified w/ Contract(s) <input type="checkbox"/>	
Total # of SF Contracts:	0	Total # of MF Projects in Material Noncompliance: <u>0</u>	Total monitored with a score 0-29: <u>14</u>
Completed by: <u>J. Taylor</u>		Reviewer: <u>Patricia Murphy</u>	
Date: <u>10/13/2011</u>		Date: <u>10/26/2011</u>	

**Single Audit**

Single audit review not applicable     
  Late single audit certification form (see comments)  
 Single audit requirements current     
  Past due single audit or unresolved single audit issue (see comments)

Reviewer: Betty Gallegos      Date: 10/14/2011

Comments (if applicable):

**Financial Administration  
Loan Servicing**

No delinquencies found     
  Delinquencies found (see comments)

Reviewer: Candace Christiansen      Date: 10/14/2011

Comments (if applicable):

**Financial Administration  
Financial Services**

No delinquencies found     
  Delinquencies found (See Comments)

Reviewer: Monica Guerra      Date: 10/20/2011

Comments (if applicable):

10 b iv.

**MULTIFAMILY FINANCE DIVISION  
BOARD ACTION REQUEST  
December 15, 2011**

Presentation, Discussion, and Possible Action on a Determination Notice for Housing Tax Credits with another Issuer.

**RECOMMENDED ACTION**

Approve the Issuance of a Determination Notice associated with Mortgage Revenue Bond Transactions with Other Issuers for Buckeye Trail Commons II, #11405.

**WHEREAS**, a Housing Tax Credit application for Buckeye Trail Commons II was submitted to the Department on September 9, 2011; and

**WHEREAS**, the issuer of the bonds for Buckeye Trail Commons II is Housing Options, Inc.; and

**WHEREAS**, the reservation of allocation expires on February 9, 2012; and

**WHEREAS**, Buckeye Trail Commons (Phase I) of the application was submitted previously in 2009 and subsequently awarded an allocation of 4% Housing Tax Credits in July of 2010; however was unable to close on the bond portion of the transaction due to a lengthy approval process with the City of Dallas regarding a Planned Development District designation, which would allow for increased development flexibility without the need for zoning waivers; and

**WHEREAS**, pursuant to §49.4(c)(11)(B) of the 2011 QAP the development is considered ineligible due to the proximity to an active railroad; which was not applicable at the time of the original submission in 2009 since these were considered negative site features and not ineligibility criteria; and

**WHEREAS**, the Applicant is requesting a waiver of the ineligibility item stated above and further described herein; and

**WHEREAS**, the previous participation review revealed the Dallas Housing Authority has long-standing issues of noncompliance for failure to provide social services on associated properties that has not been corrected but these items may be addressed by amendments on the Consent Agenda; and

**WHEREAS**, the Executive Award and Review Advisory Committee recommends the issuance of the Determination Notice conditioned upon the approval of the said requested waiver; and,

**WHEREAS**, the resolution of all outstanding noncompliance on existing Dallas Housing Authority developments prior to the bond closing or the award and any Determination Notice will be invalid; therefore,

It is hereby,

**RESOLVED**, that the issuance of a Determination Notice of \$576,007 in Housing Tax Credits for Buckeye Trail Commons II is hereby approved in the form presented to this meeting.

### **BACKGROUND**

*Background and General Information:* The application was received on September 7, 2011. The Issuer for this transaction is Housing Options, Inc. with a reservation of allocation that expires on February 9, 2012. The development is New Construction and will consist of 116 total units serving the general population. This transaction is a Priority 2 and ninety one percent (91%) of the units are proposed to be restricted at 60% Area Median Family Income (AMFI) and nine (9%) of the units are market rate units and will therefore not be rent restricted. The proposed development will be located in Dallas, Dallas County and the site is currently zoned for this type of development.

It should be noted that Phase I of this application, Buckeye Trail Commons, was originally submitted in 2009 and was awarded an allocation of 4% Housing Tax Credits in July of 2010; however they were unable to close on the bond portion of the transaction due to a lengthy approval process with the City of Dallas regarding a Planned Development District designation, which would allow for increased development flexibility without the need for zoning waivers. The City of Dallas has since approved such designation allowing for the Applicant to move forward and seek a new allocation of housing tax credits. However, §49.4(c)(11)(B) of the 2011 QAP renders the development ineligible due to its proximity to an active railroad. The application was awarded HOPE VI funds in 2009 based upon the rules in effect at that time which allowed for developments to be located adjacent or within 300 feet of a railroad track; these were not considered ineligible items but rather negative site features whereby points were deducted which primarily affected Competitive HTC applications. The buildings in this phase are proposed to be located between 200 feet to 110 feet from said railroad. A noise study was completed and the recommendations of such study will be followed to mitigate any noise from the railroad. Based on this the Applicant is requesting the above referenced QAP requirement be waived.

*Organizational structure and Compliance:* The Borrower is Bexar Parc, L. P. and the General Partner is Bon Ton Parc, Inc. The Compliance Status Summary completed on

October 17, 2011 reveals that the principals of the general partner have received 14 multifamily awards that have been monitored with no material noncompliance. However, staff notes the proposed supportive services provider and property management, the Dallas Housing Authority, has long-standing issues of noncompliance on associated properties that have not been corrected. Several of the affiliated properties are in noncompliance for failure to provide social services. The Dallas Housing Authority has requested a Material Amendment to the Land Use Restriction Agreements to be considered on December 15, 2011. If approved, the Housing Authority has represented and ability to correct the existing noncompliance

*Census Demographics:* The development is to be located at 6717 Bexar Street in Dallas. Demographics for the census tract (0115.00) include AMFI of \$13,760; the total population is 4,956; the percent of population that is minority is 99.19%; the percent of population that is below the poverty line is 62.19%; the number of owner occupied units is 204; the number of renter units is 1,267 and the number of vacant units is 124. (Census information from FFIEC Geocoding for 2011).

*Public Comment:* The Department has not received any letters of support or opposition for this Development.

**Request for Waiver of §49.4(c)(11)(B)  
Regarding Proximity to Active Railroad Tracks**

Buckeye Trail Commons II, LP, the owner of Buckeye Trail Commons II, requests a waiver of §49.4(c)(11)(B) of the 2011 Qualified Allocation Plan (“QAP”) which provides that sites for Housing Tax Credit developments located within 300 feet of an active railroad track are considered ineligible unless the city has adopted a Railroad Quiet Zone or the railroad in question is commuter or light rail. The site is located within 300 feet of an active railroad track.

Buckeye Trail Commons II will be constructed on a portion of the former Turner Courts public housing development. Turner Courts was constructed in 1952 by the Dallas Housing Authority (“DHA”) to provide affordable housing for low-income families. In 2009, after receiving approval from the U. S. Department of Housing and Urban Development (HUD), DHA relocated the then current families from Turner Courts, and demolished all 294 public housing units on the site in anticipation of redevelopment. DHA also demolished 394 public housing units at Rhoads Terrace, located approximately a quarter mile from the Turner (Buckeye Trail) site. Many of the former residents of Turner Courts and Rhoads Terrace have expressed a desire to return to their South Dallas neighborhood upon completion of construction. DHA anticipates redeveloping the Rhoads Terrace site as affordable and market rate homeownership.

In 2009 DHA submitted an application to HUD for \$22,000,000 in HOPE VI funding to redevelop the Turner (Buckeye Trail) site. This application was awarded and funded in full. At the time of the HOPE VI application submission, the 2009 QAP permitted the development of housing sites within 300 feet of a railroad track. An award of the Housing Tax Credits was anticipated as leverage of the HOPE VI funds complete the \$68 million redevelopment project.

The redevelopment Buckeye Trail Commons II meets HUD’s site and neighborhood standards for the development of public housing. Additionally, a recent market study found that the location of the railroad tracks near the site did not have a detrimental influence on the site.

DHA commissioned a noise study and per the recommendations of the study has included measures to mitigate the noise from the railroad. The Owner intends to construct a fence between the housing development and the railroad tracks. Additionally, the development will include the installation of 5/8” to 15/16” glass in windows facing the tracks and 7/8” glass in the patio doors.

Additional insulation will include R38 blown-in insulation in the attics, 5/8' sheetrock on the ceiling and double sheetrock on the walls per the recommendations of the study. To further mitigate the noise, the roofs will be composition shingles on ½" plywood.

These measures will be taken to continue to provide affordable, safe, and decent housing on a site that provided affordable housing for almost 60 years. The new housing will enable the families who formerly called this South Dallas neighborhood "home" to return while providing housing of choice for other families who need affordable housing.

Therefore, Buckeye Trail Commons II, LP respectfully requests a waiver of §49.4(c)(11)(B) and the ability for the Owner to proceed with its application.



**MULTIFAMILY FINANCE PRODUCTION DIVISION**  
**December 15, 2011**  
**Development Information, Public Input and Board Summary**  
**Buckeye Trail Commons II, TDHCA Number 11405**

**BASIC DEVELOPMENT INFORMATION**

Site Address: 6717 Bexar Street Development #: 11405  
 City: Dallas Region: 3 Population Served: General  
 County: Dallas Zip Code: 75215 Allocation: Urban  
 HOME Set Asides:  CHDO  Preservation  General Purpose/Activity: NC  
 Bond Issuer: Housing Options, Inc.  
 HTF

HTC Purpose/Activity: NC=New Construction, ACQ=Acquisition, R=Rehabilitation, NC/ACQ=New Construction and Acquisition, NC/R=New Construction and Rehabilitation, ACQ/R=Acquisition and Rehabilitation

**OWNER AND DEVELOPMENT TEAM**

Owner: Buckeye Trail Commons II, L.P.  
 Owner Contact and Phone: Debbie Quitugua, 2149518308  
 Developer: Supreme Development Corporation  
 Housing General Contractor: TBD  
 Architect: Beeler Guest Owens Architect  
 Market Analyst: Novogradac & Company, LLP  
 Syndicator: RBC Capital Markets  
 Supportive Services: Dallas Housing Authority  
 Consultant: N/A

**UNIT/BUILDING INFORMATION**

<u>30%</u>	<u>40%</u>	<u>50%</u>	<u>60%</u>	<u>80%</u>	<u>Eff</u>	<u>1 BR</u>	<u>2 BR</u>	<u>3 BR</u>	<u>4 BR</u>	<u>5 BR</u>	Total Restricted Units:	106
0	0	0	106	10	0	32	48	36	0	0	Market Rate Units:	10
Type of Building: <input checked="" type="checkbox"/> 4 units or more per building											Owner/Employee Units:	0
<input type="checkbox"/> Duplex											Total Development Units:	116
<input type="checkbox"/> Triplex											Total Development Cost:	\$17,090,146
<input type="checkbox"/> Fourplex											Number of Residential Buildings:	21
<input type="checkbox"/> Detached Residence											HOME High Total Units:	0
<input type="checkbox"/> Single Room Occupancy											HOME Low Total Units:	0
<input type="checkbox"/> Transitional												
<input checked="" type="checkbox"/> Townhome												

Note: If Development Cost = \$0, an Underwriting Report has not been completed.

**FUNDING INFORMATION**

	<u>Applicant Request</u>	<u>Department Analysis</u>	<u>Amort</u>	<u>Term</u>	<u>Rate</u>
4% Housing Tax Credits with Bonds:	\$576,007	\$576,007	0	0	0%
TDHCA Bond Allocation Amount:	\$0	\$0	0	0	0%
HOME Activity Fund Amount:	\$0	\$0	0	0	0%
HOME CHDO Operating Grant Amount:	\$0	\$0			
HTF Rental Production Funds:	\$0	\$0			





MULTIFAMILY FINANCE PRODUCTION DIVISION  
December 15, 2011  
Development Information, Public Input and Board Summary  
**Buckeye Trail Commons II, TDHCA Number 11405**

**PUBLIC COMMENT SUMMARY**

Guide: "O" = Oppose, "S" = Support, "N" = Neutral, "NC" or Blank = No comment

**State/Federal Officials with Jurisdiction:**

TX Senator: West, District 23

US Representative: Johnson, District 30,

TX Representative: Mallory Caraway, District 11

US Senator: NC

**Local Officials and Other Public Officials:**

Mayor/Judge: Mike Rawlings, Mayor, City of Dallas - NC Resolution of Support from Local Government

**Individuals/Businesses:** In Support: 0 In Opposition: 0

**Neighborhood Input:**

**General Summary of Comment:**

**CONDITIONS OF COMMITMENT**

1. Receipt and acceptance prior to Issuance of Determination Notice:
  - a. Of a third party detailed cost estimate certified by an architect or engineer familiar with the sitework costs of the proposed development is required, to be accompanied by a letter from a certified public accountant stating which costs are includable in eligible basis.
2. Receipt and acceptance by Cost Certification:
  - a. Documentation clearing environmental issues contained in the ESA report, specifically:
    - i. All recommendations by the ESA provider with regards to noise abatement and noise barriers were implemented.
    - ii. Receipt, review, and acceptance, by Cost Certification, of an attorney or CPA opinion stating that the HOPE VI loan is valid debt with a reasonable expectation that it will be repaid. Additionally, the opinion must state that the forgiveness provision, if exercised, does not affect basis.
3. Should any terms of the proposed capital structure change, the analysis must be re-evaluated and adjustment to the credit allocation and/or terms of other TDHCA funds, if any, may be warranted.



**MULTIFAMILY FINANCE PRODUCTION DIVISION**  
December 15, 2011  
Development Information, Public Input and Board Summary  
**Buckeye Trail Commons II, TDHCA Number 11405**

**RECOMMENDATION BY THE EXECUTIVE AWARD AND REVIEW ADVISORY COMMITTEE IS BASED ON:**

4% Housing Tax Credits:	Credit Amount:	\$576,007
Recommendation:	Recommend approval of a Housing Tax Credit Allocation not to exceed \$576,007 annually for ten years, subject to conditions.	
TDHCA Bond Issuance:	Bond Amount:	\$0
Recommendation:		
HOME Activity Funds:	Loan Amount:	\$0
HOME CHDO Operating Expense Grant:	Grant Amount:	\$0
Recommendation:		
HTF Rental Production Funds:	Loan Amount:	\$0
Recommendation:		



**DEVELOPMENT IDENTIFICATION**

TDHCA Application #: 11405 Program(s): 4% HTC/MRB

Buckeye Trail Commons II

Address/Location: 6717 Bexar Street

City: Dallas County: Dallas Zip: 75215

Population: Family Program Set-Aside: General Area: Urban

Activity: New Construction Building Type: Garden (Up to 3 story) Region: 3

Analysis Purpose: New Application - Initial Underwriting

**ALLOCATION**

TDHCA Program	REQUEST				RECOMMENDATION				
	Amount	Interest Rate	Amort	Term	Amount	Interest Rate	Amort	Term	Lien
LIHTC (Annual)	\$576,007				\$576,007				

**CONDITIONS**

- 1 Receipt and acceptance prior to Issuance of Determination Notice :
  - a: Of a third party detailed cost estimate certified by an architect or engineer familiar with the sitework costs of the proposed development is required, to be accompanied by a letter from a certified public accountant stating which costs are includable in eligible basis.
  
- 2 Receipt and acceptance by Cost Certification:
  - a: Documentation clearing environmental issues contained in the ESA report, specifically:
    - i: All recommendations by the ESA provider with regards to noise abatement and noise barriers were implemented.
    - ii: Receipt, review, and acceptance, by Cost Certification, of an attorney or CPA opinion stating that the HOPE VI loan is valid debt with a reasonable expectation that it will be repaid. Additionally, the opinion must state that the forgiveness provision, if exercised, does not affect basis.
  
- 3 Should any terms of the proposed capital structure change, the analysis must be re-evaluated and adjustment to the credit allocation and/or terms of other TDHCA funds, if any, may be warranted.

**SET-ASIDES**

TDHCA SET-ASIDES for HTC LURA		
Income Limit	Rent Limit	Number of Units
60% of AMI	60% of AMI	106

**DEAL SUMMARY**

The Subject is the second phase of another currently proposed development, TDHCA #11404 Buckeye Trail Commons I, by the same developer. Buckeye Trail Commons I is an intergenerational proposed development and will serve both seniors and families. Both developments are part of a large redevelopment effort by the City of Dallas and the Dallas Housing Authority.

**DEVELOPMENT TEAM**

PRIMARY CONTACTS

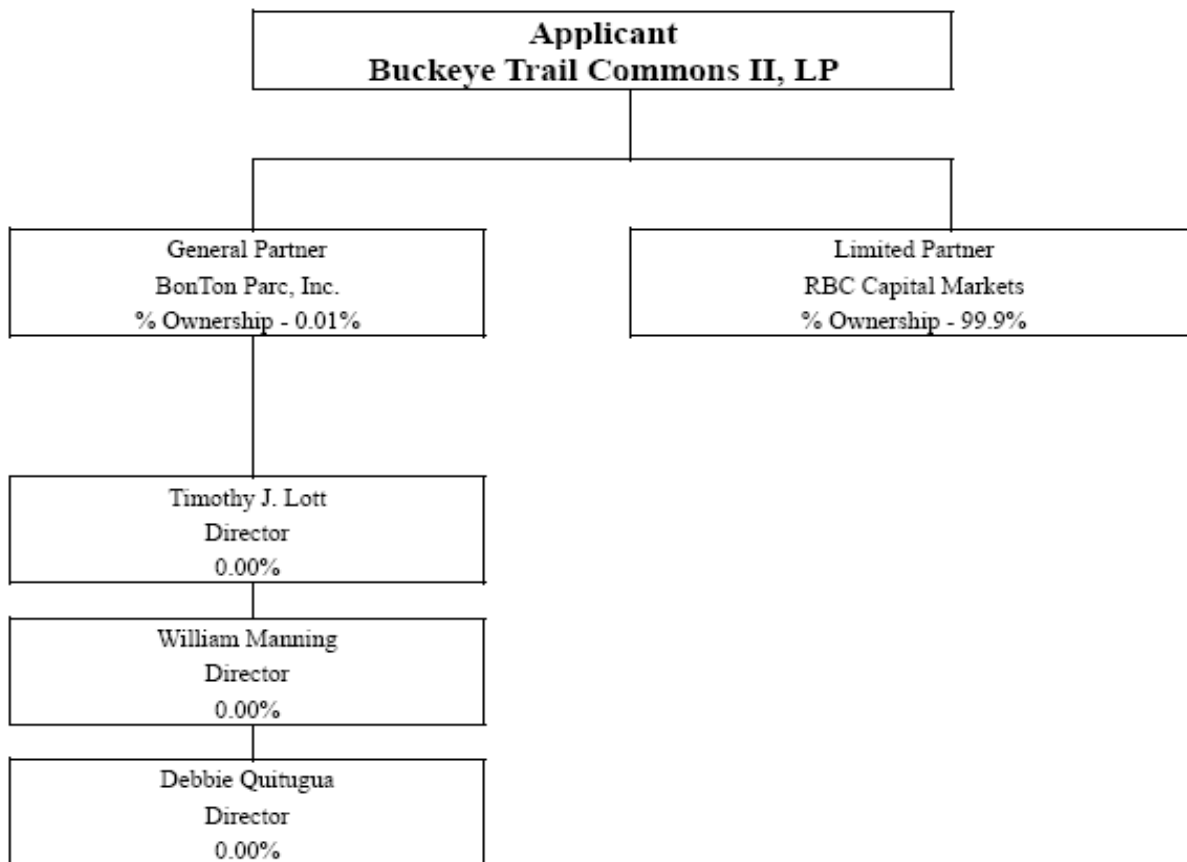
Name: Tim Lott Relationship: GP  
 Email: [tlott@dhadal.com](mailto:tlott@dhadal.com) Phone: (214) 951-8308 Fax: \_\_\_\_\_

Name: State Street Housing Consultant: Jeffrey Spicer  
 Email: [jspicer@statestreethousing.com](mailto:jspicer@statestreethousing.com) Phone: (214) 346-0707 Fax: \_\_\_\_\_

Related-Party Seller/Identity of Interest: N/A

- The Applicant, Developer, General Contractor, property manager, and supportive services provider are related entities.

OWNERSHIP STRUCTURE



**DEVELOPMENT SUMMARY**

SITE PLAN



The proposed development is part of a large redevelopment effort by the City of Dallas and the Dallas Housing Authority. Many of the conditions exist due to the "vacant and dilapidated buildings and homes in and around the site." The prior public housing has been demolished and the new development and associated amenities will serve as a catalyst for other redevelopment in the area.

### HIGHLIGHTS of ENVIRONMENTAL REPORTS

Provider: Dougherty Sprague Environmental, Inc Date: 9/23/2011

Recognized Environmental Conditions (RECs) and Other Concerns:

- "The results of the noise analysis concluded that the study area regularly experiences an overall DNL of 71. A DNL above 65 dB but not exceeding 75 dB falls in the normally unacceptable range. Noise barriers may be necessary between the study area and the railroad and roadway to make the outdoor environment acceptable. Special building construction may be necessary to ensure that people indoors are sufficiently protected from outdoor noise. Therefore, noise abatement measures may be required." (p 3)

### MARKET ANALYSIS

Provider: Novgradac & Company, LLP Date: 9/7/2011  
 Contact: Amanda Peterson & Matt Hummel Phone: 913-262-3500  
 Number of Revisions: None Date of Last Applicant Revision: N/A

Primary Market Area (PMA): 37 sq. miles 3 mile equivalent radius

The Primary Market Area is defined by 24 census tracts in Dallas county and encompasses the lower southeast portion of the City of Dallas.

ELIGIBLE HOUSEHOLDS BY INCOME								
Dallas 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	---	---	---	---	---	---	\$0	\$28,740
2	---	---	---	---	---	---	\$0	\$32,820
3	---	---	---	---	---	---	\$0	\$36,900
4	---	---	---	---	---	---	\$0	\$40,980
5	---	---	---	---	---	---	\$0	\$44,280
6	---	---	---	---	---	---	---	---

AFFORDABLE HOUSING INVENTORY in PRIMARY MARKET AREA					
File #	Development	Type	Target Population	Comp Units	Total Units
Proposed, Under Construction, and Unstabilized Comparable Developments					
11404	Buckeye Trail Commons I	New	Family	121	207
10284	Atmos Lofts	New	Family	77	107
Other Affordable Developments in PMA since 2007					
10232	Evergreen Residences Willow	New	SRO	n/a	100
Stabilized Affordable Developments in PMA ( pre-2007 )					
Total Properties ( pre-2007 )		12	Total Units		2307

Proposed, Under Construction, and Unstabilized Comparable Supply:

11404 Buckeye Trail Commons is the first phase of the development and has 121 family units. 10284 Atmos Lofts is an unstabilized family development located just outside the PMA but is 4 miles to northeast of the subject site.

OVERALL DEMAND ANALYSIS				
	Market Analyst		Underwriter	
Total Households in the Primary Market Area	30,705		27,974	
Potential Demand from the Primary Market Area	7,348		9,800	
Potential Demand from Other Sources	0		0	
<b>GROSS DEMAND</b>	7,348		9,800	
Subject Affordable Units	106		106	
Unstabilized Comparable Units	222		198	
<b>RELEVANT SUPPLY</b>	328		304	
<b>Relevant Supply ÷ Gross Demand = GROSS CAPTURE RATE</b>	<b>4.5%</b>		<b>3.1%</b>	

Demand Analysis:

The Market Analyst's data is based on HISTA data like the Underwriter's data but is supplemented by ESRI data, thus there is a slight difference in the total households in the primary market area. Due to the Section 8 Project based rental assistance on this development, both the Market Analyst and the Underwriter consider all households below the maximum income to be eligible. ESRI also identifies only 48% of Renter Households are income qualified for the family units where HISTA identifies 82% as income qualified. The Market Analyst incorrectly identifies 222 units as comparable from Buckeye Trail Commons I as only 121 units are LIHTC Family units. The Market Analyst calculates a Gross Capture Rate of 4.5% for the total Relevant Supply of 328 units.

The Underwriter identifies Gross Demand for 9,800 units, and a Gross Capture Rate of 3.1% for a total Relevant Supply of 304 units (including Buckeye Trail Commons I and Atmos Lofts).

The maximum Gross Capture Rate for urban developments targeting family 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/60%	2300	32	95	6%	3,408	32	64	3%
2 BR/60%	2106	42	110	7%	2,679	42	67	4%
3 BR/60%	1716	32	17	3%	1,834	32	11	2%

Primary Market Occupancy Rates:

A survey of 12 LIHTC family developments in the PMA revealed an average overall occupancy of 90%. (p 50)

Absorption Projections:

The Market Analyst estimates "the family portion of the Subject will reach stabilized 95.0 percent occupancy within seven to eight months, or an absorption rate of approximately 15 to 16 units per month." (p 47)

**Market Impact:**

"The average vacancy rate among the all of the LIHTC comparables is 9.2 percent and the average vacancy rate among the market rate comparables is 10.6 percent... we do not believe the construction of the Subject will adversely impact the LIHTC comparables." (p 53)

**Comments:**

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

**OPERATING PROFORMA**

<b>SUMMARY- AS UNDERWRITTEN (Applicant's Profoma)</b>					
NOI:	\$347,228	Avg. Rent:	\$530	Expense Ratio:	59.3%
Debt Service:	\$266,691	B/E Rent:	\$566	Controllable Expenses:	\$3,269
Net Cash Flow:	\$80,537	Occupancy:	95.00%	Property Taxes/Unit:	\$0
Aggregate DCR:	1.3:1	B/E Occupancy:	86.03%	Program Rent Year:	2011

Income:      Number of Revisions:      2      Date of Last Applicant Revision:      11/28/2011

The Applicant indicates that 50% of the units will be covered by a Section 8 HAP contract. The development will have Project Based Section 8. The Applicant's current rent schedule reflects these units with projected rents collected per unit calculated by subtracting tenant-paid utilities (as maintained by the DHA) from the 2011 housing tax credit program rent limits. Tenants will pay electric utility costs only.

The Applicant indicates, "The Project Based Section 8 subsidy is the difference between the estimated tenant share of rent and the [2011] HUD fair market rent less utility allowance. The Underwriter utilized the lesser of the Market Analyst's market rent conclusion or the rents calculated by subtracting tenant-paid utility allowances from the 2011 program gross rent limits.

Also of note, the Underwriter determined the Project Based Section 8 subsidy based on, the difference between the lesser of the Market Analyst's market rent conclusion or the 2011 gross program 60% rents and the 2011 HUD fair market rent (FMR) less utility allowance. Since The Housing Authority can provide subsidy up to 110% of FMR, there is the ability to absorb any downward adjustments to FMR, mitigating any concerns for this issue.

The remaining 48 affordable units will be considered public housing units (PHUs). In order to more accurately estimate income, the Underwriter has set the development's public housing unit rents, based on the average income for public housing tenants, lower than the maximum rents allowed under HTC guidelines. Based on past experience with public housing units (PHUs), the Underwriter has assumed the subsidy will be equal to the PHUs prorated share of expenses less the tenant contribution and that no debt can be serviced by the public housing units. The Underwriter's PHU rents are equal to those estimated by the Applicant and the Underwriter has included additional subsidy in the other income line item to cover the difference between the rents reflected and the operating expense attributed to each public housing unit.



The Applicant's secondary income and vacancy and collection loss assumption of 5% appears to be consistent with current standard TDHCA underwriting guidelines for PHU developments. The Underwriter anticipates that the PHUs will operate at an occupancy level of 100%. Therefore, the Underwriter's estimate of vacancy and collection loss has been changed to reflect a standard rate of 7.5% of potential gross income only for the units that will not operate as Public Housing Units. This change results in a total vacancy and collection loss rate of 4.4% of the development's potential gross income. Despite these differences, the Applicant's estimate of effective gross income is within 5% of the Underwriter's estimate.

Expense:    Number of Revisions:    1    Date of Last Applicant Revision:    11/28/2011

The Applicant's total annual operating expense projection at \$4,358 per unit is within 5% of the Underwriter's estimate of \$4,155, derived from the TDHCA database, and third-party data sources. The Applicant's estimates for reserve for replacements & TDHCA compliance fees appear to be slightly overstated.

The Underwriter is assuming the 100% property tax exemption as proposed by the Applicant. This will be achieved through a long-term lease of the property for 75 years by the Applicant from the Dallas Housing Authority.

**ACQUISITION INFORMATION**

**SITE CONTROL**

Type:    Contract for Lease    Acreage:    11.317  
 Contract Expiration:    6/1/2014    Valid Through Board Date?     Yes     No  
 Acquisition Cost:    \$100 per year (75 years)    Other:    This will be a long-term lease  
 Seller:    Dallas Housing Authority    Related to Development Team?     Yes     No

Comments:

The Applicant will lease the subject property from the Housing Authority of the City of Dallas under a fifty (75) year ground lease at the rate of \$100 per year. The Dallas Housing Authority is an affiliate of the general partner. This lease will allow the Applicant to derive the benefits of a 100% property tax exemption for the operation of this affordable housing development. Neither the Applicant nor the Underwriter has included any acquisition cost in the total development cost .

**DEVELOPMENT COST EVALUATION**

*COST SCHEDULE*    Number of Revisions:    2    Date of Last Applicant Revision:    12/6/2011

Off-Site Cost:

Off-Sites     Yes     No    Engineer/Architect Cert.     Yes     No     N/A

Sitework Cost:

Site Work >\$9K/unit     Yes     No    Engineer & CPA Cert.     Yes     No     N/A

Comments:

The Applicant claimed sitework costs exceed the Departments maximum guideline of \$9,000 per unit. However, these costs are based on a fixed price contract (described in more detail below). While site work costs of \$17,336 per unit is reasonable given the extensive paving and interior roadway work, the Applicant has not provided the required third party certification of these costs. Receipt, review and acceptance prior to Issuance of Determination Notice of a third party detailed cost estimate certified by an architect or engineer familiar with the sitework costs of the proposed development is required, to be accompanied by a letter 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 cost are based on a fixed price construction contract from Siltek Group, Inc. executed September, 22, 2011. As the Applicant's current costs are more fully vetted and based on a contract that has been approved and executed, these costs will be the true actual costs expended by the project and eligible for tax credits. Therefore, the Underwriter has also utilized the construction costs included in the submitted construction contract.

**Contingency & Fees:**

The Applicant's developer's fees for general requirements, general and administrative expenses, and profit are all within the maximums allowed by TDHCA guidelines; however, the Applicant's contractor fees exceed the 14% maximum allowed by HTC guidelines by a total of \$65,619 based on their own construction costs. Consequently the Applicant's eligible fees in these areas have been reduced by the same amount with the overage effectively moved to ineligible costs.

**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 \$14,788,078 supports annual tax credits of \$607,372. 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.

**UNDERWRITTEN CAPITALIZATION**

# Applicant Revisions: 1 Last Update: 9/26/2011

Interim Sources	Amount	Rate	Term	LTC
Capital One	\$8,500,000	5.12%	24 Months	50%
RBC Capital Markets	\$1,013,670	HTC Equity		6%
Housing Options, Inc. (DHA) - HOPE VI	\$6,500,000	0.00%	N/A	38%
DHA (Capital Funds)	\$707,156	0.00%	N/A	4%
Supreme Development Corporation	\$369,320	Deferred Fee		2%
<b>Total</b>	<b>\$17,090,146</b>			

**Comments:**

Capital One will provide a \$8.55M interim loan fixed at 5.12% interest rate.

Permanent Sources	Amount	Rate	Amort	Term	LTC
Capital One	\$4,084,000	5.12%	30	30	24%
Housing Options, Inc. (DHA) - HOPE VI	\$6,500,000	0.05%	0	0	38%
DHA (Frazier Courts Proceeds)	\$1,000,000	0.05%	0	0	6%
DHA (Capital Funds)	\$12,000	0.05%	0	0	0%

<b>Total</b>	<b>\$11,596,000</b>
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Comments:

Capital One will provide \$4,084,000 in permanent funds with an indicative bank lending rate as of September 16, 2011 fixed at 5.12%. The permanent loan will be amortized over 30 years with a 15-year term.

In early June of 2010, DHA received a commitment of \$22M in HOPE VI funds. \$6.5M of that will be loaned to the Subject at an .05% interest rate, payable from available cashflow. The Applicant indicates that the Housing Authority will loan the funds over 50 years at 0.5%, with a single balloon payment at maturity, with the option to forgive.

In order to ensure that the funds are not considered below-market federal funds which would cause a reduction to eligible basis, receipt, review, and acceptance, by Cost Certification, of an attorney or CPA opinion stating that the HOPE VI loan is valid debt with a reasonable expectation that it will be repaid is a condition of this report. Additionally, the opinion must state that the forgiveness provision, if exercised, does not affect basis.

The Dallas Housing Authority plans to loan \$1M from the Frazier Court proceeds and \$12K from the DHA Capital Fund at the same rate and terms as the HOPE VI funds.

<b>Equity &amp; Deferred Fees</b>	<b>Amount</b>	<b>Rate</b>	<b>% TC</b>	<b>% Def</b>
RBC Capital Markets	\$5,068,351	\$0.88	30%	
Supreme Development Corporation	\$425,795		2%	26%
<b>Total</b>	<b>\$5,494,146</b>			
<b>Total Sources</b>	<b>\$17,090,146</b>			

## CONCLUSIONS

Recommended Financing Structure:

The Applicant's total development cost estimate less the permanent loan of \$4,084,000 \$6.5M in HOPE VI funds, \$1M and \$12K DHA loans, indicates the need for \$5,494,146 in gap funds. Based on the submitted syndication terms, a tax credit allocation of \$624,398 annually would be required to fill this gap in financing. The three possible tax credit allocations are:

Allocation determined by eligible basis:	\$607,372
Allocation determined by gap in financing:	\$624,398
<b>Allocation requested by the Applicant:</b>	<b>\$576,007</b>

The allocation amount determined by the Applicant's request is recommended. A tax credit allocation of \$576,007 per year for 10 years results in total equity proceeds of \$5,068,351 at a syndication rate of \$0.88 per tax credit dollar.

The Underwriter's recommended financing structure indicates the need for \$425,795 in additional permanent funds. Deferred developer fees in this amount appear to be repayable from development cashflow within five years of stabilized operation.

Underwriter: Diamond Unique Thompson

Director of Real Estate Analysis: Brent Stewart

**UNIT MIX/RENT SCHEDULE**

**Buckeye Trail Commons II, Dallas, 4% HTC/MRB #11405**

LOCATION DATA	
CITY:	Dallas
COUNTY:	Dallas
PROGRAM REGION:	3
RURAL RENT USED:	No
IREM REGION:	Dallas

UNIT DISTRIBUTION		
# Beds	# Units	% Total
Eff		
1	32	27.6%
2	48	41.4%
3	36	31.0%
4		
<b>TOTAL</b>	<b>116</b>	<b>100.0%</b>

Applicable Programs
LIHTC
MRB
PBV
PHU

PROFORMA ASSUMPTIONS	
REVENUE GROWTH:	2.00%
EXPENSE GROWTH:	3.00%
HIGH COST ADJUSTMENT:	130%
APPLICABLE FRACTION:	90.27%
APP % - ACQUISITION:	3.50%
APP % - CONSTRUCTION:	3.50%
AVERAGE SF	1172

**UNIT MIX / MONTHLY RENT SCHEDULE**

UNIT DESCRIPTION										PROGRAM RENT LIMITS			APPLICANT'S PROFORMA RENTS				TDHCA PROFORMA RENTS				MARKET RENTS		
Type	Gross Rent	MRB Unit Designation	Gross Rent	Other Designation/Subsidy	Gross Rent	# Units	# Beds	# Baths	NRA	Gross Rent	Tenant Pd UA's (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	Market Rent	Rent per NRA	TDHCA Savings to Market
TC60%	\$769	MRB60%	\$769	PHA ACC	\$190	14	1	1	706	\$190	\$98	\$92	\$0	\$0.13	\$92	\$1,288	\$1,288	\$92	\$0.13	\$0	\$640	0.91	\$548
TC60%	\$769	MRB60%	\$769	PHA PBV		2	1	1	706	\$769	\$66	\$703	(\$20)	\$0.97	\$683	\$1,366	\$1,280	\$640	\$0.91	(\$63)	\$640	0.91	\$0
TC60%	\$769	MRB60%	\$769	PHA PBV		16	1	1	832	\$769	\$66	\$703	(\$20)	\$0.82	\$683	\$10,928	\$10,720	\$670	\$0.81	(\$33)	\$670	0.81	\$0
TC60%	\$922	MRB60%	\$922	PHA ACC	\$233	19	2	2	1,230	\$233	\$115	\$118	\$0	\$0.10	\$118	\$2,242	\$2,242	\$118	\$0.10	\$0	\$875	0.71	\$757
TC60%	\$922	MRB60%	\$922	PHA PBV		7	2	2	1,230	\$922	\$85	\$837	(\$54)	\$0.64	\$783	\$5,481	\$5,859	\$837	\$0.68	\$0	\$875	0.71	\$38
TC60%	\$922	MRB60%	\$922	PHA PBV		16	2	2	1,240	\$922	\$85	\$837	(\$54)	\$0.63	\$783	\$12,528	\$13,392	\$837	\$0.68	\$0	\$875	0.71	\$38
MR		0		MR		6	2	2	1,240	\$0	\$85		NA	\$0.64	\$790	\$4,740	\$5,250	\$875	\$0.71	NA	\$875	0.71	\$0
TC60%	\$1,065	MRB60%	\$1,065	PHA ACC	\$269	4	3	2	1,436	\$269	\$132	\$137	\$0	\$0.10	\$137	\$548	\$548	\$137	\$0.10	\$0	\$1,065	0.74	\$928
TC60%	\$1,065	MRB60%	\$1,065	PHA ACC	\$269	11	3	2	1,447	\$269	\$132	\$137	\$0	\$0.09	\$137	\$1,507	\$1,507	\$137	\$0.09	\$0	\$1,065	0.74	\$928
TC60%	\$1,065	MRB60%	\$1,065	PHA PBV		17	3	2	1,447	\$1,065	\$100	\$965	\$13	\$0.68	\$978	\$16,626	\$16,405	\$965	\$0.67	\$0	\$1,065	0.74	\$100
MR		0		MR		4	3	2	1,447	\$0	\$100		NA	\$0.74	\$1,064	\$4,256	\$4,260	\$1,065	\$0.74	NA	\$1,065	0.74	\$0
<b>TOTALS/AVERAGES:</b>						<b>116</b>			<b>135,916</b>				<b>(\$12)</b>	<b>\$0.45</b>	<b>\$530</b>	<b>\$61,510</b>	<b>\$62,751</b>	<b>\$541</b>	<b>\$0.46</b>	<b>(\$6)</b>	<b>\$873</b>	<b>\$0.75</b>	<b>\$332</b>
<b>ANNUAL POTENTIAL GROSS RENT:</b>																<b>\$738,120</b>	<b>\$753,012</b>						

**STABILIZED PROFORMA**  
**Buckeye Trail Commons II, Dallas, 4% HTC/MRB #11405**

STABILIZED FIRST YEAR PROFORMA												
	COMPARABLES		APPLICANT				TDHCA				VARIANCE	
	Database	Other	% EGI	Per SF	Per Unit	Amount	Amount	Per Unit	Per SF	% EGI	%	\$
<b>POTENTIAL GROSS RENT</b>		\$0		\$0.45	\$530	\$738,120	\$753,012	\$541	\$0.46		2.0%	\$14,892
PHA ACC Subsidy (48 units)		\$0			\$97.51	\$135,732	\$93,122.00	\$66.90			-45.8%	(42,610)
PHA PBV Subsidy (58 units)		\$0			\$7.62	\$10,608	\$15,864	\$11.40			33.1%	5,256
damages and late fees		\$0			\$9.51	\$13,238	\$13,238	\$9.51			0.0%	-
Underwriter's Total Secondary Income		\$0									0.0%	-
<b>POTENTIAL GROSS INCOME</b>		\$0				\$897,698	\$875,236				-2.6%	(\$22,462)
Vacancy & Collection Loss		\$0			5.0% PGI	(44,885)	(38,480)	4.4% PGI			-16.6%	6,405
Non-Rental Units/Concessions		\$0				-	-				0.0%	-
<b>EFFECTIVE GROSS INCOME</b>		\$0				\$852,813	\$836,756				-1.9%	(\$16,057)

General & Administrative	\$47,362	\$408/Unit	-	5.31%	\$0.33	\$391	\$45,320	\$47,362	\$408	\$0.35	5.66%	-4.3%	(2,042)
Management	\$44,072	4.7% EGI	-	5.00%	\$0.31	\$368	\$42,641	\$41,838	\$361	\$0.31	5.00%	1.9%	803
Payroll & Payroll Tax	\$120,888	\$1,042/Unit	-	19.70%	\$1.24	\$1,448	\$168,000	\$159,039	\$1,371	\$1.17	19.01%	5.6%	8,961
Repairs & Maintenance	\$68,084	\$587/Unit	-	7.29%	\$0.46	\$536	\$62,144	\$68,084	\$587	\$0.50	8.14%	-8.7%	(5,940)
Utilities	\$47,943	\$413/Unit	-	5.10%	\$0.32	\$375	\$43,500	\$33,870	\$292	\$0.25	4.05%	28.4%	9,630
Water, Sewer, & Trash	\$71,506	\$616/Unit	-	7.06%	\$0.44	\$519	\$60,240	\$60,916	\$525	\$0.45	7.28%	-1.1%	(676)
Property Insurance	\$28,181	\$0.21 /sf	-	4.08%	\$0.26	\$300	\$34,800	\$28,181	\$243	\$0.21	3.37%	23.5%	6,619
Property Tax 2.6581	\$92,321	\$796/Unit	-	0.00%	\$0.00	\$0	\$0	\$0	\$0	\$0.00	0.00%	0.0%	-
Reserve for Replacements	\$36,755	\$317/Unit	-	4.08%	\$0.26	\$300	\$34,800	\$29,000	\$250	\$0.21	3.47%	20.0%	5,800
TDHCA Compliance Fees			-	0.54%	\$0.03	\$40	\$4,640	\$4,240	\$37	\$0.03	0.51%	9.4%	400
Leasing expens; 3rd party compliance review			-	1.11%	\$0.07	\$82	\$9,500	\$9,500	\$82	\$0.07	1.14%	0.0%	-
<b>TOTAL EXPENSES</b>	<b>\$</b>	<b>-</b>	<b>59.28%</b>	<b>\$3.72</b>	<b>\$4,358</b>	<b>\$ 505,585</b>	<b>\$ 482,030</b>	<b>\$4,155</b>	<b>\$3.55</b>	<b>57.61%</b>	<b>4.9%</b>	<b>\$ 23,555</b>	
<b>NET OPERATING INCOME ("NOI")</b>	<b>\$</b>	<b>-</b>	<b>40.72%</b>	<b>\$2.55</b>	<b>\$2,993</b>	<b>\$347,228</b>	<b>\$354,726</b>	<b>\$3,058</b>	<b>\$2.61</b>	<b>42.39%</b>	<b>-2.1%</b>	<b>(\$7,498)</b>	

<b>CONTROLLABLE EXPENSES</b>	\$3.067/Unit	\$/Unit			\$3.269/Unit			\$3.183/Unit				
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LONG TERM OPERATING PROFORMA												
	YEAR 1	YEAR 2	YEAR 3	YEAR 4	YEAR 5	YEAR 10	YEAR 15	YEAR 20	YEAR 25	YEAR 30	YEAR 35	YEAR 40
POTENTIAL GROSS RENT	\$738,120	\$752,882	\$767,940	\$783,299	\$798,965	\$882,122	\$973,934	\$993,412	\$1,013,281	\$1,033,546	\$1,054,217	\$1,075,301
PHA ACC Subsidy (48 units)	\$135,732	\$96,445	\$99,879	\$103,427	\$107,092	\$127,314	\$151,087	\$154,109	\$157,191	\$160,335	\$163,541	\$179,010
PHA PBV Subsidy (58 units)	10,608	10,820	11,037	11,257	11,482	\$12,678	\$13,997	14,277	14,563	14,854	15,151	15,454
damages and late fees	13,238	13,503	13,773	14,048	14,329	\$15,821	\$17,467	17,816	18,173	18,536	18,907	19,285
Underwriter's Total Secondary Income	0	0	0	0	0	\$0	\$0	0	0	0	0	0
<b>POTENTIAL GROSS INCOME</b>	<b>897,698</b>	<b>873,650</b>	<b>892,628</b>	<b>912,031</b>	<b>931,868</b>	<b>1,037,934</b>	<b>1,156,485</b>	<b>1,179,615</b>	<b>1,203,207</b>	<b>1,227,271</b>	<b>1,251,816</b>	<b>1,289,050</b>
Vacancy & Collection Loss	(44,885)	(38,410)	(39,245)	(40,098)	(40,970)	(45,633)	(50,845)	(51,862)	(52,900)	(53,958)	(55,037)	(56,674)
Non-Rental Units/Concessions	0	0	0	0	0	\$0	\$0	0	0	0	0	0
<b>EFFECTIVE GROSS INCOME</b>	<b>\$852,813</b>	<b>\$835,240</b>	<b>\$853,383</b>	<b>\$871,933</b>	<b>\$890,898</b>	<b>\$992,301</b>	<b>\$1,105,639</b>	<b>\$1,232,377</b>	<b>\$1,374,162</b>	<b>\$1,532,859</b>	<b>\$1,710,568</b>	<b>\$1,909,667</b>
LESS: TOTAL EXPENSES	505,585	518,594	533,806	549,468	565,592	653,652	755,526	873,394	1,009,778	1,167,601	1,350,248	1,561,639
<b>NET OPERATING INCOME</b>	<b>\$347,228</b>	<b>\$316,645</b>	<b>\$319,577</b>	<b>\$322,465</b>	<b>\$325,306</b>	<b>\$338,649</b>	<b>\$350,113</b>	<b>\$358,983</b>	<b>\$364,384</b>	<b>\$365,258</b>	<b>\$360,320</b>	<b>\$348,028</b>
LESS: DEBT SERVICE	266,691	266,691	266,691	266,691	266,691	266,691	266,691	266,691	266,691	266,691	266,691	266,691
<b>NET CASH FLOW</b>	<b>\$80,537</b>	<b>\$49,954</b>	<b>\$52,886</b>	<b>\$55,774</b>	<b>\$58,614</b>	<b>\$71,957</b>	<b>\$83,422</b>	<b>\$92,291</b>	<b>\$97,693</b>	<b>\$98,567</b>	<b>\$93,629</b>	<b>\$81,336</b>
<b>CUMULATIVE NET CASH FLOW</b>	<b>\$80,537</b>	<b>\$130,491</b>	<b>\$183,377</b>	<b>\$239,150</b>	<b>\$297,765</b>	<b>\$615,795</b>	<b>\$992,662</b>	<b>\$1,416,484</b>	<b>\$1,871,276</b>	<b>\$2,336,060</b>	<b>\$2,783,829</b>	<b>\$3,180,283</b>
<b>DEFERRED DEVELOPER FEE BALANCE</b>	<b>\$425,795</b>	<b>\$375,841</b>	<b>\$322,955</b>	<b>\$267,181</b>	<b>\$208,567</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>
<b>DCR ON UNDERWRITTEN DEBT (Must-Pay)</b>	<b>1.30</b>	<b>1.19</b>	<b>1.20</b>	<b>1.21</b>	<b>1.22</b>	<b>1.27</b>	<b>1.31</b>	<b>1.35</b>	<b>1.37</b>	<b>1.37</b>	<b>1.35</b>	<b>1.30</b>
<b>EXPENSE/EGI RATIO</b>	<b>59.28%</b>	<b>62.09%</b>	<b>62.55%</b>	<b>63.02%</b>	<b>63.49%</b>	<b>65.87%</b>	<b>68.33%</b>	<b>70.87%</b>	<b>73.48%</b>	<b>76.17%</b>	<b>78.94%</b>	<b>81.78%</b>

**CAPITALIZATION / TOTAL DEVELOPMENT BUDGET / ITEMIZED BASIS**  
**Buckeye Trail Commons II, Dallas, 4% HTC/MRB #11405**

DEBT / GRANT SOURCES														
DEBT (Must Pay)	APPLICANT'S PROPOSED DEBT/GRANT STRUCTURE							AS UNDERWRITTEN DEBT/GRANT STRUCTURE						
	Cumulative DCR		Pmt	Rate	Amort	Term	Principal	Principal	Term	Amort	Rate	Pmt	Cumulative	
	As UW	App											DCR	LTC
Capital One	1.31	1.28	\$271,691	5.12%	30	30	\$4,084,000	\$4,084,000	30	30	5.12%	\$266,691	1.30	23.9%
Housing Options, Inc. (DHA) - HOPE VI	1.31	1.28		0.00%	0	0	\$0	\$0	0	0	0.00%		1.30	0.0%
DHA (Frazier Courts Proceeds)	1.31	1.28		0.00%	0	0	\$0	\$0	0	0	0.00%		1.30	0.0%
DHA (Capital Funds)	1.31	1.28		0.00%	0	0	\$0	\$0	0	0	0.00%		1.30	0.0%
	1.31	1.28		0.00%	0	0	\$0	\$0	0	0	0.00%		1.30	0.0%
	1.31	1.28		0.00%	0	0	\$0	\$0	0	0	0.00%		1.30	0.0%
	1.31	1.28		0.00%	0	0	\$0	\$0	0	0	0.00%		1.30	0.0%
<b>CASH FLOW DEBT / GRANTS</b>														
Housing Options, Inc. (DHA) - HOPE VI	1.31	1.28		0.05%	0	0	\$6,500,000	\$6,500,000	0	0	0.05%		1.30	38.0%
DHA (Frazier Courts Proceeds)	1.31	1.28		0.05%	0	0	\$1,000,000	\$1,000,000	0	0	0.05%		1.30	5.9%
DHA (Capital Funds)	1.31	1.28		0.05%	0	0	\$12,000	\$12,000	0	0	0.05%		1.30	0.1%
<b>TOTAL DEBT / GRANT SOURCES</b>			\$271,691				\$11,596,000	\$11,596,000				\$266,691		67.9%
<b>NET CASH FLOW</b>			\$75,537									\$88,035		

EQUITY SOURCES												
EQUITY / DEFERRED FEES	APPLICANT'S PROPOSED EQUITY STRUCTURE					AS UNDERWRITTEN EQUITY STRUCTURE					Per Unit Credit Developer Fee Summary	
	DESCRIPTION	% Cost	Annual Credit	Credit Rate	Amount	Amount	Credit Rate	Annual Credit	% Cost	Per Unit Credit Developer Fee Summary		
										Annual Credit per Unit:		Total Developer Fee:
RBC Capital Markets	LIHTC Equity	29.7%	\$576,007	0.88	\$5,068,351	\$5,068,351	0.88	\$576,007	29.7%	Annual Credit per Unit:	\$43,693	
Supreme Development Corporation	Deferred Developer Fees	2.5%	(26% Deferred)		\$425,795	\$425,795	(26% Deferred)		2.5%	Total Developer Fee:	\$1,607,859	
Additional (Excess) Funds Red's		0.0%			\$0	\$0			0.0%	15-Year Cash Flow:	\$992,662	
<b>TOTAL EQUITY SOURCES</b>		32.1%			\$5,494,146	\$5,494,146			32.1%	15-Yr Cash Flow after Fee:	\$566,867	

<b>TOTAL CAPITALIZATION</b>	\$17,090,146	\$17,090,146
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DEVELOPMENT COST / ITEMIZED BASIS												
	APPLICANT COST / BASIS ITEMS					TDHCA COST / BASIS ITEMS					COST VARIANCE	
	Eligible Basis		Total Costs		Total Costs	Eligible Basis		Total Costs		Total Costs	%	\$
	Acquisition	New Const. Rehab				New Const. Rehab	Acquisition					
Land Acquisition			\$ / Unit	\$0	\$0	\$ / Unit				0.0%	\$0	
Building Acquisition	\$0		\$ / Unit	\$0	\$0	\$ / Unit		\$0		0.0%	\$0	
Off-Sites			\$ / Unit	\$0	\$0	\$ / Unit				0.0%	\$0	
Sitework		\$2,011,000	\$17,336 / Unit	\$2,011,000	\$2,011,000	\$17,336 / Unit	\$2,011,000			0.0%	\$0	
Direct Construction		\$7,253,701	\$53.37 /sf	\$62,532/Unit	\$7,253,701	\$7,253,701	\$62,532/Unit	\$53.37 /sf	\$7,253,701		\$0	
Contingency		\$463,235		5.00%	\$463,235	\$463,235	5.00%		\$463,235		\$0	
Contractor's Fees		\$1,427,530		14.67%	\$1,427,530	\$1,361,911	14.00%		\$1,361,911	-4.8%	(\$65,619)	
Indirect Construction		\$1,661,951		\$14,327 / Unit	\$1,661,951	\$1,661,951	\$14,327 / Unit		\$1,661,951		\$0	
Ineligible Costs			\$13,944 / Unit	\$1,617,461	\$1,617,461	\$13,944 / Unit			\$1,617,461		\$0	
Developer's Fees	\$0	\$1,607,859		12.14%	\$1,607,859	\$1,607,859	12.20%		\$1,607,859		\$0	
Interim Financing		\$428,421		\$3,693 / Unit	\$428,421	\$428,421	\$3,693 / Unit		\$428,421		\$0	
Reserves				\$5,336 / Unit	\$618,988	\$332,072	\$2,863 / Unit			-86.4%	(\$286,916)	
<b>UNADJUSTED BASIS / COST</b>	<b>\$0</b>	<b>\$14,853,697</b>		\$147,329 / Unit	<b>\$17,090,146</b>	<b>\$16,737,611</b>	\$144,290 / Unit		<b>\$14,788,078</b>	<b>\$0</b>	<b>(\$352,535)</b>	
<b>Acquisition Cost for Identity of Interest Seller</b>												
Developer's Fee	\$0	\$0										
Contractor's Fee		(\$65,619)										
Contingency		\$0										
<b>ADJUSTED BASIS / COST</b>	<b>\$0</b>	<b>\$14,788,078</b>		\$147,329 / Unit	<b>\$17,090,146</b>	<b>\$16,737,611</b>			<b>\$14,788,078</b>	<b>\$0</b>		
<b>TOTAL UNDERWRITTEN COSTS (Applicant's Uses are within 5% of TDHCA Estimate):</b>						<b>\$17,090,146</b>						

**CAPITALIZATION / DEVELOPMENT COST BUDGET / ITEMIZED BASIS ITEMS**

*Buckeye Trail Commons II, Dallas, 4% HTC/MRB #11405*

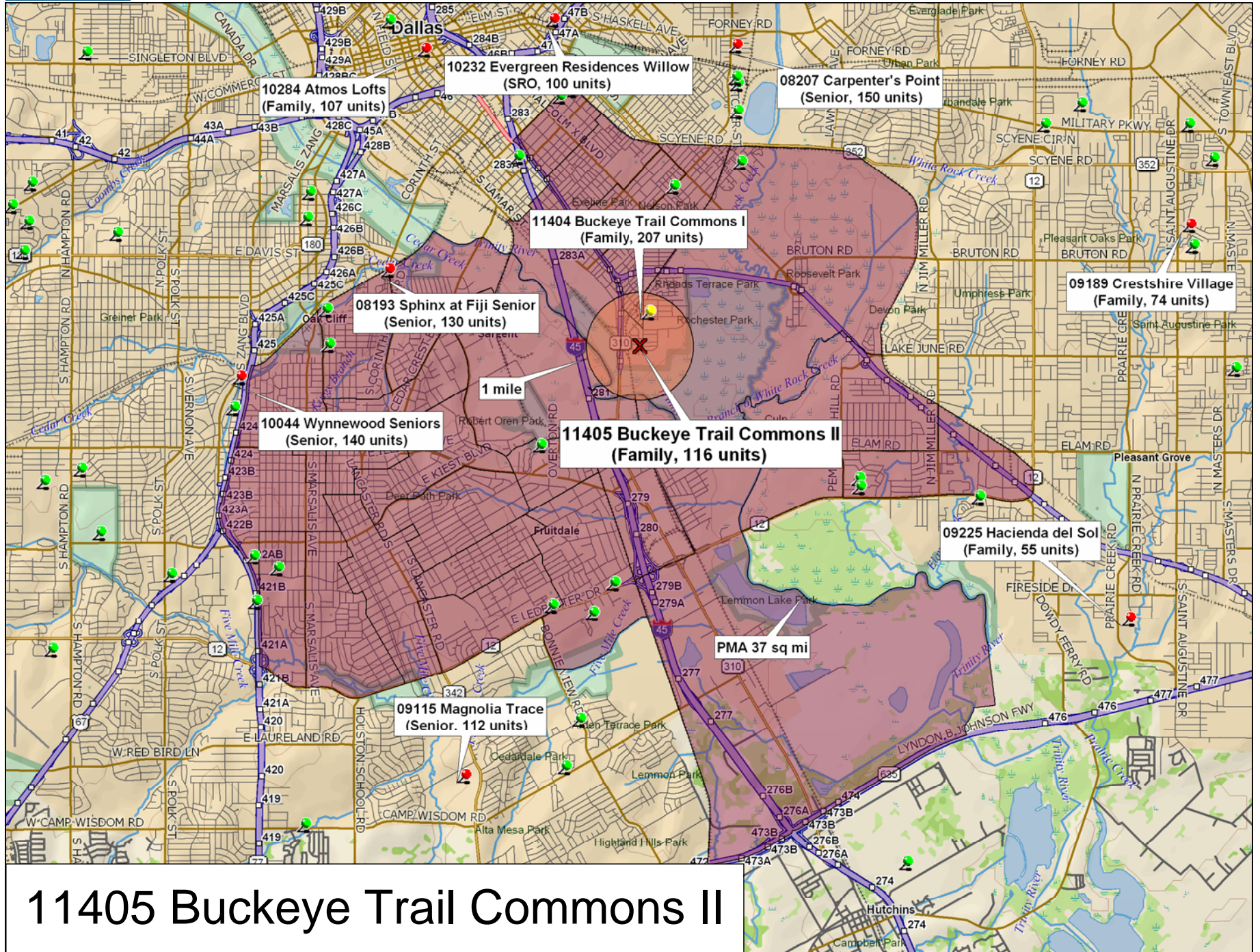
	CREDIT CALCULATION ON QUALIFIED BASIS			
	Applicant		TDHCA	
	Acquisition	Construction Rehabilitation	Acquisition	Construction Rehabilitation
<b>ADJUSTED BASIS</b>	\$0	\$14,788,078	\$0	\$14,788,078
Deduction for Other Federal Funds	\$0	\$0	\$0	\$0
<b>TOTAL ELIGIBLE BASIS</b>	\$0	\$14,788,078	\$0	\$14,788,078
High Cost Area Adjustment		130%		130%
<b>TOTAL ADJUSTED BASIS</b>	\$0	\$19,224,501	\$0	\$19,224,501
Applicable Fraction	90.27%	90.27%	90.27%	90.27%
<b>TOTAL QUALIFIED BASIS</b>	\$0	\$17,353,480	\$0	\$17,353,480
Applicable Percentage	3.50%	3.50%	3.50%	3.50%
<b>ANNUAL CREDIT ON BASIS</b>	\$0	\$607,372	\$0	\$607,372
<b>CREDITS ON QUALIFIED BASIS</b>	\$607,372		\$607,372	

ANNUAL CREDIT CALCULATION BASED ON APPLICANT BASIS		
Method	Annual Credits	Proceeds
Eligible Basis	\$607,372	\$5,344,334
Gap	\$624,398	\$5,494,146
Request	\$576,007	\$5,068,351

FINAL ANNUAL LIHTC ALLOCATION	
Method	Request
Credits	\$576,007
Underwritten Proceeds	\$5,068,351

	TOTAL HARD COST COMPARISON					
	APPLICANT			TDHCA		
	Per SF	Per Unit	Total	Total	Per Unit	Per SF
Hard Costs (Direct, Site-work, Off-Sites & Contingency)	\$71.57	\$83,862	\$9,727,936	\$9,727,936	\$83,862	\$71.57
Applicant's Cost/SF Point Election						
Hard Costs plus Contractor Fees	\$82.08	\$96,168	\$11,155,466	\$11,089,847	\$95,602	\$81.59

DIRECT CONSTRUCTION COST ESTIMATE				
CATEGORY	FACTOR	UNITS/SF	PER SF	AMOUNT
Base Cost:	Multiple Residence Basis		\$60.74	8,255,417
Adjustments				
Exterior Wall Finish	1.60%		0.97	\$132,087
	0.00%		0.00	0
9-Ft. Ceilings	3.20%		1.94	264,173
Roofing			0.00	0
Subfloor			(0.70)	(95,141)
Floor Cover			4.26	578,730
Breezeways	\$0.00	0	0.00	0
Balconies	\$0.00	0	0.00	0
Plumbing Fixtures	\$890	168	1.10	149,520
Rough-ins	\$440	116	0.38	51,040
Built-In Appliances	\$1,625	116	1.39	188,500
Exterior Stairs	\$1,900	0	0.00	0
Heating/Cooling			2.51	341,149
Enclosed Corridors	\$47.87		0.00	0
Carports	\$9.70	0	0.00	0
Garages	\$30.00	0	0.00	0
Comm &/or Aux Bldgs	\$0.00	0	0.00	0
<b>Other:</b>			0.00	0
<b>Other:</b>			0.00	0
Other: fire sprinkler	\$2.25	135,916	2.25	305,811
<b>SUBTOTAL</b>			<b>74.84</b>	<b>10,171,287</b>
Current Cost Multiplier	0.98		-1.50	(203,426)
Local Multiplier	0.89		-8.23	(1,118,842)
<b>TOTAL DIRECT CONSTRUCTION COSTS</b>			<b>65.11</b>	<b>\$8,849,020</b>
Plans, specs, survey, bldg permits	3.90%		-2.54	(\$345,112)
Interim Construction Interest			0.00	0
Contractor's OH & Profit	11.50%		-7.49	(1,017,637)
<b>NET DIRECT CONSTRUCTION COSTS</b>			<b>55.08</b>	<b>\$7,486,271</b>



# 11405 Buckeye Trail Commons II

Data use subject to license.

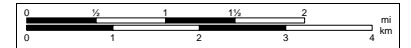
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Scale 1 : 87,500



1" = 1.38 mi

Data Zoom 11-2



# Applicant Evaluation

Project ID **11405**

Name **Buckeye Trail Commons II**

City: **Dallas**

HTC 9%     HTC 4%     HOME     BOND     HTF     NSP     ESGP     Other

No Previous Participation in Texas       Members of the development team have been disbarred by HUD

Compliance and Asset Oversight			
Total # of MF awards monitored: <u>14</u>	<b>Projects in Material Noncompliance</b> Yes <input type="checkbox"/> No <input checked="" type="checkbox"/>	Projects grouped by score	0-9: <u>9</u> 10-19: <u>4</u> 20-29: <u>1</u>
Total # of MF awards not yet monitored or pending review: <u>0</u>	Unresolved Audit Findings Identified w/ Contract(s) <input type="checkbox"/>	Total monitored with a score 0-29: <u>14</u>	
SF Contract Experience <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	Total # of MF Projects in Material Noncompliance: <u>0</u>		
Total # of SF Contracts: <u>0</u>	Completed by: <u>J. Taylor</u> Reviewer: <u>Patricia Murphy</u> Date: <u>10/13/2011</u> Date: <u>10/17/2011</u>		
Single Audit			
<input checked="" type="checkbox"/> Single audit review not applicable	<input type="checkbox"/> Late single audit certification form (see comments)		
<input type="checkbox"/> Single audit requirements current	<input type="checkbox"/> Past due single audit or unresolved single audit issue (see comments)		
Reviewer: <u>Betty Gallegos</u>		Date: <u>10/14/2011</u>	
Comments (if applicable):			
Financial Administration Loan Servicing			
<input checked="" type="checkbox"/> No delinquencies found	<input type="checkbox"/> Delinquencies found (see comments)		
Reviewer: <u>Candace Christiansen</u>		Date: <u>10/14/2011</u>	
Comments (if applicable):			
Financial Administration Financial Services			
<input checked="" type="checkbox"/> No delinquencies found	<input type="checkbox"/> Delinquencies found (See Comments)		
Reviewer: <u>Monica Guerra</u>		Date: <u>10/20/2011</u>	
Comments (if applicable):			

11

# ORAL PRESENTATION

**R1**

**MULTIFAMILY FINANCE DIVISION**

**BOARD REPORT ITEM**

**December 15, 2011**

Status report on the Housing Tax Credit Exchange Program and Portfolio

**REPORT ITEM**

**BACKGROUND**

Staff is pleased to report that as of November 29, 2011, \$586,252,575.48 (98.68%) of the total \$594,091,928.00 HTC Exchange program funds have been disbursed. Of the eighty-nine (89) Exchange transactions, seventy (70) are fully funded. There are currently ten (10) final draws under review. Six (6) developments have extended draw request deadlines (no later than December 1<sup>st</sup>) and three (3) deals may be over sourced slightly and not drawing all of the Exchange funds (see Exhibit A and Exhibit B).

Of the transactions that requested an extension, staff is working to ensure the final draws for those transactions are submitted and reviewed on or before December 1, 2011. Due to the extensive review and electronic funding processes (internal and external to TDHCA), it is imperative that draw requests are submitted timely. If funds are not fully disbursed by the US Treasury Department's December 31, 2011 deadline, the funds will not be available. Staff cannot guarantee funding if draws are not submitted with all required documentation by December 1, 2011.

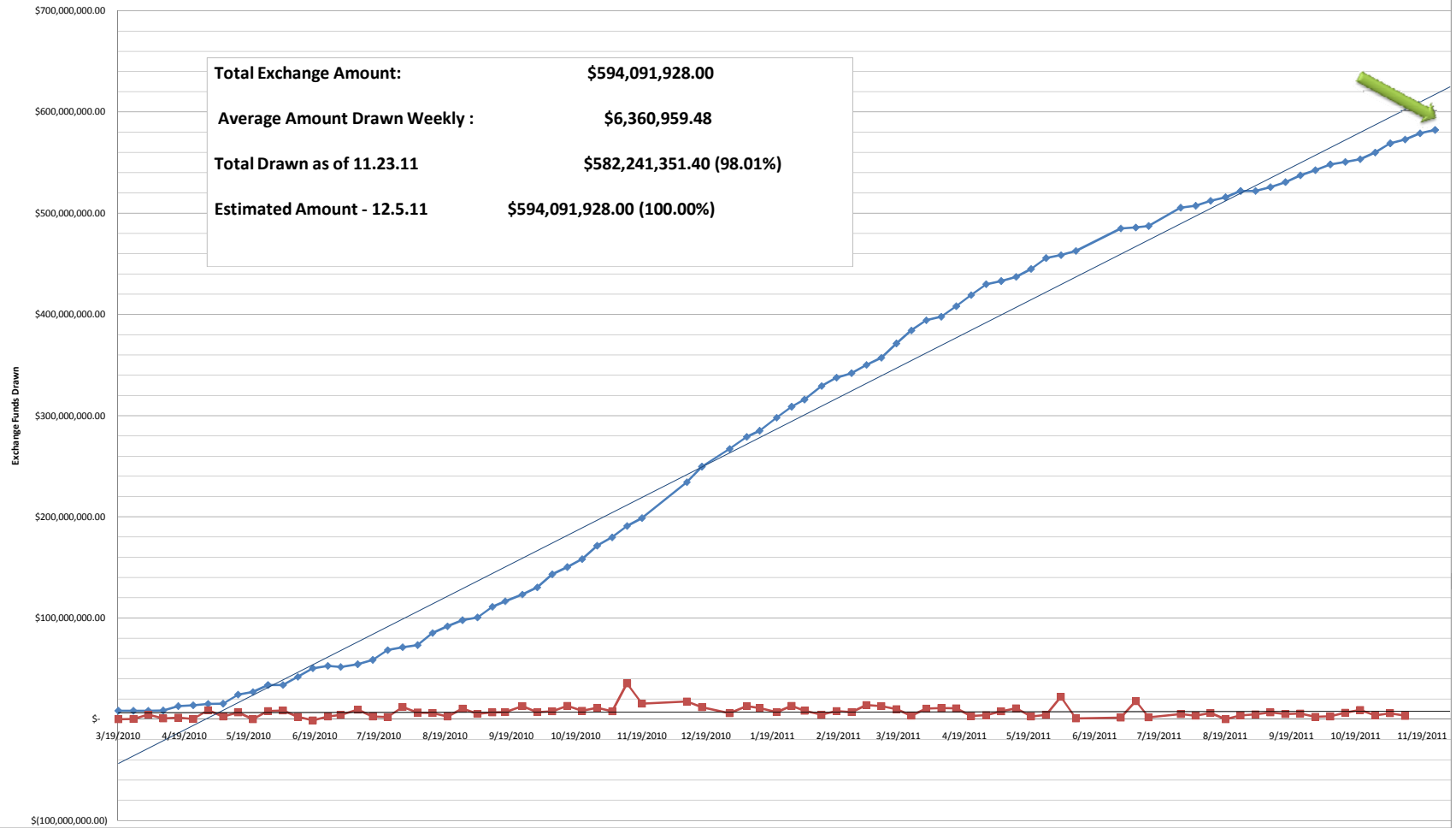
As of November 23<sup>rd</sup>, there have been fifty-one (51) cost certifications submitted. The remaining thirty-eight (38) cost certifications are anticipated to be submitted timely, but no later than the Federal deadline of January 12, 2012.

There are currently eighty-three (83) deals that are 100% complete and six (6) deals that are between 90-100%.

The Asset Management group and the Exchange Administrator work in conjunction to actively manage the portfolio of assets. Staff is working with each of the development owners to ensure that the transactions are completed and funded by the US Treasury deadlines. All developments must be Placed in Service and fully funded by the Federal deadline of December 31, 2011.

Staff will continue to report the status of the Exchange program application to the Board on a monthly basis and advising the Board of any issues that need Board resolution.

### TDHCA HTC Exchange Program Funds Drawn



Construction  
Completion % -  
3rd Party

EXHIBIT B

CONTRACT NUMBER	Reports	EXTENDED	CONTRACT_FUNDED_AMT	CONTRACT_DRAWN_AMT	Remaining Funds	Percentage of Funds Drawn	Percentage of Funds Remaining
15090009350	Tremont Apartment Homes	100%	10,224,660.00	9,648,534.15	\$	576,125.85	94%
15090009351	Tierra Pointe	100%	8,597,850.00	8,597,850.00	\$	-	100%
15090009352	Heights at Corral	100%	5,755,096.00	5,755,096.00	\$	-	100%
15090009353	Hyatt Manor I and II Apts	100%	2,551,331.00	2,551,331.00	\$	-	100%
15090009354	Arrowsmith Apts	100%	3,755,601.00	3,755,601.00	\$	-	100%
15090009356	Legacy Villas	100%	8,100,000.00	8,100,000.00	\$	-	100%
15090009357	Weslaco Hills Apts	100%	10,021,149.00	10,021,149.00	\$	-	100%
15090009362	Prince Hall Plaza	100%	5,291,035.00	5,291,035.00	\$	-	100%
15090009366	Guadalupe Crossing	99%	6,236,521.00	6,236,521.00	\$	-	100%
15090009367	Longbridge Apts	100%	1,694,696.00	1,694,696.00	\$	-	100%
15090009369	Heritage Square Apts	95%	1,347,972.00	858,538.77	\$	489,433.23	64%
15090009370	Riverplace Apts	100%	1,771,277.00	1,396,796.52	\$	374,480.48	79%
15090009901	Las Palmas Gardens Apartments	99%	6,223,846.00	6,004,557.26	\$	219,288.74	96%
15090009902	Oak Tree Village	100%	3,197,117.00	3,197,117.00	\$	-	100%
15090009903	West End Baptist Manor Apartments	99%	3,198,456.00	3,136,539.45	\$	61,916.55	98%
15090009905	Aurora Meadows	100%	9,642,000.00	9,642,000.00	\$	-	100%
15090009906	377 Villas	100%	5,955,888.00	5,955,888.00	\$	-	100%
15090009907	Melbourne Senior Apartments	100%	12,250,999.00	12,250,999.00	\$	-	100%
15090009910	Lexington Square	100%	2,997,690.00	2,997,690.00	\$	-	100%
15090009911	Trinity Garden Apartment Homes	100%	6,943,395.00	6,943,395.00	\$	-	100%
15090009912	Wentworth Apartments	100%	9,757,269.00	9,757,269.00	\$	-	100%
15090009913	Villas on Raiford	100%	10,542,031.00	9,959,997.08	\$	582,033.92	94%
15090009914	StoneLeaf at Dalhart	100%	6,150,599.00	6,150,599.00	\$	-	100%
15090009915	Jackson Village Retirement Center	100%	8,009,337.00	8,009,337.00	\$	-	100%
15090009916	Mid-Towne Apartments	100%	2,549,514.00	2,549,514.00	\$	-	100%
15090009917	Alta Vista Apartments	100%	2,936,283.00	2,936,283.00	\$	-	100%
15090009918	Gardens at Clearwater	100%	6,989,490.00	6,989,490.00	\$	-	100%
15090009919	Premier on Woodfair	100%	10,781,101.00	10,349,357.82	\$	431,743.18	96%
15090009920	Anson Park Seniors	100%	7,518,709.00	7,518,709.00	\$	-	100%
15090009921	Oak Manor/Oak Village Apartments	100%	12,171,481.00	12,171,481.00	\$	-	100%
15090009922	Parkview Terrace	100%	9,498,011.00	9,498,011.00	\$	-	100%
15090009923	Villas at Beaumont	100%	3,367,917.00	3,367,917.00	\$	-	100%
15090009924	Maeghan Pointe	100%	10,164,292.00	10,164,292.00	\$	-	100%
15090009925	Suncrest Apartments	100%	3,362,746.00	3,362,746.00	\$	-	100%
15090009926	Highland Manor	100%	11,138,884.00	11,138,884.00	\$	-	100%
15090009927	Carpenter's Point	100%	11,321,332.00	11,321,332.00	\$	-	100%
15090009928	Heritage Park Vista	100%	10,707,151.00	10,707,151.00	\$	-	100%
15090009929	Buena Vida Senior Village	100%	7,532,749.00	7,532,749.00	\$	-	100%
15090009930	Creekside Villas Senior Village	100%	12,055,533.00	12,055,533.00	\$	-	100%
15090009931	Montgomery Meadows Phase II	100%	4,519,862.00	4,519,862.00	\$	-	100%
15090009932	Constitution Court	100%	8,838,615.00	8,838,615.00	\$	-	100%
15090009934	Harris Manor Apartments	100%	6,414,471.00	6,414,471.00	\$	-	100%
15090009936	Lake View Apartment Homes	100%	12,169,238.00	12,159,234.28	\$	10,003.72	99%
15090009937	Cambridge Crossing	100%	5,010,115.00	5,010,115.00	\$	-	100%
15090009939	Vista Bonita Apartments	100%	10,822,758.00	10,822,758.00	\$	-	100%
15090009940	St. Charles Place	100%	2,096,644.00	2,096,644.00	\$	-	100%
15090009941	Residences at Stalcup	100%	7,279,740.00	7,279,740.00	\$	-	100%
15090009942	Southern View Apartments	100%	3,807,300.00	3,807,300.00	\$	-	100%
15090009943	Leona Apartments	100%	1,148,900.00	1,148,900.00	\$	-	100%
15090009944	Heritage Square	100%	3,058,062.00	3,058,062.00	\$	-	100%
15090009945	Park Place Apartments	100%	4,301,518.00	4,301,518.00	\$	-	100%
15090009946	Cedar Street Apartments	100%	3,883,800.00	3,883,800.00	\$	-	100%
15090009947	Pioneer Crossing at Mineral Wells	100%	5,300,934.00	5,300,934.00	\$	-	100%
15090009948	Park Ridge Apartments	100%	5,645,838.00	5,645,838.00	\$	-	100%
15090009949	Hampton Villages	100%	10,001,457.00	10,001,457.00	\$	-	100%
15090009951	Canyons Retirement Community	96%	7,899,892.00	7,662,382.50	\$	237,509.50	97%
15090009952	Villages at Snyder	100%	9,277,302.00	9,277,302.00	\$	-	100%
15090009953	Gholson Hotel	100%	3,028,922.00	3,028,922.00	\$	-	100%
15090009955	Oakwood Apts	100%	2,123,128.00	2,123,128.00	\$	-	100%
15090009956	Abilene Senior Village	100%	8,668,329.00	8,668,329.00	\$	-	100%

15090009958	Crestmoor Park South Apts	100%	ISSUE	3,041,202.00	EXHIBIT B	2,805,796.76	\$	235,405.24	92%	8%
15090009961	Lincoln Terrace	100%		7,894,851.00		7,894,851.00	\$	-	100%	0%
15090009963	Hacienda Del Sol	100%		8,643,534.00		8,643,534.00	\$	-	100%	0%
15090009965	Peachtree Seniors	100%	EXTENDED	14,834,619.00		14,231,281.54	\$	603,337.46	96%	4%
15090009966	Turner Street Apts	100%		4,840,000.00		4,840,000.00	\$	-	100%	0%
15090009967	Millie Street Apts	100%		4,800,000.00		4,800,000.00	\$	-	100%	0%
15090009968	Arbor Pines Apartment Homes	100%		6,725,114.00		6,725,114.00	\$	-	100%	0%
15090009970	Lufkin Pioneer Crossing for Seniors	100%		6,094,394.00		6,094,394.00	\$	-	100%	0%
15090009971	Stone Hearst Seniors	100%		4,176,653.00		4,176,653.00	\$	-	100%	0%
15090009973	Senior Villages of Huntsville	100%		4,023,653.00		4,023,653.00	\$	-	100%	0%
15090009974	Courtwood Apts	100%	ISSUE	2,052,965.00		1,457,093.47	\$	595,871.53	71%	29%
15090009976	Trebah Village	100%		9,392,459.00		9,392,459.00	\$	-	100%	0%
15090009977	Chelsea Senior Community	100%		15,066,382.00		15,066,382.00	\$	-	100%	0%
15090009978	Floral Gardens	100%	FINAL DRAW IN HOUSE	11,786,975.00		11,717,780.29	\$	69,194.71	99%	1%
15090009981	Casa Brazoria	100%	ISSUE	7,448,709.00		6,331,856.19	\$	1,116,852.81	85%	15%
15090009982	Sierra Meadows	100%		9,104,580.00		9,104,580.00	\$	-	100%	0%
15090009983	Brazos Bend Villa	100%	FINAL DRAW IN HOUSE	11,555,478.00		10,951,647.94	\$	603,830.06	95%	5%
15090009986	Greenhouse Place	100%	FINAL DRAW IN HOUSE	12,426,601.00		11,597,500.62	\$	829,100.38	93%	7%
15090009987	Heritage Crossing	100%		6,051,451.00		6,051,451.00	\$	-	100%	0%
15090009989	Champion Homes at Bay Walk	100%		10,987,246.00		10,987,246.00	\$	-	100%	0%
15090009990	San Gabriel Crossing	100%		6,028,000.00		6,028,000.00	\$	-	100%	0%
15090009992	Northgate Apts and Rhomberg Apts	100%	FINAL DRAW IN HOUSE	2,712,282.00		2,476,914.95	\$	235,367.05	91%	9%
15090009993	Malibu Apts	98%	EXTENDED	15,400,000.00		15,390,000.00	\$	10,000.00	99.0000%	0%
15090009994	Holland House Apts	100%		3,622,969.00		3,622,969.00	\$	-	100%	0%
15090009995	Village Place Apts	100%		1,747,030.00		1,747,030.00	\$	-	100%	0%
15090009996	Whispering Oaks Apts	100%		1,386,205.00		1,386,205.00	\$	-	100%	0%
15090009997	Autumn Villas	100%		903,082.00		903,082.00	\$	-	100%	0%
15090009998	Prairie Village Apts	100%		1,279,003.00		1,279,003.00	\$	-	100%	0%
15090009999	Cherrywood Apts	100%	FINAL DRAW IN HOUSE	2,458,658.00		1,900,799.89	\$	557,858.11	77%	23%
89				\$ 594,091,928.00		\$ 586,252,575.48	\$	7,839,352.52	98%	2%

\$ 6,675,190.20 Funded Remains

98.68%  
1.32%

11.29.11

Number of deals 100% Drawn 70  
% of Total 79%

FULLY FUNDED AS OF 11.29.11 70  
FINAL DRAW IN HOUSE 10  
EXTENSION DATE NOT EXPIRED 6  
ISSUE - Oversourced 3

89 1,948,130

Number of deals between 64% - 81% Drawn 5  
% of Total 6%

# of Deals 100% Complete 83  
90 to 99% Complete 6  
Less than 90% Complete 0  
Total 89

# of Cost Certs in House 51



R2

**OFFICE OF RECOVERY ACT ACCOUNTABILITY AND OVERSIGHT**

**BOARD REPORT ITEM  
December 15, 2011**

**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, 2011 through September 30, 2011.

**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>Contracts executed for 100% of funds, subrecipients drawing funds.</li> <li>Fund movements among contracts are being executed and have been submitted to DOE consistent with production forecasting.</li> </ul>	\$326,975,732 \$280,122,893 85.67%	49,993 households	\$251,779,065 998.78 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); subrecipients taking on additional funds have been granted extensions: 1 extended thru November 2011, 28 to thru December 2011, and 7 thru Feb 2012.</li> <li>Federal funding expiration date is March 31, 2012, with a 90 day close out period.</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> <li>Fund movements among contracts are being executed.</li> </ul>	\$41,472,772 \$39,783,232 95.93%	37,825 persons	\$38,320,145 131.38 jobs	<ul style="list-style-type: none"> <li>HUD requires 60% of funds expended in 2 years (Achieved Early); 100% in 3 years.</li> <li>Recipients will be required to expend all funds by December 31, 2011.</li> <li>Federal funding expiration date is July 16, 2012.</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
Community Services Block Grant Program	Assists existing network of Community Action Agencies with services including child care, job training, and poverty-related programs. Persons at or below 200% of poverty.	<ul style="list-style-type: none"> <li>• <b>COMPLETE</b></li> <li>• CSBG ARRA funds expired Sept 30, 2010</li> </ul>	\$48,109,133 \$48,117,069 99.92%	99,325 persons	\$48,119,270	<ul style="list-style-type: none"> <li>• Program complete.</li> </ul>
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 sixty-four (64) awards as of January 7, 2011.</li> <li>• Sixty-four(64) loans have closed;</li> <li>• Amount Awarded: \$148,354,769 (100%)</li> <li>• Amount Closed: \$148,354,769 (100%)</li> </ul>	\$148,354,769 \$134,970,363 90.98%	8,346 households	\$134,376,703 103.91 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. (Achieved)</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 \$582,241,351 98.01%	8,015 households	9,351 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. (Achieved)</li> <li>• Unused funds to be returned by December 2011.</li> </ul>
Total			\$1,159,043,273 \$1,085,226,118 93.63%	137,150 persons 66,354 households	\$1,025,998,658 1512: 1,234.07 jobs this quarter Exchange: 9,351 jobs cumulatively	

\*This table includes updated expenditure data as of 12/02/2011.

\*\*Total served data through 3/31/2011 for HPRP and 12/31/2010 for CSBG; 11/28/11 for WAP, 2/2/2011 for TCAP; and 12/10/2010 for HTC Ex. For TCAP and HTC Ex, households represent closed transactions.

^Jobs created or retained between 7/1/2011 and 9/30/2011. 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 12/31/2010.

^^ 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 6/30/2011.

^^^ The Housing Tax Credit Exchange Program is not subject to 1512 reporting requirements.

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**HOME PROGRAM DIVISION**

**BOARD REPORT ITEM**

**December 15, 2011**

Status Report on the HOME Program Reservation System Participants

**Background**

At its September 15, 2011, Board Meeting, the TDHCA Board approved the adoption of amendments to 10 TAC Chapter 53. One of the changes included a provision that the Executive Director may approve applications for participation in the Reservation System and that the approved Reservation System Participants and Agreements would subsequently be reported to the Board. In addition, a Single Family HOME Program Administrator with a current active contract may become a HOME Reservation System Participant by submitting a written request without the submission of an Application, with Department approval and subject to all applicable rules.

On May 5, 2011, the Board approved the 2011 Single Family Programs Reservation System NOFA, which made available approximately \$10,000,000 to assist low-income households. The NOFA also collapsed the various programmatic set-asides from the 2010 HOME Single Family Programs NOFA into one fund, in order to allow Reservation System Participants (RSP) continued access to the funding until the Department received its 2011 Program Year HOME Allocation. On July 28, 2011, the Board approved the first revision to the 2011 HOME Single Family Programs Reservation System NOFA to add the 2011 Persons with Disabilities set aside funds and extend the application deadline date.

The Department executed its 2011 HOME Grant Agreement with HUD, allowing the availability of HOME funds to be programmed for various uses in accordance with the HUD- approved 2011 Consolidated Plan One-Year Action Plan (OYAP). The 2011 allocation for the HOME Investment Partnerships Program is \$39,180,788, \$11.4 million has been allocated for multifamily activities and \$9,000,000 is programmed for contract awards for Single Family activities under a separate NOFA. On September 15, 2011 the Board approved a revision to add the remaining balance of \$12,132,695 for single family activities from the 2011 HUD HOME allocation to the HOME Single Family Programs Reservation System Notice of Funding Availability (NOFA) to be available on a first come first serve basis for Homeowner Rehabilitation Assistance (HRA), Homebuyer Assistance (HBA), and Tenant Based Rental Assistance (TBRA). In addition, \$2,000,000 is available for the Contract for Deed Conversion Program, and approximately \$3,000,000 is available for the HOME Disaster Relief Assistance Program. HOME funds for the Disaster Relief Assistance Program are comprised of five percent (5%) of the total HOME 2011 Home allocation, and general HOME deobligated funds.

The availability and use of these funds are subject to the Department's 2010 HOME Program Rule at 10 TAC Chapter 53, as amended, and the federal regulation governing the HOME Program at 24 CFR Part 92. The Single Family Programs Reservation System NOFA was

developed in accordance with the 2010 HOME Program Rule, as amended. An open application cycle will be utilized for applications received in response to the NOFA. Funds in the amount of \$12,132,695 under the NOFA were subject to the Regional Allocation Formula (RAF). Funds subject to the RAF collapsed on November 1, 2011 therefore making funds available statewide. Two applications have been received to-date and have been approved as a HOME Reservation System Participant. Applicant information is provided on the attached chart.

## 2011 HOME Single Family Programs Reservation System - Application Log

Application Acceptance Period: 9/15/2011 to 6/28/2011

Original Amount available:

Approx \$22,000,000

### 2011 RSP General Set-Aside

App number	Received Date	Applicant	Region	Activity	Comments
2011-0006	5/5/2011	City of Nacogdoches	5	RSP-HRA General	Pending RSP Approval
2011-0001	6/6/2011	Callahan County	2	RSP-HRA Disaster	Ratified as RSP 7/18/2011
2011-0002	6/16/2011	City of Ballinger	2	RSP-HRA General	Ratified as RSP 7/18/2011
2011-0003	6/20/2011	City of Memphis	1	RSP-HRA General	Ratified as RSP 7/18/2011
2011-0004	6/29/2011	Community Resource Group, Inc.	11	RSP-HBA General	Ratified as RSP 9/15/2011
2011-0005	8/1/2011	City of Chandler	4	RSP-HRA General	Ratified as RSP 9/15/2011
2011-0007	10/4/2011	Combined Community Action, Inc.		RSP-HRA Disaster	Ratified as RSP 11/10/2011
2011-0007	10/4/2011	Combined Community Action, Inc.	6, 7	RSP-TBRA Disaster	Ratified as RSP 11/10/2011
2011-0008	10/31/2011	City of Hughes Springs	4	RSP-HRA General	Pending RSP Approval
2011-0009	11/10/2011	City of Alice	10	RSP-HRA General	Pending RSP Approval

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## TDHCA Outreach Activities, November 2011

*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>
HOME TBRA Training	Austin	November 2	HOME	Training
First Thursday Income Eligibility Training	Austin	November 3	Compliance & Asset Oversight	Training
Real Choice Systems Grant Advisory Committee	Austin	November 3	Housing Resource Center	Participant
State of the Supportive Housing Industry Webinar	Austin	November 3	Housing Resource Center	Participant
HOME HBA Technical Assistance Visit/SE Texas HFC	Houston	November 7	HOME	Technical Assistance
Texas Mortgage Bankers Association Conference	Plano	November 7-8	Homeownership	Exhibitor, Participant
Grand Opening/M Station	Austin	November 9	Executive	Remarks, Participant
HOME TBRA Training	Austin	November 9	Compliance & Asset Oversight	Training
Housing Tax Credit Training	Austin	November 10	Compliance & Asset Oversight	Training
NSP Income Eligibility Training	Harlingen	November 11	Neighborhood Stabilization Program	Training
Bond Program 77 Lender Training Re-Launch	Austin	November 14	Homeownership	Training
Bond Program 77 Lender Training Re-Launch	Dallas	November 15	Homeownership	Training
NSP Income Eligibility Training	Houston	November 15	Neighborhood Stabilization Program	Training
HOME HRA & TBRA Technical Assistance Visit/Combined Community Action	Bastrop	November 15	HOME	Technical Assistance
NSP/Port Arthur Technical Assistance Visit	Port Arthur	November 16	Neighborhood Stabilization Program	Technical Assistance
NSP/Galveston Technical Assistance Visit	Galveston	November 16	Neighborhood Stabilization Program	Technical Assistance
Bond Program 77 Lender Training Re-Launch	Houston	November 16	Homeownership	Training
HOME HRA & TBRA Technical Assistance Meeting/Willacy County	Austin	November 16	HOME	Technical Assistance
Disability Advisory Workgroup	Austin	November 17	Housing Resource Center	Participant
Public Hearing/Strategic Plan to End Homelessness	Corpus Christi	November 17	Community Affairs	Public Hearing
Grand Opening/Holland House	Holland	November 17	Public Affairs	Remarks, Participant
Public Hearing/Strategic Plan to End Homelessness	San Antonio	November 18	Community Affairs	Public Hearing
Executive Women in Texas Government: Professional Development Conference	Cedar Creek	November 21	Housing Resource Center	Participant
HOME HRA Technical Assistance/City of Belton	Belton	November 22	HOME	Technical Assistance
Grand Opening/Villas by the Park	Fort Worth	November 28	Neighborhood Stabilization Program	Remarks, Participant
NSP/Frazier Redevelopment Technical Assistance Visit	Fort Worth	November 28	Neighborhood Stabilization Program	Technical Assistance

<b>Event</b>	<b>Location</b>	<b>Date</b>	<b>Division</b>	<b>Purpose</b>
Coldwell Banker Office Presentation	Austin	November 29	Homeownership	Presentation
Public Hearing/Strategic Plan to End Homelessness	Fort Worth	November 29	Community Affairs	Public Hearing
Public Hearing/Strategic Plan to End Homelessness	Dallas	November 29	Community Affairs	Public Hearing
Public Hearing/Strategic Plan to End Homelessness	Plano	November 29	Community Affairs	Public Hearing
HOME TBRA Technical Assistance Visit/Mounting Horizons	League City	November 29-30	HOME	Technical Assistance
HOME Contract for Deed & HRA Technical Assistance Visit/El Paso Collaborative	El Paso	November 29-30	HOME	Technical Assistance
Grand Opening/Park Ridge	Llano	November 30	Multifamily Finance	Remarks, Participant
Association of Rural Communities in Texas Conference	Austin	November 30	Multifamily Finance	Panelist

## **Internet Postings of Note, November 2011**

*A list of new or noteworthy documents posted to the Department's Web site*

**CSBG 2012 Action Plan for Reduction in Funds** – detailing impact on Department activities under 2012 CSBG Budget at 50% of 2011 funding levels:

[www.tdhca.state.tx.us/community-services/csbg/guidance.htm](http://www.tdhca.state.tx.us/community-services/csbg/guidance.htm)

**Update to Lender Requirements for Texas First Time Homebuyer Program** – detailing changes to requirements to participate in homebuyer program:

[www.tdhca.state.tx.us/homeownership/fthb/lender\\_reqs\\_lender.htm](http://www.tdhca.state.tx.us/homeownership/fthb/lender_reqs_lender.htm)

**ARRA WAP Ramp-down Section and Documents** – providing direction to subrecipients on a wide range of topics relating to benefits, work in progress, costs incurred during close-out phase, final monitoring, etc:

[www.tdhca.state.tx.us/recovery/detail-wap.htm](http://www.tdhca.state.tx.us/recovery/detail-wap.htm)

**Homeless Housing and Services Program Web Page** – creating a new Internet resource for state program providing services targeting homeless populations in Texas' eight largest cities:

[www.tdhca.state.tx.us/community-services/index.htm](http://www.tdhca.state.tx.us/community-services/index.htm)

**Public Hearing Schedule for Strategic Plan to End Homelessness** – providing information regarding the date, time, and location for 10 public hearings on homeless plan:

[www.tdhca.state.tx.us/tich/strategic-plan.htm](http://www.tdhca.state.tx.us/tich/strategic-plan.htm)

**2012 Uniform Multifamily Application Workshop Schedule** – for applicants in the 2012 Competitive Housing Tax Credit, Noncompetitive Housing Tax Credit, and Tax Exempt Bond programs:

[www.tdhca.state.tx.us/multifamily/htc/index.htm](http://www.tdhca.state.tx.us/multifamily/htc/index.htm)

**Public Hearing on Comprehensive Energy Assistance Program TAC Rule Amendments** – regarding a public hearing concerning the removal of the Heating and Cooling Component from CEAP:

[www.tdhca.state.tx.us/ea/index.htm](http://www.tdhca.state.tx.us/ea/index.htm)

**Public Hearing on Program Year 2012 Weatherization Assistance Program Plan** – regarding a public hearing to accept comment on draft Program Year 2012 Texas Weatherization Assistance Program (WAP) State Plan:

[www.tdhca.state.tx.us/ea/index.htm](http://www.tdhca.state.tx.us/ea/index.htm)

**2012 Housing Tax Credit Site Demographic Characteristics** – *providing data potentially affecting a Housing Tax Credit transaction's eligibility, 30% boost, and scoring during the 2012 Competitive HTC cycle:*  
[www.tdhca.state.tx.us/multifamily/applications.htm](http://www.tdhca.state.tx.us/multifamily/applications.htm)

**2012 Multifamily Bond Pre-Application Submission Timeline** – *providing developers key program milestones including submission dates, deadlines for public comment, and board meeting dates for inducement:*  
[www.tdhca.state.tx.us/multifamily/bond/index.htm](http://www.tdhca.state.tx.us/multifamily/bond/index.htm)

**FY 2011 CSBG Discretionary Funded Subrecipients** – *listing those units of local government and nonprofit organizations sharing a portion of the state's 5% CSBG Discretionary funding:*  
[www.tdhca.state.tx.us/community-services/csbg/index.htm](http://www.tdhca.state.tx.us/community-services/csbg/index.htm)

**Materials for 2012 Multifamily Uniform Applications** – *draft documents which include application procedures manual, uniform application form and electronic filing agreement, among others:*  
[www.tdhca.state.tx.us/multifamily/applications.htm](http://www.tdhca.state.tx.us/multifamily/applications.htm)

**Service-Enriched Housing Case Studies: Development Finance Report** – *regarding the creation of a financial feasibility model for service-enriched housing developed by the Housing & Health Services Coordination Council:*  
[www.tdhca.state.tx.us/hhsc/index.htm](http://www.tdhca.state.tx.us/hhsc/index.htm)

**Invitation to Bid: TREAT Expertise for the Weatherization Assistance Program** – *to identify a qualified weatherization auditor with an expertise in the use of Targeted Retrofit Energy Analysis Tool software (links to Comptroller's Web site):*  
[http://esbd.cpa.state.tx.us/bid\\_show.cfm?bidid=97918](http://esbd.cpa.state.tx.us/bid_show.cfm?bidid=97918)